

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,

*Plaintiff,*

vs.

MAURICIO CHAVEZ, GIORGIO  
BENVENUTO and CryptoFX, LLC,

*Defendants.*

CBT Group, LLC,

*Relief Defendant.*

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CIVIL ACTION NO. 4:22-CV-03359  
JUDGE ANDREW S. HANEN

**RECEIVER’S MOTION TO COMPEL**

John Lewis, Jr., the Court-appointed Receiver in the above-referenced action, files this Motion to Compel Defendant Mauricio Chavez to turn over business records and electronic devices.

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## **INTRODUCTION**

In this Motion, the Receiver respectfully requests that the Court compel Chavez to turn over CryptoFX, LLC (“CryptoFX”) company records, including accounting records under his control, records related to other entities in which he has an interest, as well as his Mac-Mini computer, and his cell phone, both of which store CryptoFX business records. Despite several requests for these records and devices, Chavez refuses to produce them claiming that they are protected by the attorney-client privilege and his Fifth Amendment right against self-incrimination. However, CryptoFX company records and the two devices are Receivership Assets that belong in the Receivership Estate. Their production is not barred by the attorney-client privilege because the Receiver holds that privilege as to the CryptoFX company records, not Chavez. Further, under the collective-entity doctrine, the requested business records (both CryptoFX and other business records) are not protected by the Fifth Amendment. Additionally, the turning over of the business records and the devices is not testimonial in nature, and thus not in violation of Chavez’s Fifth Amendment rights.

The Court should compel Chavez to turn over the CryptoFX records under his control, records related to other entities in which he has an interest, as well as his Mac-Mini computer, and his cell phone in an unencrypted state or with usernames and passwords required to access the same.

## **FACTUAL AND PROCEDURAL BACKGROUND**

### **A. Receivership Order**

This is a securities fraud case brought by the Securities and Exchange Commission (“SEC”) against Defendants Mauricio Chavez (“Chavez”), Giorgio Benvenuto (“Benvenuto”), CryptoFX, and Relief Defendant CBT Group LLC (“CBT”), who allegedly perpetrated a multimillion dollar Ponzi scheme directed at Latino investors. Specifically, Defendants raised

millions of dollars by promising investors to trade their funds on crypto assets and foreign exchange markets. Compl. *generally* (Doc. No. 3).

On September 29, 2022, the Court entered an Order Appointing Receiver for all four Defendants—Chavez and Benvenuto, individually, and the two entity Defendants CryptoFX, and CBT (collectively “Receivership Estate”) (“Receivership Order,” Doc. No. 11). In the Receivership Order, among other things, the Court took exclusive jurisdiction and possession of all of the assets of the Receivership Estate of whatever kind and wherever situated. *Id.* at ¶ 1.

Among other things, the Receivership Order authorizes and directs the Receiver to:

- i. take custody, control, and possession of all records, assets, and other property of the Receivership Estate;
- ii. perform an accounting of the receipt, disposition, and use of the subject investment proceeds; and
- iii. investigate any matters that the Receiver deems appropriate in connection with the Receivership Estate.

*Id.* at ¶¶ 14 – 20, 36 – 38, 40 - 41.

Pursuant to the Receivership Order, the Receiver took custody, possession, and control of the CryptoFX leased business premises in Houston, TX, and all the contents therein, including company records and computers. *See* Declaration of Receiver John Lewis, Jr. in support of Motion to Show Cause (Doc. No. 39-2); *see also* Receiver’s First Interim Report (Doc. No. 33). Further, pursuant to the Order, the Receiver requested that Chavez produce information, documents, and Receivership assets, including CryptoFX records under his control, his computer and cell phone, both of which contain CryptoFX business records, as well as records related to entities he controls or in which he has an interest. Receiver’s Motion to Show Cause at 4-5 (Doc. No. 39). Chavez has refused to turn over these Receivership assets claiming that production is protected by

attorney-client privilege and his Fifth Amendment right against self-incrimination.<sup>1</sup> *See* Chavez’s Response to Motion for Show Cause at 19 and Sur-reply at 7 – 9 (Doc. Nos. 45, 51).

## **B. CryptoFX Operations**

CryptoFX is a limited liability company based in Houston, TX. *See* CryptoFx, LLC, Certificate of Formation, Texas Secretary of State, attached as **Exhibit A**. Chavez is the founder and only member of CryptoFX and served as its CEO. *Id.*; *see also* SEC Motion for Preliminary Injunction at 2 (citing Deposition of Mauricio Chavez, Feb. 10, 2022 at 27:4, 32:6, and Declaration of Jillian Harris (“Harris Decl.”) at ¶ 4, APP0002) (Doc. No. 6).<sup>2</sup> CryptoFX sold cryptocurrency investment packages to investors promising to trade their funds in cryptocurrency and/or foreign exchange markets. Affidavit by Greg Hays at ¶ 6, attached as **Exhibit B** (“Hays Affidavit”); *see also* Harris Decl. at ¶ 4 (Doc. 3 - 1 APP0002); Declaration of Carol Hahn at ¶16 (“Hahn Decl.”) (Doc. No. 3 - 5, APP0221 - 22); Deposition of Orlin Turcios, Dec. 8, 2022, at 39:10 – 42:18 (“Turcios Dep.”), attached as **Exhibit C**. Chavez was CryptoFX’s sole trader. *See* Deposition of Mauricio Chavez, Feb. 10, 2022, at 60:13 - 18 (“Chavez Dep.”), attached as **Exhibit D**; Harris Decl. at ¶ 4 (Doc. 3-1 APP0002); *see also* Deposition of Julio Taffinder, Dec. 14, 2022, at 111:12 – 17 (“Taffinder Dep.”), attached as **Exhibit E**. Chavez promised to pay investors (and actually paid many) 15% - 20% monthly returns on their investments. **Exhibit B**, Hays Affidavit at ¶ 7; *see also* **Exhibit E**, Taffinder Dep. at 29:14 - 30:24 (testifying that CryptoFX paid monthly 15%

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<sup>1</sup> Following Chavez’s failure to comply with the Receivership Order, including producing the materials requested herein, the Receiver filed a Motion to Show Cause, which Chavez opposed. (Doc. Nos. 39, 49). After oral argument, the Court denied the Receiver’s Motion without prejudice to the refile of a motion to compel. (Doc. No. 67).

<sup>2</sup> Chavez’s deposition was taken by the SEC during the investigation of the case. The SEC subpoenaed Chavez for a second deposition, but he refused to testify, citing his privilege against self-incrimination under the Fifth Amendment. *See* SEC’s Appendix in Support of Motion for Preliminary Injunction, Declaration of Jillian Harris (Harris Decl.), at ¶ 8 (Doc. No. 3-1, APP0003 - 4); *see also* Declaration of Mauricio Chavez, June 7, 2022 (“Chavez Decl.”) (Doc. No. 3-1, APP0057 - 60).

returns on the investment and that payments were made every three months); **Exhibit C**, Turcios Dep., at 39:10 – 42:18, 44:21 – 48:1 (same); Deposition of Maria Saravia, Dec. 20, 2023 at 82:20 - 84:4 (“Saravia Dep.”), attached as **Exhibit F** (testifying she received 20% monthly returns on her investment and that initially she was paid the returns on her CryptoFX contract monthly); Harris Decl. ¶ 10 (Doc. 3-1 APP0004).

CryptoFX investors were asked to sign a short contract called “Venture Agreement,” which outlines the name and address of the investor, the names of the sponsors, the percentage each sponsor received in commissions on the contract, the amount invested, dates when the returns were due, and dates when payment of the returns were made. **Exhibit B**, Hays Affidavit at ¶ 8; Harris, Decl. at ¶ 11 (Doc. 3-1, APP0004); Hahn Decl. at ¶16 (Doc. 3-5, APP0221-22); *see also* **Exhibit C**, Turcios Dep. at 45:16 – 46:9. Payments of returns on prior contracts were made from funds invested by newer investors. *See* **Exhibit B**, Hays Affidavit at ¶ 9; **Exhibit F**, Saravia Dep. at 141:7 – 144:17 (discussing Ex. 47 to the deposition and testifying that payments of returns on prior contracts, commissions and bonuses were made from the same funds she collected from newer contracts). CryptoFX did not send investors any type of statement related to their investments or their performance. **Exhibit B**, Hays Affidavit at ¶¶ 10 – 11.

In order to solicit investments,<sup>3</sup> Chavez built the CryptoFX network referral program, where existing investors were paid to recruit new investors. *See* **Exhibit D**, Chavez Dep. at 92:16 – 94:12; **Exhibit C**, Turcios Dep. at 65:7 – 69:1 (testifying about the referral bonus he received

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<sup>3</sup> Also for the purpose of soliciting investments, Chavez advertised CryptoFX as an academy offering classes or presentations where investors could learn about crypto assets and how to open crypto wallets. **Exhibit C**, Turcios Dep. at 39:10 – 39:24; Harris Decl. at ¶ 11 (Doc. No. 3-1, APP0004). Attendance of these presentations was not required to invest with CryptoFX. **Exhibit D**, Chavez Dep. at 38:22 – 39:2 (testifying that attendance of “classes” by investors was “optional.”); **Exhibit C**, Turcios Dep. at 47:24 – 48:1. Many of the presentations were promotional in nature. *See* **Exhibit E**, Taffinder Dep. at 63:22 – 64:16; Harris Declaration at ¶¶ 30-31 (Doc. No. 3 – 1 APP0009 - 10).



for referring new investor to CFX); **Exhibit F**, Saravia Dep. at 81:19 – 82:9; 161:9 – 162:1. These sales people were referred to as sponsors or “leaders.” **Exhibit B**, Hays Affidavit at ¶ 12. The record shows that CryptoFX operated as a two-level pyramid scheme, where the “direct sponsor” was paid 7% of the invested capital, and the “indirect” sponsor 3%. *Id.*; *see also* Turcios Dep. at 65:7 – 69:1. In addition to these commissions, to further incentivize sponsors, CryptoFX paid them bonuses (two of these bonus programs were “Bono Doble” or “double bonuses” and “Bono Elite” or “elite bonus”). **Exhibit B**, Hays Affidavit at ¶ 12; **Exhibit C**, Turcios Dep. at 80:24 – 84:25 (testifying about the elite bonus); 120: 2 – 14 (testifying about double bunus); 176:1 – 177:11. Payments of the commissions and bonuses were made from the same investor funds the leaders collected. **Exhibit B**, Hays Affidavit at ¶ 12, *see also* **Exhibit F**, Saravia Dep. at 141:7 – 144:17.

Currently-available company records also show that the majority of the investments and payments on the contracts as well payments to sponsors were made in cash. **Exhibit B**, Hays Affidavit at ¶ 13. In fact, investors were specifically asked to bring cash or cryptocurrency to CryptoFX. **Exhibit C**, Turcios Dep. at 44:21 – 45:15. Some investments and Ponzi payments were made in cryptocurrency, wire transfers, money orders, checks, or Zelle transfers. **Exhibit B**, Hays Affidavit at ¶ 13; Hahn Decl. at ¶¶ 12 (Doc. 3-5, APP0220-21) (investors deposited checks, wire transfers, money orders, cash, Zelle transfers.); **Exhibit E**, Taffinder Dep. 31:18 – 34:14 (testifying about Ex. 31 to the deposition, which is a transcript of WhatsApp messages between Taffinder and Chavez related to payments on CryptoFX contracts made in cryptocurrency by Taffinder).

While the Complaint estimated the fraud to be approximately \$12 million dollars and that it involved approximately 5000 investors, currently available CryptoFX records obtained by the

Receiver show that over \$300 million dollars were raised by Chavez and CryptoFX and that the fraud involved over 40,000 investors in several states. *See* Receiver’s Second Interim Report at ¶¶ 6 (Doc. No. 50)

### **C. CryptoFX Accounting Records and Google Drive**

CryptoFX records show that the company had an accounting group run by Norma Chavez, Defendant Chavez’s aunt, (*see* **Exhibit F**, Saravia Dep. at 192:21 – 193:9) and a customer service division. Records show that the accounting personnel recorded investments, payments made to leaders as commissions or bonuses, as well as payments of returns on the contracts.<sup>4</sup> **Exhibit B**, Hays Affidavit at ¶¶ 14 - 15. In addition to handling the company phone line, the customer service group assisted with scheduling appointments for existing investors to receive their return payments; taking and recording investor information related to payments in cryptocurrency; recording investor information in the company records; and opening new contracts. *See* **Exhibit E**, Taffinder Dep. at 21:13 - 22:1, 22:23 - 23:13, 25:16 - 28:1. Accounting records as well as spreadsheets used by customer service were stored in the CryptoFX Google Drive. *Id.* at 102:20 - 103:4.

CryptoFX records and testimony show that many of the leaders were sent or given access to Excel spreadsheets, which are also stored in the CryptoFX Google Drive under the control of Chavez (“Leader spreadsheets.”). *See* Email from Chavez to G. Longoria, a CryptoFX Leader, attached as **Exhibit G**. Leaders used these spreadsheets to record new contracts, names of investors, amounts invested, names of sponsors, amount of commissions and bonuses paid to

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<sup>4</sup> Among the CryptoFX accounting records seized by the Receiver are daily Revenue Reports, which recorded daily the amount of funds collected in new contracts, the names of the leaders who collected the funds, amounts given to the leaders to pay returns on previous contracts, commission payments, payments to CryptoFX, payments to Chavez, and other costs. Examples of these reports are included with December 23, 2022 Affidavit by Greg Hays, in support of Receiver’s Motion to Show Cause, Doc. No. 39-5.

leaders/sponsors, funds paid in returns on prior contracts, and the balance or amount of cash sent to CryptoFX each month. **Exhibit B**, Hays Affidavit. at ¶ 16.

While CryptoFX was based in Houston, it operated in other states as well, including in California, Louisiana, and Illinois. *Id.* at ¶ 17. Records and testimony show that CryptoFX leaders in those states operated the same way that CryptoFX operated in Houston. *Id.* They opened CryptoFX contracts, collected funds from investors, paid the sponsors out of the same funds, paid returns to earlier investors, and then sent the balance of the funds, if any, to Houston, generally every month. *Id.* Funds were transferred to Houston via cryptocurrency, or cash was brought to Houston by the out-of-state leaders themselves, or Chavez would send his driver, Man L. Wong (also known as “Chino”) to pick up the cash. *See Id.*; **Exhibit E**, Taffinder Dep. at 180:10 – 186:14 (testifying that leaders would come to Houston to bring the money, and a California leader sent funds to Chavez in the form of cryptocurrency). Out-of-Texas leaders also used the Leader spreadsheets provided to them by the accounting team to record CryptoFX investor and sponsor transactions. **Exhibit B**, Hays Affidavit. at ¶ 17.

While the Receiver has collected many of these accounting and customer service documents from leaders, the Receiver still does not have all of them. *Id.* ¶ 18. The Receiver has requested that Chavez turn over CryptoFX records still in his possession, including giving the Receiver access to the CryptoFX Google Drive that contains company accounting and customer service records, including the Leader spreadsheets, which belong to the Receiver and are crucial to the performance of the Receiver’s duties. *See also* Receiver’s Motion for Show Cause at 4 - 5 (Doc. No. 39) and Reply in support of the Motion at 2 (Doc. No. 49). Chavez has refused to do so claiming that the production of CryptoFX company records is protected by attorney-client

privilege and the Fifth Amendment to the U.S. Constitution. *See* Chavez’s Response to Motion for Show Cause at 19 – 20 (Doc. No. 45) and Chavez’s Sur-reply at 7 – 8 (Doc. No. 51).

**D. Chavez’s Computer and Cell Phone**

Chavez has also refused to turn over his computer, an Apple Mac-Mini device, and his cell phone, which he has used to conduct CryptoFX-related activities. **Exhibit E**, Taffinder Dep. at 11:5 – 24 (testifying about Ex. 31 to the deposition which consists of WhatsApp messages between Taffinder and Chavez related to payments on CryptoFX contracts made in cryptocurrency by Taffinder at the direction of Chavez); 12:25 – 13:6 (testifying about cell phone communications with Chavez via text messages and WhatsApp messages); 335:14 – 17 (testifying that Chavez used an Apple Mac-Mini computer, a desktop PC, and a phone to conduct CryptoFX activities, including communicating with CryptoFX employees and investors, and trading cryptocurrency). Chavez’s Mac-Mini computer was observed on surveillance video of Chavez’s CryptoFX office dated September 28, 2022, but was not recovered by the Receiver in his sweep of the CryptoFX business premises. *See* Receiver’s Motion to Show Cause at 7 (Doc. No. 39). Chavez’s Mac-Mini is in the possession of his counsel. *See* Chavez’s Response to Receiver’s Motion to Show Cause. It is undisputed that Chavez can unlock this device—he does not claim he cannot. Chavez refuses to turn over this device claiming it contains privileged information, “personal and intimate” material, and that the production of this computer is protected by the Fifth Amendment. *See* Chavez’s Response to Motion to Cause at 19 (Doc. No. 45).

Further, the record is uncontroverted that Chavez used his cell phone and WhatsApp<sup>5</sup> to communicate with his employees, business partners, sponsors, and investors. For example,

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<sup>5</sup> WhatsApp is an internationally available freeware, cross-platform, centralized instant messaging and voice-over-IP service. It allows users to send text and voice messages, make voice and video calls, and share images, documents.

approval of payment of returns on CryptoFX contracts was done in part via WhatsApp messages. *See Exhibit E*, Taffinder Dep., 31:13 – 33:17 (testifying about Ex. 31, transcript of messages between Chavez and Taffinder requesting Chavez to transfer cryptocurrency to a CryptoFX Exodus<sup>6</sup> account Taffinder handled to make payments of returns on CryptoFX contracts to investors). It is also undisputed that Chavez used WhatsApp to communicate with leaders and investors. Further, it is undisputed that Chavez has the password or access code to his phone.

#### **E. Records About Chavez’s Other Businesses**

Pursuant to the Receivership Order the Receiver has properly requested and Chavez has refused and continues to refuse to turn over records about his other businesses: Maurizio Group LLC, JM Monarchy LLC, Luxury Real Estate LLC, and Hair News Color N Cuts LLC. *See* Receiver’s Motion to Show Cause at xxx at 4 – 5 (Doc. No. 39) and Reply in support of the Motion at 5 (Doc. No. 49).

Maurizio Group LLC is a Texas limited liability company formed by Chavez in November 2020 (after he formed CryptoFX), and Chavez is its only member. *See* Maurizio Group LLC Certificate of Formation, Texas Secretary of State, attached as **Exhibit H**. This is “a real estate marketing company,” with no apparent independent sources of income. **Exhibit D**, Chavez Dep. at 184:18 – 23; 185:8 - 15; 205:11 – 209:18. Further, it is undisputed that Chavez deposited investor funds and “commissions and bonuses from CryptoFX” into the Maurizio Group bank accounts. *Id.* at 139:18-21; 210:5 - 11 (“**Q**: Help me understand in general where you would deposit [CryptoFX] investor checks? **A**: The CryptoFX account, Maurizio Group account or CBT accounts as well. . . . So, I transferred money from my personal to -- to the crypto and from the crypto to the Maurizio Group.”); *see also* Hahn Decl. at ¶¶ 4-5, 7-8, 24-26 (Doc. No. 3-5,

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<sup>6</sup> Exodus is a cryptocurrency wallet.

APP0218-20, APP0225). Other than some bank records, the Receiver has not received any business records related to the present or past operations of this company.

JM Monarchy LLC is also a Texas limited liability company formed by Chavez and his reported girlfriend, Janette Gonzalez, in May 2021. *See* JM Monarchy LLC Certificate of Formation, Texas Secretary of State, attached as **Exhibit I**. Chavez and Gonzalez are the only members of this LLC. *Id.* JM Monarchy owns a house at 24923 Tidmor Lane, Richmond, TX 77406, which was originally purchased by Chavez and then transferred to JM Monarchy, as well as a Lexus. Based on current records, the Receiver believes that investor funds were improperly used to purchase these assets and that they are Receivership assets. **Exhibit B**, Hays Affidavit at ¶¶ 19 - 21. As such, Records related to this entity are relevant to the Receiver's work in investigating Receivership assets and possible claims the estate may have against third parties. The Receiver has not received any business records related to the present or past operations of this company.

Luxury Real Estate LLC and Hair News Color N Cuts LLC are Texas limited liability companies formed by Chavez in January 2022, and Chavez is the only member of each LLC. *See* Luxury Real Estate LLC and Hair News Color N Cuts LLC Certificates of Formation, Texas Secretary of State, attached as **Exhibits J** and **K**, respectively. Luxury Real Estate was also a "real estate marketing company," and similar to Maurizzio Group. Deposition of Janette Gonzalez, Dec. 7, 2023 at 55:19-56:3 ("Gonzalez Dep."), attached as **Exhibit L**. The Receiver has received no records related to the operations of this company or any of its sources of income other than CryptoFX investor funds. Records show that Luxury Real Estate owned a house at 2030 Greenhaven Court, Missouri City, TX, purchased with CryptoFX funds, which Chavez

subsequently transferred to JJ Trust, Janette Gonzalez, Trustee. **Exhibit B**, Hays Affidavit at ¶¶ 22 - 23.

Hair News is a hair salon that Chavez purchased in 2022 with CryptoFX investor funds. *See* SEC Motion for Preliminary Injunction at 8 (Doc. No. 6); Hahn Decl. at ¶ 21 (Doc. 3-5, APP0224). It appears that Chavez rented the space where the hair salon operated; however, the Receiver has received no documents related to the purchase, operation of this business, or the leased premises.

The Receiver has gathered the available public filings for these companies, and Janette Gonzalez has provided some documents about JM Monarchy. However, Chavez has yet to provide accounting, bank, employee, or other records and information about the present and past operations of these businesses, their sources of income, assets these businesses own or the liabilities they face. The Receiver understands from currently available records that investor funds were improperly transferred to these entities and used to purchase real estate and other Receivership assets. **Exhibit B**, Hays Affidavit at ¶¶ 19 - 23. Therefore, production of records related to these entities is important in the Receiver's work in tracing funds and investigating claims against third parties for the benefit of the estate.

#### LEGAL AUTHORITIES AND ARGUMENT

##### **A. The Records Requested by the Receiver Are Not Protected by Chavez's Attorney-Client Privilege.**

The Receivership Order specifically authorizes and orders the Receiver to take possession, custody and control over all CryptoFX and CBT records and to preserve the same. These records include paper and electronic files, including email communications, banking and accounting records. Further, the Receiver is the holder of the attorney-client privilege with respect to CryptoFX and CBT, the two entities subject to the receivership, and he is the only party authorized

to act on behalf of these two entities. *See* Receivership Order at ¶¶ 4-6; *S.E.C. v. Ryan*, 747 F. Supp. 2d 355, 368 (N.D.N.Y. 2010); *S.E.C. v. Bravata*, No. 09-12950, 2011 WL 606745, at \*2 (E.D. Mich. Feb. 11, 2011). As the holder of the privilege, the Receiver also has the power to waive the privilege for CryptoFX and CBT. *Ryan*, 747 F. Supp. 2d at 368; *S.E.C. v. Elfindepan, S.A.*, 169 F. Supp. 2d 420, 431 (M.D.N.C. 2001) (receiver can waive attorney-client privilege on behalf of companies subject to receivership). Thus, Chavez cannot refuse to turn over CryptoFX records based on a claim of attorney-client privilege. To the extent that Chavez claims that legitimately privileged material is comingled with business records belonging to the Receiver, preparation of a privilege log is his remedy. He may not, however, assert a blank claim of privilege as attempted here. Similarly, the “personal and intimate” material Chavez claims is contained on his computer and phone, in addition to the business records, to the extent that such material actually exists, can also be redacted prior to production.

**B. Under the Collective-Entity Doctrine, the Requested Business Records are Not Protected by the Fifth Amendment.**

The Fifth Amendment provides that “[n]o person . . . shall be compelled in any criminal case to be a witness against himself.” U.S. CONSTITUTION, AMEND. V. “[T]he Fifth Amendment privilege is a purely personal one,” which cannot be exercised on behalf of collective entities. *Bellis v. United States*, 417 U.S. 85, 90 (1974). In fact, “[i]t is well established that . . . artificial entities are not protected by the Fifth Amendment.” *Braswell v. United States*, 487 U.S. 99, 102 (1988). Moreover, an individual who holds records in a representative capacity cannot rely upon the privilege against self-incrimination to avoid producing the records of the collective entity. *Id.* at 109 (explaining that the “constitutional privilege against self-incrimination is essentially a



personal one, applying only to natural individuals”).<sup>7</sup> The courts have long held that this “collective-entity doctrine” precludes custodians of records of corporations, partnerships, limited liability companies, or other collective entities, from relying on the Fifth Amendment to block production of those records. *See Bellis v. United States*, 417 U.S. 85, 88 (1974) (in a case dealing with partnership records, explaining that a “long line of cases has established that an individual cannot rely upon the [Fifth Amendment] privilege to avoid producing records of a collective entity, which records are in his possession in a representative capacity, even if those records might incriminate him personally”); *see also Braswell*, 487 U.S. at 108-109 (corporate records); *United States v. Roe*, 421 F. App’x 881, 885 (10th Cir. 2011) (limited liability company records); *United States v. Feng Juan Lu*, 248 F. App’x 806, 808 (9th Cir. 2007) (single-member LLC, finding that LLC’s business records are not protected by the Fifth Amendment); *Expert Janitorial v. Williams*, No. 3:09-CV-283, 2010 WL 2854295, at \*5 (E.D. Tenn. July 19, 2010) (single-member LLC, finding that LLC’s business records “are not protected by the right against self-incrimination provided for in the Fifth Amendment because they are the records of a collective entity.”).<sup>8</sup>

A “collective entity is ‘an organization which is recognized as an independent entity apart from its individual members.’” *In re Grand Jury Proc.*, 814 F.2d 190, 192 (5th Cir. 1987), *aff’d sub nom. Braswell v. United States*, 487 U.S. 99, 108 (1988) (quoting *Bellis*, 417 U.S. at 92).

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<sup>7</sup> The definition of “representative capacity” reaches any organization whose records are held by a representative. *United States v. B & D Vending, Inc.*, 398 F.3d 728, 733 (6th Cir. 2004) (quoting *Bellis*, 417 U.S. at 89). “The rationale for barring Fifth Amendment claims in these circumstances is that ‘individuals, when acting as representatives of a collective group, cannot be said to be exercising their personal rights and duties.’” *Id.* As a result, the records must be those of “an organization which is recognized as an independent entity apart from its individual members.” *Id.*

<sup>8</sup> *Heinhold Hog Market, Inc. v. McCoy*, 700 F.2d 611, 613 (10th Cir. 1983) (records of unincorporated association); *United States v. Richardson*, 469 F.2d 349 (10th Cir. 1972) (records of Subchapter-S corporation); *In re Grand Jury Subpoena*, 973 F.2d 45, 48 (1st Cir. 1992) (records of nominee trust); *United States v. Harrison*, 653 F.2d 359, 361-62 (8th Cir. 1981) (records of family trust).

Further, “[w]hether an organization is properly deemed a collective entity has little to do with its size.” *In re Grand Jury Subpoena*, 973 F.2d 45, 47 (1st Cir. 1992); *accord In re Grand Jury Proceedings*, 727 F.2d 941, 945 (10th Cir. 1984) (“in evaluating a Fifth Amendment claim, the critical factor was not the *size* of the organization the records of which were being subpoenaed”) (internal quotation marks and citations omitted) (italics in original)). Rather, “the critical factor . . . [is] the *nature* of the capacity—either personal or representational—with respect to the privilege which was claimed.” *In re Grand Jury Proceedings*, 727 F.2d at 945 (internal quotation marks and citations omitted) (italics in original); *accord United States v. B & D Vending*, 398 F.3d 728, 734 (6th Cir. 2004) (“the key question is whether the records [being sought] are those of a ‘collective entity’ which are held by an individual in a representative capacity.”).

Here, CryptoFX is a “collective entity.” It is a Texas limited liability company. *See Exhibit A*. Further, Texas law is clear that a limited liability company is a creature of law, with a legal identity separate and distinct from that of its owners. *See* TEX. BUS. ORGS. CODE ANN. § 101.001 *et seq.*; *In re Grand Jury Proc.*, 814 F.2d 192. In this case, the records requested by the Receiver are company records, which Chavez holds in his capacity as a member or representative of CryptoFX; they are not personal records. As such, the Fifth Amendment does not bar the production of CryptoFX records.

Similarly, the production of records related Chavez’s other businesses (Maurizzio Group, JM Monarchy, Luxury Real Estate, and Hair News Color N Cuts) are not protected by the Fifth Amendment. Each of these entities is a Texas limited liability company, and thus, each is a “collective entity.” *See Exhibits H, I, J, and K*. As such, their records are not protected by the Fifth Amendment and should be produced. *Braswell*, 487 U.S. at 102.

Therefore, the Court should compel Chavez to produce all records in his possession and control related to CryptoFX, Maurizio Group, JM Monarchy, Luxury Real Estate, and Hair News Color N Cuts.

**C. Turning Over Business Records And Unencrypted Electronic Devices Is Not Testimonial In Nature.**

Additionally, Chavez’s invocation of the Fifth Amendment privilege fails because producing CryptoFX records, providing access to the CryptoFX Google Drive, as well as turning over his computer and cell phone in an unencrypted state do not qualify as “testimonial communication[s] that [are] incriminating.” *Fisher v. United States*, 425 U.S. 391, 408 (1976). The Fifth Amendment provides that “[n]o person shall be compelled in any criminal case to be a witness against himself.” U.S. CONST. AMEND. V. The Fifth Amendment’s protections therefore arise only “when the accused is compelled to make a Testimonial Communication that is incriminating.” *Fisher*, 425 U.S. at 408; *see United States v. Hubbell*, 530 U.S. 27, 34 (2000) (“The word ‘witness’ in the constitutional text limits the relevant category of compelled incriminating communications to those that are ‘testimonial’ in character”); *United States v. Cheng*, No. 4:20-CR-455, 2022 WL 112025, at \*6 (S.D. Tex. Jan. 12, 2022) (The Supreme Court has held that “the Fifth Amendment privilege against self-incrimination is not violated when the government compels a person to turn over incriminating evidence, unless the act of production is both ‘testimonial’ and ‘incriminating.’”) (quoting *Fisher*, 425 U.S. at 409-10).

First, it is well-established that the Fifth Amendment does not apply to the contents of voluntarily prepared documents. *Hubbell*, 530 U.S. at 35-36, 120 S. Ct. 2037. The Supreme Court has consistently held that when a person has voluntarily created a document, that person may be compelled to produce the document even though it may contain incriminating information. *See, e.g., United States v. Doe*, 465 U.S. 605, 612 n. 10 (1984). In *Hubbell*, the Supreme Court

reaffirmed “the settled proposition that a person may be required to produce specific documents even though they contain incriminating assertions of fact . . . because the creation of those documents was not compelled within the meaning of the privilege.” *Hubbell*, 530 U.S. at 35-36; accord *In re Grand Jury Subpoena Duces Tecum Dated March 25, 2011*, 670 F.3d 1335, 1342 (11th Cir. 2012). Additionally, the Fifth Amendment privilege against self-incrimination does not apply to incriminating evidence that was generated prior to the demand that this evidence be produced. *Fisher*, 425 U.S. at 391 (holding that papers which were voluntarily prepared prior to the issuance of the summons could not contain compelled testimonial evidence). “Thus, once an individual chooses voluntarily to prepare a written account, the act of preparation serves as an effective waiver of the Fifth Amendment protections, and the resulting document is a physical object that can be acquired.” *Fed. Trade Comm’n v. PointBreak Media, LLC*, 343 F. Supp. 3d 1282, 1292 (S.D. Fla. 2018). Here, the Receiver seeks the production of all CryptoFX records, as well as all records about the other businesses and/or assets in which Chavez has an interest that were voluntarily prepared prior to the entry of the Receivership Order. Chavez, therefore, does not enjoy any Fifth Amendment protection in the contents of these business records. *See id.* at 1293.

Second, there is no Fifth Amendment protection where the act of production “adds little or nothing to the sum total of the Government’s information because the means that the existence and the location of the documents sought to be produced are a ‘foregone conclusion.’” *Cheng*, 2022 WL 112025, at \*6 (quoting *Fisher*, 425 U.S. at 411). “A communicative act ‘must itself, explicitly or implicitly, relate a factual assertion or disclose information’ in order to be testimonial.” *Id.* at \*7 (quoting *Doe v. United States*, 487 U.S. 201, 210 (1988)). Here, Chavez’s compelled production of access to or the passwords to the CryptoFX Google Drive and the production of the unlocked

devices, would not disclose any information or relate any factual assertion, other than the undisputed fact that Chavez controls the CryptoFX Google Drive and devices at issue here. The record is undisputed that Chavez controls the CryptoFX Google Drive and that he has possession of the Mac-Mini computer and his cellphone, and that he has access to both devices—the computer is currently held by his counsel. As a result, compelling Chavez to provide the passwords to the CryptoFX Google Drive and produce the unencrypted devices is not testimonial and, thus, does not infringe on Chavez’s Fifth Amendment rights.

Further, Chavez’s production of the passwords to the CryptoFX Google Drive and the devices is not testimonial because Chavez’s knowledge of the passwords is a “foregone conclusion.”

The Supreme Court has recognized that in some instances, the production of evidence can implicate the Fifth Amendment. The Supreme Court has held that “[t]he act of producing evidence in response to a subpoena . . . has communicative aspects of its own, wholly aside from the contents of the papers produced.” *Fisher*, 425 U.S. at 410. And “compliance with a request for evidence may ‘tacitly concede[ ] the existence of the documents demanded and their possession and control by the [defendant].’” *Id.* “When the production of evidence does concede the existence, custody, and authenticity of that evidence, the Fifth Amendment privilege against self-incrimination applies because that production constitutes compelled testimony.” *United States v. Apple MacPro Computer*, 851 F.3d 238, 247 (3d Cir. 2017).

However, “the Fifth Amendment does not protect an act of production when any potentially testimonial component of the act of production—such as the existence, custody, and authenticity of evidence—is a ‘foregone conclusion’ that ‘adds little or nothing to the sum total of the Government’s information.’” *Id.* For the rule to apply, “the Government must be able to ‘describe

with reasonable particularity’ the documents or evidence it seeks to compel.” *Id.* (quoting *Hubbell*, 530 U.S. at 30; *see also Cheng*, 2022 WL 112025, at \*7 (“The foregone conclusion doctrine teaches that, if the testimonial aspect of an act of production is already known to the government and is not proven to be a testimonial act, the testimony is a foregone conclusion and the Fifth Amendment privilege does not apply.”) (internal quotations omitted).

Here, even if the Court finds that the Fifth Amendment may be implicated—which it is not—any testimonial aspects of the production of the CryptoFX Google Drive and the unencrypted devices are a foregone conclusion. The record is clear and undisputed that the company records exist and Chavez can access them.

Here, Chavez’s act of providing access to the CryptoFX Google Drive and turning over the unencrypted devices, as required by this Court’s Receivership Order, is not a question of testimony but of surrender of property that now belongs to the Receiver. *See Fisher*, 425 U.S. at 411 (“Where the existence and location of the subpoenaed documents are a ‘foregone conclusion’ and the witness ‘adds little or nothing’ by conceding he has the documents, there is no Fifth Amendment privilege against production because the production becomes a ‘question . . . not of testimony but of surrender.’”); *see also Apple MacPro Computer*, 851 F.3d at 248-49; *Cheng*, 2022 WL 112025, at \*9; *Pointbreak Media*, 343 F. Supp. 3d at 1294 (granting Receiver’s request for turnover of the defendants’ laptop and cell phones and holding that their surrender of the devices “[was] not a testimonial communication for which they [could] successfully invoke a Fifth Amendment objection.”).

As such, the Court should compel Chavez to turn over to the Receiver the Mac-Mini computer and the cell phone in an unencrypted state as well as provide the usernames and passwords to the CryptoFX Google Drive that contains CryptoFX accounting documents as well

as cooperate with the Receiver in any two step authorization required to access the same.<sup>9</sup> The Court should further compel Chavez to produce records related to the past and present operations, if any, of Maurizio Group, Luxury Real Estate, JM Monarchy, and Hair News Color N Cuts. These records are crucial to the performance of the Receiver's duties under the Receivership Order, especially in determining the nature and value of Receivership assets, the administration of the claims process, as well as the investigation of claims the estate may have against third parties. Access to these business records is even more critical in this case where most of the transactions were in cash and the company lacked a central accounting system.

#### **CONCLUSION**

The Receiver respectfully requests that the Court grant the Receiver's Motion to Compel and enter an Order compelling Chavez to turn over the CryptoFX records under his control; provide access to the CryptoFX Google Drive; produce records related to other entities in which Chavez has an interest; as well as turn over his Mac-Mini computer and his cell phone in an unencrypted state or with usernames and passwords required to access the same.

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<sup>9</sup> Google requires a 2-Step verification, also called two-factor authentication, to access its applications.

Dated: April 25, 2023

Respectfully submitted,

SHOOK, HARDY & BACON L.L.P.

By: /s/ Sonila Themeli

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***Counsel for Court-Appointed  
Receiver John Lewis, Jr.***



**CERTIFICATE OF CONFERENCE**

The undersigned certifies that she has conferred with counsel for Chavez, and he opposes this Motion. I have also conferred with counsel for Plaintiff SEC, and the SEC does not oppose the Motion or the relief requested herein.

*/s/ Sonila Themeli*

Sonila Themeli

**CERTIFICATE OF SERVICE**

I hereby certify that on this the 25th day of April, 2023, the above and foregoing document was filed electronically through the CM/ECF system, which sent notification of such filing to all counsel of record:

Matthew J. Gulde  
UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit 18  
Fort Worth, TX 76102  
Telephone: 817.978.1410  
Facsimile: 817.978.4927  
[guldem@sec.gov](mailto:guldem@sec.gov)

***Attorney for Plaintiff  
U.S. Securities and Exchange Commission***

Paul D. Flack  
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4306 Yoakum Blvd., Suite 500  
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Telephone: 713.705.3087  
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***Attorney for Defendant,  
Mauricio Chavez***

Dan L. Cogdell  
COGDELL LAW FIRM, PLLC  
1000 Main Street, Suite 2300  
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Telephone: 713.426.2244  
[Dan@cogdell-law.com](mailto:Dan@cogdell-law.com)

***Attorney for Defendant,  
Giorgio Benvenuto***

/s/ Sonila Themeli  
Sonila Themeli

# EXHIBIT A

Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709  Filing Fee: \$300	  <b>Certificate of Formation          Limited Liability Company</b>	<b>Filed in the Office of the          Secretary of State of Texas          Filing #: 803537771 02/05/2020          Document #: 943644170002          Image Generated Electronically          for Web Filing</b>
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**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**CRYPTOFOX LLC**

**Article 2 – Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be company named above) by the name of:

**United States Corporation Agents, Inc.**

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**9900 Spectrum Drive Austin TX 78717**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: **Mauricio Chavez**

Title: **Manager**

Address: **13411 Briar Forest Dr., Apt. 1033 Houston TX, USA 77077**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**LegalZoom.com, Inc.      101 N. Brand Blvd., 11th Floor, Glendale, CA 91203**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Cheyenne Moseley, Asst. Secretary, LegalZoom.com, Inc.**

Signature of Organizer

**FILING OFFICE COPY**

# **EXHIBIT B**

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE	§
COMMISSION,	§
	§
<i>Plaintiff,</i>	§
	§
vs.	§
	§
MAURICIO CHAVEZ, GIORGIO	§
BENVENUTO and CryptoFX, LLC,	§
	§
<i>Defendants.</i>	§
	§
CBT Group, LLC,	§
	§
<i>Relief Defendant.</i>	§

CIVIL ACTION NO. 4:22-CV-03359  
JUDGE ANDREW S. HANEN

**AFFIDAVIT OF S. GREGORY HAYS**

Personally appeared before the undersigned notary public, duly authorized to administer oaths, S. Gregory Hays, who being duly sworn, deposes and states the following under oath:

1. My name is S. Gregory Hays. I am over 21 years of age, of sound mind, and otherwise competent to give this affidavit based on my personal knowledge.
2. I am the managing principal of Hays Financial Consulting, LLC (“HFC”), which was employed by the court-appointed Receiver, John Lewis, Jr. (the “Receiver”) as Financial Consultants and Accountants. Our role is to assist the Receiver with financial analysis and forensic accounting, and a court order allowing this employment was entered on December 1, 2022. (Doc. Nos. 31 and 37).
3. The Receiver employed Shook, Hardy & Bacon LLP (“SHB”) as counsel to the Receiver. Collectively, the Receiver, HFC, and SHB are referred to as the “Receiver Team”.

4. The Receiver Team inspected the offices of CryptoFX and arranged to have all the paper records scanned and stored in Relativity, a database and document review program.

5. The Receiver Team has subpoenaed thousands of pages of documents and they have been uploaded to the Relativity database. I have personally spent hundreds of hours reviewing these documents.

6. My review of the CryptoFX records shows that CryptoFX, a Texas-based limited liability company, sold cryptocurrency investment packages to investors promising to trade their funds in cryptocurrency and/or foreign exchange markets.

7. The records also show that Chavez promised to pay investors (and actually paid many) 15% - 20% returns on their investments.

8. Investors were asked to sign a short contract called "Venture Agreement," which outlined the name and address of the investor, the names of the sponsors, the percentage each sponsor received in commissions on the contract, the amount invested, dates when the returns were due, and dates when payment of the returns were made. The Receiver team has collected hundreds of these agreements. A true and correct copy of an exemplar CryptoFX Venture Agreement is attached herein, as **Exhibit 1**.<sup>1</sup> Payments of returns on the investment were generally made every three months. *Id.*

9. My review of the CryptoFX records shows that payments of returns on prior contracts were made from funds invested by newer investors.

10. CryptoFX did not send investors any type of statement or record showing how their funds were traded or how the investment performed.

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<sup>1</sup> For example, the initial capital invested in the Venture Agreement shown in **Exhibit 1** is \$7,500. 15% return for each month equals \$1,125/month. The investor was paid \$3,375 after 3 months (\$1,125x3). He/she was paid the same amount in the next 3 months.



11. CryptoFX did not provide any tax notice including 1099-MISC or other income notice to investors.

12. Company records show that CryptoFX operations were based on a network referral program, where existing investors were paid to recruit new investors. These sales people were referred to as sponsors or “leaders.” The company operated as a two-level pyramid scheme, where the “direct sponsor” was paid 7% of the invested capital, and the “indirect” sponsor 3%. In addition to these commissions, to further incentivize sponsors to bring more people to invest in CryptoFX, the company paid them bonuses. Two of these bonus programs were “Bono Doble” or double bonuses and “Bono Elite” or elite bonus. Payments of the commissions and bonuses were made from the same investor funds the company collected.

13. Currently-available company records show that the majority of the investments and payments on the CryptoFX contracts as well payments of commissions and bonuses to sponsors were made in cash. Company records further show that some investments as well as payments to investors and sponsors were made in cryptocurrency, wire transfers, money orders, checks, or Zelle transfers.

14. CryptoFX had an accounting group managed by Norma Chavez, who I understand to be Defendant Chavez’s aunt. The company did not have a centralized accounting system. Records show that the accounting personnel recorded investments, payments made to leaders as commissions or bonuses, as well as payments of returns on the contracts on Excel spreadsheet stored in the CryptoFX Google Drive.

15. CryptoFX also employed several individuals to handle customer service operations. In addition to handling the company phone lines, the customer service group assisted with scheduling appointments for existing investors to receive their return payments; taking and

recording investor information related to payments in cryptocurrency; recording investor information in the company records; and opening new contracts.

16. CryptoFX records show that many of the leaders were sent or had access to Excel spreadsheets, which are also stored in the CryptoFX Google Drive (“Leader spreadsheets”). Leaders used these spreadsheets to record new contracts, names of investors, amounts invested, names of sponsors, amount of commissions and bonuses paid to leaders, funds paid as returns on prior contracts, and the balance or amount of cash sent to CryptoFX generally each month.

17. CryptoFX was based in Houston, TX. It also operated in other states, including California, Louisiana, and Illinois. *See Receiver’s First Interim Report at 2 (Doc. No. 33)*. Records show that CryptoFX leaders in those states operated in the same way that CryptoFX operated in Houston. They opened CryptoFX contracts, collected funds from investors, paid the sponsors out of the same funds, paid returns to earlier investors, and then sent to Houston the balance, if any, of the funds generally every month. The out-of-state leaders brought the cash to Houston themselves or Chavez would send his driver, Man L. Wong (also known as “Chino”) to pick up the cash. The out-of-state leaders also used the Leader spreadsheets provided to them by the Houston accounting team to record CryptoFX investor and sponsor transactions.

18. The Receiver Team has taken possession of thousands of pages of CryptoFX accounting and customer service documents, including many of the spreadsheets used by the leaders. However, the Receiver Team has not obtained access to the CryptoFX Google Drive, which stores additional accounting documents.

19. Additionally, my analysis of the CryptoFX records and records obtained from third parties show that Chavez transferred CryptoFX investor funds to other businesses he controls,

including Maurizzio Group, LLC, JM Monarchy, LLC, Luxury Real Estate, LLC, and Hair News Color N Cuts, LLC.

20. For example, we have identified \$78,750 in CryptoFX investor checks payable to JM Monarchy directly deposited into a JM Monarchy bank account at Bank of America.

21. Further, our analysis shows that Chavez purchased the property at 24923 Tidmor Lane, Richmond, TX 77406 on 9/17/21 for \$354,234. The majority of the proceeds used to purchase the property came from a bank account in the name of Mauricio Chavez at BBVA Bank. The source of the majority of the funds used to make the \$311,005.12 payment for the property purchase can be traced to transfers from CryptoFX's Coinbase account. Mr. Chavez transferred this property to JM Monarchy LLC on January 19, 2022.

22. We have also identified at least \$640,000 in CryptoFX investor funds payable to Luxury Real Estate directly deposited into a Luxury Real Estate bank account at Regions Bank.


23. Further, we have found that Luxury Real Estate purchased a property located at 2030 Green Haven Ct, Missouri City, TX on April 14, 2022 for \$703,733. The funds used to purchase the property came from bank accounts in the name of Mauricio Chavez and Luxury Real Estate. Of the purchase price, \$378,000 can be traced to CryptoFX investor funds paid directly to Luxury Real Estate. The source of the other funds used to purchase the property is being traced. Luxury Real Estate transferred the property to JJ Trust, Janette Gonzalez Trustee, on August 11, 2022, for no known consideration.

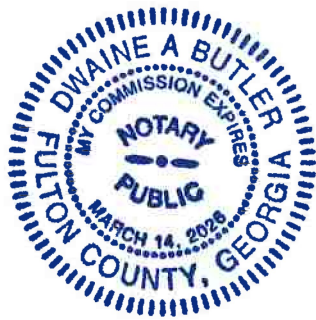
FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
S. Gregory Hays

*Sworn to and Subscribed* before me

This 24<sup>th</sup> Day of April, 2023

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 3/14/2026



REDACTED

NAME:

ADDRESS:

START DATE: 03/15/22 DUE DATE: 09/15/22

PHONE: REDACTED

E-MAIL:

DIRECT SPONSOR 7%: REDACTED

INDIRECT SPONSOR 3%: REDACTED



No. 016012

CFX lifestyle



BRONZE PACKAGE 1K+

\$ \_\_\_\_\_



SILVER PACKAGE 5K+

\$ 7,500.00



GOLD PACKAGE 10K+

\$ \_\_\_\_\_

MONTHLY  3 MONTHS  6 MONTHS  CONTRACT RENEWAL

MONTH 1 06/15/22 \$3,375 paid 06/21/2022

MONTH 2 09/15/22 \$3,375 paid 09/30/2022

MONTH 3 \_\_\_\_\_

MONTH 4 \_\_\_\_\_

MONTH 5 \_\_\_\_\_

MONTH 6 \_\_\_\_\_

+30 DAYS CONTRIBUTION OR CONTRACT RENEWAL

VENTURE AGREEMENT CRYPTOFX,LLC

REDACTED

FREELY DECIDED TO CONTRIBUTE TO CRYPTOFX LLC THE AMOUNT OF \$7,500.00

I UNDERSTAND THAT CRYPTOFX LLC IS NOT AN INVESTMENT COMPANY OR PLATFORM, IT IS AN EDUCATIONAL ACADEMY OF FOREX AND CRYPTOCURRENCY. WE ARE TAKING YOUR MONEY AND INVESTING IN OUR BEHALF. IF WE RECEIVED ENOUGH RETURN ON CRYPTO CURRENCY, WE WILL REPAY THE STUDENT A PORTION OF THE TOTAL TUITION.

IN CONSIDERATION OF CRYPTOFX, LLC AGREEING TO ENTER INTO A VENTURE AGREEMENT, THE STUDENT ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT: - THE VENTURE IS VERY SPECULATIVE AND RISKY. FOREIGN EXCHANGE AND CRYPTOCURRENCY TRADING IS HIGHLY SPECULATIVE AND THE STUDENT UNDERSTAND AND IS WILLING TO ASSUME THE ECONOMIC, LEGAL, AND OTHER RISKS INVOLVED AND (B) IS FINANCIALLY ABLE TO ASSUME LOSSES.

- THE STUDENT UNDERSTANDS THAT CRYPTOFX LLC IS A SIMPLE EDUCATIONAL ACADEMY NOT REGISTERED WITH THE TEXAS WORKFORCE COMMISSION NOR HAS ANY REGISTRATION WITH THE SECURITY AND EXCHANGE COMMISSION AS A DEALER OR AS AN AGENT NOR HAS ANY INSURANCE COVERAGE.

THE STUDENT UNDERSTAND THAT WILL BE LEARNING THE STRATEGIES FOR TRADING FOREIGN CURRENCIES AS WELL AS CRYPTOCURRENCIES AND KNOWS THAT THERE IS NO INVESTMENT PLAN.

CONFIDENTIAL AGREEMENT

REDACTED

I AGREE TO KEEP THIS VENTURE AGREEMENT AS PRIVATE AND NOT TO SHARE ANY INFORMATION PROVIDED TO OTHERS. ANY MATERIALS LEARNED WILL NOT BE SHARED UNLESS HAVING PERMISSION BY CRYPTOFX, LLC.

THE STUDENT FURTHER UNDERSTAND THERE IS A HIGH RISK IN TRADING FOREIGN CURRENCIES AND ACKNOWLEDGES HE/SHE DOES NOT KNOW NOR UNDERSTAND THE FEES INVOLVED IN TRADING FOREIGN CURRENCIES.

THE STUDENT FURTHER UNDERSTAND THERE IS A HIGH RISK WITH THE CRYPTOCURRENCY AND IN TRADING IN CRYPTOCURRENCIES BECAUSE THE VOLATILITY OF THE PRICE MAY DECREASE OVER A SHORT PERIOD OF TIME RESULTING IN SIGNIFICANT LOSS FOR THE STUDENT. A POSSIBLE HACKING INCIDENT OR MALICIOUS ATTACK MAY NEGATIVELY IMPACT THE PRICE OF THE CRYPTOCURRENCIES AND IN THE EVENT OF THEFT OR FRAUD ARE DIFFICULT TO TRACE AND RECOVER.

REDACTED

STUDENT'S SIGNATURE

DATE: 03/15/22

CRYPTOFX,LLC REPRESENTATIVE

DATE: 03/15/22

CRYPTOFX,LLC RECEIVER

DATE: 03/15/22



# EXHIBIT C

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IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
MAURICIO CHAVEZ, )  
GIORGIO BENVENUTO, and )  
CRYPTOFOX, LLC, )  
 )  
Defendants. )  
 )  
and )  
 )  
CBT GROUP, LLC, )  
 )  
Relief Defendant. )  
 )

Case No. 4:22-cv-3359

ORAL VIDEOTAPED DEPOSITION  
MR. ORLIN W. TURCIOS-CASTRO  
December 8, 2022

Reported by:  
Michelle Hartman  
JOB No. 221208WWC

1           A. No. They only had one office in the  
2 third floor.

3           Q. Okay. But there were other -- other  
4 businesses operating in this building?

5           A. Yes, there are more businesses over  
6 there.

7           Q. Did you know any of the 30 people who  
8 were there other than Rossy Gomez?

9           A. No, just Tony that I had met about 18  
10 years before, but we had lost a connection, contact,  
11 and then I run into him in there.

12          Q. Okay. How did you meet Tony Lemus?

13          A. In sales.

14          Q. Did you work with Tony Lemus?

15          A. He applied for a position when I was  
16 working for Lunchtime. He never got to work in  
17 there, but we developed a relationship.

18          Q. After you met him during your time at  
19 Lunchtime, how often would you see Tony Lemus?

20          A. We went out a couple of times for coffee,  
21 and then I went over his house to do a presentation  
22 of the product, and after that we lost communication.

23          Q. What product were you presenting at  
24 Tony's house?

25          A. When I was selling them kitchen pans with



1 Lunchtime -- Lifetime.

2 Q. Lifetime is the company that Lunchtime  
3 became?

4 A. No. Lifetime was the name of the  
5 company. And then it changed to Imperial World  
6 (sic) -- W-A-R-E.

7 Q. I don't have Lifetime or Imperial Ware on  
8 my list of places you've worked. So can you fit that  
9 in?

10 A. I started in 2010, because I worked in  
11 Aqua Remach USA Corporation until 2009.

12 MS. AGUILAR: Can I have a minute?

13 THE WITNESS: And in 2010 I started with  
14 Lifetime, like Lifetime, and then they changed their  
15 name to Imperial World -- Ware.

16 MR. GULDE: You need a second, yeah, go  
17 ahead.

18 THE VIDEOGRAPHER: The time is 10:28  
19 a.m., and we are off the record.

20 (Discussion off record)

21 THE VIDEOGRAPHER: The time is 10:29  
22 a.m., and we are on the record.

23 THE INTERPRETER: Per interpreter: For  
24 the record, for all the times that we have mentioned  
25 Lunchtime, the witness just clarified that he meant

1 Lifetime, L-I-F-E-T-I-M-E.

2 THE VIDEOGRAPHER: All right. Take a  
3 break, right?

4 MR. GULDE: Yeah.

5 THE VIDEOGRAPHER: The time is 10:29  
6 a.m., and we are off the record.

7 (Recess taken)

8 THE VIDEOGRAPHER: The time is 10:37  
9 a.m., and we are on the record.

10 Q. (BY MR. GULDE) Mr. Turcios, we were  
11 discussing the invitation that Rossy Gomez extended  
12 to you to visit CFX at City Center.

13 Do you remember that?

14 A. Yes.

15 Q. When Tony Lemus took you aside, what did  
16 you talk about?

17 A. He explained me about the project, about  
18 what they were offering.

19 Q. And what was the project and what were  
20 they offering?

21 A. He told me that it was an academy and  
22 that we could become members of that academy and we  
23 would have the benefit of 15 percent monthly of  
24 interest.

25 Q. What kind of academy was he saying that

1 this was?

2 A. Crypto currency academy.

3 Q. Excuse me. And how did the academy side  
4 of CFX work?

5 A. They explained me that they did the  
6 trading in there, and from that trading, they would  
7 give you the benefit of 15 percent, and that you can  
8 also take classes with them.

9 Q. Okay. So who would conduct the trading  
10 that happened to produce the 15 percent?

11 A. That was never explained to me.

12 Q. Did you ever ask?

13 A. Not really.

14 Q. Did you ever come to find out who did the  
15 crypto currency trading for CFX?

16 A. No, because I -- due to time issues, I  
17 never went.

18 Q. And when you say you "never went," you  
19 never went to what?

20 A. To the trainings.

21 THE INTERPRETER: Per interpreter:  
22 Interpreter needs to clarify something with the  
23 witness.

24 (Witness and interpreter confer)

25 THE INTERPRETER: That's fine, we're

1 good.

2 Q. (BY MR. GULDE) Did you ever see crypto  
3 currency being traded by CFX?

4 A. No.

5 Q. But do you believe that crypto currency  
6 was traded on your behalf?

7 A. Yes.

8 Q. And was that the pitch to members  
9 generally, that crypto currency would be traded on  
10 their behalf to make this 15 percent monthly?

11 A. Yes.

12 Q. And that -- was that true whether or not  
13 anyone ever actually went to classes?

14 A. Yes.

15 Q. And this was all explained to you by Tony  
16 Lemus the very first day you heard about CFX?

17 A. Yes.

18 Q. Did Tony Lemus mention Mauricio Chavez to  
19 you?

20 A. Yes, when I arrived there, yes, he  
21 mentioned him.

22 Q. And what did he say about Mauricio  
23 Chavez?

24 A. He told me he was the CEO.

25 Q. That he was the CEO of CFX?

1 A. Uh-huh, yes.

2 Q. And did Tony Lemus tell you anything else  
3 about Mauricio Chavez?

4 A. No.

5 Q. Did you hear anyone from CFX talking to  
6 the other 30 people who were there that night?

7 A. No, because they were doing it one to  
8 one, so they took me to one place.

9 Q. You believe they spoke to each one of  
10 these 30 people one on one?

11 A. I assume, because that's what they did  
12 with me, I left there and I -- I left.

13 Q. Did you invest in CFX then or soon after?

14 A. Soon after.

15 Q. Okay. Can you estimate when and how  
16 much?

17 A. Back then, it was like 20 days after, and  
18 I invested \$4,000.

19 Q. And who did you give your \$4,000 to?

20 A. I went over there to the building.

21 Q. And this was the same building that you  
22 had had this discussion with Tony Lemus in?

23 A. Yes.

24 Q. What time of day was it?

25 A. It was around noon.

1 Q. And then what time of day was that --  
2 that first meeting that Rossy invited you to?

3 A. 11:00 in the morning.

4 Q. And was it a weekday or a weekend?

5 A. Weekday.

6 Q. How did you decide that you were going to  
7 invest \$4,000 in CFX?

8 A. Because I was doing an investment with an  
9 insurance company, which name is Prime America, and I  
10 have with them my life insurance and retirement  
11 insurance, so -- that I took out, 150 a month; and in  
12 that year, 2020, which was the year of the pandemic,  
13 I checked my account to see how much money I had then  
14 and I realized that I had lost money with them, so I  
15 decided to withdraw -- withdraw it and invest it in  
16 here.

17 Q. And was that \$4,000 all of the money that  
18 was in that account?

19 A. I opened some others later on. I brought  
20 proof over there, but that was the first one I  
21 opened.

22 Q. Okay. So you're saying you later opened  
23 more accounts with CFX. But I'm asking if that  
24 \$4,000 was all of the money that was in the  
25 underperforming account that you removed?

1           A. Since they were investing in the stock  
2 market, they should have had what I had initially  
3 invested, that was around 10,000, but they only --  
4 but it had gone down to about 4,500.

5           Q. Did you pull money out in cash?

6           A. They deposit it into my account and I  
7 withdraw it in cash.

8           Q. And what bank was that?

9           A. Wells Fargo.

10          Q. Okay. How many accounts do you have at  
11 Wells Fargo?

12          A. Just one.

13          Q. What other banks do you bank at?

14          A. At a credit union, which name is Energy  
15 Capital.

16          Q. Energy Capital Credit Union?

17          A. Uh-huh.

18          Q. Other than Wells Fargo and Energy Capital  
19 Credit Union, do you bank anywhere else?

20          A. No.

21          Q. Why didn't you just write CFX a check?

22          A. Because they told me it was with crypto  
23 currency BitCoin, and if I didn't have BitCoin, then  
24 I had to bring to cash.

25          Q. Who told you that you had to bring cash

1 if you didn't have BitCoin?

2 A. Tony.

3 Q. Okay. And did he explain why it needed  
4 to be in cash or BitCoin?

5 A. He told me that they were going to buy  
6 it.

7 Q. Tony Lee has told you that they were  
8 going to buy BitCoin?

9 A. Yes.

10 Q. Okay. And what is your understanding  
11 about why they needed cash to do that rather than a  
12 check that you might write?

13 A. Honestly, I didn't ask him. Just because  
14 of the same relationship and the fact that I knew  
15 Tony, I didn't ask, I just trusted, I trusted.

16 Q. Well, what happened with that -- well,  
17 let me ask this: Do you remember the terms of your  
18 initial \$4,000 investment?

19 A. Yes.

20 Q. Okay. What is the returns that you  
21 expected to get?

22 A. 15 percent a month payable every three  
23 months.

24 Q. Okay. So when three months had passed,  
25 what happened?



1 A. They paid me.

2 Q. And how much did they pay you?

3 A. 15 percent. I think it was \$1,800.

4 Q. And what happened to the original \$4,000?

5 A. I have that contract opened and every  
6 three months they were paying me. I have had it open  
7 for about a year and a half. Because that was the  
8 time limit to have a contract opened, and then they  
9 returned the main capital to me.

10 Q. I'm sorry if I'm going to make you repeat  
11 yourself, but tell me how long the contract was open.

12 A. A year and a half.

13 Q. So for 18 months, you received an \$1,800  
14 payment every three months?

15 A. In some cases through my own decision, I  
16 did a rollover.

17 Q. And then at the end of the year and a  
18 half, you pulled out the original seed, \$4,000?

19 A. I withdrew it, but since I have already  
20 done some rollovers, I think I received \$7,000 plus.

21 Q. The 4,000, plus the amount that had been  
22 rolled over?

23 A. Uh-huh.

24 Q. And all those payments of \$1,800, and  
25 more as the case may be, did you believe them to be

1 the proceeds of crypto currency on your behalf?

2 A. Yes.

3 Q. Did you ever think that the money was --  
4 that the \$1,800 payments were simply funds that had  
5 been recently received from new investors?

6 A. No.

7 Q. Did you ever hear Tony Lemus disclose  
8 that that might be happening?

9 A. No.

10 Q. Did you ever hear Mauricio Chavez tell  
11 investors that that might be happening?

12 A. No. Because actually when I went into  
13 this for one year and a half, the only thing that I  
14 would go there for is to collect my money.

15 Q. Or to tell them to roll it over?

16 A. Yes.

17 Q. So a year and a half from October of 2020  
18 gets us into -- is that April of 2021 -- '22? Sorry.

19 A. Yes.

20 Q. And then during the time that you had  
21 this first contract opened, did you open any new  
22 contracts?

23 A. No.

24 Q. During this time, did you take any  
25 classes at CFX?

1 A. No, never.

2 Q. During this time, were you aware of CFX  
3 operating in other cities?

4 A. No.

5 Q. Have you later become aware of CFX  
6 operating in other cities?

7 A. Yes.

8 Q. How was it that you came to be aware of  
9 CFX's operations in other cities?

10 A. When I would go to the office, I would  
11 overhear people that were coming from other states.

12 Q. And this is when you would come to the  
13 office after April 2022?

14 A. No, before. It was around January that I  
15 started to realize, because I would bump into people  
16 who would say, "Where are you coming from?"

17 "Oh, I'm from Illinois" and things like  
18 that.

19 Q. Okay. So you would run into people in  
20 Houston who had traveled from Illinois for what  
21 purpose?

22 A. They would tell me that they were doing  
23 the same thing I was, collecting their money.

24 Q. And did you see them collect money?

25 A. No, because that would be private. You

1 would get into a place.

2 Q. And was that your experience in  
3 collecting money?

4 A. Yes.

5 Q. Okay. Would it be behind closed doors?

6 A. No. But it was, like, small -- a  
7 small -- how did you call these things when you have  
8 like the divisions for offices?

9 Q. I would call those "cubicles."

10 A. Uh-huh, exactly.

11 Q. And when you came to pick up your money  
12 for payments, who would give you cash?

13 A. It was different. It was not always the  
14 same person because there were different people  
15 working there.

16 Q. And was it always a cash payment?

17 A. Yes.

18 Q. Did CFX ever write you a check?

19 A. No. No, at the beginning when I started,  
20 I think they did two or three deposits to my account.

21 Q. And would this have been your Wells Fargo  
22 account?

23 A. Yes.

24 Q. Okay. So you're talking about the \$1,800  
25 payments, maybe two or three of them were deposited

1 to your account?

2 A. Yes.

3 Q. Who was it at CFX who would give you the  
4 cash, do you know their names?

5 A. No, because it was just like young women  
6 or young men that were working in there; and you  
7 would arrive and there were people waiting, they  
8 would give you your money, and you would leave.

9 Q. So you first described visiting a City  
10 Center location for CFX. Did you ever start visiting  
11 another location on Blalock?

12 A. Yes.

13 Q. About when was that?

14 A. In January, January of 2000 -- 2022.

15 Q. So before your initial contract had even  
16 closed, they had moved to the Blalock location?

17 A. Yes, they were there.

18 Q. Was there anything different about coming  
19 to get your money at the Blalock location than the  
20 City Center location?

21 A. This place was bigger.

22 Q. Can you estimate how many people would --  
23 how many investors would be at CFX when you would  
24 come to pick up your check?

25 A. You would always see about 30 to 50

1 people.

2 Q. And is that true both at the City Center  
3 location and the Blalock location?

4 A. No, here at Blalock.

5 Q. And were there more or fewer people at  
6 the City Center location?

7 A. I would see less.

8 Q. But did you get the sense that CFX was  
9 growing during the time you had your first contract  
10 opened?

11 A. Yes.

12 Q. While you had your first contract opened,  
13 did you attend any CFX recruitment events?

14 A. Yes, in January.

15 Q. Can you describe that?

16 A. Yes. Those happened on Mondays at 7:00  
17 p.m., and you can go there, you can invite somebody  
18 if you wanted, it was not a requirement; and then  
19 somebody would go to the front and do the  
20 presentation.

21 Q. Where were those held?

22 THE INTERPRETER: I'm sorry, the  
23 interpreter needs the question to be repeated.

24 Q. (BY MR. GULDE) Where were those held?

25 A. In Blalock.

1 Q. And about how many people would attend?

2 A. It would change the amount of the times.  
3 Sometimes I would go, sometimes I would see many; but  
4 the place didn't have a huge capacity, maximum 60  
5 people.

6 Q. And were these events designed to bring  
7 people who were not current CFX investors into the  
8 company?

9 A. It was for the new people that were  
10 already in would learn how this worked and also for  
11 the guests to learn about this, too.

12 Q. Were the guests generally people who were  
13 already CFX investors or were they not?

14 A. No, usually the guests were -- would be  
15 people that would come over to learn about it also.

16 Q. And about how many of these did you  
17 personally attend?

18 A. I don't understand the question.

19 Q. You said that these were generally on  
20 Mondays at 7:00 p.m. at the Blalock location. I'm  
21 asking how often -- how many times total you went  
22 there.

23 A. From mid January, I started going every  
24 Monday. There were a few that because of reasons  
25 related to my work I was not able to attend, but

1 generally I would go.

2 Q. And you said from mid January until when?

3 A. Like August.

4 Q. Why was it that you started attending  
5 every Monday?

6 A. First, because I wanted to know this  
7 well, to really know the product.

8 Q. And what did you come to find out about  
9 the project during these Monday meetings?

10 A. That it was an academy with students and  
11 they would do trading. You would become a member and  
12 they would do the trading in crypto currency.

13 Q. In all of these meetings, did you ever  
14 personally learn anything about trading crypto  
15 currency?

16 A. No. No, they would promote classes for  
17 people to go on other days, but I never attended.

18 Q. In all these Monday meetings, did you  
19 ever learn anything about trading forex?

20 A. No, they did explain that they were  
21 working with forex and crypto, but I didn't.

22 Q. Okay. So if we were to summarize what  
23 you learned when you really wanted to know the  
24 project, it was that CFX people said that they were a  
25 crypto academy?



1 that part. Honestly, I have never asked.

2 Q. Does she have any kids?

3 A. Yes, she has two kids.

4 Q. And how old are her kids?

5 A. I don't know, but one is already an  
6 adult, I think he's around 21 or 22, and the other  
7 one is 14, 14 or 15.

8 Q. You're still friends?

9 A. Yes.

10 Q. How did Carmen De la Cruz get involved  
11 with CFX?

12 A. When I saw that they were paying me, I  
13 invited her to come and see the project.

14 Q. About when was that?

15 A. Like three months, around 2021.

16 Q. Okay. So you -- if you opened your  
17 account in October 2020, three months passed, the  
18 beginning of 2021?

19 A. Yes.

20 Q. And what did you invite her to?

21 A. Also, to come and see a project that I  
22 was participating in and that I have already been  
23 paid.

24 Q. Did you invite her to one of these Monday  
25 meetings that you were going to weekly?

1           A. No, because I started in October 2020,  
2 but I didn't start going to those meetings until  
3 January of 2022, this year.

4           Q. Okay. Okay. So what specific event did  
5 you invite Carmen to?

6           A. I told her to come and somebody in there  
7 was going to explain her, just as they explained to  
8 me.

9           Q. Okay. So you invited her to -- did you  
10 come with her?

11          A. Yes.

12          Q. Did you sit in when they explained the  
13 project to her?

14          A. Yes, yes.

15          Q. Who was it who explained it to Carmen?

16          A. Tony.

17          Q. And did Carmen invest as a result of this  
18 meeting?

19          A. Yes, but not the same time, later on.

20          Q. Okay. How much later did Carmen invest?

21          A. It could have been one week later.

22          Q. Did you know how much she invested?

23          A. \$1,000.

24          Q. And do you know what Carmen's experience  
25 has been with payout?

1 A. Yes, she was paid also.

2 Q. All right. We were talking about who all  
3 went to the classes, and I asked if you knew anybody  
4 who actually went to the classes, and you mentioned  
5 Carmen. Who else went to the classes?

6 A. I know about people, but I don't know --  
7 I do not know the names, but I know the people would  
8 go because those classes were advertised. I do have  
9 a friend that assisted -- that attended. I recall  
10 now his name is Hans.

11 Q. Do you have a last name?

12 A. It is a bit complicated. No, I don't  
13 have it.

14 Q. How did you know Hans?

15 A. He's my friend and he's a member of my  
16 church. He's a captain in the United.

17 Q. An airline captain who flies for United?

18 A. Yes.

19 Q. Do you have Hans' number --

20 A. Yes.

21 Q. -- in your phone right now?

22 A. He's not a current member of the academy.

23 Q. Okay.

24 A. 763-245-1727. She attend -- he attended  
25 classes, and as far as I understand, he learned how

1 to do the trading.

2 MS. AGUILAR: Can I have a moment,  
3 please?

4 MR. GULDE: Sure.

5 THE VIDEOGRAPHER: The time is 11:23  
6 a.m., and we are off the record.

7 (Discussion off record)

8 THE VIDEOGRAPHER: The time is 11:24  
9 a.m., and we are on the record.

10 Q. (BY MR. GULDE) Now, you said a second  
11 ago that Hans is someone who is not a member of the  
12 academy anymore; is that right?

13 A. As far as I know, he's not.

14 Q. And by not being a member of the academy,  
15 do you mean that his contract has expired and he has  
16 gotten his money back?

17 A. Yes.

18 Q. Okay. Now, other -- other than Carmen  
19 and Hans, who else do you know who took the classes?

20 A. I do know about the people, but I do not  
21 know the names or the phone numbers because of so  
22 many people.

23 Q. Can you estimate how many CFX investors  
24 attend classes?

25 A. Honestly, no, because I never attended.

1 Q. Okay. We'll go over your contracts in  
2 detail but -- when we have had a chance to look at  
3 them, but can you -- can you tell us the next time,  
4 if any, you invested with CFX after your original  
5 contract closed?

6 A. Yes, the thing is there are things that I  
7 forgot about, but I have them there.

8 Q. Should we just wait until we have them in  
9 front of us?

10 A. Yes, they are there.

11 Q. Let's -- let's think about that first one  
12 briefly, though. You talked about a year and a half  
13 contract in which you were either paid \$1,800 every  
14 six months -- every three months or you would roll  
15 over some portion.

16 A. Okay.

17 Q. Is that -- is that true?

18 A. Yes.

19 Q. So that means that you were paid \$1,800  
20 six times either in cash or to your account as  
21 rollover, right?

22 A. Yes.

23 Q. And then on top of those payments, you  
24 got your original \$4,000 back, right?

25 A. Yes.

1 Q. Okay. So 1,800 times six, I will  
2 represent to you, is \$10,800. Do you agree with  
3 that?

4 A. Yes, plus the capital.

5 Q. Plus the capital of --

6 A. No, with my capital.

7 Q. So if you -- if you got six payments of  
8 \$1,800, times six, comes out to 10,800.

9 A. Oh, yes.

10 Q. And then you also got \$4,000 back, which  
11 was your original investment, right?

12 A. Yes.

13 Q. So at the end of the day, that first  
14 contract ended up putting 14 -- at least \$14,800 in  
15 your pocket on your original investment of \$4,000?

16 A. Yes.

17 Q. And it may have been also more because of  
18 rollover effects?

19 A. It could have been, yes.

20 Q. Okay. Now, are you -- we have heard from  
21 many people that Aqua Remach is a place where they  
22 would come to to do CFX business; is that true?

23 A. Yes, they would come.

24 Q. How did that come to be that the Aqua  
25 Remach facility started to be used?

1           A. I invited -- three months after when I  
2 was paid, I invited Ms. -- Mrs. Ivonne Madrid, who is  
3 a person that knows me. We have a relationship. She  
4 trusts me. And I told her that I was in a project  
5 and that she could come and see, and she came to see  
6 and she also decided to be part of the academy.

7           Q. Now, you said three months there, but I'm  
8 not sure what the reference is. Three months from --  
9 when was it that you invited Ivonne Madrid?

10          A. Three months from the date I started.

11          Q. Okay. So in the very beginning of 2021?

12          A. Yes.

13          Q. And what did you invite Ivonne to?

14          A. The day that I was coming to collect my  
15 first quarterly payment, I told her to come with me  
16 so she could see; and when she saw that I was being  
17 paid, she asked for the information. The information  
18 was provided to her, and she decided to join in.

19          Q. Was Tony Lemus there that day?

20          A. Yes.

21          Q. And was Tony the one she talked to?

22          A. Yes.

23          Q. Had you met Mauricio Chavez at this  
24 point?

25          A. No.

1 Q. Okay. When did you ever meet Mauricio  
2 Chavez?

3 A. It was really the year 2022.

4 Q. Did you know what month?

5 A. February, March.

6 Q. Okay. We will come back to that. Do you  
7 know if Ivonne invested?

8 A. Yes.

9 Q. And do you know how much she invested and  
10 when?

11 A. Since it was on the date that I came to  
12 collect my money, it was January 2021, and she  
13 invested \$10,000.

14 Q. Now, on this very day she invested  
15 \$10,000?

16 A. Yes.

17 Q. Was it during that very visit?

18 A. Yes.

19 Q. Was it cash?

20 A. Yes.

21 Q. So Ivonne --

22 A. If I'm not mistaken, she didn't have all  
23 the money with her, she had to come back later, but  
24 it was that same day.

25 Q. Okay. Did she have any of the money with



1 her?

2 A. Yes, I think she had \$5,000 with her.

3 Q. Okay. So Ivonne came to CFX's office  
4 that day expecting to be able to invest some money?

5 A. Yes. I didn't know she was going to do  
6 it, but yes.

7 Q. And before she came and talked to Tony  
8 Lemus, were you the only person she had talked to  
9 about CFX and investing with CFX?

10 A. Yes.

11 Q. And did you tell Ivonne how CFX was able  
12 to make 15 percent monthly on your investment?

13 A. Yes, I explained her what I knew, but  
14 since she is somebody that needs to see to believe,  
15 she came with me the day I was paid; and when she saw  
16 that I was being paid, then she asked for somebody to  
17 explain the project to her, and Tony explained to  
18 her.

19 Q. And were you there when they explained  
20 it?

21 A. Yes.

22 Q. And so how did Tony explain how they were  
23 able to make 15 percent per month on your investment?

24 A. The same thing that they explained to me  
25 and everybody else, that they were doing trading;

1 that they were -- there were classes also, but that  
2 basically they were doing trading and that that was  
3 the return.

4 Q. Did he show any records that reflected  
5 the trades?

6 A. No.

7 Q. In this time, did you ever hear of CFX  
8 not being able to make its payment?

9 A. No.

10 Q. And Ivonne never asked to see any  
11 evidence of actual crypto currency trading?

12 A. Not that I know.

13 Q. So she opened a \$10,000 contract that  
14 day; is that right?

15 A. Yes.

16 Q. Did you receive a referral payment for  
17 bringing her in?

18 A. Yes, everybody would get a bonus referral  
19 of seven percent.

20 Q. So did you get seven percent of \$10,000  
21 on that day in January 2021 when Ivonne invested?

22 A. Yes, they would give it to you later on,  
23 like two or three weeks after.

24 Q. Okay. How would that be recorded to you,  
25 did you have to take any documentation in to show

1 that you were owed a seven percent referral for  
2 Ivonne?

3 A. No. In the paper that you would sign,  
4 the contract, it would be registered. And that I can  
5 explain you in that one that you have over there.

6 Q. So you're pointing to a CFX contract that  
7 I have sitting over here; is that right?

8 A. Yes.

9 Q. And we'll look at this in detail, but for  
10 now, am I correct in saying that the only records  
11 that you had that you were owed a seven percent  
12 referral fee on Ivonne's contract was Ivonne's  
13 contract itself?

14 A. The contract, yes.

15 Q. And did you get a copy of it as the  
16 referrer?

17 A. No. The contract would have a yellow  
18 copy and the original. In this case, that one  
19 (indicates). And the original would go to Ivonne and  
20 they would keep the yellow copy.

21 Q. CFX would keep the yellow copy?

22 A. Yes.

23 Q. Okay. So when these contracts were  
24 signed, there were -- there is an original white  
25 copy, and then underneath it with a carbon copy is a

1 yellow piece of paper with the same information?

2 A. Yes.

3 Q. And was there ever more than two pieces  
4 of paper?

5 A. I never saw that.

6 Q. What would happen to your ability to  
7 collect a referral fee if Ivonne lost her contract?

8 A. Honestly, I don't know. I don't have the  
9 answer for that, but they always paid.

10 Q. Did you ever hear of that happening,  
11 someone losing their contract?

12 A. No.

13 Q. Now, the seven percent was not the only  
14 type of referral fee, correct?

15 A. They also had a two percent.

16 Q. And can you tell us how that worked?

17 A. For example, if I would invite you, they  
18 would give me the seven percent. If I would invite  
19 you and you would invite her, you would get the seven  
20 percent and I would get the three percent, and that  
21 would be it.

22 Q. Nobody gets -- or you wouldn't get  
23 anything if -- if she signed somebody else up?

24 A. If she would invite somebody else, then  
25 she would receive the seven, you would receive the

1 three, and I would stop receiving.

2 Q. Okay. How do you keep track of who --  
3 who I'm referring?

4 A. For example, if I would invite you, you  
5 would be aware of the people that have referred  
6 because this was not another way.

7 Q. I'm not sure I understand your answer.

8 So let me ask this: How many people --  
9 in the sum of your experience with CFX, how many  
10 people did you refer?

11 A. Tops, eight to ten people.

12 Q. And you received seven percent for each  
13 of those?

14 A. For the first referral.

15 Q. Okay. And then did any of those people  
16 make referrals themselves?

17 A. Yes, a lot of the people that would get  
18 to -- in the office of Aqua Remach, I didn't even  
19 know them.

20 Q. But I'm asking you a more specific  
21 question. The people that you referred personally,  
22 you know that they also made referrals?

23 A. Yes.

24 Q. Okay. And so you were making the point  
25 that a lot of them you haven't even met?

1 A. The ones that were referred by them.

2 Q. But you could still collect three percent  
3 for each of their investments?

4 A. No. I'm going to explain why. No,  
5 because I'm going to explain why. If I would invite  
6 you and you would open a contract, then I would  
7 receive the seven percent; but then if you would  
8 decide to open a second contract, then I -- you would  
9 receive that seven percent and I would only receive  
10 three percent; and then if that person continued  
11 inviting people, then he would get the two bonuses  
12 because he had two contracts open.

13 Q. So for you to receive a three percent  
14 bonus, your referrals would only have to be in for a  
15 maximum of one contract?

16 A. Yes.

17 Q. That is more complicated than I had  
18 realized. So how did you keep track of it?

19 A. You cannot have ever something exact or a  
20 correct amount.

21 Q. Who was keeping track?

22 A. What I would say, if I would invite you,  
23 I would say you are responsible of the people that  
24 you invite, because I would not even know the people  
25 that you are going to invite; and I would teach the

1 people to say the same thing with the people that  
2 they would invite, "You are responsible for the  
3 people that you invite."

4 Q. And by "you are responsible," do you mean  
5 you're responsible for getting the information from  
6 the people you invite about who they are inviting?

7 A. Yes, because I was not able to have  
8 control of all of that.

9 Q. Was anyone at CFX keeping traffic of that  
10 and making sure that people got their seven percent  
11 and their three percent correctly?

12 A. Yes, because you would go to the office  
13 to collect it.

14 Q. And would you see any records other than  
15 the contracts that you've talked about that supports  
16 whatever calculation that they were presenting as  
17 correct?

18 A. No, I never saw a document. But I do  
19 know that people would be paid at seven percent or  
20 three percent.

21 Q. Did you also get a referral fee for  
22 Carmen?

23 A. Yes.

24 Q. For Hans?

25 A. Yes.

1 Q. All right. So Carmen, Hans, Ivonne,  
2 that's three right there.

3 Who else did you receive referrals from?

4 A. For my son.

5 Q. What is his name?

6 A. Junior.

7 Q. Does that mean his name is Orlin Turcios,  
8 Jr. --

9 A. Uh-huh.

10 Q. -- or is his name just Junior?

11 THE INTERPRETER: Interpreter needs it  
12 back.

13 (Witness and interpreter confer)

14 THE WITNESS: Orlin Wilfredo Turcios, Jr.  
15 My full name complete but at the end Junior, J-R.

16 Q. (BY MR. GULDE) I think I had missed  
17 Junior on the list of kids, but I think I asked it  
18 wrong. You have two kids with your current wife,  
19 right?

20 A. Yes. What happened is that you asked me  
21 about the ones that were living with me, and those  
22 are my stepchildren.

23 Q. What other kids do you have?

24 A. I have Orlin, Gerson Turcios --

25 Q. Spell, please.



1 A. It is G-E-R-S-O-N.

2 I have Mindy. Mindy, I have Sinia, and  
3 Sandra, those are my kids.

4 Q. Okay. Let's go through the ages real  
5 quick. Orlin?

6 A. Orlin is 33.

7 Q. Okay. Gerson?

8 A. 27.

9 Q. Mindy.

10 A. 30.

11 Q. Sinia?

12 A. 36.

13 Q. Sandra?

14 A. 38.

15 Q. Okay. Do they all live in Houston?

16 A. No, just Sinia.

17 Q. What does Sinia do?

18 A. Along with her husband, they own a small  
19 remodeling company.

20 Q. What is it called?

21 A. I do not know honestly, but I can ask.

22 Q. What does Orlin do?

23 A. Orlin, he lives in Missouri. And as far  
24 as I understand, he had a dealership of used cars.  
25 He would buy cars in auctions and sell -- sell them;

1 and he was also buying houses in bad shape, refurb  
2 them and sell them.

3 Q. Okay. And you signed him up to invest in  
4 CFX?

5 A. Yes.

6 Q. Did you also sign up Sinia?

7 A. Yes.

8 Q. Did you receive a referral for Sinia?

9 A. Yes.

10 Q. What about Gerson, where does he live?

11 A. In Missouri also.

12 Q. What does he do?

13 A. He works for -- as a painter for the  
14 union of laborers here in the United States.

15 Q. Okay.

16 A. In Kansas City.

17 Q. Did he invest in CFX?

18 A. No.

19 Q. Did you tell him about it?

20 A. No, because he's not a person that likes  
21 businesses.

22 Q. How about Mindy, where does she live?

23 A. In Kansas City also.

24 Q. What does she do?

25 A. She works for WalMart.

1 Q. Okay. What does she do for WalMart?

2 A. As far as I know, she was a cashier.

3 Q. And did you invite her to invest in CFX?

4 A. No.

5 Q. Why not?

6 A. Because I know her situation and it is  
7 more the case that I have to help her out.

8 Q. Did you invest for Mindy in CFX?

9 A. No.

10 Q. It was a pretty good opportunity. Why  
11 didn't you do that?

12 A. I was about to do it because she didn't  
13 have the possibility to do it herself, but then it's  
14 when everything was closed.

15 Q. How about Sandra, where does she live?

16 A. Sandra lives in Nebraska.

17 Q. And what does she do?

18 A. I understand that she's working as a  
19 nurse.

20 Q. And did she invest in CFX?

21 A. No.

22 Q. So we have talked about Carmen, Hans,  
23 Ivonne, Junior, and Sinia.

24 Who else have you referred to CFX?

25 A. My daughter, Yakita. I invited another

1 lady whose name is Alma Miranda. I'm trying to  
2 remember the names.

3 MS. AGUILAR: Give me a minute, please.

4 THE VIDEOGRAPHER: The time is 11:59  
5 p.m., and we are off the record.

6 (Discussion off record)

7 THE VIDEOGRAPHER: The time is 12:00  
8 p.m., and we are on the record.

9 Q. (BY MR. GULDE) Have you mentioned  
10 Claudia?

11 A. Yes.

12 Q. Who is Claudia?

13 A. The wife of my son Orlin.

14 Q. Okay. So you signed Orlin up to his own  
15 CFX contract?

16 A. Yes.

17 Q. And received a referral fee for that?

18 A. Yes.

19 Q. And you also signed up Claudia?

20 A. She registered under my son.

21 Q. Okay. So he is the -- he was her first  
22 direct responsor?

23 A. Yes.

24 Q. Okay.

25 MR. GULDE: Okay. Let's go off the

1 record.

2 THE VIDEOGRAPHER: The time is 12:01  
3 p.m., and we are off the record.

4 (Recess taken)

5 THE VIDEOGRAPHER: The time is 1:36 p.m.,  
6 and we are on the record.

7 Q. (BY MR. GULDE) Mr. Turcios, we had been  
8 talking about how CFX's business started to be  
9 conducted out of the Aqua Rematch offices, and we  
10 discussed Ivonne getting involved in CFX.

11 So would you continue telling us that,  
12 and what happened after Ivonne started her first  
13 contract with CFX.

14 (Phone buzzes)

15 MS. AGUILAR: Give me a moment, please.

16 THE VIDEOGRAPHER: Pardon?

17 MS. AGUILAR: Just give me a moment to  
18 turn this phone off.

19 A. Yes, in January when I went to collect my  
20 money of 2,022, over there I run into Tony Lemus and  
21 Mr. Roberto Savala, and they told me that some of the  
22 people that I have invited, have invited some other  
23 people, and that there was a bonus that I was not  
24 getting because I had not realized that this was  
25 going on.

1           So I asked him, "Okay, then, what do I  
2 have to do?" It had already gone since October of  
3 2020 to January 2022, and they were paying me, so I  
4 thought everything was fine.

5           So they came to my house and they  
6 explained me what I have to do. So they explained  
7 me, and I started to get in touch with the people  
8 that I had invited. So that's when we started to go  
9 on Mondays over there, and these people started  
10 inviting some other people to come over here to these  
11 meetings. Everybody was going over there to do their  
12 contracts.

13           Q. (BY MR. GULDE) Let me hit timeout for a  
14 second. You're saying "over there" and "here."

15           Are you talking about Mondays started --  
16 Monday meetings started happening at the offices of  
17 Aqua Rematch?

18           A. No, it was at Blalock. Right now I want  
19 to do the link on how we end up in Aqua Rematch.

20           Q. Okay.

21           A. Uh-huh. And people were not only coming  
22 on Mondays, but during the weekdays people were  
23 coming over there to do their contracts; and the same  
24 people would tell the person that had invited them,  
25 "I went over there to have a contract done," and

1 that's how the person would find out that somebody  
2 had entered into a contract and that he or she was  
3 going to receive a bonus.

4 But it kept on growing and then we  
5 started having problems in the parking spaces of  
6 Blalock. So that's when we decided. I spoke with  
7 Ivonne, I said, "Why don't we help people" -- I was  
8 already there -- "help people get their contracts  
9 done over there and so they wouldn't have to go to  
10 the other place."

11 When I said that there was an extra  
12 bonus, that they talked to me and they told me that  
13 there was an extra bonus for me, it's a bonus that is  
14 different from the seven and the three.

15 Q. Okay.

16 A. But that bonus was not only for me but  
17 for everybody else, so we decided to do it there.  
18 And everybody was very happy because they didn't have  
19 to fix the issues that we were having with the  
20 parking at Blalock, and that's how it started to be  
21 done at Office Park.

22 Q. And when you say "Office Park," the Aqua  
23 Remach office?

24 A. Yes.

25 Q. When was that?

1 A. Around March that it started.

2 Q. March of 2022?

3 A. Yes.

4 Q. And that's also around the time you met  
5 Mauricio Chavez?

6 A. Yes.

7 Q. And describe how you met Mauricio.

8 A. At a meeting in there, he came over. The  
9 first time I saw him was at a Monday meeting.

10 Q. At Blalock?

11 A. Yes.

12 Q. And did you speak to him?

13 A. No, I just said "hello" to him, because I  
14 didn't know him.

15 Q. Did he play a role in the Monday meeting  
16 that you attended?

17 A. No, he actually just stood up and said  
18 "hello."

19 Q. And how was he introduced?

20 A. As the CEO.

21 Q. Did they introduce any other leadership  
22 at CFX at this meeting?

23 A. No.

24 Q. Please explain how the -- this extra  
25 bonus was going to be calculated.



1           A. To gain that bonus, you have to have at  
2 least three direct people.

3           Q. And what does that mean, what does "three  
4 direct people" mean?

5           A. Per directly by you, like if I would  
6 bring you and you and her; and for those three direct  
7 referrals to bring people, too, because they would  
8 win the bonus, too.

9           Q. So was this extra bonus something that  
10 was available to anyone involved in CFX who brought  
11 three direct people and whose -- and whose referrals  
12 also brought additional people?

13          A. Yes.

14          Q. And how is the bonus calculated?

15          A. Okay. If I would have three direct  
16 referrals -- and they would call it "legs." If I  
17 would have three legs and those three legs would make  
18 a production of \$25,000 with their people, then I  
19 would have -- I would get a bonus of \$500.

20          Q. Are you saying the three legs together  
21 combined to make \$25,000?

22          A. Between the three, yes.

23          Q. Okay. So they make \$25,000 in your three  
24 legs and you receive \$500 from that?

25          A. Yes, yes. But they would also be taught

1 that if they -- each of them would develop the three  
2 legs and get that amount of money in, they would also  
3 win the bonus.

4 MR. GULDE: I don't -- can you repeat  
5 that?

6 THE COURT REPORTER: You want me to --

7 MR. GULDE: Yeah, just read it back.

8 (The record was read as requested)

9 Q. (BY MR. GULDE) I'm not sure what that  
10 means, other than to say that if you developed three  
11 legs of business, three direct people who you've  
12 referred and collectively they have referred to  
13 people, and altogether those three legs brings  
14 \$25,000 in to CFX, then you are owed \$500.

15 Is there any other thing you're trying to  
16 say about that?

17 (Discussion off record)

18 A. If you can give me a piece of paper, I  
19 can draw you and show you how it works.

20 Q. Sure. I will mark it as an exhibit in a  
21 bit.

22 A. (Complies). This is me and I have three  
23 legs in here, and between them, they opened contracts  
24 for \$25,000; between the three, I earned 500; but if  
25 this one, who is my direct referral, also brings

1 three more legs, and they do the same, they also get  
2 25,000, he makes the 500.

3 So what happens? I have the three, who  
4 also did the same thing, so here 25,000, 25, 25,  
5 that's 75. So they all qualified for a \$500 bonus.  
6 But since they -- since they are direct referrals  
7 from my referral, so now my production is no longer  
8 25,000, it's 75,000, and now my bonus is 1,000. So  
9 they -- all of them earned 500, but I earned 1,000.

10 Q. Is it different if you have six legs  
11 under you, each of those \$25,000, you would get --  
12 you would get \$2,000?

13 A. There was a chart that we all knew by  
14 heart. For a production of 25,000, in this -- in  
15 this way you would get 500. If the production was  
16 50,000, then it was 1,000. Even if it was going to  
17 be 75,000, it was within the same range of the  
18 five -- of the 50,000 and it was \$1,000. If it was  
19 100,000, the production with all the team, then it  
20 was 2,500.

21 Q. Did this bonus structure incentivize you  
22 to move production to Aqua Rematch?

23 A. It was not precisely that. Of course,  
24 the money was of a benefit, but it was also helping  
25 people and they would get money, and while they get

1 money -- they will win money, they will earn money,  
2 then I would earn money.

3 Q. Can I call that group of legs a tree? Is  
4 that your investment tree?

5 A. Yes.

6 Q. Okay. So can you tell us that -- at your  
7 largest point, how big was your tree?

8 A. I never had an exact control already,  
9 because since there is no system, then you can lose  
10 track of it. For example -- and this is an example,  
11 I'm going to use a fictitious name -- this is Maria,  
12 and Maria had three legs. So I would ask her,  
13 "Maria, how much did your group make?" But Maria had  
14 three legs, and for Maria to learn that information,  
15 she had to ask her legs, too.

16 So that was the system just to have  
17 control, and it kept growing and it kept growing  
18 because everybody else started to bring. And there  
19 were people that would earn bonus of 500, 1,000,  
20 2,500. And a lot of these people, there were people  
21 that would get also eligible to get the bonus, the  
22 seven and the three.

23 Q. Right.

24 A. And at the end of the month, they would  
25 receive this other bonus. This was once a month.

1 Q. Understanding that it's inexact, what is  
2 the biggest bonus that you ever got?

3 A. The biggest bonus that I have got, last  
4 one was 14,000.

5 Q. Okay.

6 A. But by then there were people that earned  
7 bonuses that were 1,000, 2,500, 5,000.

8 Q. Through the entire time that this bonus  
9 structure existed -- well, when did they start this  
10 bonus structure for you, was it March of 2022?

11 A. February 2022.

12 Q. Okay. So --

13 A. With the small bonuses, I started  
14 growing.

15 Q. So from that time in February 2022 until  
16 September of 2021, how much total do you think you  
17 got in this separate bonus structure?

18 A. About \$60,000.

19 Q. Is that \$60,000 the only money you made  
20 in connection with CFX during that time?

21 A. And my contract.

22 Q. And how many more contracts do you have?

23 A. I think it was three or four. I think I  
24 brought -- brought them now.

25 Q. Are they in that big stack or are they

1 separate?

2 A. The one in a folder, those are separate.

3 MR. GULDE: Okay. Would you --

4 THE WITNESS: No, those --

5 MR. GULDE: These are copies?

6 THE WITNESS: No, no, the folder. That  
7 folder. No, this one.

8 MS. THEMELI: This one?

9 MS. GALUAN: (Speaks in Spanish).

10 THE INTERPRETER: Those are copies.

11 THE WITNESS: Okay. They should be  
12 there.

13 MS. AGUILAR: Eso.

14 THE WITNESS: And this one from my wife,  
15 these are mine. It is three -- four in total.

16 Q. (BY MR. GULDE) I'm going to -- I'm going  
17 to mark the packet I just handed to everybody as  
18 Exhibit 15.

19 (Exhibit 15 marked)

20 Q. (BY MR. GULDE) And I will hand that to  
21 you. So you have just told us that this  
22 represents -- Exhibit 15 represents four of your  
23 contracts with CFX, plus a contract of your wife?

24 A. Three, plus one of my wife.

25 Q. So let's just walk through these as they

1 appear in this stack. The first page is a contract  
2 under your name with a start date of February 3rd,  
3 2022 in the amount of 40,000; is that right?

4 A. That's my son, Junior.

5 Q. Okay. Okay. I missed Junior at the end.

6 And you are your son's indirect sponsor;  
7 is that right?

8 A. Yes.

9 Q. And who is Gladis Romero?

10 A. It is a friend of mine, a member of my  
11 church who I invited. So even though I invited my  
12 son to this, I gave my son to her so she could  
13 complete a bonus that she was looking to earn.

14 Q. Under the three-leg system that you just  
15 discussed?

16 A. Yes.

17 Q. Okay. And it appears that your son was  
18 paid on May 3rd and August 3rd, 2020, a total amount  
19 of \$36,000; is that right?

20 A. Yes.

21 Q. And does this document show that he got  
22 his \$40,000 paid back to him, too?

23 A. No.

24 Q. Okay. Where would that be reflected?

25 A. It would have to appear here in this area

1 (indicates). Again, the date, it would have to  
2 mention the 40,000, and it would have to say  
3 "capital."

4 Q. So does this document mean that he's  
5 still -- as of August 3rd, 2022, still had \$40,000 at  
6 CryptoFX?

7 A. Yes. Because even though the contract is  
8 for six months, if the people -- the person would  
9 decide to do so, you could extend it for another six  
10 months.

11 Q. But is there any indication on here that  
12 he decided to extend this for six months?

13 A. Automatically in here, if -- he would  
14 have to say if he wanted to withdraw his money, and  
15 when he would have said so, then he would have to  
16 wait 30 days in order to collect the capital; and if  
17 not, it would be renewed automatically, or you can  
18 mark in here, (indicates).

19 Q. Okay. Thank you. Let's turn to the next  
20 page. This is a contract and in the name of Sandra  
21 and Mario Turcios; is that right?

22 A. Yes.

23 Q. Sandra is your daughter, right?

24 A. No. She's my sister-in-law. Mario  
25 Turcios is my brother.



1 Q. Okay. And the two of them invested  
2 \$5,000; is that right?

3 A. Yes.

4 Q. And this was on September 8th, 2022.  
5 Now, what does this say down here on  
6 month five?

7 A. No, it was a note that it was added here.  
8 He had the date to collect his first payment on  
9 September the 8th, and then on the December the 8th,  
10 which was the second, he was already saying that he  
11 was going to cancel.

12 Q. Does this -- does this document reflect  
13 the repayment of whatever he had remaining on his  
14 contract?

15 A. Just the first payment. He just  
16 collected 2,250.

17 Q. Okay. So he is still owed by CFX  
18 according to this document?

19 A. Yes.

20 Q. And is he owed the difference between  
21 5,000 and 2,250?

22 A. According to the contract, he was  
23 supposed to collect 2,250 in December, and then wait  
24 for 30 days to collect his capital of 5,000.

25 Q. Because it was only a three-month

1 contract; is that right?

2 A. Six months here. Here is the date,  
3 "start date," (indicates).

4 Q. Well, September 11th is already three  
5 months after the start date, correct?

6 A. Yes.

7 Q. Was he going to get another 2,250?

8 A. It was his turn after the September the  
9 8th, it was December the 8th, other payment due.

10 Q. I guess I don't understand that, because  
11 it is marked as a three-month contract.

12 A. Okay. The contract was done for six  
13 months.

14 Q. It says three months in the box.

15 A. Yes, I'm going to explain you that.

16 Q. Okay.

17 A. And it was going to expire on December  
18 the 8th. So since he -- since it was paid every  
19 three months, he -- he was supposed to get two  
20 payments. From June 8th to September 8th, three  
21 months, he collected 2,250; and the following month,  
22 he was due another payment on 12 -- on December the  
23 8th, three months after this date.

24 Q. But he had decided to cancel?

25 A. Many people before that day arrived and

1 they would notify that they were going to cancel, so  
2 they would know. Because you could not cancel before  
3 the six months. You could not receive your capital  
4 before six months.

5 Q. Okay. So it would have the effect of  
6 just giving -- giving CFX notice if they did not  
7 intend to renew their contract?

8 A. Yes.

9 Q. Okay. And the next page is a contract  
10 with Sandra Arteaga Barahona and Allan J. Turcios.

11 A. Yes.

12 Q. Who are they to you?

13 A. Sandra Arteaga is the same as Sandra  
14 Turcios. The only difference is here he (sic) used  
15 the last name of my brother and here he (sic) used  
16 his maiden last name. And Allan Turcios is my  
17 nephew, so their son.

18 Q. And the next page is a contract with  
19 Claudia Turcios and then Orlin W. Turcios Artiaga.

20 A. Claudia Turcios is the wife of my son,  
21 Orlin W. Turcios. Here he put Artiaga because  
22 Artiaga is his mother's last name.

23 Q. Okay. But this is Junior?

24 A. Junior.

25 Q. Okay. And so far we haven't seen one

1 that had -- had you on the name, right?

2 A. On my name?

3 Q. Yeah, none of these contracts have been  
4 for you personally, right?

5 A. No, they are coming.

6 Q. Okay. The next page is one for Claudia,  
7 we have talked about her.

8 The next page after that is Yakira. Is  
9 this your daughter?

10 A. But these are two different contracts.

11 Q. Right, I skipped Claudia.

12 A. Okay.

13 Q. And Yakira is your daughter?

14 A. Yes.

15 Q. Okay. And then the direct and indirect  
16 sponsor are both you?

17 A. Yes.

18 Q. Okay. And then the next page -- well,  
19 actually, on the back of this page you see a  
20 handwritten note that says "September 29th, '22,  
21 10:00 a.m." Do you see that?

22 A. Uh-huh.

23 Q. Do you have any idea what that is?

24 A. No. Somebody put a note in there, but  
25 no.

1 Q. Okay. And now the next page is Orlin  
2 Turcios and it says "# 3."

3 A. That's me.

4 Q. And this is -- this is you. Why does it  
5 say "# 3"?

6 A. Because I had -- I had the first -- hold  
7 a second. Let's see. One, two -- I had three  
8 contracts. Where somebody would have more than one  
9 contract, you would write down number one, number  
10 two, number three.

11 MS. AGUILAR: Excuse me, we are looking  
12 at number three?

13 MR. GULDE: Number three right now.

14 Q. (BY MR. GULDE) Okay. So this was a  
15 contract that had a start date of June 24th, '22; is  
16 that right?

17 A. Yes.

18 Q. And did this \$15,000 come out of your own  
19 pocket?

20 A. Yes.

21 Q. Did you invest in cash?

22 A. Yes.

23 Q. Who did you give your money to?

24 THE INTERPRETER: Interpreter is going to  
25 repeat the question, because I think it was

1           A. No. It was somebody that was in the  
2 academy, but he didn't want to tell me.

3           Q. Does Orlin, Jr. know who beat him up?

4           A. He knows.

5           Q. Did you make a police report about that?

6           A. I don't know if he did, because he  
7 also -- well, Orlin is young. And he was eating at a  
8 restaurant and apparently this person came to attack  
9 him and apparently he responded to it.

10          Q. Did you file a police report as to any of  
11 the threats you received?

12          A. No, I was trying to understand that  
13 people, what they were going through. But I  
14 published a post in one of the chats saying that for  
15 any people that would keep threatening me, I was  
16 going to report them.

17          Q. And was there any response to that chat?

18          A. Once in a while somebody calls me now,  
19 but it is not as much, but my life has changed  
20 because I cannot go to public places.

21          Q. Any time after September 20th, did  
22 Mauricio reach out to you to tell you about the  
23 lawsuit?

24          A. Yes. But I didn't learn through him, I  
25 learned through the social media.

1 Q. So never before October 4th did Mauricio  
2 reach out to you?

3 A. No.

4 Q. And then when did you first speak with  
5 Mauricio about the lawsuit?

6 A. When -- after the 4th, when it appeared,  
7 I even sent him a photo and asked him what was going  
8 on.

9 Q. And what did he tell you?

10 A. Yes, that it was a civil lawsuit but it  
11 was going to be resolved.

12 Q. Did he tell you anything about the asset  
13 freeze?

14 A. No, but I already -- I had already read  
15 about it.

16 Q. Did you discuss the asset freeze with him  
17 that day?

18 A. No, not that day. I just asked him in a  
19 general way, because I already knew about the  
20 lawsuit, and I have already taken the decision not to  
21 continue.

22 Q. Did you discuss with Mauricio the  
23 appointment of a receiver when you spoke with him?

24 A. No.

25 Q. Have you spoken with Mauricio since that

1 first conversation about the lawsuit?

2 A. Yes, I had a few short calls with him.  
3 Because I would call to explain to him what was going  
4 on with me, what was happening to me.

5 Q. You're talking about the threats?

6 A. Uh-huh.

7 Q. Is there anything you discussed with  
8 Mauricio since October 4th other than the threats  
9 that you can recall?

10 A. No.

11 Q. How about whether or not CFX would  
12 continue?

13 A. Not really, because for me it was once  
14 there was a legal issue, I don't want to deal with  
15 it.

16 Q. Are you aware of the efforts of people to  
17 continue the business of CFX?

18 A. No, because for me, my world was the  
19 people that I was there with -- with, and we decided  
20 not to continue and I didn't knew anything else.

21 Q. All right. And you haven't heard from  
22 any of those people that there are efforts to  
23 continue the work of CFX?

24 A. No.

25 Q. Let's turn back to Exhibit 15. We had



1 been looking at Orlin Turcios Number 3, and turn to  
2 the next page, and now we're looking at Orlin  
3 Turcios/Siria "Munguia" --

4 A. Munguia.

5 Q. -- "Munguia" Number 3. And this reflects  
6 that a payment of 6,750 was made to the two of you on  
7 September 30th, '22; is that right?

8 A. Yes.

9 Q. And this would have been made in cash by  
10 you to yourself, basically?

11 A. No, because they had to authorize it.

12 Q. Who is "they"?

13 A. The office.

14 Q. Okay. And who are the people in the  
15 office, is it Carmen De la Cruz?

16 THE INTERPRETER: I'm sorry, interpreter  
17 needs the question to be repeated.

18 MR. GULDE: Sure.

19 Q. (BY MR. GULDE) Naming those people by  
20 name, are we talking about Carmen de la Cruz?

21 A. No. Carmen was a person that I brought  
22 there.

23 Q. So she wouldn't authorize a payment to  
24 you?

25 A. No.

1 Q. Who are the people who would authorize a  
2 payment to you?

3 A. Well, there was a lady that worked over  
4 there at the office who was the accountant, and that  
5 was Ms. Norma.

6 Q. Do you know the lady who was the  
7 accountant? Do you know her name?

8 THE INTERPRETER: Per interpreter: The  
9 witness said, "Ms. Norma."

10 MR. GULDE: Oh, I'm sorry, I thought we  
11 were talking about two people.

12 THE INTERPRETER: (Shakes head.)

13 MR. GULDE: Okay. My apologies.

14 Q. (BY MR. GULDE) Do you know Norma's last  
15 name?

16 A. No.

17 Q. Ms. Norma would have authorized this  
18 payment to you?

19 A. Yes, they would authorize it.

20 Q. And then turning to the next page, we  
21 have a contract with your name and Siria's name on  
22 the top.

23 A. Yes.

24 Q. And it reflects a payment -- multiple  
25 payments but the latest payment being 3,375 to you on

1 September 30th, '22?

2 A. Yes. My turn was on September the 15th,  
3 but I was not able to collect it up until September  
4 the 30th. That's when it was authorized.

5 Q. Okay. And the cash came from cash on  
6 hand at Aqua Rematch?

7 A. No. When I would go, I would go not only  
8 to deliver, I would go and deliver it and then they  
9 would say, "This is what is going to be paid, this is  
10 authorized to be paid," and then they gave me that  
11 money.

12 Q. Just to make sure I understand, on any  
13 given day when you needed to make payments from the  
14 Aqua Rematch location, are you saying that you would  
15 bring the contracts that required these payments to  
16 the main office at Blalock, show them, and pick up  
17 the according amount of cash?

18 A. Yes, people would give me copies. And  
19 then I would bring the copies there. They were  
20 authorized to see which those were, they would give  
21 me the money, and then people would come over to the  
22 office.

23 Q. Did you understand that on  
24 September 30th, the receiver was in control of the  
25 Blalock office?

1 A. Now I do.

2 Q. And so how did -- how did you get to --  
3 on September 30th, this was a Friday?

4 A. Because I have gone on Thursday to the  
5 office. Thursday, 28th? Let me check.

6 Q. Please check. And Thursday was the 29th.

7 A. I have been -- I have gone on the 28th.

8 Q. Your calendar reflects that you went to  
9 the Blalock office on the 28th?

10 A. No, I'm just looking at what is the day  
11 that I went. Because I remember that day because  
12 those were the last days that I was working with  
13 there with them. Uh-huh, yes, it was the 28th.

14 Q. So as to this \$3,300 and any other amount  
15 that needed to be paid on the 30th, how did you store  
16 that cash?

17 A. I would leave that money over there in  
18 the office.

19 Q. Did you have a safe?

20 A. Yes, I had a small safe that I had  
21 bought.

22 Q. Did you ever use paid security at Aqua  
23 Rematch?

24 THE INTERPRETER: Interpreter needs to  
25 clarify. The question is paid security?

1 MR. GULDE: Guards.

2 THE INTERPRETER: Okay.

3 A. No.

4 Q. (BY MR. GULDE) Even after the threats  
5 began?

6 A. The threats started after the 4th, the  
7 day 4th, which I didn't open anymore.

8 MR. GULDE: Okay. I think we have hit a  
9 good stopping point to go move our cars.

10 THE VIDEOGRAPHER: The time is 3:00 p.m.,  
11 and we are off the record.

12 (Recess taken)

13 (Exhibit 16 marked)

14 THE VIDEOGRAPHER: The time is 3:23 p.m.,  
15 and we are on the record.

16 Q. (BY MR. GULDE) Mr. Turcios, I put an  
17 exhibit sticker, Exhibit 16, on the handwritten  
18 document that you made to describe the legs of the  
19 extra bonus structure; is that right?

20 A. Yes.

21 Q. Would you take that, your pen, and just  
22 print your name and then sign your name below it.

23 A. Yes. (Complies).

24 Q. Thank you. Now just set it over here.

25 A. (Complies).

1 Q. And that's your signature as you normally  
2 sign it on the bottom of Exhibit 16?

3 A. Yes.

4 (Exhibit 17 marked)

5 Q. (BY MR. GULDE) Now I'm handing you a set  
6 of documents that's been labeled Exhibit 17.

7 MS. AGUILAR: Can I take a picture of  
8 this?

9 MR. GULDE: Huh?

10 MS. AGUILAR: Can I get a picture of it?

11 MR. GULDE: Yes.

12 Q. (BY MR. GULDE) Can you identify the  
13 documents that I have labeled Exhibit 17?

14 A. Yes.

15 Q. And I don't mind that you've taken the  
16 staple off -- or the paperclip off, but would you  
17 take care to keep them in order.

18 A. Okay.

19 Q. Are you able to identify this? Do you  
20 know what this is?

21 A. Oh, yes.

22 Q. Okay. What is it?

23 A. This is something that I did personally  
24 when it was my time to pay a referral bonus, so I  
25 could have evidence that I have paid the person.

1 Q. Was it your idea to keep these receipts?

2 A. Yes.

3 Q. Are you aware of anyone else at CFX who  
4 kept these receipts?

5 A. No, I do not know really because this was  
6 something that I did personally.

7 Q. And this is part of a spiral bound --  
8 well, it is the entire contents of a spiral bound  
9 receipt notebook that you brought here today; is that  
10 correct?

11 A. No, I have one more.

12 Q. You have another notebook like this?

13 A. Yes, I can give it to her.

14 Q. You didn't bring it today?

15 A. No. No, I thought that maybe one would  
16 be enough.

17 Q. Okay. Definitely give it to your lawyer,  
18 and we have already requested all documents that are  
19 related in any way to CFX, so we view this as  
20 responsive to that request.

21 A. That's fine.

22 (Information to be supplied)

23 Q. (BY MR. GULDE) So this particular  
24 notebook runs from February 21st, 2022 through  
25 May 31st, 2022; is that right?

1 A. Yes.

2 Q. So those three months between February  
3 and May, can we assume that your -- the other  
4 notebook that you have covers three months as well?

5 A. I am not sure, because I think I have  
6 two -- I don't want to give dates, so I would rather  
7 just give it to you.

8 Q. Do any of these -- well, let's walk  
9 through this. Let's just look at the first receipt  
10 in the notebook. And that's from February 21st,  
11 2022. I think you might be looking at the wrong page  
12 because you flipped a couple over.

13 A. No.

14 Q. Oh, okay, my mistake. The very first one  
15 is from CFX in the amount of \$7,000, correct?

16 A. Yes.

17 Q. And does your name in the "From" space  
18 indicate that you authorized the payment of \$7,000?

19 A. No. What it says, that I paid that  
20 amount; and if you can see here on the top, it says  
21 "CFX," and then I would ask for the name of the  
22 person and the signatures, but I wanted to keep some  
23 evidence that had -- that I had issued that payment.

24 Q. Who authorized the issue of this \$7,000  
25 payment?



1           A. Since they do the contracts over there,  
2 this person was due for his -- his referral bonus.  
3 So the company would give me the money, and I wanted  
4 to have a receipt because I had to match my numbers  
5 with them, I have to present to them proof.

6           Q. So other than giving you the money to pay  
7 Mr. Hernandez in this case, did they give you a piece  
8 of paper to indicate that he was owed a referral  
9 bonus?

10          A. No. Because in the contract, the person  
11 would do -- for example, in here, when you would see  
12 here, you would already know who would take the first  
13 bonus and who would take the second bonus.

14          Q. So, for the record, you're pointing to  
15 one of the contracts within Exhibit 15 that lists the  
16 direct and indirect sponsors, right?

17          A. Yes, those were the people that were  
18 going to earn the money.

19          Q. Whose job was it to make sure that they  
20 kept track of all of those direct and indirect  
21 sponsors in those lines on all of the CFX contracts?

22          A. The person, the person that would bring  
23 the referred individual would have to say, "This is  
24 what I am owed."

25          Q. Okay. So in the case of this \$7,000

1 payment in Exhibit 17, this would be Dorian  
2 Hernandez's job to know that he is owed \$7,000 in  
3 this case?

4 A. Yes.

5 Q. And as the person who's going to hand him  
6 that cash and give this receipt, would you review the  
7 contracts to make sure he had done his math right?

8 A. I would have to get a copy of the  
9 contract. I would have to take it to the office.  
10 They would also check it, and then they would  
11 authorize it.

12 Q. Okay. So if we're talking again about  
13 this one, Dorian Hernandez would have come in to Aqua  
14 Rematch sometime before February 21st, 2022 and tell  
15 you that he expected a bonus payment of \$7,000; is  
16 that right?

17 A. Yes.

18 Q. And then you would -- he would come with  
19 his contract. Would you make a copy of that contract  
20 at that time?

21 A. Yes, and I take it to the office.

22 Q. Okay. Now, this writing on the side that  
23 gives the contract number, does that indicate that  
24 this is what he is owed as a bonus in connection with  
25 a single contract?

1 A. Yes.

2 Q. And then what does "bono doble" mean?

3 A. Okay. There were sometimes that the  
4 academy would make promotions for a week or a few  
5 days, for example, to say, "From this date to this  
6 date, we are going to give a double bonus."

7 Q. So is there any way to know from this  
8 document here in Exhibit 17 whether this represents a  
9 direct or an indirect bonus?

10 A. This is a direct bonus, because the only  
11 double bonus was the direct.

12 Q. Okay. So does that mean that \$7,000  
13 represents 14 percent of Contract Number 16014?

14 A. Yes.

15 Q. Okay. So that makes this contract a  
16 \$50,000 contract?

17 A. Yes.

18 Q. So is it your testimony that every single  
19 receipt in here is only related to the payment of  
20 bonus payments?

21 A. Let me check. Because sometimes when  
22 they told me that I needed to pay the earnings, the  
23 return for a person, that's when they need the  
24 receipt. And they should be here. Let me check.

25 Okay. Okay. If you pass eight pages --

1 Q. Can you give me the receipt number?

2 A. It is not clear in here. It is 1962 --

3 Q. Uh-huh.

4 A. -- 233.

5 Q. Got it.

6 A. Here it says -- in some of them it says  
7 "referral bonus" and in some others it says "contract  
8 payment." This is one for 450 that was paid for this  
9 person. The second one in that page is the same, it  
10 is a contract payment, 2,250; and then there is  
11 another one, \$7,200. There are some that are  
12 payments for contracts.

13 Q. Why didn't you have receipts for all the  
14 payments on contracts that you have made?

15 A. Because I did this when the person would  
16 come to the office -- to the office to collect the  
17 money and they would not have their original with  
18 them. If they would have the original, then we would  
19 do this; and if not, I would issue them a receipt.

20 Q. Okay. So you're indicating on  
21 Exhibit 15, for the record, the packet of contracts  
22 that if an investor had his contract, you would note  
23 on the relevant month line how much money was being  
24 paid pursuant to the contract; is that right?

25 A. Yes.

1 Q. And is that if someone came to Aqua  
2 Rematch and did not have their contract, then that  
3 would result in the creation of a receipt that's  
4 reflected in Exhibit 17?

5 A. Yes.

6 Q. I thought you had testified earlier -- go  
7 ahead.

8 A. Sorry. But I did that just because I  
9 wanted to have an evidences that everything was  
10 clean.

11 Q. That you weren't taking the money for  
12 yourself?

13 A. Yes.

14 Q. I thought you had testified earlier,  
15 maybe I misunderstood, that you were not aware of  
16 situations in which people had lost their contract?

17 A. Yes.

18 Q. Okay. Does this reflect your -- does  
19 this refresh your recollection about whether or not  
20 that happened?

21 A. No. What happened is that when they  
22 would come to the office, it is not that the  
23 individual had lost their contract. Sometimes they  
24 would come from their office, from work, and they  
25 didn't have the contract with them at the time, and I

1 would attempt to issue a receipt so you don't have to  
2 come back.

3 Q. I guess I'm still confused. There are  
4 situations where you would hand them a receipt but  
5 not hand them money?

6 A. No, no, I did. I mean, if the person  
7 would not bring that (indicates) original contract,  
8 then I would -- what I would do was protect myself  
9 showing that I have given them the money by doing a  
10 receipt.

11 Q. And did you ever end up seeing the  
12 contract that they had left at work or whatever?

13 A. What happens is that for them, many times  
14 it was easier for them just to take a photo of the  
15 contract and bring it like that. That's why I would  
16 know the contract number.

17 Q. Would you ever create a receipt like this  
18 and pay out money without at least a picture of the  
19 contract?

20 A. Yes.

21 Q. Explain that.

22 A. They would -- I mean, they would show me  
23 the photo, and when I would take that to the office  
24 and I would show this to them and they would see --

25 Q. To the Blalock office?

1           A. -- the contract number, they would find  
2 it.

3           Yes.

4           Q. But the money had already been paid out  
5 at that point?

6           A. Yes. At the moment they would sign it  
7 here, it was because I was handing them the money.

8           Q. And just to be clear, did anyone ever  
9 come in without even a picture of their contract and  
10 get cash from you as reflected in one of these  
11 receipts?

12           A. No, I would not pay them.

13           Q. Was there ever a situation where you took  
14 one of these receipts and showed the Blalock people?

15           A. Yes, when I would go over there to match  
16 our numbers, I would say, "This is the amount of  
17 money you gave me and here are the receipts," and  
18 they would see.

19           Q. It is something you did regularly?

20           A. Yes.

21           Q. Was there ever a time when you had to  
22 claw money back because they disagreed?

23           A. No. Because we always know every time  
24 you would make a contract, you will have the date and  
25 the amount that they were going to collect.

1 Q. And that was a record that they  
2 maintained at Blalock as well?

3 A. Yes.

4 Q. Okay. So just to make sure I have it  
5 correct, the reason there are not many payments of  
6 contract payments in here is because usually people  
7 have their contracts with them and it has already  
8 been cleared with Blalock?

9 A. Yes.

10 (Exhibit 18 marked)

11 Q. (BY MR. GULDE) Handing you what I've  
12 marked Exhibit 18.

13 A. Okay, something that I want to clarify:  
14 I do not know if the other people would work like  
15 that, this was my own work -- my own way to work.

16 Q. And so when you're talking about "other  
17 people," who are you talking about?

18 A. I am talking about somebody else that  
19 would have a different group, I don't know how they  
20 would work.

21 Q. Well, you know how they did things at  
22 Blalock, right?

23 A. Yes, yes.

24 Q. Okay. And did -- they did not do  
25 receipts like this for bonus payments, did they?



1           A. If the person would go over there to  
2 collect their money, as far as I understand, they  
3 would have to sign something.

4           Q. They would be signing something on the  
5 contract that reflects they're owed a certain amount?

6           A. When I went to collect the money from my  
7 first contract, I would -- I had to bring my original  
8 contract. There was no other way. You had to bring  
9 the original. They would put the amount, you would  
10 sign it. And some other times I was to sign  
11 electronically.

12           Q. And then when we're talking about other  
13 groups that might have their own way of doing things,  
14 who are those other groups?

15           A. I'm talking generally. Because in the  
16 case -- if it's the case that you're going to  
17 interview something that was doing the same thing  
18 that I was doing, this was not something standard.  
19 This is something that I was doing to make sure that  
20 I was doing it right.

21           Q. I'm just asking you what other groups are  
22 you aware of?

23           A. Well, no, I mean, I have my group. I  
24 imagine that there were other people that had groups.

25           Q. Are you aware of an operation in Chicago?

1           A. I have heard about it, but I -- it is not  
2 something that I have seen with my own eyes. I have  
3 never been to Chicago.

4           Q. You have never visited Chicago yourself?

5           A. No, I have never been there.

6           Q. Have you visited Louisiana?

7           A. Yes.

8           Q. Did you visit the CFX operation in  
9 Louisiana?

10          A. Yes.

11          Q. And when was this?

12          A. It was around May.

13          Q. May of 2022?

14          A. '22, yes.

15          Q. Okay. How long did you stay there?

16          A. No, I was there just for one day.

17          Q. How did you get there?

18          A. I have a cousin there, that she was  
19 already there. She had already put money in CFX, and  
20 that's how I got to there. And people that were  
21 there would ask me sometimes to come over there to  
22 give them some kind of training, motivational  
23 training or whatever, and I would go.

24          Q. How often did you visit the Louisiana  
25 operation?

1           A. Maybe up until now I was going one day a  
2 month up until the last.

3           Q. And how did you get there, did you fly,  
4 did you drive?

5           A. No, I would go with my car.

6           Q. Okay. Did you -- did you charge CFX for  
7 your gas?

8           A. No, I didn't have any extra benefit.

9           Q. And did you ever spend the night?

10          A. Yes.

11          Q. And where would you stay?

12                 THE INTERPRETER: I'm sorry, interpreter  
13 needs the last part.

14          Q. (BY MR. GULDE) And where would you stay?

15          A. I would stay -- I would stay at a hotel.  
16 I would rent a room.

17          Q. What hotel?

18          A. Over there in Kenner, which name is  
19 Ramada, and I would stay there.

20          Q. This is the Ramada in Kenner, Louisiana?

21          A. Yes.

22          Q. And would your stays at the Ramada in  
23 Kenner, Louisiana coincide with CFX events also held  
24 at the Ramada in Kenner?

25          A. Yes, they used to have meetings over

1 there.

2 Q. And did you speak to people who were  
3 prospective investors of CFX?

4 A. Especially with people that were already  
5 in.

6 Q. My question was: Did you speak with  
7 people who were prospective investors in CFX?

8 A. I imagine that there were people there,  
9 but I didn't know them; but yes, there was always  
10 people there.

11 Q. Including people who had not yet invested  
12 in CFX?

13 A. Possibly, yes.

14 Q. How long would you speak?

15 A. 30 minutes, 20.

16 Q. Can you give us an example of the things  
17 you would say?

18 A. The information that the academy provided  
19 to us: That it was a project where they would --  
20 they were investing in forex and crypto currency.

21 Q. And did you have any personal knowledge  
22 that there were actual investments in forex or crypto  
23 currency?

24 A. No, not really. We supposed so, because  
25 they were announcing the classes and all of that. I

1 was talking in general terms about what the academy  
2 was doing.

3 Q. And did you tell people how well the  
4 investments were going for people?

5 A. No. Actually, in those settings, there  
6 would be people that were already in, and they would  
7 give their own testimony also.

8 Q. Did you introduce those people who gave  
9 their own testimony?

10 A. No. What we would do is something like  
11 we would say, "Is there somebody here that is already  
12 in the academy, how long have you been there, can you  
13 tell us about your experience?"

14 Q. And did anyone ever stand up and say, "My  
15 experience has been terrible, I have lost all my  
16 money"?

17 A. No.

18 Q. It was always good news, right?

19 A. Yes.

20 Q. But you're somebody who had a good  
21 testimony about your personal experience at CFX, at  
22 least up until this point?

23 A. Yes.

24 Q. Did you not share that with anyone at  
25 these groups?

1           A. No, on -- that would be only if somebody  
2 would come and personally ask me, then I would say,  
3 "Well, this is my experience."

4           Q. Who's in charge of the Kenner CFX  
5 operation?

6           A. I think over there, the strong leader  
7 there is Saul.

8           Q. Last name?

9           A. Varela.

10          Q. Spell, please.

11          A. V, as in Victor, A-R-E-L-A.

12          Q. Do you have a phone number for Saul  
13 Varela?

14          A. Yes.

15          Q. Is Saul the one who would invite you to  
16 Kenner?

17          A. No.

18          Q. Who invited you?

19          A. No, I went because of my cousin.  
20             504-704-7788.

21          Q. Do you know if the CFX folks in Kenner  
22 would collect cash there in Louisiana?

23          A. I suppose so, but I would not deal with  
24 that area, but I assume so, because it is the same  
25 system.

1 Q. You never personally saw cash change  
2 hands in Louisiana?

3 A. No. Because when I would go to the --  
4 the meetings, I would go through what I was going to  
5 be doing at the meetings; and then since I didn't  
6 know a lot of people, I would immediately leave.

7 Q. Would you roll more big picture  
8 information to give to people and fewer details, like  
9 contracts?

10 A. Exactly.

11 Q. Who else would you consider being in  
12 charge of the Kenner office other than Saul?

13 A. Well, there were people that would be  
14 working over there with him, but I do not know who  
15 they were. It's like Carmen who works with here --  
16 who works with me here, and over there, I don't know.

17 Q. Have you been in touch with Saul since  
18 October 4th?

19 A. He called me -- I do not have a big  
20 friendship with him, but he have called me like a  
21 couple of times.

22 Q. And what did you discuss?

23 A. Just to tell me that he's worried  
24 about -- that he's worried with what is going on.

25 Q. Did Saul discuss anything about trying to

1 keep CFX or a related entity going?

2 A. No, not with me.

3 Q. Are you aware of anyone trying to keep  
4 the CFX operation going in Louisiana?

5 A. No.

6 Q. Have you visited any other CFX operations  
7 around the country?

8 A. In Sherman. Sherman, Texas.

9 Q. Who is in charge of the Sherman, Texas  
10 CFX operation?

11 A. There was never an office over there.  
12 There was a person that was already in the academy.  
13 This person knew about me and asked me to come over  
14 and give him a little bit of information --

15 THE INTERPRETER: Interpreter needs to  
16 clarify something with the witness.

17 (Interpreter and witness confer)

18 A. -- and give her some information.

19 Q. (BY MR. GULDE) What was her name?

20 A. Yadira Diaz.

21 Q. Spell, please.

22 A. Y-A-D-I-R-A, Yadira, and Diaz, D-I-A-Z.

23 Q. When you came to visit Sherman, were  
24 there more people present, in addition to Ms. Diaz?

25 A. Yes, about four people.



1 you with the IRS?

2 A. Yes, them.

3 Q. Okay. And what is the name of the law  
4 firm?

5 A. Community Tax.

6 Q. So that is a law firm?

7 A. That's what I understand, yes.

8 Q. And the issues that you had with the IRS,  
9 they were related to your 2019 taxes?

10 A. 2019 to the date.

11 Q. Okay. Did you file taxes for 2020?

12 A. No, because that -- that's why they are  
13 doing those resolutions, because I have had these  
14 conflicts with them.

15 Q. Okay. My question's a little bit  
16 different. Do you file taxes for 2020?

17 A. No, no. And that's why I hired them  
18 because I want to get current with all of them.

19 Q. Okay. So am I correct to say that you  
20 did not file your taxes for 2021?

21 A. No. They are preparing them and they are  
22 negotiating with them.

23 Q. When did you hire the Community Tax  
24 company?

25 A. Two weeks ago I talked to them. I have

1 talked to them before but then we got the pandemic,  
2 yes.

3 Q. Do you have a -- do you have a phone  
4 number for them or an address?

5 A. Yes. 1-800-742-8039.

6 Q. Do you know approximately what your  
7 income was in 2019?

8 A. It was around 90.

9 Q. And by "90," you mean 90,000 a year?

10 A. Uh-huh.

11 Q. And what was your income approximately in  
12 2020?

13 A. It was 99.

14 Q. And you mean 99,000?

15 A. Yes.

16 Q. And what was your income in 2021?

17 A. 167.

18 Q. That 167, you almost doubled your income  
19 in 2021. Is that because of the profits that you  
20 received from CFX?

21 A. No.

22 Q. What caused this increase of your income  
23 in 2021?

24 A. Because in 2020, we didn't sell a lot  
25 because we were closed because of the pandemic, and

1 2021, I started to work.

2 Q. But in 2019, you did work, correct?

3 A. Yes.

4 Q. And in 2019, you testified your income  
5 was 90,000 a year.

6 A. Approximately, yes.

7 Q. Right. So how was 2021 different from  
8 your -- from 2019 in terms of your sales at Aqua  
9 Remach?

10 A. Because I recruited sellers. And so  
11 because I am a manager, whenever they sell, I also  
12 collect benefits.

13 Q. And do you know -- I mean, it is almost  
14 the end of the year. Do you know approximately what  
15 your income is going to be this year or had been?

16 A. No, I don't really, because CFX had told  
17 me that they were going to give me the tax form to  
18 know how much I was going -- how much I had won with  
19 them, but now since they are closed -- but it should  
20 have been around 50 to 60 through CFX; and in the  
21 other job, I have the slowdown, but in total, it's  
22 going to be over 100.

23 Q. Okay. Let me ask you -- and I'm going to  
24 come back to that. Did CFX give you a form for your  
25 taxes for 2020?

1           A. No. Because I started in October of  
2 2020, and I did not collect money until January of  
3 2021.

4           Q. Has CFX ever given you a Form W-9 or any  
5 other type of form related to your earnings through  
6 CFX?

7           A. No, because it was up until this year  
8 that I started to really get involved in January, as  
9 I said, so I was waiting for that this year.

10          Q. Have you ever requested a tax form from  
11 CFX?

12          A. No. Because they told me that they would  
13 not deliver until the end of the year.

14          Q. And how much do you estimate your  
15 earnings from CFX for 2021?

16          A. It was a contract for \$4,000 that I had  
17 with them that I was collecting \$1,800 every quarter.  
18 One year was 7,200 of earnings because that contract  
19 was open for a year and a half.

20          Q. You mentioned earlier that your -- did  
21 you say your earnings -- you estimate your earnings  
22 in total from CFX to be around 100,000?

23          A. I said that along with CFX and the  
24 selling of the water systems, I'm going to go over  
25 100.

1 Q. Okay. So in total, how much have you  
2 made in CFX, how much money have you made?

3 A. About 60,000.

4 Q. And that 60,000 includes commissions and  
5 returns from your \$4,000 investment?

6 A. Yes.

7 Q. Do you consider yourself a leader for  
8 CFX?

9 A. Well, CFX never paid me to be a leader.  
10 I am a natural born leader anywhere I go.

11 Q. That's wonderful. It is great to meet a  
12 born leader like yourself, but -- I'm joking.

13 We hear the term "leader" from many  
14 investors. Can you tell me what that means related  
15 to CFX?

16 A. In CFX, anybody that would refer  
17 somebody, they would say, "I am your leader."

18 Q. Okay. So there is nothing special about  
19 being a leader at CFX?

20 A. No. Everybody's a leader.

21 Q. Everybody's a leader but Mauricio is a  
22 leader of the leaders?

23 A. Yes.

24 Q. Okay. You don't have to answer that.

25 (Exhibit 26 marked)

1 Q. (BY MS. THEMELI) I am going to hand you  
2 a document that we have marked Exhibit 26. This is a  
3 document that comes from the records of CFX Academy.

4 A. Okay.

5 Q. Do you see that CFX Academy, LLC there on  
6 the left corner on top?

7 A. Yes.

8 Q. Okay. And then below that CFX Academy,  
9 LLC there it says "Bono Elite." Can you -- what is  
10 that?

11 A. That's what we were talking about, that  
12 extra monthly bonus.

13 Q. Okay. I see on this document -- and it's  
14 very similar -- there is a little diagram here and  
15 it's similar to the drawing that you made earlier  
16 with the legs up like -- and the three legs for --  
17 for each person. Is that -- is that -- is this  
18 the -- the same idea that you were trying to describe  
19 earlier?

20 A. Yes.

21 Q. Now, here we have -- on this document, we  
22 have director uno -- or director one, two, three, and  
23 then director four and five, and it says  
24 "optional" or "optional."

25 Do you see that?

1 A. Yes.

2 Q. Earlier you only described the three  
3 legs. Were there cases where there were more than  
4 four direct referrals?

5 A. Yes, you can have several. Three was the  
6 minimum you needed.

7 Q. And the more -- the more legs you would  
8 have, the more direct referrals you would have, the  
9 higher the percentage -- the return would be,  
10 correct?

11 A. Depending if they would invite me.

12 Q. You can put that aside. I will go  
13 through this very, very quickly, look at another  
14 couple of documents here.

15 (Exhibit 27 marked)

16 MR. GULDE: 27.

17 Q. (BY MS. THEMELI) Mr. Turcios, this is  
18 Exhibit 27, and this is a report that also comes from  
19 the records of CFX or CryptoFX. Do you see the date  
20 there, June 1st, 2022?

21 A. Yes.

22 Q. Have you seen a document like this from  
23 CFX?

24 A. No, this is the first time.

25 Q. And you mentioned Norma earlier. Was she

1 the only person who did the books at CFX or the  
2 accounting at CFX?

3 A. As far as I knew, yes.

4 Q. Okay. If you go to June 7th, you'll see  
5 a record for June 7th. Do you see that, sir?

6 A. Yes.

7 Q. In the box on the left, it says  
8 "Revenue." Okay. Do you see where it says "Contract  
9 REC. Orlin Turcios 677,500"?

10 A. Yes.

11 Q. Do you know what that number represents?

12 A. That had to do with the amount that you  
13 were bringing to the academy.

14 Q. So on June 7th, 2022, you brought to the  
15 academy 677,500 in cash?

16 A. No. What I think this says, because I'm  
17 looking here, I think this is what they did to close  
18 the month. So they would do a calculation of all the  
19 money you have brought during the month.

20 Q. Okay. And for what month would that be?

21 A. For the day that I'm seeing this, because  
22 this is new for me because I didn't know this, but  
23 since it says here "6/7," it could have been the  
24 month of May. It could be that they are closing the  
25 month, because they usually do that in the early days



1 of the following month.

2 Q. So does that sound to you like a typical  
3 amount of money that you would collect during the  
4 month?

5 A. Yes.

6 Q. And then do you see the box there that  
7 says "Cash report"?

8 A. Uh-huh.

9 Q. And do you see your name there where it  
10 says "Payment REC. Orlin Turcios \$473,196"?

11 A. Yes.

12 Q. What do you think that means?

13 A. That is related with the other, with the  
14 former.

15 Q. And how is it related?

16 A. It could be that because we were  
17 delivering it in two days, the system is keeping up  
18 what you have been bringing up until this date.

19 Q. Okay. I'm not -- I'm not understanding.

20 Are you saying that the -- the  
21 information provided in the revenue box is the same  
22 as the information provided in the cash report but  
23 the only difference are the dates or --

24 A. The amount. Because this is money that I  
25 brought there.

1 Q. Which one is money that you brought?

2 A. I mean, both amounts -- I don't  
3 understand because this is new, but in -- based on  
4 what I am seeing here, I think this is the amount  
5 calculated up until this day of what I have taken  
6 there.

7 Q. And you're referring to the "CASH REPORT"  
8 box?

9 A. Yes.

10 Q. Okay. So by that date you have  
11 brought -- for the previous months, it is your  
12 understanding, at least with this of this chart here  
13 or this document, that in May of 2022, you brought  
14 \$473,196 to CFX in cash?

15 A. Yes, this amount reflects what I brought  
16 to them. What I do not know, if one is included in  
17 the other.

18 Q. And I'm sorry if this was answered  
19 earlier, but typically how much money would you  
20 collect every month from investors in 2022?

21 A. When I started to get involved in the  
22 beginning, you would have to go there to do the  
23 contract, I would not do them myself.

24 Q. Uh-huh.

25 A. I started doing this in March, I believe.

1 Q. And typically how much money -- between  
2 March and September of 2022, how much money -- how  
3 much cash did you collect on behalf of CFX -- CFX  
4 every --

5 A. There were months that could be -- I  
6 mean, in the beginning, because then it started  
7 growing, maybe 400; and then it went to 600 and it  
8 kept growing like that.

9 Q. Other than the Blalock location and Aqua  
10 Remach location, were there any other locations in  
11 Houston that were collecting money for -- on behalf  
12 of CFX?

13 A. I do not know personally. I did it, but  
14 I don't know.

15 Q. Do you know Horacio Morales?

16 A. No.

17 Q. Sandra Iglacias (ph)?

18 A. I don't know her either.

19 Q. Juan Gomez?

20 A. I've seen him but I do not have a  
21 relationship with him.

22 Q. Salvador Reyes?

23 A. The same thing, I have seen him but we  
24 are not -- I mean, lately we have seen each other and  
25 probably talked a couple of times.

1 Q. Where have you seen Salvador Reyes?

2 A. At the academy.

3 Q. And what was his role at the academy?

4 A. I understand that he had people under him  
5 doing the same thing that I was doing, but I don't  
6 have more information.

7 Q. Do you know if he had -- was operating  
8 out of an office or house or what do you recognize --

9 A. I don't have that information honestly.

10 Q. Do you know Maribel Coleman?

11 A. No.

12 Q. Oligalio (ph) Munoz?

13 A. Yes, I know him because he worked inside  
14 the office.

15 Q. And what was his position -- and by  
16 "inside the office," do you mean at Blalock?

17 A. Yes.

18 Q. What was his role at the Blalock office?

19 A. When people would come, many times he  
20 would answer. I think he felt like a customer  
21 service.

22 Q. Do you know any other employees at the  
23 Blalock office?

24 A. Maybe by seeing them but not the names.

25 Q. When you went there to deliver the cash,

1 who did you talk to typically?

2 A. Usually it was Norma or Nancy.

3 Q. How old is Norma approximately?

4 A. I don't know. It is a -- maybe, maybe  
5 around my age.

6 Q. Okay. What about Nancy?

7 A. She's a bit younger, younger than I.

8 Q. Was -- did CFX use any -- actually, let  
9 me give you a document and maybe you can explain it  
10 to me.

11 (Exhibit 28 marked)

12 Q. (BY MS. THEMELI) Mr. Turcios, that's --  
13 that's a document that comes from the CFX records,  
14 and it is Exhibit 28. It is called "CFX Workflow."

15 Do you see that?

16 A. Yes, I'm looking at it.

17 Q. If we start from -- from the left, do you  
18 see this little drawing there that looks like a  
19 computer?

20 A. Yes.

21 Q. Okay. And then below that, there is  
22 another drawing and -- I'm sorry, below that computer  
23 drawing it says "Web2Lead."

24 Do you see that?

25 A. Yes.

1 STATE OF TEXAS  
2 COUNTY OF HARRIS

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REPORTER'S CERTIFICATE  
ORAL VIDEOTAPED DEPOSITION OF  
MR. ORLIN W. TURCIOS-CASTRO  
December 8, 2022

I, Michelle Hartman, the undersigned  
Certified Shorthand Reporter in and for the State of  
Texas and Registered Professional Reporter, certify  
that the facts stated in the foregoing pages are true  
and correct.

I further certify that I am neither  
attorney or counsel for, related to, nor employed by  
any parties to the action in which this testimony is  
taken and, further, that I am not a relative or  
employee of any counsel employed by the parties  
hereto or financially interested in the action.

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SUBSCRIBED AND SWORN TO under my hand and  
seal of office on this 13th day of December, 2022.

*Michelle Hartman*



Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23

# **EXHIBIT D**



**FW-04464**

***Chavez, Mauricio - 02-10-2022***

***2/10/2022 10:06 AM***

**Condensed Transcript with Endnotes**

**Prepared by:**

Harris, Jill  
FW-04464

Friday, April 22, 2022

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1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 2  
 3 In the Matter of: )  
 4 ) File No. FW-04464-A  
 5 CRYPTOFX LLC )  
 6  
 7 WITNESS: Mauricio Chavez  
 8 PAGES: 11 through 271  
 9 PLACE: Securities and Exchange Commission  
 10 801 Cherry Street  
 11 Fort Worth, Texas 76102  
 12 DATE: Thursday, February 10, 2022  
 13  
 14 The above-entitled matter came on for hearing  
 15 via Webex, pursuant to subpoena, at 10:06 a.m.  
 16  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24 Diversified Reporting Services, Inc.  
 25 (202) 467-9200

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1 APPEARANCES:  
 2  
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C O N T E N T S

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 3 WITNESS: EXAMINATION  
 4 Mauricio Chavez 15  
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P R O C E E D I N G S

1  
 2 MS. HARRIS: We are on the record at  
 3 10:06 a.m. Central Time on February 10th, 2020.  
 4 Will the witness please state his  
 5 name.  
 6 MR. CHAVEZ: Mauricio Antonio  
 7 Chavez.  
 8 MS. HARRIS: And, Mr. Chavez, will  
 9 you please spell that out for the court reporter?  
 10 MR. CHAVEZ: Sure. Mauricio,  
 11 M-A-U-R-I-C-I-O. Antonio is A-N-T-O-N-I-O.  
 12 Chavez, C-H-A-V-E-Z.  
 13 MS. HARRIS: Okay. Mr. Chavez, do  
 14 you consent to taking an oath or affirmation to  
 15 tell the truth remotely via Webex rather than in  
 16 person?  
 17 MR. CHAVEZ: Yes, ma'am.  
 18 MS. HARRIS: And do you understand  
 19 this oath has the same effect as if it were  
 20 administered in person?  
 21 MR. CHAVEZ: Yes, ma'am.  
 22 MS. HARRIS: Okay. Please raise your  
 23 right hand.  
 24 Do you swear to tell the truth, the  
 25 whole truth and nothing but the truth?

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1 start -- pretty much and start buying  
 2 different -- different coins and really  
 3 understand the cryptocurrency industry.  
 4 Q Okay. So, the revenue came from where?  
 5 A Okay. The -- the revenue -- CryptoFX  
 6 was an academy that started teaching and started  
 7 doing different packages as far as -- so they can  
 8 learn the -- the -- you know, that information  
 9 that needed to be provided to them to start doing  
 10 the trading. And at the beginning that's where  
 11 we got -- we got the revenue.  
 12 Q Am I correct in stating that at the  
 13 beginning the revenue came from the students?  
 14 A That is correct. Yes, ma'am.  
 15 Q Approximately how many students do you  
 16 have on your roster?  
 17 A I would say 3,000 to 5,000 students.  
 18 Q 3,000 to 5,000; is that correct?  
 19 A Yes, ma'am.  
 20 Q And you just started CryptoFX in 2000;  
 21 is that correct?  
 22 A Could you repeat that again?  
 23 Q Absolutely.  
 24 You established CryptoFX in 2000; is  
 25 that correct?

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1 A The year 2000?  
 2 Q Yes. Excuse me, 2020?  
 3 A That is correct. Yes, ma'am.  
 4 Q Okay. I want to make a clean record.  
 5 So, I'm going to ask the question again.  
 6 Am I correct in stating that it was  
 7 established in 2020?  
 8 A Yes, ma'am.  
 9 Q Okay. Thank you.  
 10 You are getting revenue from the  
 11 students through these different packages. Can  
 12 you explain the different packages?  
 13 A Yes, ma'am.  
 14 Pretty much depending on the level  
 15 of -- of where they were, I start different  
 16 packages. Like the starting package,  
 17 intermediate package and an advance package. So,  
 18 for instance, to teach you the basic information  
 19 on just understanding and opening an exchange, we  
 20 would charge a \$499.00 fee.  
 21 On a more intermediate level which is  
 22 understanding -- opening an exchange, opening an  
 23 account and -- and start trading. So, it was  
 24 more like intermediate level. And an advance  
 25 level which, you know, included all of that,

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1 plus, we went over different coins in the space  
 2 and -- and really kind of help them create a --  
 3 with their own decisions of course, create a  
 4 portfolio that would benefit them in the  
 5 long-term.  
 6 Q When you first started this where did  
 7 you conduct your classes?  
 8 A I -- believe it or not I started in a  
 9 restaurant.  
 10 Q Okay. About how many students attended  
 11 the classes?  
 12 A It started like with 50 students at the  
 13 beginning.  
 14 Q Okay. How often would you hold  
 15 classes?  
 16 A Every day. Monday through Friday every  
 17 day. Night classes every day. Like, seven p.m.  
 18 every day we will meet at the -- at that  
 19 restaurant.  
 20 Q What restaurant was this?  
 21 A It was actually a Denny's restaurant  
 22 that have a -- a huge space on the back -- back  
 23 of it connected. And it pretty much started from  
 24 there.  
 25 Q Okay. So, you have students attending

Page 34

1 these classes once every day. Are there just one  
 2 class per day or multiple classes?  
 3 A No, one class per day.  
 4 Q And so, there would be beginner  
 5 students sitting with intermediate students  
 6 sitting with advanced students; is that correct?  
 7 A That is correct. Yes, ma'am.  
 8 Q Okay.  
 9 A In the beginning it was like that.  
 10 Q Okay. How would you solicit your  
 11 students?  
 12 A It was just pretty much one person, you  
 13 know, telling of his cousin, you know, family  
 14 member or friend, say, you know, I'm learning the  
 15 crypto space. It's a different trend. It's a  
 16 new trend that's really involving, you know, that  
 17 can really give us an extra income opportunity  
 18 pretty much.  
 19 Q Okay. Okay. Did you do any sort of on  
 20 line advertising or any other advertising?  
 21 A No, ma'am.  
 22 Q Did you do any -- any -- any -- so, no  
 23 advertising on the radio or anything like that?  
 24 A No, ma'am.  
 25 Q Okay. You said when you first started

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1 your revenue came from student payments for  
2 classes; is that correct?  
3 A Yes, ma'am.  
4 Q Okay. Did that change over time?  
5 A After -- after, I would say, 2021 we --  
6 we changed because more people wanted to know  
7 what we were doing learning and they -- they got,  
8 you know, news of how the other people were doing  
9 that were having a lot of success. So, the --  
10 the word spread that we're teaching them how to  
11 do things and really had success levels.  
12 Q Okay. Did you in 2021 establish a new  
13 stream of revenue?  
14 A Yes, ma'am.  
15 Q Describe that.  
16 A We created different packages as far  
17 as, you know, like -- like an agreement. More  
18 like a -- like a -- because they -- they wanted  
19 to -- since they were getting great results they  
20 wanted to establish -- you know, of course create  
21 a bigger income level. So, they started asking  
22 me if I would create some type of package where  
23 it could be -- could be like a loan to -- to us,  
24 to the company, and we could do the portfolios  
25 and stuff and really create an extra income for

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1 them. That's how things -- the different revenue  
2 started.  
3 Q That's helpful. Let me unpack that.  
4 Before you had a small amount of  
5 students and you had success by getting them  
6 money in the crypto space. And other people hear  
7 about this success and so it grows. In 2021 you  
8 then change the revenue stream from -- or change  
9 the revenue stream from students paying to learn  
10 to students giving money to the company so you  
11 can do the crypto investing for them?  
12 A I wouldn't call it crypto investing. It  
13 was -- and we -- as a company, we never stopped  
14 the teaching part of things. Because of the  
15 COVID, of course, we created -- we changed the  
16 model a little bit to more of Zoom. Instead of  
17 doing it live, we did it -- we do it Zoom every  
18 day, Zoom meeting.  
19 But pretty much the -- the new income  
20 revenue started, people wanted to loan the  
21 company money in a way, but we did it as an  
22 agreement, as you have in -- in your records,  
23 of -- you know, because we saw the opportunity --  
24 we understood the opportunity in the crypto space  
25 and how we -- it popped, how it boomed in 2017,

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1 you know. And of course we know how -- we saw  
2 how afterwards. So, we understand what the --  
3 the trend and the market itself. And we and --  
4 and them saw it as an opportunity to take  
5 advantage of the market itself.  
6 Q About how many students do you have in  
7 2021 when it changes to adding the different  
8 packages?  
9 A It was like 400, 500 students the max.  
10 Q Okay.  
11 A Those were the max students.  
12 Q Okay. Describe the different packages  
13 that you are now offering in 2021?  
14 A Yes. We have bronze, the gold and --  
15 and the other packages as before. See, I  
16 don't -- I don't -- myself, I really don't focus  
17 on promoting the -- the business itself to get  
18 more clients. I -- I don't focus on that myself.  
19 Q Okay. If I come to CryptoFX and I am  
20 interested in having you take my money and put it  
21 in the crypto space, what are my options? I  
22 have -- what are my options?  
23 A Okay. Well, first, you know, we really  
24 need to explain to you that we are not an  
25 investing academy. We are not a financial

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1 institution. And we make you understand all of  
2 that. And what we tell you is, we're going to  
3 help you get involved with the crypto space by  
4 teaching you how to open an exchange, how to  
5 start buying different coins. How --  
6 understanding the bio technical of the market  
7 itself and that it is very risky, you know.  
8 And -- and, of course, we -- we will  
9 teach you on how you can strategize if you want  
10 to establish an account with us, but most  
11 importantly, so you can learn it on your own.  
12 The goal is for you to do it on your own with the  
13 education.  
14 Even though we change a different  
15 stream of income or revenue for the company, we  
16 never change the model as far as our goal is to  
17 teach people how to really educate themselves so  
18 they don't have to depend on nobody else. Not  
19 even on the company -- on our company itself.  
20 Q Does everyone that gives you a loan --  
21 strike that. Let me ask a better question.  
22 Does every person that gives you money  
23 also attend the classes?  
24 A Could you -- do you -- do you mean  
25 every person?

1 Q Every person.  
 2 A No, ma'am, because it is a optional. It  
 3 is available to them, like I said, every day  
 4 Monday through Friday. We do it via Zoom. And  
 5 because of the COVID we changed the model.  
 6 Normally we do it on a daily basis, you know,  
 7 like face-to-face. So -- but, you know,  
 8 different people participate on different days.  
 9 Q So what I'm hearing you say is that  
 10 there are two streams of revenue. One extreme is  
 11 students paying for classes for you to teach them  
 12 how to open up the accounts and get into the  
 13 crypto space. The second stream is people giving  
 14 you money for you to do it for them; is that  
 15 correct?  
 16 A Yes, ma'am.  
 17 Q Okay. Currently, what percentage of  
 18 your business are students and classes?  
 19 A I would say 40 percent. 30 to 40  
 20 percent.  
 21 Q So, the majority of your business is  
 22 people giving you money to invest in the crypto  
 23 space; is that correct?  
 24 A I wouldn't say invest, but like I said,  
 25 the model is more the loan where we make the

1 decisions on what kind of portfolio to -- to  
 2 establish, you know. That -- that's more the  
 3 route that we take.  
 4 Q Okay. The majority of your business is  
 5 people giving you money without attending the  
 6 classes; is that correct?  
 7 A They do attend the classes. It's just  
 8 that they don't attend the classes every day.  
 9 It's more, you know, of course, like, 7 p.m. it's  
 10 when a lot of the people are with their kids now.  
 11 So, some people attend. Some people don't.  
 12 Q You previously stated that there are  
 13 some people that don't attend any classes at all  
 14 and just have signed a contract with you and have  
 15 said, This is the amount of money I want to put  
 16 into the crypto space and I want you to be  
 17 responsible for this money; is that correct?  
 18 A Yes, ma'am. We do give them  
 19 information as far as, you know, the importance  
 20 of -- of, of course, getting involved and really  
 21 getting to know what it is they are in. We don't  
 22 necessarily want them to just put in a -- a  
 23 package with us and really not understanding what  
 24 we're doing, how we operate and what our  
 25 intention is as an academy.

1 Q Okay, that's helpful.  
 2 A person gives you money. They sign  
 3 the contract. What do you do with the money?  
 4 A We put it into Bitcoin because that's  
 5 how we start distributing and that's how we start  
 6 doing trading.  
 7 Q Okay. I want you to expand on that.  
 8 When you say, Put it into Bitcoin, what do you  
 9 mean?  
 10 A Okay. So, for instance, somebody buys  
 11 a package, what we do is we -- we first tell them  
 12 that, you know, they need to open an account, a  
 13 crypto account, and to purchase Bitcoin and send  
 14 Bitcoin to us as a -- to the company. In order  
 15 for us to start doing trading in the crypto space  
 16 everything needs to be done by a different coin,  
 17 you know. The easiest coin to get access to  
 18 where you can find it's called is BTM. Even in  
 19 gas stations they have BTMs now. They can go  
 20 into the gas station and really buy crypto there  
 21 or they can open an -- an exchange like a  
 22 Coinbase. And they can leave their bank account  
 23 and buy Bitcoin from there as well. And that's  
 24 how they -- they will join the -- the company  
 25 with us as well.

1 Q I don't think I caught the last part.  
 2 Can you repeat what you said?  
 3 A Okay. For instance, they can open a  
 4 Coinbase account and they can link their bank  
 5 account to the Coinbase account, purchase Bitcoin  
 6 on there. And once they have the Bitcoin, they  
 7 can -- they can buy their -- the package that  
 8 they're joining with the academy.  
 9 Q Do you also accept cash?  
 10 A Yes, ma'am, we have.  
 11 Q So, if I come to you and I want to give  
 12 you cash to put into the crypto space, what do  
 13 you do with that cash?  
 14 A And then we -- I have to buy Bitcoin  
 15 myself and I have to turn it -- I have to put  
 16 that cash into Bitcoin so I can start doing  
 17 trading.  
 18 Q So you're trading Bitcoin?  
 19 A Bitcoin is the -- the -- the coin  
 20 that -- like, I would say, the parent coin that  
 21 we use, but we exchange it for other coins.  
 22 Q Okay.  
 23 A That will give us the opportunity to --  
 24 you know, that is going to have a -- a best  
 25 return.

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1 is that correct?

2 A Well, I think it's both because they do  
3 their own trading as well.

4 Q Let me make -- let me get a little bit  
5 more clarity here.

6 If you're in the Founders Circle,  
7 you're attending classes with you and you were  
8 showing them your trades; is that right? That's  
9 the whole point.

10 A Correct. Yes, ma'am. But they had  
11 their own -- how do I say it? They copied those  
12 trades into their own personal account.

13 Q Are they also giving you money to  
14 trade?

15 A The packages -- the loan packages  
16 that -- that we mentioned.

17 Q Okay. So, the Founders Circle is  
18 separate from the loan packages that we talked  
19 about before?

20 A It's the same. It's the same. This  
21 was just a -- it was kind of like a -- a  
22 different class that we established to have more  
23 like a, I would say, VIP access to different  
24 coins, but it was not -- not -- nothing different  
25 than the -- than the loan.

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1 Q Okay. I'm still confused. So, you  
2 have to help me out here.

3 A No problem.

4 Q The Founders Circle it's my  
5 understanding had access to you and your  
6 expertise. And that --

7 A Personal level. I'm sorry, ma'am.

8 Q Yeah. Mr. Chavez, just let me finish.

9 The Founders Circle was a different  
10 class because it had access to you and your  
11 expertise, but then, of course those students  
12 could also do the loan packages to the company;  
13 is that right?

14 A That is correct. Yes, ma'am.

15 Q Okay. But you could do the loan  
16 packages to the company without being in the  
17 Founders Circle, correct?

18 A Correct. Yes, ma'am.

19 Q And if you were in the Founders Circle  
20 was there anything -- anything different about  
21 your loan?

22 A No. No. No. I mean, there was  
23 nothing different about the loan. Actually, the  
24 Founders Circle, if I recall it, we did that --  
25 we never offered that any longer. It was just

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1 the beginning of -- if I remember, I believe it  
2 was 2021, beginning of 2021, but it was -- it was  
3 not for a continuous. It was like a special  
4 class pretty much.

5 Q Excuse me. When did you stop teaching  
6 the Founders Circle classes?

7 A I don't -- I'm trying to remember. Let  
8 me -- I believe it was, like, March of 2021. I --  
9 I don't remember exactly the date though.

10 Q Okay. On the -- the first page of this  
11 exhibit you also have Aaron Fajardo marked down  
12 with FC 2. What is FC 2?

13 A Okay. FC 2, that's a -- pretty much a  
14 second -- like, FC 1 and FC 2 were done in -- in  
15 March. It was like kind of -- FC 2 was another  
16 training. We did FC 1. Then we did FC 2, but  
17 they both ended in like March 2021.

18 Q Okay. Explain what FC 2 was and how  
19 it's different from FC 1.

20 A No. It is the same thing. FC 1 was  
21 kind of like a seminar or training session that  
22 we did. When that ended, then we started FC 2.  
23 That's just Founders Circle second -- I don't  
24 know how to explain it. It was like a -- a  
25 second class pretty much.

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1 Q Okay. So, it was the same thing as  
2 Founders Circle 1. It was just the second  
3 version of it?

4 A That is correct. Yes, ma'am.

5 Q Okay. And these classes lasted how  
6 long?

7 A I believe both of those were -- we were  
8 not giving those classes after March of 2021.

9 Q Okay. And they started in January of  
10 2021. So, three months?

11 A Yes, ma'am.

12 Q Okay.

13 MS. HARRIS: Can we go to page nine of  
14 the exhibit.

15 Q Do you see that, Mr. Chavez?

16 A Yes, I do.

17 Q Okay. There's -- at the very bottom  
18 there's a student or investor named Adrian Vargas  
19 VIP. Can you explain what VIP signifies?

20 A Yes, ma'am. Definitely. VIP was that  
21 they could have the opportunity to -- to make a  
22 little bit of gains on the -- on the loan, but  
23 that -- that -- I would say, after -- if I recall  
24 it, after June -- June? June, July 2021, it was  
25 no longer available.

<p style="text-align: right;">Page 55</p> <p>1 Q If I'm a VIP -- strike that.  2 When you say bigger returns, explain  3 that.  4 A On the -- for instance, like the  5 example that you gave me on the \$100.00, correct?  6 Let's say that I'm doing the trading with those  7 \$100.00. Let's say the opportunity to -- first  8 of all, we never guaranteed any returns, but  9 let's say the opportunity was to, I don't know,  10 make a, let's say, \$20.00 with the regular loan  11 example. This one -- like, for instance, instead  12 of the company, you know, keeping a -- a -- a  13 higher gain, the company would give a little more  14 to the student.  15 Q Explain that more. When you said, The  16 company would give a little bit more. Help me  17 understand what that means.  18 A Okay. So, let's say the -- let's  19 say -- let me just make you an example. Let's  20 say I did the trading with \$100.00 and with the  21 regular program we made \$20.00 and the company  22 kept -- I'll just give you an example. The  23 company kept \$5.00 and the student kept \$15.00,  24 okay. The VIP would have -- the -- you would  25 have the opportunity to make, let's say, \$17.00</p>	<p style="text-align: right;">Page 57</p> <p>1 in a web chat?  2 A That was in -- in person.  3 Q Okay. And so, if I'm an investor and I  4 want to be a VIP investor, how do I qualify?  5 A Okay. One thing that we -- that we  6 always stay away from an investor because we  7 don't want to confuse people that they are -- you  8 know, like, we don't want to mislead people in  9 any way. And that's why we -- for instance, if we  10 would get a loan and we never -- we promised, you  11 know, on a return, it's hard to -- to say that,  12 you know, no one. It's zero to any percentage,  13 but we never --  14 Q Okay.  15 A We've never made those claims like  16 that.  17 Q Let me rephrase. If I am a person who  18 wants to give you a loan and I want to be a VIP,  19 how do I qualify?  20 A We no longer had offered that I believe  21 since July of 2021.  22 Q I understand, Mr. Chavez, but before  23 July of 2021 how would I have qualified?  24 A Okay. I'm sorry, I didn't understand  25 your question.</p>
<p style="text-align: right;">Page 56</p> <p>1 and the company would give -- keep \$3.00 as an  2 example. I'm just giving you an example here so  3 you can understand.  4 Q Okay. Where are these terms --  5 where -- where would you put these terms? How  6 would -- how would you make an investor  7 understand that you were getting bigger returns  8 from them?  9 A We didn't necessarily tell them as far  10 as -- could you rephrase that question, please.  11 Q Sure. That was a bad question. That's  12 my fault.  13 How did you communicate to VIP  14 investors the types of returns that they were  15 going to get?  16 A Well, one -- one thing that we -- we  17 always make clear to them that it's -- the crypto  18 market is very hard. It's very volatile, but you  19 know, because of our experience, because -- you  20 know, that they will have the opportunity to --  21 but -- to make a little better returns than --  22 than -- but we -- we never give exactly what --  23 what we are going to get, you know. It's just a  24 little hard to predict.  25 Q Would you tell them that on the phone,</p>	<p style="text-align: right;">Page 58</p> <p>1 Okay. No. The way we would -- you  2 know, kind of like with the Founders Circle, they  3 had the opportunity to have access to my trades  4 and -- and pretty much me giving them an idea of  5 what I was doing to -- to generate income, a VIP  6 had similar access to that. So, it we would kind  7 of -- so those were some benefits of being a VIP,  8 have better access to our trades.  9 Q Okay. Did a VIP have to give a minimum  10 loan?  11 A No, ma'am.  12 Q Okay. So you could be a VIP with  13 \$5.00?  14 A There was no minimum.  15 Q Okay. And this is a question for all  16 of the loan packages. Was there a minimum that a  17 person needed to loan you?  18 A Well, because of the crypto space, the  19 way it's established, and this is where my  20 co-partner Eduardo is the one that came with this  21 idea of, you know, to establish a minimum of  22 \$1,000.00.  23 Q A minimum of \$1,000.00, okay.  24 A That is correct. Yes, ma'am.  25 Q So, if I'm a person who wants to give</p>

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1 you a loan and I want to be a VIP before 2020 --  
 2 or before July 2021, the benefit of the VIP  
 3 status was you would get access to your trades  
 4 and get bigger returns; is that correct?  
 5 A Yeah. I -- I wouldn't necessarily call  
 6 it bigger returns, but they have the opportunity  
 7 to get better returns.  
 8 Q Okay. Do you have any idea of your  
 9 average return for your VIP customers?  
 10 A It's just -- it varies. I wouldn't --  
 11 I wouldn't be able to give you an exact  
 12 percentage.  
 13 Q Do you have any records where you --  
 14 where you kept your returns for your customers?  
 15 A I believe we do. I will get with my  
 16 attorney so we can get those records for you.  
 17 Q Okay. Yes. That would be responsive  
 18 to the subpoena.  
 19 Okay. Let's move on.  
 20 You previously said with the founder  
 21 classes that you were the one actually making the  
 22 trades and you would help them out. And that's  
 23 why this was kind of an opportunity to get bigger  
 24 returns; is that correct?  
 25 A It was an opportunity for them to get,

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1 you know, better calls on -- on different coins  
 2 that were coming out, yes, ma'am.  
 3 Q Okay. Who else at CryptoFX was doing  
 4 trading?  
 5 A Eduardo, my co-partner.  
 6 Q Was anyone else at CryptoFX doing  
 7 trading?  
 8 A Yes, ma'am, but not -- not on -- on the  
 9 students accounts because of the risk involved.  
 10 Q Okay. So, after Eduardo died you were  
 11 the only one doing the trading; is that correct?  
 12 A Yes, ma'am.  
 13 Q Okay. Were you also the only one doing  
 14 the trading on the loan packages?  
 15 A Eduardo as well.  
 16 Q Okay. Was anyone else doing trading on  
 17 the loan packages?  
 18 A Not on the loan packages, no, ma'am.  
 19 Q Okay.  
 20 A We -- I -- I tried one person to start,  
 21 but it didn't work out. There was not the  
 22 mindset that -- that I had for the academy and  
 23 myself.  
 24 Q Who was that person?  
 25 A That person is John Fernandez which he

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1 did not come as an employee or any of the  
 2 company. He was just referred to -- to me as one  
 3 of the -- the person that I was -- helping me  
 4 open the accounts and stuff.  
 5 Q Okay. Let me unpack that.  
 6 How do you know John Fernandez?  
 7 A Through another ex-employee of mine.  
 8 Q And who is that?  
 9 A His name is Emerson, Emerson Vascone.  
 10 He told me that -- that, you know, he had a  
 11 friend that did trading, that he was doing very  
 12 well, that he was teaching classes and -- and,  
 13 you know, that -- why didn't I take an  
 14 opportunity for him to try out and -- and see how  
 15 he can help us with -- with our trading, but when  
 16 he joined he was doing ForEx, not crypto. I  
 17 myself focus more on crypto than ForEx.  
 18 Q Okay.  
 19 A And, you know, at the beginning I -- I  
 20 said no, but then I'm like, okay, you know, we  
 21 can give opportunity for people to -- you know,  
 22 to -- or -- or for the company itself to generate  
 23 a greater income. Let's -- we give him the  
 24 opportunity to come not as an employee just to  
 25 test. But I realized through another student of

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1 mine one day that he came to my office and saw  
 2 that he was there in the U.S., his uncle  
 3 actually, he told me a few things that John had  
 4 done in the past. I no longer wanted to be  
 5 associated with that person.  
 6 Q Okay. What was John Fernandez doing  
 7 for CryptoFX?  
 8 A I gave him a portfolio -- not a  
 9 portfolio, but a -- an account, a ForEx account,  
 10 to do trading.  
 11 Q When was this?  
 12 A It was -- I don't remember. Like,  
 13 January 2021. January, February 2021, around  
 14 that -- that time.  
 15 Q So, you gave him an account to do  
 16 trading. Whose money was he trading?  
 17 A The company's money.  
 18 Q Okay. So, the loans that people were  
 19 giving you to trade?  
 20 A That is correct. Yes, ma'am. Not the  
 21 whole -- I mean, just -- just a fraction.  
 22 Q Approximately how much money did you  
 23 give him to trade?  
 24 A Anywhere from 200,000 to \$400,000.00.  
 25 Q Is that total or is that per month?



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1 A Well, what happened was, like, he would  
2 ask me to put in an account 200,000 or -- or  
3 300,000 and we would trade with that. And if we  
4 got profit -- if it would get profit from that we  
5 will take out. And I gave him part and part  
6 would be for the company.

7 Q Can you repeat that last part, Mr.  
8 Chavez?

9 A Okay. For instance, let's say I gave  
10 him \$200,000.00, and the profits were, I don't  
11 know, 400,000, part of those 400,000 was for the  
12 loans, the company's loans, and part was for  
13 John. Like a fee. Like a commission.

14 Q How much commission did Mr. Fernandez  
15 earn?

16 A Let's see. I don't have the exact  
17 numbers to be honest with you. I don't, so. But  
18 it was at least over \$500,000.00, \$600,000.00.

19 Q Okay. I want to go back and ask my  
20 question again about how much money was he  
21 trading for the company if he earned a  
22 \$500,000.00 commission.

23 A It was -- the thing is that we -- since  
24 it wasn't his account that we would put in and  
25 take out, I would say it was a total from 400

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1 to -- over 400,000, but not more than 600,000.  
2 I -- I don't have the exact numbers to be honest  
3 with you at this point.

4 Q What account was he using?

5 A It's in a broker called KOT 4X.

6 Q Do you have the records from that  
7 account?

8 A Yes, ma'am. I can definitely obtain.

9 Q Okay. Those would be responsive to our  
10 subpoena.

11 Do you have the records for the amount  
12 of money that you paid to Mr. Fernandez as  
13 commission?

14 A That's one of the tasks that I was  
15 searching for because on the -- I believe we --  
16 we save information or documentation from some,  
17 but I wanted to get an exact amount. That's  
18 something that I can definitely get with my  
19 attorney and -- and figure out an exact amount  
20 and mention all of that.

21 Q Okay. How did you pay Mr. Fernandez  
22 commission?

23 A Through Bitcoin and a check.

24 Q Was it through the company's Bitcoin  
25 account or through your Bitcoin account?

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1 A The thing with -- with -- with the --  
2 with the Bitcoin itself, on the broker -- on  
3 the -- on the account, it's -- you can't open a  
4 company account, you know. So, it's -- it's the  
5 company's account, so. Yes, ma'am.

6 Q I didn't understand your answer.

7 A Okay. Like, for instance, when you  
8 open a -- a income -- a Bitcoin wallet, it  
9 doesn't say the company's name, but pretty much  
10 it is the company's account.

11 Q So, you paid him with Bitcoin from this  
12 wallet?

13 A Correct.

14 Q And this is the same wallet that you  
15 are trading the loan money through; is that  
16 correct?

17 A That -- that is correct. Yes, ma'am.

18 Q Okay. So, it's all one wallet?

19 A No. It was like -- it was two or three  
20 different wallets I would say. Because of --  
21 because of hacking and because of things like  
22 that you can't have everything in one wallet.  
23 It's too risky.

24 Q Who had access to these wallets?

25 A Eduardo and myself.

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1 Q Okay. So, you paid him through the  
2 company's wallet and via check?

3 A That is correct. Yes, ma'am.

4 Q Okay. He started with you in January  
5 of 2021. Approximately how many -- or, excuse  
6 me. Approximately how much revenue did he  
7 generate through his trading?

8 A I don't have the exact -- and that's a  
9 number that I do want to get to you, but I -- he  
10 made over -- over 500 -- over \$600,000.00 he  
11 made.

12 Q Say that again, Mr. Chavez.

13 A That's something that I want to get to  
14 you, the exact number. I will definitely get  
15 with Mr. -- with my attorney on that. But for  
16 sure, for sure, it was more than 500 to  
17 \$600,000.00.

18 Q So, he made over \$600,000.00 in revenue  
19 for the company; is that correct?

20 A That is correct. Yes, ma'am.

21 Q Okay. And he was paid \$500,000.00 in  
22 commissions?

23 A Yeah. No. No, 'cause we -- we --  
24 on -- on -- on that account, and I have the  
25 records and everything, we made over \$1 million

<p style="text-align: right;">Page 67</p> <p>1 in profits. And -- and that's why he got that 2 amount. 3 Q Okay. 4 A I'm talking about over time. Not -- 5 over the -- over the time that he was with us 6 that's what I mean. 7 Q Let me restate my question. 8 Over the time that he was trading for 9 CryptoFX, approximately how much profit do you 10 think he made for the company? 11 A Over \$500,000.00. 12 Q Okay. 13 A Oh, you mean for the company or for 14 himself? I'm so sorry. I didn't understand your 15 question. 16 Q I'll restate it. 17 Over the time that he was trading for 18 CryptoFX approximately how much profit did he 19 make for the company? 20 A Okay. Over \$1 million at the 21 beginning. And I will explain to you why in the 22 beginning or would you like me to say right now? 23 Q Yes. 24 A Okay. What happened was he started 25 trading and he started doing very well. That's</p>	<p style="text-align: right;">Page 69</p> <p>1 could start gaining back what he had lost. 2 Which, in reality, to me, as a company, we broke 3 even, you know. We didn't win or lose because of 4 the amount of money that I -- that I had given 5 him. But the reason why I decided not to 6 continue was because of the reputation that he 7 had. I didn't want that for our academy. 8 Q Okay. When did he start losing money? 9 A I would say February, March. I would 10 say February. End of February. I don't have -- 11 I don't have that exact -- I would have to check 12 the records on the VIP account. 13 Q Okay. February of what year? 14 A 2021. 15 Q So, he only traded for a month? 16 A It was a couple -- it was a couple of 17 months that he traded. Couple of months. 18 Three -- I don't have -- 19 Q Okay. 20 A I don't have the dates that it 21 occurred. I will definitely get you that. 22 Q Okay. Thank you. 23 So, you initially gave him between 200 24 and 400 of the company's money. He at first made 25 a profit of a million or over a million and then</p>
<p style="text-align: right;">Page 68</p> <p>1 why he got the returns that -- I mean, his 2 commissions that he got, but then he started 3 losing money. And he started losing -- what I 4 realized when he started losing was that -- 5 that's the reason why his own uncle came and told 6 me to be careful with him and -- was because he 7 high -- high risk taker and that's not the way we 8 operate. 9 And -- so, he started losing money. And 10 then at the time, that's why his uncle came and 11 told me, Hey, this guy, he's my -- my nephew, and 12 I put money with him and he never paid me. He 13 never paid my son. And that's when John started 14 getting more -- started asking me for money to 15 put in -- in the account and I didn't want to put 16 in more money because I didn't want to have 17 somebody with that background in our company. 18 And at that time then he -- he gave me 19 a check himself from El Generator, which was the 20 company that he was operating with, saying, you 21 know, well, put that in the account and you put 22 in more and -- so, he put in -- he wanted to make 23 up for what he had lost, you know. So, to him -- 24 I believe it was about a \$40,000.00 check. And 25 he wanted me to put that in the account so he</p>	<p style="text-align: right;">Page 70</p> <p>1 he starts losing money; is that correct? 2 A That is correct. Yes, ma'am. 3 Q Do you have an estimate of how much 4 money he lost? 5 A Well, he -- he lost -- he lost, like, 6 the profits that we had there, but I focus myself 7 not to lose the money for the peoples loans. In 8 other words, even though he made profits for the 9 company, you know, like, those profits that were 10 made were flushed off because of what he lost, 11 you know. 12 Q I -- I don't. I want to understand, 13 but I'm not sure I understood your answer. 14 A Okay. So, let's say, that I gave John 15 \$400,000.00 and he made, let's say, \$1.3 million, 16 some part of that went to him as a commission and 17 the other part was sent to the company for the -- 18 for the loans, right. I mean, then -- then he 19 started losing. So, the money that was in the 20 account was lost. 21 So, that's when he said, you know what, 22 let me give you a check -- the market was crazy, 23 let me give you a check for -- for -- so you can 24 put in money in that account, but it was a 25 \$40,000.00 check. And then he started doing the</p>

<p style="text-align: right;">Page 79</p> <p>1 A Oh, okay.  2 Q -- trades being placed?  3 A No, pretty much the -- the VIP against  4 regular, the VIPs, they have the access to seeing  5 my trades, some of that trades, so they can put  6 it on their own portfolio as well. Everybody has  7 their own portfolio as well or their own accounts  8 that they manage.  9 Q But you were doing the trading for some  10 of those VIP investors?  11 A Yes. The people that loaned us the --  12 yes. That did the loans, yes.  13 Q Okay. So, for the people that gave you  14 the VIP loans and the people that gave you the  15 regular loans, how were the trades different?  16 A The trades were the same trades.  17 There's nothing different. The thing is that on  18 the -- on the VIP, the reason why it was called  19 VIP was because they had access to me. They had  20 access to the trades that I call to generate  21 income for the company.  22 Q Okay.  23 A On the other -- on the other ones, they  24 don't have access to that.  25 Q Okay. So, if the trades weren't</p>	<p style="text-align: right;">Page 81</p> <p>1 have a opportunity for a greater return if the  2 other loan package executes the same trades?  3 A Okay. One of the requirements I would  4 say, or perhaps requirements, on the VIP would be  5 to -- or for them to arrange -- to ensure that  6 they have their own accounts. They cannot just  7 be a VIP without their own accounts because we  8 wanted to give them the -- kind of the  9 person-to-person opportunity to -- to have access  10 to us.  11 Q Okay.  12 A More like a mentorship also.  13 Q Okay. So, to qualify to be a VIP you  14 had to open up your own portfolio?  15 A Yes, ma'am.  16 Q Okay. Did you have to execute certain  17 trades?  18 A Could you repeat that?  19 Q Sure. Did you have to execute certain  20 trades?  21 A At that time when -- I don't understand  22 the question, Ms. Harris. I'm sorry.  23 Q Sure. When you had the VIP program and  24 a person wanted to be a part of the VIP program  25 and give you -- get a VIP loan package, to</p>
<p style="text-align: right;">Page 80</p> <p>1 different how could you guarantee the VIPs a  2 possibility of a better return?  3 A Okay. Well, that -- like I said, Ms.  4 Harris, we never guarantee. You know, we could  5 say anywhere from zero to a certain amount, but  6 we never guarantee. But we knew -- I mean, I  7 knew that in -- the possible returns that we  8 could generate. And there -- at some point on  9 those trades the company had to give away profits  10 so they could pay a little more to the VIP.  11 Q Okay. How could you tell the VIPs that  12 you were going to get a greater return than the  13 regular loan packages if the trades were the  14 exact same?  15 A The thing is like on the other loans,  16 on the regular loans, even though they have their  17 own -- their own portfolio or an account  18 established, they don't have access to the trades  19 that we take. So, the potential on their own  20 portfolio is less.  21 Q Let's say I gave you a loan and I don't  22 do any trading. I'm just giving you the loan and  23 I don't want to open up my own portfolio. And I  24 am saying, I want to be a VIP. I want to do the  25 VIP loan package. Why are you telling me that I</p>	<p style="text-align: right;">Page 82</p> <p>1 qualify you previously testified that they had to  2 open up their own portfolio, correct?  3 A Yes, ma'am.  4 Q Did they have to execute specific  5 trades in that portfolio?  6 A Okay. Yes. I would -- I would help  7 them execute a particular trade. Of course I  8 would tell them -- ask them first. I cannot do  9 it without their permission, but I would help  10 them in their portfolio and, you know, do the  11 trades myself for them. And Eduardo as well used  12 to do that, help me assist them as well.  13 Q Okay. So, every VIP on this -- on the  14 list that I showed you of your students had their  15 own portfolio and you helped them execute those  16 trades; is that right?  17 A That is correct. The list -- that's --  18 that's one -- that was one of the prerequisites  19 in order to be a VIP member.  20 Q Okay. So, they had to do their own  21 individual trading; is that correct?  22 A That is correct.  23 Q Okay. I'm -- I'm still a little bit  24 confused as to if the trades in the regular  25 portfolio are the same as the trades in this VIP</p>

<p style="text-align: right;">Page 83</p> <p>1 portfolio, why would the VIP -- or, excuse me,  2 VIP group or portfolio, why would the VIP group  3 get bigger returns? Is it just because you're  4 helping them?  5 A Okay. Let me -- let me ask -- let me  6 go back to the question that I -- the example  7 that I gave you.  8 For instance, if you have -- if you  9 have \$100.00 and we make \$20.00 profit. The loan  10 was paid \$15.00. The company kept -- on the  11 regular the company kept \$5.00 as an example and  12 the loan kept \$15.00. On the VIP the loan would  13 keep \$15.00 and the -- or -- or, I'm sorry, the  14 loan would potentially keep \$17.00 and the  15 company would keep \$3.00.  16 Q So, with VIPs you actually are  17 guaranteeing them a return because the company is  18 paying them, correct?  19 A Not -- not that we guarantee, no. How  20 can I say? No, not guaranteeing, but the company  21 takes less profit on the VIP account.  22 Q Okay.  23 A Like, the final profit that you --  24 that -- that we get, we take a smaller portion  25 from it. We give more to the -- to the -- to the</p>	<p style="text-align: right;">Page 85</p> <p>1 A Yes, ma'am.  2 Q After you got their return and you took  3 a portion, would you tell them how much you took?  4 A No, ma'am.  5 Q Okay. So, they never really knew how  6 much their actual return was without your  7 deduction for commissions; is that right?  8 A That is correct. Yes, ma'am.  9 Q Okay.  10 MS. HARRIS: Jamie, if you could pull  11 up Exhibit 12.  12 (SEC Exhibit No. 12 was  13 marked for identification.)  14 Q Mr. Chavez, take your time. Tell me  15 when you're ready to talk about this exhibit.  16 A Yes. That's pretty much a -- a  17 PowerPoint that Mr. Eduardo put together.  18 Q Okay. Explain to me what this  19 PowerPoint is.  20 A That was a presentation that -- we were  21 doing a -- a PowerPoint presentation of a -- of  22 the academy and kind of the vision -- vision of  23 the company and the different ways that the  24 students could benefit.  25 Q Did you participate in putting this</p>
<p style="text-align: right;">Page 84</p> <p>1 loan.  2 Q Okay.  3 A Am I -- did you understand?  4 Q I do.  5 A Okay.  6 Q On average, how much profit would the  7 company take from a regular loan package?  8 A It's hard -- it's hard to say a  9 specific number. I wouldn't be able to give you  10 that exact number.  11 Q Okay. On average, how much would the  12 company take a VIP loan package?  13 A Same. Same. It's a little difficult  14 to give you an exact amount or an average.  15 Q Do you have records that establish how  16 much the company took or how much the company  17 took off of each of these loan packages?  18 A I would have to go back and -- and see  19 exactly all the records to get that information,  20 yes.  21 Q You previously testified that you would  22 verbally speak to potential persons who were  23 giving you loans about the commissions before you  24 signed the contract -- before they signed the  25 contract; is that correct?</p>	<p style="text-align: right;">Page 86</p> <p>1 together?  2 A Somewhat, but mostly it was Mr.  3 Eduardo.  4 Q Where was this PowerPoint presented?  5 A I -- this PowerPoint -- particular  6 PowerPoint was presented in -- I believe in some  7 of the live presentations that we did. I don't  8 exactly recall exactly when we used it, but it  9 was -- it was to show people who we are and what  10 we do.  11 Q When you say live presentations explain  12 what you mean.  13 A Okay. You know, like -- for instance,  14 like, when we do a night trading session or  15 training, you know, how I told you that we  16 started in a restaurant?  17 Q Yes.  18 A Okay. So, just to give an -- an  19 example of what the company was.  20 Q Okay. So, this would be presented at  21 the classes; is that correct?  22 A Not all the classes. Just -- this  23 presentation we didn't -- I believe we didn't use  24 it so much.  25 Q Okay.</p>

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1 A Mr. Eduardo was more involved in  
 2 this -- this area more than me.  
 3 Q Okay. I heard you say that this was  
 4 presented at some classes, but not at all  
 5 classes; is that correct?  
 6 A Yes, ma'am.  
 7 Q Okay. Where else was this presented?  
 8 A I believe -- I believe a few of the  
 9 students have this as well.  
 10 Q How?  
 11 A I'm sorry?  
 12 Q How?  
 13 A It was sent to them via WhatsApp.  
 14 Q Do you know which students?  
 15 A No, ma'am. I wouldn't be able to know  
 16 which students.  
 17 Q Okay. When it was sent via WhatsApp to  
 18 certain students was it part of a promotional  
 19 material or was it to solicit new students? What  
 20 was the purpose of sending it to the students?  
 21 A Just to present to the students of who  
 22 we are, what we are. No, it was not to -- to --  
 23 with the purpose -- any purpose to obtain new  
 24 students. It was just to show them who we are.  
 25 Q Okay.

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1 A What we do.  
 2 Q Was this ever put on line?  
 3 A No. Not -- not that I recall. No,  
 4 ma'am.  
 5 Q Okay. So, this was never put on  
 6 Facebook?  
 7 A No, ma'am.  
 8 Q It was not put on Instagram?  
 9 A No, ma'am.  
 10 Q Okay. So, this is in Spanish. Let me  
 11 ask, is there an English version of this?  
 12 A I will double check for you --  
 13 Q Okay.  
 14 A -- if we do. I will definitely.  
 15 Q If there is, that would be responsive  
 16 to our subpoena and we -- we would ask that that  
 17 be produced.  
 18 What is the -- if you could summarize  
 19 this presentation, what -- what would you say it  
 20 does? Other than kind of telling you what they  
 21 do -- you know, what CryptoFX does and everything  
 22 else like that, what else -- what else is in  
 23 here?  
 24 A It's pretty much, if I remember this --  
 25 this was a -- this is a -- you know, this is

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1 pretty much just to teach people on -- on --  
 2 on -- about the Blockchain. I remember it  
 3 explained about Blockchain and introduction to  
 4 Blockchain. What is Bitcoin and kind of the  
 5 different packages I believe.  
 6 Q Okay.  
 7 MS. HARRIS: Let's go to page ten.  
 8 Q So, this is in Spanish. And so, I'm  
 9 going to rely on you and -- and your skills,  
 10 which are better than mine, to tell me what this  
 11 table says.  
 12 A Okay. This table just gives an  
 13 illustration on possibilities -- as it says,  
 14 potential. On potential possibilities on -- as  
 15 far as kind of earnings that can be obtained.  
 16 Q Okay. So, here you're telling  
 17 potential people who might give you a loan how  
 18 much they can earn if they give their money to  
 19 you; is that correct?  
 20 A That is correct, but it's -- it's based  
 21 on what I'm saying, and like I said, Eduardo is  
 22 the one that put this together, it's not  
 23 guaranteed. It's a -- it's a potential.  
 24 Q Okay. Can you tell me -- there are  
 25 four columns. Can you tell me what those columns

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1 each say?  
 2 A Okay. Package.  
 3 Q Yeah.  
 4 A It says, Gain. Like, potential gain,  
 5 on a monthly basis, on a three-month basis and on  
 6 a six-month basis.  
 7 Q Okay. So, on this table it appears to  
 8 say that, for example, if you provide a loan of  
 9 \$3,000.00 you'll gain 360 on a monthly basis,  
 10 1,350 on a three-month basis, and 2,700 on a  
 11 six-month basis; is that correct?  
 12 A That is correct. And -- but it -- it  
 13 says it's a potential.  
 14 Q Okay.  
 15 A It's not guaranteed. It's a potential  
 16 amount that you can obtain.  
 17 Q Okay. And that's the amount of return;  
 18 is that correct?  
 19 A That is kind of an average potential  
 20 return, correct.  
 21 Q And is this meant to be in U.S.  
 22 dollars?  
 23 A It is in -- in Bitcoin, but it is  
 24 explained in the -- in the illustration itself it  
 25 is explained in U.S. dollars.

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1 Q Okay.  
 2 A It's in Bitcoin. That's why it doesn't  
 3 have the dollar sign.  
 4 Q Well, let me make clear for the record,  
 5 this table illustrates -- I see the coins, but  
 6 the numbers are U.S. dollars; is that correct?  
 7 A Correct.  
 8 Q Okay. What was the basis of putting  
 9 this slide together?  
 10 A Based on what I know and, like I said,  
 11 my co-partner Eduardo is the one that -- he had a  
 12 marketing degree. He's the one that put this  
 13 together. He -- he's the one that was familiar  
 14 with it. The -- the purpose was get, like, an  
 15 idea of the potentials of gains that -- that we  
 16 could obtain.  
 17 Q Let me ask a better question.  
 18 What was this slide based on? Was it  
 19 based on your average returns? Was it based  
 20 on -- what was it based on? What are these  
 21 numbers based on?  
 22 A Oh, it -- it was based on average -- on  
 23 average returns I would say. But, like I said,  
 24 it was not a guaranteed return.  
 25 Q I understand, but you're telling the

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1 public that these are potential numbers that you  
 2 can gain for them; is that correct?  
 3 A Those are some potential numbers,  
 4 correct.  
 5 Q And is it based on previous  
 6 performance?  
 7 A Yes, ma'am.  
 8 Q Okay. Okay. So, you're putting this  
 9 slide together and you feel comfortable with  
 10 these numbers because you've gotten these types  
 11 of returns before; is that correct?  
 12 A That is correct.  
 13 Q Okay.  
 14 MS. HARRIS: Let's go to page 33,  
 15 please.  
 16 Q Take some time to look, Mr. Chavez, and  
 17 then let me know when you're ready.  
 18 A Yes, I'm ready.  
 19 Q What does this page describe?  
 20 A This is a referral program. It's a --  
 21 we are not a multi-level marketing. So, when  
 22 Eduardo was coming -- when he came up with this  
 23 idea, like, where it says, we're -- it was, like,  
 24 more like a -- I don't know how to say it. But  
 25 you know the multi-level how they go, like,

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1 different levels -- up to kind of different  
 2 levels, this was put together more as referral  
 3 programs for students.  
 4 Let's say that if -- and this is just  
 5 an example, if you referred a student, like,  
 6 let's say, Ms. Harris, you referred a student,  
 7 where it says level one right there, you -- you  
 8 as a referrer -- referee would make seven percent  
 9 which is -- that is based on the -- you know,  
 10 where it says Bono Directo with the Bitcoin sign?  
 11 Q Yes.  
 12 A Okay. It's based on an example of  
 13 \$1,000.00 package.  
 14 Q Okay.  
 15 A So, like, you refer me to the academy  
 16 you make \$70.00.  
 17 Q Okay.  
 18 A And then, the second level, let's say  
 19 that I told Mr. John about the academy, but I  
 20 brought John to the academy, I made \$70.00, which  
 21 John is my -- the person that I referred, but  
 22 you, Ms. Harris, made \$30.00 and stop there.  
 23 Q So there are two levels of referrals;  
 24 is that correct?  
 25 A That is correct. Yes, ma'am.

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1 Q When did the referral program start?  
 2 A I'm trying to recall. I don't have any  
 3 exact date, Ms. Harris, to be honest with you.  
 4 Q Was it before or after last year?  
 5 A I -- I don't recall, Ms. Harris. I  
 6 will have to check.  
 7 Q Okay. Is the referral program still in  
 8 place?  
 9 A Yes, ma'am. It is still in place, but  
 10 we're no longer promoting this referral program  
 11 now.  
 12 Q Okay.  
 13 A I mean, after -- after the subpoena  
 14 took place and we no longer promoting.  
 15 Q But it is still in place; is that  
 16 correct?  
 17 A That is correct. Yes, ma'am.  
 18 Q Okay. We'll come back to that.  
 19 MS. HARRIS: If we could go to page 38,  
 20 please.  
 21 No. I -- I apologize, not page 38. 35,  
 22 excuse me.  
 23 Q Do you have it, Mr. Chavez?  
 24 A Yes, ma'am.  
 25 Q Great.

<p style="text-align: right;">Page 95</p> <p>1 Can you explain what page 35 is 2 showing?</p> <p>3 A Yes, ma'am. It says, Rangos De Avance. 4 This is when you are in the academy, this is like 5 ranks as far as you with the different students 6 would generate in -- in referrals. Like, for 7 instance, Rango Elite which is a ten, it's -- if 8 you -- if you refer \$10,000.00, let's say, in 9 different referrals in your team, you can make 10 \$250.00. And then, Elite 25 which is, in -- in 11 general sales and 25 -- it represents \$25,000.00, 12 you get \$500.00. And it moves on to Elite 500 13 which is 500,000 that you can generate up to 14 \$10,000.00.</p> <p>15 Q Is the point of these programs to get 16 more loans coming in?</p> <p>17 A No, ma'am. No, ma'am. This is just an 18 incentive that was -- that was created to -- at 19 the beginning, you know. Of course, we wanted to 20 promote the -- the idea, the academy itself, but 21 it was -- we didn't do any -- we never went on -- 22 on -- we never put this on Facebook. We never 23 put this on Instagram. We never put this on our 24 website itself at all to get more -- more 25 students.</p>	<p style="text-align: right;">Page 97</p> <p>1 on the sales obtained, correct.</p> <p>2 Q Okay. When you're talking with 3 potential students -- excuse me, with potential 4 investors or people who are loaning you money, 5 did you -- would you tell them about the referral 6 program?</p> <p>7 A Honestly, I -- I didn't myself, no, 8 ma'am.</p> <p>9 Q Okay. So, you wouldn't say, Hey, 10 invest \$10,000.00 with me and if you get someone 11 else to invest you can get some money on top of 12 that as well?</p> <p>13 A No, ma'am. I -- I personally didn't. 14 No, ma'am.</p> <p>15 Q Do you know if others who worked for 16 your company did?</p> <p>17 A I -- I believe this was more introduce 18 if they are students or anyone. This was not 19 presented as a way to get more people to loan 20 money.</p> <p>21 Q Okay. But get more people involved; is 22 that right?</p> <p>23 A But I believe we didn't do incentives 24 until people were in the academy already. Not 25 to -- to get potential people with this</p>
<p style="text-align: right;">Page 96</p> <p>1 Q Yeah. I understand the slide wasn't on 2 line. What I want to understand is the actual 3 program.</p> <p>4 Am I correct in saying that the point 5 of the referral program was to get more people 6 involved and get more people loaning money; is 7 that correct?</p> <p>8 A Yes. I could say, yes, ma'am.</p> <p>9 Q Okay. So, what this slide shows is if 10 you had a certain number of people under you in 11 CFX or crypto -- well, if you had a certain 12 amount of people under you within the company and 13 those people were referring more people in, 14 you -- you would get cash; is that right?</p> <p>15 A As an incentive that you would get and 16 your team -- sales team you would get extra. It's 17 like a -- like a bonus.</p> <p>18 Q Okay.</p> <p>19 A It was -- it wasn't necessarily cash. 20 It was in Bitcoin. I don't know why Eduardo put 21 cash there, but it was in Bitcoin.</p> <p>22 Q Okay. So, people were incentivized to 23 talk to other people and get them to invest or 24 loan you money; is that right?</p> <p>25 A Correct. It was, you know, based on --</p>	<p style="text-align: right;">Page 98</p> <p>1 particular promotion or -- or -- how can you say 2 it? This particular page that you're showing.</p> <p>3 Q Right. And I thought -- strike that.</p> <p>4 You did previously testify that this 5 was an incentive to get people involved and get 6 people loaning more money. Am I -- am I right in 7 saying that?</p> <p>8 A Yes. Yes, ma'am.</p> <p>9 Q Okay. So, help me understand how 10 it's -- it's not getting people -- well, strike 11 that.</p> <p>12 Let's -- let's move on, but we're going 13 to come back to the referral program, but before 14 we move on, let me wrap this up.</p> <p>15 This slide is a -- is related to the 16 referral program that we were talking about on 17 the other slide, slide ten, correct?</p> <p>18 A Yes, ma'am.</p> <p>19 Q Okay. Was there any additional 20 incentives for people to bring in larger loans?</p> <p>21 A Not that I recall, ma'am.</p> <p>22 Q What I'm trying to figure out, Mr. 23 Chavez, is what's the different, like, 10, 25, 24 50, 100, 250 here is. Help me understand that.</p> <p>25 A This is just -- this is, like, in</p>

1 sales, in your network team referral program that  
 2 we put together, this is just an example of --  
 3 this was -- it was like a promotion that -- that  
 4 was done.  
 5 Q Apologies, technical difficulties over  
 6 here.  
 7 A No program.  
 8 Q Okay. So, this was a promotion that  
 9 was done. And it seems like the more money that  
 10 you had on your team the more cash or Bitcoin you  
 11 could earn; is that correct?  
 12 A Correct. Not -- not necessarily  
 13 presented like that, but yes, ma'am.  
 14 Q Okay. So, weren't you incentivized to  
 15 bring in people with larger loans because then  
 16 you would get more money?  
 17 A No. In a way, no, because I -- like I  
 18 said, this wasn't represented to them when they  
 19 were joining the academy.  
 20 Q Repeat that answer again, please.  
 21 A Like, we didn't focus on this to get a  
 22 student in the academy.  
 23 Q Correct. But if this program was in  
 24 place and a person who loaned you money or a  
 25 student at the academy knew about it, wouldn't

1 that person be incentivized to bring in other  
 2 people who had large loans so they could  
 3 eventually say, Hey, I've brought in, you know, a  
 4 certain amount, you owe me \$5,000.00. And if I  
 5 brought in an even larger amount you might owe me  
 6 \$10,000.00; isn't that correct?  
 7 A Yes, ma'am.  
 8 Q Okay. So, they were incentivized to  
 9 bring in loans. And they were incentivized to  
 10 bring in larger loans because there were a larger  
 11 reward, correct?  
 12 A Correct.  
 13 Q Okay. All right. I would note that  
 14 this document says, CFX Lifestyle --  
 15 A Correct.  
 16 Q -- at the very bottom.  
 17 A Correct.  
 18 Q Okay. What is the relationship between  
 19 CFX lifestyle and CryptoFX?  
 20 A Okay. What -- what happened was  
 21 that -- was that once we established the  
 22 CryptoFX, LLC there was a company, I believe it's  
 23 in Europe or something, that I -- that we  
 24 realized that was CryptoFX already. I don't know  
 25 if it was like -- I don't recall it right now.

1 And that company was -- I don't know if it was  
 2 closed or shut down or -- I don't know what  
 3 happened to the company. And we didn't want to  
 4 get people thinking that that was us, you know.  
 5 So, that's why we replace it as the marketing to  
 6 CFX Lifestyle.  
 7 Q Okay. When did that happen?  
 8 A 2021.  
 9 Q So, same business, same business model;  
 10 is that right?  
 11 A Correct. Yes, ma'am.  
 12 Q Okay. Last question on this slide. Can  
 13 you tell me what the sentence at the very bottom  
 14 says?  
 15 A I cannot read that.  
 16 Q Yeah, take your time.  
 17 A Sorry, I -- which one, Ms. Harris?  
 18 Q Sure. It's the sentence starting with,  
 19 Las Perna.  
 20 A Okay. Oh, okay. What it's saying is  
 21 in your sales team, like, in your sales team or  
 22 your referral network, okay, in your referral  
 23 network they're saying that -- okay, that you can  
 24 get up to the volume, but it's going to recover.  
 25 It's up to 40 percent, that's what it's saying.

1 Q Explain that please.  
 2 A Okay. So, for instance, let's say that  
 3 you got me as a referral and I put in -- let's  
 4 say I put in a loan of \$10,000.00, correct. 40  
 5 percent of that is used for this particular  
 6 promotion or the -- the volume itself is 40  
 7 percent. It's 40 percent. It's 40 percent.  
 8 Q I'm sorry, Mr. Chavez, I'm going to  
 9 have to ask you to explain that again. I don't  
 10 quite understand.  
 11 A Okay. So, for instance, let's say  
 12 the -- the -- you refer me to the academy and I  
 13 put in a loan for \$10,000.00 as an example.  
 14 Q Okay. Okay.  
 15 A Or \$1,000.00. The volume that is  
 16 calculated for this particular promotion, \$40.00  
 17 of that is taken into consideration to this  
 18 promotion.  
 19 Q \$40.00 or 400?  
 20 A I'm so sorry, \$400.00. I'm so sorry,  
 21 yeah.  
 22 Q So, \$400.00 would go to who?  
 23 A No. No. It was not that it would go,  
 24 but it was calculated. The promotion is  
 25 calculated. \$400.00 out of those \$1,000.00. So,



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1 Exodus or Blockchain on or around the first  
 2 week -- weeks of February 2021, correct?  
 3 A Yes, ma'am. Correct.  
 4 Q Okay. We're going to go to one more  
 5 document Exhibit 14 and then I'd like to break  
 6 for lunch if that's okay with everyone.  
 7 (SEC Exhibit No. 14 was  
 8 marked for identification.)  
 9 A Yes, ma'am.  
 10 Q Is everyone okay?  
 11 A Yes, ma'am.  
 12 Q All right. Mr. Chavez, can you confirm  
 13 that this is a true and correct copy of a student  
 14 contract for Rodolfo Hernandez Lopez?  
 15 A Yes, ma'am.  
 16 Q Okay. At the bottom there is a  
 17 signature for Mr. Lopez and there's also a  
 18 signature for a CryptoFX, LLC representative.  
 19 Whose signature is that?  
 20 A Yes, that -- that was Roberto Zabat.  
 21 Q Who is that?  
 22 A That's one of our -- our interns as  
 23 well.  
 24 Q And he had authorization to sign  
 25 documents?

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1 A I believe Eduardo gave him  
 2 authorization, correct.  
 3 Q What is his role at CryptoFX?  
 4 A Just -- pretty much just -- not an  
 5 educator, but an employee.  
 6 Q As an employee what does he do?  
 7 A Pretty much show the people the  
 8 opportunity to joining the company and how they  
 9 can participate.  
 10 Q Okay. Did he get a salary?  
 11 A Commission.  
 12 Q Okay. Commission based on what?  
 13 A Based on production.  
 14 Q When you say production, do you mean  
 15 the amount of profits from trading?  
 16 A Pretty much on the -- the loans -- on  
 17 the loans itself, on the -- when -- when he --  
 18 over here --  
 19 THE WITNESS: Can you hear me, Mr.  
 20 John?  
 21 MR. SKLAR: I hear a little.  
 22 THE WITNESS: Can you put mute, please.  
 23 Okay.  
 24 MR. SKLAR: Sorry.  
 25 A Can you hear me now, Ms. Harris.

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1 Q I can.  
 2 A I'm hearing myself, that's why. Can  
 3 you hear me?  
 4 Q I can. You're cutting in and out, but  
 5 I can hear you, yes.  
 6 A I'm hearing -- I'm hearing myself.  
 7 THE WITNESS: I don't know if -- Mr.  
 8 John, are you on mute, sir? Can you put yourself  
 9 on mute?  
 10 MS. HARRIS: Mr. Sklar, if you could  
 11 put yourself on mute, please.  
 12 Q Mr. Chavez, can you hear me?  
 13 A I can hear you now. It's better. Mr.  
 14 John had his -- his microphone on that's why --  
 15 Q Okay.  
 16 A -- I was hearing myself.  
 17 Okay. So, Mr. Roberto pretty much  
 18 he's -- he's like an employee for the company and  
 19 he's in charge of kind of overseeing the --  
 20 the -- when the student join the academy.  
 21 Q Okay. So, he was based -- he was paid  
 22 based on the amount of people joining?  
 23 A Yes, ma'am.  
 24 Q Okay. Did he get higher commissions  
 25 based on --

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1 A I would say more a promoter, you know.  
 2 I'm sorry?  
 3 Q Okay. And -- okay. Let me finish my  
 4 questions, Mr. Chavez.  
 5 A Sorry.  
 6 Q Was he -- was he paid based on the  
 7 amount of money people would loan?  
 8 A On -- on what he did on -- that  
 9 particular aspect that he did, yes, ma'am.  
 10 Q So, is that a yes?  
 11 A Yes, ma'am.  
 12 Q Okay. Who's signature is -- whose  
 13 signed -- who -- who signed as the crypto  
 14 receiver here on this contract?  
 15 A I would -- I will have to double check,  
 16 Ms. Harris.  
 17 Q Okay. Who was authorized to sign as a  
 18 crypto receiver?  
 19 A Yes, that's -- that's where -- based on  
 20 the previous questions that you asked me, I'm  
 21 going to get you that information through my  
 22 attorney.  
 23 Q Okay. So, you -- you don't know who's  
 24 authorized to sign as a crypto receiver?  
 25 A Okay. Eduardo is the one that

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1 established that. So, I will have to double  
 2 check on that.  
 3 Q What was the purpose of having a crypto  
 4 receiver? What was the purpose?  
 5 A The crypto receiver was the person  
 6 that -- that received those -- when the person  
 7 enrolled, the crypto receiver is the one that  
 8 when they send us the -- the Bitcoin, the crypto  
 9 receiver, he's in charge of acting as whether or  
 10 not 50,000 were received in Bitcoin or not.  
 11 Q Can you restate that answer? I don't  
 12 think I understood it.  
 13 A Okay. The crypto receiver is the  
 14 person, you know, when -- when the person  
 15 enrolled, when the money was paid, the crypto  
 16 receiver is supposed to ensure that those funds  
 17 were received.  
 18 Q Okay. Did the crypto receiver -- let  
 19 me ask a better question strike that.  
 20 How did the crypto receiver ensure that  
 21 the money was received?  
 22 A He would call Eduardo or myself or --  
 23 and ask us when -- whether the money was received  
 24 or not.  
 25 Q Did he have a separate bank account

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1 where the loans were deposited?  
 2 A Who?  
 3 Q The crypto receiver.  
 4 A No, ma'am.  
 5 Q Okay. So, the crypto receiver's role  
 6 was to go out and talk to potential people who  
 7 were loaning and then call and make sure that  
 8 they actually -- you actually got the money?  
 9 A Correct.  
 10 Q Okay.  
 11 A But the crypto receiver, it's -- he's  
 12 an employee of the company.  
 13 Q Okay. I'm trying to understand how  
 14 he's different from a representative. Help me  
 15 understand that.  
 16 A The -- the thing, Ms. Harris, is that  
 17 signature -- it's hard for me to answer that  
 18 question at this point because of the signature.  
 19 I don't know who the signature was.  
 20 Q I understand, but I want to understand  
 21 what a crypto receiver does -- CryptoFX receiver  
 22 does in general. It doesn't matter who this is.  
 23 A Okay.  
 24 Q What does that role entail?  
 25 A That -- that has to be a person in

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1 the -- in the office and the person ensures that  
 2 the money is received -- the funds are received.  
 3 Q Okay.  
 4 A With Eduardo or myself whether those  
 5 funds were received or not.  
 6 Q Is this like an accountant?  
 7 A Not necessarily, no, ma'am. But it --  
 8 it had to be somebody in -- in accounting.  
 9 Q Okay. So, they just kept track of  
 10 whether or not the money had cleared from the  
 11 separate investors?  
 12 A They -- that particular person had to  
 13 check to see if those funds were received for  
 14 that particular loan.  
 15 Q Okay. Okay. Okay. Let's move on.  
 16 So, this contract here is slightly  
 17 different from the previous contract that we  
 18 talked about. When did you guys change format?  
 19 A It was 2021 that we changed. I don't  
 20 recall the exact date.  
 21 Q Do you know if it was spring or summer?  
 22 A I would have to double check, Ms.  
 23 Harris.  
 24 Q Okay. And, I'm sorry, Mr. Chavez,  
 25 because I know this is very sensitive, but when

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1 did Eduardo pass?  
 2 A It was end of -- of the year end of  
 3 2021.  
 4 Q The reason -- the only reason I bring  
 5 that up is because, did he change this template  
 6 or did you?  
 7 A No. He helped changed the template.  
 8 Q Okay. Okay. Why did you change the  
 9 template?  
 10 A You know, we -- we wanted to make it --  
 11 how can we say it? Not only protect the  
 12 students, but protect the company itself. And  
 13 unfortunately, we did not get the advice from the  
 14 lawyer when this was created. We did it  
 15 ourselves. Of course the ideal thing would be to  
 16 get the advice from the lawyers to get this  
 17 changed, but we just thought that the first one  
 18 was too -- not as strong enough. Not to -- not  
 19 only to protect the students, but the company as  
 20 well.  
 21 Q Okay. So, you wanted to change this --  
 22 the contract to make it stronger to protect the  
 23 company?  
 24 A And its students as well.  
 25 Q Okay. So, the template's changed. Has

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1 the business model changed?  
 2 A No, ma'am.  
 3 Q Okay. So, you're still giving out  
 4 Bitcoin and you're still giving out returns for  
 5 the people who are giving you loans; is that  
 6 correct?  
 7 A For the previous contracts we -- that  
 8 is to say, we not promoting because we didn't  
 9 know how things, you know, right now are.  
 10 Especially when we get the subpoena. So, this  
 11 was something that we -- we still have the same  
 12 model.  
 13 Q Okay. And, Mr. Chavez, it's important  
 14 we don't talk over each other, but with this  
 15 contract, am I correct in saying you have the  
 16 same model in that you are still taking loans and  
 17 investing in the cryptocurrency space and you're  
 18 still doing classes; is that correct?  
 19 A We're still doing the -- we're still  
 20 paying out these loans and we still doing the  
 21 classes as well, yes, ma'am.  
 22 Q Okay. Mr. Lopez -- how was Mr. Lopez  
 23 recruited?  
 24 A Same, he was referred through somebody.  
 25 Q And based on this contract is it my

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1 understanding that Mr. Lopez was recruited by  
 2 Juan Antonio Hernandez?  
 3 A On the screen I cannot see it. Can you  
 4 please move it up?  
 5 That is correct. Yes, ma'am.  
 6 Q And the indirect sponsor is Mr. Tursio,  
 7 correct?  
 8 A That is correct. Yes, ma'am.  
 9 Q Okay. And Mr. Lopez gives you a loan  
 10 of \$50,000.00; is that correct?  
 11 A Yes, ma'am.  
 12 Q On July 15th, 2021?  
 13 A Yes, ma'am.  
 14 Q Do you see on the far left a check  
 15 number starting at 685?  
 16 A Yes, ma'am.  
 17 Q What does that signify?  
 18 A That he probably -- what happened was  
 19 that he gave a check for the \$50,000.00. That's  
 20 what it means.  
 21 Q Where would that check go?  
 22 A I would have to -- I don't have that  
 23 information, Ms. Harris. I will have to double  
 24 check on that.  
 25 Q Understood, but in general where would

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1 you deposit checks for loans?  
 2 A To one of the -- to the CryptoFX  
 3 account or it was probably at the deposit to a  
 4 CBT Group account.  
 5 Q Okay. What is CBT Group?  
 6 A CBT Group is -- it's a real estate  
 7 company that -- that I was establishing for the  
 8 academy as well.  
 9 Q Okay. I'm going to come back to that  
 10 later, but let me ask, if he signs up for the  
 11 gold package and pays \$50,000.00, what does that  
 12 buy him?  
 13 A Again, that's the opportunity to -- you  
 14 know, like, the program that we have for where we  
 15 put the money to trade. And also with the gold  
 16 package gives him access to more, like,  
 17 one-on-one classes. More, I would say, VIP  
 18 classes, more advanced classes.  
 19 Q With the gold package is there an  
 20 opportunity to get greater returns?  
 21 A Not necessarily, no, ma'am.  
 22 Q You previously said with the VIP  
 23 classes that there was an opportunity to get  
 24 greater returns.  
 25 A Yes.

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1 Q Is the gold package different than VIP  
 2 package?  
 3 A Yes, ma'am. VIP was the -- they will  
 4 have an opportunity to get higher returns. Gold  
 5 package only means that you have access to more  
 6 advanced classes.  
 7 Q Okay. Okay. So, \$50,000.00 means he  
 8 got the most advanced classes and he gave you a  
 9 loan for \$50,000.00; is that right?  
 10 A Yes, ma'am.  
 11 Q Okay. And on October 15th, 2021 he got  
 12 a return of \$22,500.00; is that right?  
 13 A Yes, ma'am.  
 14 Q Okay. And his direct sponsor got a  
 15 payment -- referral payment of 3,500?  
 16 A Yes.  
 17 Q And then his indirect sponsor got a  
 18 payment of 1,500?  
 19 A Yes, ma'am.  
 20 Q Okay. Let me ask you about where --  
 21 well, let me step back.  
 22 The payment of 22,500, was that in cash  
 23 or would that be in Bitcoin?  
 24 A I would have to check, Ms. Harris.  
 25 Q Okay. You don't know, okay. But if it

1 was in Bitcoin, as you testified previously, it  
 2 could have come from either Exodus or Blockchain,  
 3 correct?  
 4 A Yes, ma'am.  
 5 Q And so, when we pull the records we  
 6 would expect to see a payment to Mr. Lopez from  
 7 either Exodus or Blockchain from your crypto  
 8 wallet to him on or around October 15th of 2021,  
 9 right?  
 10 A Yes, ma'am.  
 11 Q Okay. So, \$50,000.00, get the check,  
 12 where -- you know, which account did you deposit  
 13 it to?  
 14 A I will have to double check. I don't  
 15 have that information, Ms. Harris.  
 16 Q And correct, I apologize, you said that  
 17 before.  
 18 Help me understand in general where you  
 19 would deposit investor checks?  
 20 A The CryptoFX account Maurizio Group  
 21 account or CBT accounts as well.  
 22 Q Why would you not deposit all of the  
 23 checks to the CryptoFX accounts?  
 24 A Because the bank were closed account --  
 25 accounts because of the CryptoFX work.

1 Q Repeat your answer.  
 2 A Because the banks when they look at  
 3 CryptoFX, the bank did not want it -- I don't  
 4 know, they -- because they -- because of the  
 5 crypto space, you know, as it is not affecting --  
 6 I'm not going to say legal term -- I'm not going  
 7 to say that term, but the banks really don't  
 8 like, at least that's what they told me, crypto  
 9 accounts. So, that's why they shut down my  
 10 account.  
 11 Q Who told you that?  
 12 A Well, not necessarily the bank itself  
 13 tell me that, but that's when they closed down my  
 14 accounts when I was doing deposits into that  
 15 account.  
 16 Q So, why do you think it was because it  
 17 was crypto?  
 18 A I'm assuming it was. I don't have a  
 19 fact on that, but I -- I assumed it was that.  
 20 Q Okay. What did they tell you about why  
 21 they closed down your account?  
 22 A Because of Cadence Bank was just a bank  
 23 that I had. Unfortunately, I didn't manage the  
 24 accounts correctly because I didn't know. So, I  
 25 transferred money from my personal to -- to the

1 crypto and from the crypto to the Maurizio  
 2 Group. I transferred monies within the accounts  
 3 and I didn't know you could do that. So, that's  
 4 why.  
 5 Q So, they actually closed down your bank  
 6 accounts because you transferred money from your  
 7 personal to your business accounts?  
 8 A Yes, ma'am.  
 9 Q And that's what they told you?  
 10 A Yes, ma'am.  
 11 Q And when did you shut down that -- that  
 12 or when did that account shut down?  
 13 A It was 2021, but I will have to double  
 14 check, Ms. Harris.  
 15 Q Okay. And it was Cadence Bank where,  
 16 what branch?  
 17 A Houston, Texas.  
 18 Q Okay. Would you put all of the  
 19 sponsor -- or, excuse me. Would you put all of  
 20 the loan money in one pool account in the Cadence  
 21 Bank account?  
 22 A I don't understand your question, I'm  
 23 sorry.  
 24 Q Okay. So, before it was shut down,  
 25 would you put all of the money in the CryptoFX

1 Cadence Bank account? Is that where it would go?  
 2 A Yes, ma'am.  
 3 Q Okay. So, prior to being shut down in  
 4 2021, and I understand you were going to get me  
 5 the dates, every single check or wire transfer or  
 6 cash that you received would go into the Cadence  
 7 Bank account for CryptoFX; is that right?  
 8 A Yeah, Cadence or Lone Star, but Lone  
 9 Star same thing happened to me.  
 10 Q Okay. When did you open up the Lone  
 11 Star Bank --  
 12 A Same, in 2021.  
 13 Q Did you open up the Lone Star Bank  
 14 because the Cadence Bank was shut down or these  
 15 are just two bank accounts that you had?  
 16 A I believe I did it -- I don't know if I  
 17 did it afterwards -- I don't recall if I did it  
 18 afterwards or it was at the same time. I will  
 19 have to go and double check.  
 20 Q Okay. Just letting you know, these  
 21 records are all responsive to our subpoena. So,  
 22 we would like to see these records. What I'm  
 23 trying to understand is where you deposited all  
 24 of this loan money that you were getting and if  
 25 you deposited it under a CryptoFX business

<p style="text-align: right;">Page 143</p> <p>1 account.  2 Is it your testimony today that every  3 loan that you received was deposited under a  4 CryptoFX bank account?  5 A Yes, ma'am.  6 Q Yes?  7 A I'm so sorry. Could you repeat that  8 again? I didn't --  9 Q Sure.  10 A Could you rephrase that? I'm sorry.  11 Q Sure.  12 Every loan -- every loan that you  13 received, whether it was cash, a check, a wire,  14 was it placed under a CryptoFX business account,  15 whether that was at Cadence Bank or Lone Star  16 Bank; is that -- is that correct?  17 A Yes, ma'am.  18 Q Okay. So, you never would take loan  19 money and put it into a CBT Group account?  20 A I will have to double check on that and  21 get with my attorney and give you that  22 information.  23 Q Okay. Would you ever direct any people  24 who were giving you loans to make out checks to  25 the CBT Group?</p>	<p style="text-align: right;">Page 145</p> <p>1 real estate development account?  2 A Yes, ma'am.  3 Q Okay. How would you tell them this?  4 A Pretty much when they were -- they  5 were -- they would write a -- a check that's told  6 to them at that time.  7 Q Okay. So, you would have to kind of  8 tell them this because they would write a check  9 for CBT Group, correct?  10 A Correct. Yes. Because they cannot  11 just sign a check for a particular entity without  12 knowing where it's going.  13 Q So, am I correct in saying that you did  14 direct some of the people giving you loans to  15 fill out checks to the CBT Group, correct?  16 A Now that you refresh -- yes. Yes,  17 ma'am.  18 Q Okay. And that money was used for  19 Bitcoin trading?  20 A Yes, ma'am.  21 Q Okay. Okay. We are at 1:16. I -- I'm  22 at a good place where I can stop. And I think we  23 can go off the record now for lunch.  24 (Whereupon, at 1:16 p.m., a luncheon  25 recess was taken.)</p>
<p style="text-align: right;">Page 144</p> <p>1 A Not that I recall. I will have to  2 double check with on that, Ms. Harris.  3 Q Okay. If you were to put any loan  4 money into the CBT Group account would you  5 disclose that to the people who were loaning you  6 money?  7 A No, ma'am.  8 Q Okay. If you were to put money into  9 the Maurizzio Group account would you disclose  10 that to the people who were loaning you money?  11 A I would have to check on -- on the  12 previous questions and -- and -- and this I would  13 to -- I don't recall.  14 Q Okay. You don't recall whether or not  15 you told a person loaning you money, I'm going to  16 put this into a CBT Group account? You don't  17 recall that?  18 A Most likely, yes. I would say yes to  19 that -- to that question.  20 Q Okay. You would tell them that you  21 were depositing it into a separate account that  22 was separate from CryptoFX?  23 A Yes, ma'am.  24 Q Okay. Would you tell them that CBT  25 Group was a real estate firm or, excuse me, a</p>	<p style="text-align: right;">Page 146</p> <p>1 AFTERNOON SESSION  2 MS. HARRIS: We are back on the record  3 at 2:13 p.m. Central Time.  4 BY MS. HARRIS:  5 Q Okay. Mr. Chavez, we left off talking  6 about your bank account and the transfers of  7 money between your bank accounts. I'd like to  8 pick up on my questions there.  9 So, Mr. Chavez, you mentioned that you  10 had bank accounts under CryptoFX, Maurizzio  11 Group -- Maurizzio Group, CBT, LLC; is that  12 correct?  13 A Yes, ma'am.  14 Q Do you have any other entities in which  15 you have bank accounts under?  16 A That's the only -- those are the ones I  17 have accounts under besides myself.  18 Q So, that's it?  19 A Yes, ma'am.  20 Q Okay. Was there ever a CryptoFX -- or,  21 excuse me, a Crypto Lifestyle bank account?  22 A No, ma'am.  23 Q Okay. I want to understand the flow of  24 money once you got a loan. So, I'm going to ask  25 you some questions and if you could walk me</p>

1 through it that would be helpful.  
 2 When a person gave you a loan for  
 3 CryptoFX for you to put in the cryptocurrency  
 4 space you previously testified that it would go  
 5 into the CryptoFX account; is that correct?  
 6 A Yes, ma'am.  
 7 Q Okay. And that CryptoFX account got  
 8 shut down in 2021?  
 9 A Yes, ma'am.  
 10 Q Okay. It got shut down because there  
 11 were transfers between your -- your personal  
 12 account and your business account; is that  
 13 correct?  
 14 A Yes, ma'am.  
 15 Q Okay. Explain what you were  
 16 transferring and why.  
 17 A Pretty much since I on the -- on the  
 18 crypto account itself, when I link a bank  
 19 account, it needs to be under -- it needs to be  
 20 under my name. So, that's why I did transfers  
 21 for that. So, I didn't know that within the bank  
 22 concept or the way monies is used you couldn't do  
 23 that. So, they -- when I asked them, Why you  
 24 close my account, that was the reason that they  
 25 told me that.

1 Q Help me understand a little bit more.  
 2 You had the CryptoFX account at Cadence and then  
 3 you had a personal account at Cadence, right?  
 4 A Yes, ma'am.  
 5 Q And you were transferring money between  
 6 the two, correct?  
 7 A Yes, ma'am.  
 8 Q Were you transferring money from the  
 9 business account to the personal account?  
 10 A I don't recall that information, Ms.  
 11 Harris. I would have to double check on that.  
 12 Q Okay. What did they tell you that you  
 13 couldn't do? Please explain.  
 14 A That I could not do that. That I  
 15 cannot transfer from the business to the personal  
 16 or from the personal to the business, that's what  
 17 it is.  
 18 Q Okay. How often were you making  
 19 transfers?  
 20 A Not -- not often. It was just a -- a  
 21 couple of transfers, but I guess in their  
 22 system -- in the back office system that put in  
 23 a -- a flag to their system and -- that I  
 24 couldn't do that.  
 25 Q Why were you making transfers?

1 A Because to -- like I said, to buy  
 2 crypto I needed to put -- I don't know -- I don't  
 3 recall exactly what was under my name, but I did  
 4 it under my name to crypto or -- or it was from  
 5 the business to me. I would have to double check  
 6 on that to give you a better answer.  
 7 Q So, you were trying to buy crypto for  
 8 yourself and you were using the money from the  
 9 business account to do that?  
 10 A No. No, ma'am. Not for myself, for  
 11 the company.  
 12 Q Why didn't you use the company account  
 13 to buy the crypto?  
 14 A Because like when you link an account  
 15 to an exchange you cannot -- you cannot have that  
 16 in the -- I -- I -- I had to do it like that -- I  
 17 had to understand really what I did. I don't  
 18 have -- like I said, I don't want to say things  
 19 that is not -- I would have to get more  
 20 information on that and really give you a  
 21 clarified answer on that.  
 22 Q You previously testified that there  
 23 were several Bitcoin wallets --  
 24 A Yes, ma'am.  
 25 Q -- is that correct?

1 A Yes, ma'am.  
 2 Q How many Bitcoin wallets were there?  
 3 A I believe it's -- it was four.  
 4 Q Were these linked to the Cadence  
 5 business account?  
 6 A No, ma'am.  
 7 Q Where were these linked to?  
 8 A I have to check it was -- if it was  
 9 linked to my personal account, but I would have  
 10 to double check on that.  
 11 Q Let me make sure I understand your  
 12 testimony. Were these four Bitcoin wallets  
 13 linked to your personal Cadence account?  
 14 A No, ma'am.  
 15 Q Were these Bitcoin wallets linked to  
 16 another personal account?  
 17 A No, ma'am.  
 18 Q Where were these Bitcoin wallets linked  
 19 to?  
 20 A I would -- like I said, I would have to  
 21 go back and -- and check and give you a better  
 22 answer.  
 23 Q Okay. What platform were these wallets  
 24 on?  
 25 A Exodus, Blockchain and Bittrex.

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1 Q Can you list those out again? Exodus,  
 2 Blockchain and what was the third one?  
 3 A Bittrex. Bittrex.  
 4 Q You previously only listed two, Exodus  
 5 and Blockchain, but there were three wallets --  
 6 or, excuse me, three exchanges and four wallets;  
 7 is that right?  
 8 A No. The -- the wallets and the  
 9 exchanges is the same, the same thing.  
 10 Q Okay. Help me understand a little bit  
 11 more. So, you had a wallet on Exodus. You had a  
 12 wallet on --  
 13 A Blockchain.  
 14 Q -- Blockchain. And then you had two  
 15 wallets on the other one?  
 16 A Bittrex. Bittrex. The other wallet  
 17 Eduardo is the one that managed that one.  
 18 Q Okay.  
 19 A He had a Binance wallet.  
 20 Q Okay. So, you had one wallet on  
 21 Binance --  
 22 A Bittrex.  
 23 Q -- one wallet -- please let me finish  
 24 my question.  
 25 A Yes, ma'am.

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1 Q You had one wallet on Binance. You had  
 2 one wallet on Blockchain. You had one wallet on  
 3 Exodus and you had one wallet on Bittrex?  
 4 A Bittrex, yes, ma'am.  
 5 Q Bittrex, okay. And those four wallets  
 6 were the wallets that you used for Bitcoin  
 7 trading for CryptoFX?  
 8 A Yes, ma'am.  
 9 Q Where were those wallets -- what bank  
 10 account were those wallets linked to?  
 11 A I would have to double check on that,  
 12 Ms. Harris.  
 13 Q Okay. Let me get back to the transfers  
 14 between your personal and business accounts. You  
 15 said it was to buy Bitcoin, correct?  
 16 A Yes, ma'am.  
 17 Q And you had to buy Bitcoin through your  
 18 personal account?  
 19 A Like I said, I have to check because  
 20 what happened is like, for instance, if I bought  
 21 it from somebody, I would have to do a wire  
 22 transfer or a check or, you know, for -- or buy  
 23 cash from that person. So, I would have to  
 24 double check on those accounts.  
 25 Q I'm still not understanding it. So,

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1 please help me understand it.  
 2 A Okay. Can you rephrase, please, Ms.  
 3 Harris.  
 4 Q Sure. I'm trying to understand why you  
 5 were transferring from your business account to  
 6 your personal account. And it was your previous  
 7 testimony that you had to do it because you had  
 8 to buy Bitcoin under your personal account; is  
 9 that correct?  
 10 A Correct. Yes, ma'am.  
 11 Q Okay. So, you were transferring money  
 12 from the CryptoFX business account to your  
 13 personal account; is that correct?  
 14 A Correct.  
 15 Q To buy Bitcoin, correct?  
 16 A Correct. Yes, ma'am.  
 17 Q Help me understand why you couldn't  
 18 have just bought Bitcoin from the CryptoFX  
 19 account.  
 20 A Because on the CryptoFX account, like,  
 21 an exchange from Bittrex, that exchange is under  
 22 my name. It's not under CryptoFX because I  
 23 couldn't open under CryptoFX on that exchange.  
 24 Q Okay. Is the Blockchain account under  
 25 your name?

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1 A Yes, ma'am.  
 2 Q Is the Binance account under your name?  
 3 A No, ma'am.  
 4 Q Is the Exodus account under your name?  
 5 A That one, it's -- no, ma'am.  
 6 Q What is that under?  
 7 A It's under -- it doesn't have -- I  
 8 think it's under the company name because it  
 9 doesn't specifically put a name on that account.  
 10 Q So --  
 11 A All -- all four of them are company  
 12 accounts. Binance account was Mr. Eduardo's  
 13 account.  
 14 Q So, these are all company accounts, but  
 15 it sounds like two of them had your name on them  
 16 personally?  
 17 A Yes, ma'am.  
 18 Q And that's why you had to link it to  
 19 your personal account?  
 20 A Yes, ma'am.  
 21 Q Did you ever make transfers from the  
 22 business account to your personal account to pay  
 23 yourself commission?  
 24 A No, ma'am.  
 25 Q But you took commission, correct?

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1 CryptoFX account.  
 2 Q Where was -- where was that money put?  
 3 A That was put into a -- an exchange, the  
 4 Bitcoin exchange. Not -- because it was -- it  
 5 was mostly cash payments that -- that we do.  
 6 Q Okay. So, you just use their money and  
 7 put it into an exchange?  
 8 A Yes, ma'am.  
 9 Q Okay. Walk me through the flow of  
 10 money or how that worked. They would give you  
 11 cash and you can't just put cash into an  
 12 exchange. Tell me how that worked.  
 13 A I would have to buy crypto through --  
 14 through people or through the bank or through a  
 15 BTM machine which is the -- the machines that  
 16 I -- that are in gas stations now. They're in  
 17 different hotels. Like, I would have to go buy  
 18 Bitcoin there.  
 19 Q Okay. So, the Cadence Bank account --  
 20 business bank account for CryptoFX that you had,  
 21 that money that was coming in was all student  
 22 loan money. None of that was from the classes;  
 23 is that right?  
 24 A That is correct. Yes, ma'am.  
 25 Q Okay. So, student money was segregated

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1 from the loan money; is that right?  
 2 A Yes, ma'am.  
 3 Q Okay. So, did you tell the students  
 4 that did not give loans that you were using their  
 5 money to buy Bitcoin?  
 6 A Could you repeat that again?  
 7 Q Sure. Did you tell the students that  
 8 did not give loans that you were using their  
 9 money to buy Bitcoin?  
 10 A No, because that money that was for the  
 11 company. That's not money that they were  
 12 loaning. That was more like a profit for the  
 13 company.  
 14 Q Okay. Okay.  
 15 A You understand? Like, that was profits  
 16 for the company.  
 17 Q Okay. I want to try and understand the  
 18 intake of Bitcoin. You would get money as loans.  
 19 And then you would go out and buy the Bitcoin,  
 20 correct?  
 21 A Yes, ma'am.  
 22 Q Okay. What crypto wallet would you use  
 23 to buy and trade the Bitcoin for the CryptoFX  
 24 investors? Which -- which ones -- which one  
 25 would you use primarily?

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1 A Bittrex and Exodus and -- and Binance.  
 2 Q It was my understanding from your  
 3 previous testimony that you did not have access  
 4 Binance?  
 5 A That was through my partner Eduardo  
 6 did.  
 7 Q Okay.  
 8 A I'm so sorry, Ms. Harris, may I take a  
 9 second? My battery is about to die on my laptop.  
 10 Q Sure.  
 11 A Can you -- it's about to die.  
 12 Okay? Sorry, Mr. John is plugging it  
 13 in.  
 14 Okay, there we go. Perfect.  
 15 Okay.  
 16 Q Okay. So, you would use Binance,  
 17 Exodus, Bittrex primarily and you would -- really  
 18 wouldn't use Blockchain?  
 19 A Blockchain it's harder to trade. You  
 20 can't do trading on that particular -- it's more  
 21 a wallet to receive and send -- yes, you can  
 22 exchange it, but it's a little hard to exchange  
 23 there -- to do trading there.  
 24 Q For the Exodus -- I want to make sure I  
 25 have this down. So, the Exodus wallet, which

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1 one -- which account is that linked to -- which  
 2 bank account is that linked to?  
 3 A No. That one it's a -- it's a wallet.  
 4 You have to receive the Bitcoin there. And you  
 5 have to -- that -- that one I can do trading  
 6 though. That was not linked to -- to any bank.  
 7 Q It was not linked to any account?  
 8 A No, ma'am.  
 9 Q Was the Bittrex linked to any account?  
 10 A The Bittrex, yes. I would have to  
 11 check as to what bank it was linked to.  
 12 Q Was the Blockchain linked to any  
 13 account?  
 14 A I believe the Blockchain, yes, as well.  
 15 Yes, ma'am. I would have to double check to  
 16 which account.  
 17 Q Okay. You mentioned other currencies.  
 18 What other currencies were you trading in?  
 19 A Can you repeat that? When you say  
 20 currency, what do you mean.  
 21 Q Sure. We've talked about Bitcoin  
 22 trading. Were you trading in any other  
 23 currencies?  
 24 A Yes. What I would do is I do trading  
 25 with Bitcoin. The main thing that I do is I put



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1 it in Bitcoin. Then from there I just traded  
2 with other coins such as Cardona, SOP, you know,  
3 Solana. They're different coins, that's what I  
4 meant. I didn't mean different currencies, but I  
5 meant different coins.

6 Q Okay. Are those -- the ones that  
7 you've listed -- the ones you've listed, are  
8 those it? Are their other ones?

9 A I do more, but I'm just giving you an  
10 example.

11 Q Okay. Can you list all of the ones you  
12 can think of?

13 A Sure. Cardona, Ripple, Dogecoin,  
14 Chief, Solana, Bit, Binance Coin. There's --  
15 yeah, there's so many, but the majority that I  
16 did trading with is the top ten which are the  
17 more, I wouldn't say secure, but less riskier  
18 coins. There's a Shane, Uniswap, Galla, you  
19 know. Those are the ones that I do most of my  
20 trading with.

21 Q Okay.

22 A But there's 4,000 coins.

23 Q Okay. You take in a loan. You buy the  
24 Bitcoin on one of these four wallets. You then  
25 have to pay out a return to the people who you

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1 owe money to; is that correct?

2 A Yes, ma'am.

3 Q How do you pay out these returns?

4 A Through Bitcoin. And some we did a  
5 bank deposit.

6 Q Okay. So, let's take it step by step.  
7 Through Bitcoin, when you would pay out through  
8 Bitcoin you would pay out through Binance?

9 A No. Some through -- see, mostly with  
10 Exodus and Blockchain. Some through Binance, but  
11 it was not that many. It was mostly Exodus and  
12 Blockchain.

13 Q Okay. So, when we pull the records for  
14 Exodus and Blockchain we should see lots of  
15 returns being paid out to the people that you --  
16 that you took money from?

17 A Yes, ma'am.

18 Q Okay. Did you pay out returns in cash?

19 A A few. Not -- mostly Bitcoin and  
20 deposits into bank accounts.

21 Q Okay. So, for the bank account  
22 deposits, let's go to that, where would you pay  
23 out these deposits from, what account?

24 A The -- the bank accounts of the -- of  
25 the individual, the student.

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1 Q I didn't hear you, Mr. Chavez. That  
2 might be my fault, but can you repeat?

3 A On the bank account of the -- that  
4 particular student.

5 Q I understand, but where -- what account  
6 would you pay from?

7 A Oh, what account would I pay from? It  
8 was from the CryptoFX account, but then I would  
9 also buy cashiers checks and deposit to their  
10 accounts.

11 Q Okay.

12 A Money orders and things like that.

13 Q I'm sorry I interrupted you. Can you  
14 repeat your answer?

15 A Yes. It was from the CryptoFX bank  
16 account, but it was also from -- I'm sorry, it  
17 was from money orders and cashiers checks that I  
18 would buy. And I have records as well.

19 Q Okay. So, when we look at your records  
20 we should see the investors getting these returns  
21 in money orders, wire transfers and cashiers  
22 checks from the CryptoFX account at Cadence; is  
23 that right?

24 A Yes, ma'am.

25 Q Did you ever pay that from any other?

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1 A I don't have that information. I will  
2 have to double check on that.

3 Q Do you not remember whether you paid  
4 them through another account?

5 A No, because that particular side of  
6 things, Eduardo was more involved with that. I  
7 was more involved with the operations, like,  
8 trading side in the crypto space.

9 Q Okay, but this is more -- this is more  
10 about the returns.

11 Do you have records of how you were  
12 paid -- of how you paid ever single investor?

13 A Yes, ma'am.

14 Q Okay. So, those are responsive to our  
15 production -- or to our subpoena and we would  
16 like to see those records.

17 Did you ever pay out people in cash?

18 A A few, yes, ma'am.

19 Q And you have records of when and how  
20 that happened?

21 A Yes, ma'am.

22 Q Okay. Did you ever pay out people via  
23 Zelle?

24 A No, ma'am. Not that I recall.

25 Q Okay. Did you ever pay out people via

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1 Venmo?  
 2 A No, ma'am.  
 3 Q Did you ever pay out people via  
 4 Instacoin?  
 5 A No, ma'am.  
 6 Q Did you ever pay out people via PayPal?  
 7 A No, ma'am.  
 8 Q Did you are pay out people via Cash  
 9 App?  
 10 A No, ma'am.  
 11 Q What about wire transfers?  
 12 A I believe, yes, but I would have to go  
 13 to the records and check that.  
 14 Q Okay. So, to summarize, the way that  
 15 you paid returns to your investors was via  
 16 Bitcoin, on Exodus, Bittrex or Blockchain?  
 17 A Binance -- I'm sorry?  
 18 Q Or Binance. Or if you paid in cash it  
 19 was through the CryptoFX Cadence account via a  
 20 cashiers check or perhaps a wire transfer and  
 21 sometimes cash; is that correct?  
 22 A And money orders.  
 23 Q And money orders?  
 24 A Uh-huh.  
 25 Q Can you think of any other way that you

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1 paid out the returns?  
 2 A No, ma'am.  
 3 Q Okay. Okay. Here's what I want to  
 4 understand about the trading, you would take in  
 5 these loans and you would trade on behalf of the  
 6 person who loaned you the money on one of these  
 7 four accounts. Did you pool the loan money and  
 8 then trade for all the people that gave you loans  
 9 at one time?  
 10 A Yes, but in -- through different  
 11 exchange could be, but the answer to your  
 12 question, yes.  
 13 Q Sure. So, to clarify, if person X gave  
 14 you \$100.00 and person Y gave you \$200.00, you in  
 15 theory could pool it for \$300.00 and trade that  
 16 \$300.00 on the Exodus exchange?  
 17 A Yes, ma'am.  
 18 Q Okay. How then would you determine how  
 19 to pay out the returns for person X and person Y?  
 20 A Depending on the -- on the profits that  
 21 we made, depending on the -- on the -- like, for  
 22 instance, just to give you an example. Let's say  
 23 we made 10 -- 10 percent or 15 percent, depending  
 24 on the -- on the gains that were paying, that's  
 25 when we distribute -- a person who put

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1 \$1,000.00 -- a person that put \$1,000.00, that  
 2 money was combined, but the \$1,000.00 person is  
 3 not going to get it less because it's a  
 4 percentage, you know. So, depending on the gains  
 5 we distributed the percentage.  
 6 Q Okay. So --  
 7 A Hard to give you an exact number  
 8 because there is not.  
 9 Q Well, there are exact numbers, Mr.  
 10 Chavez. And I want to understand how you  
 11 determined which person got which return. Is it  
 12 that if a person had a contract with you that  
 13 lasted six months and a person that had a  
 14 contract with you that also lasted that same six  
 15 months and they -- and you had to pay out the  
 16 return, you know, let's say on January 30th,  
 17 would they just get the same return because they  
 18 kind of -- because their -- their money was  
 19 pooled together and was traded at the same time?  
 20 A Yes, ma'am.  
 21 Q Okay. So, you did not individually  
 22 track each investor's money? You pooled it  
 23 together?  
 24 A It's really difficult when -- yeah. No.  
 25 Yes, ma'am. It's hard to do it like that.

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1 Q Right. Because if you were to trade --  
 2 if you were to track each investor's account you  
 3 would theoretically have to -- have to open up  
 4 thousands of wallets, right?  
 5 A It would be impossible.  
 6 Q Right.  
 7 A Yes.  
 8 Q So, you didn't promise any returns and  
 9 their returns would mostly be based on when their  
 10 contract ended, correct?  
 11 A Could you repeat that again? I'm  
 12 sorry, Ms. Harris.  
 13 Q Sure. You previously testified that  
 14 you would not give greater returns to people that  
 15 had greater investments; is that right?  
 16 A That is correct.  
 17 Q Okay. So, how would you determine what  
 18 return they got? Was it just the pool of money  
 19 that their investment was sitting in on the day  
 20 that their contract ended?  
 21 A Yes, ma'am.  
 22 Q Okay. So, for example, if I gave you  
 23 \$100.00 and my contract was up a month later and  
 24 the market was up, then I would get the same  
 25 return as everyone else who's contracted ended

<p style="text-align: right;">Page 179</p> <p>1 that day, right?</p> <p>2 A As far as percentage-wise, yes.</p> <p>3 Q Okay.</p> <p>4 A Because -- because, like, if you</p> <p>5 understand what I meant as far as</p> <p>6 percentage-wise, yeah?</p> <p>7 Q Explain.</p> <p>8 A For instance, you came and put in</p> <p>9 \$100.00, but the other person put in \$1,000.00, I</p> <p>10 cannot give you 100 -- like, \$10.00 and the other</p> <p>11 person \$10.00 because the other person had more</p> <p>12 money, you know.</p> <p>13 Q Correct. So, the percentages would be</p> <p>14 based on when the draw was basically?</p> <p>15 A Yeah. That is correct. Yes, ma'am.</p> <p>16 Q Okay. So, similarly, if I gave you</p> <p>17 \$100.00 in May and in one month my contract was</p> <p>18 up in June and the market's down, I might not get</p> <p>19 any return, correct?</p> <p>20 A Correct. Yes, ma'am.</p> <p>21 Q Okay. And that same -- and that other</p> <p>22 person who invested \$1,000.00 also wouldn't get</p> <p>23 any returns; is that right?</p> <p>24 A Correct. Yeah.</p> <p>25 Q Okay. Even if you did not make a</p>	<p style="text-align: right;">Page 181</p> <p>1 with. He was more the office manager. And I was</p> <p>2 more on the trading side of that things, but I</p> <p>3 can definitely check for you on that.</p> <p>4 Q Do you have any guesstimates?</p> <p>5 A I don't want to guess. I don't want to</p> <p>6 be on the spot.</p> <p>7 Q Okay. Do you know approximately how</p> <p>8 much money you've made in commissions?</p> <p>9 A You mean in profits?</p> <p>10 Q No. In your personal commissions which</p> <p>11 we talked about before.</p> <p>12 A You're talking about my personal</p> <p>13 commission, yes?</p> <p>14 Q Yes.</p> <p>15 A Okay. Individually? I would say --</p> <p>16 you're talking about from CryptoFX, correct, or</p> <p>17 from the trading itself?</p> <p>18 Q Yes.</p> <p>19 A Okay. From CryptoFX. I would have to</p> <p>20 double check on that. I would say close to \$1</p> <p>21 million.</p> <p>22 Q Okay. Do you know how much you paid</p> <p>23 out in referral fees?</p> <p>24 A No. That's a number that I would have</p> <p>25 to check.</p>
<p style="text-align: right;">Page 180</p> <p>1 return on a specific investor's money were your</p> <p>2 referral fees always paid?</p> <p>3 A Yes, ma'am.</p> <p>4 Q Okay. Because those referral fees were</p> <p>5 paid within one to two weeks after the contract</p> <p>6 was signed, correct?</p> <p>7 A Two weeks, yeah.</p> <p>8 Q Okay.</p> <p>9 A At least two weeks.</p> <p>10 Q Okay. Did you ever trade in Ethereum?</p> <p>11 A Yes, ma'am.</p> <p>12 Q Okay. Did you trade on the same</p> <p>13 exchanges that we spoke about before?</p> <p>14 A Yes, ma'am.</p> <p>15 Q Okay. Approximately how much money did</p> <p>16 you raise with CryptoFX?</p> <p>17 A I would have to check my records,</p> <p>18 ma'am. I would have to get back with you on</p> <p>19 that, ma'am.</p> <p>20 Q But you do have records that would show</p> <p>21 this number?</p> <p>22 A Yes, ma'am.</p> <p>23 Q Okay. And were you responsible for</p> <p>24 kind of keeping track of all the revenue?</p> <p>25 A A lot of that Eduardo had more to do</p>	<p style="text-align: right;">Page 182</p> <p>1 Q Okay. Do you know how much you have</p> <p>2 made in bonus?</p> <p>3 A No, ma'am. I would have to double</p> <p>4 check on that.</p> <p>5 Q Okay. You previously talked about</p> <p>6 CryptoFX and how it was the real estate arm of</p> <p>7 your business.</p> <p>8 A You mean CBT Group, correct?</p> <p>9 Q CBT Group, excuse me, yes. I'm sorry.</p> <p>10 There's a lot of Cs. Let me clean up the record</p> <p>11 there.</p> <p>12 CBT Group was the real estate arm,</p> <p>13 correct?</p> <p>14 A Yes, ma'am.</p> <p>15 Q Okay. How much money did CBT Group</p> <p>16 raise?</p> <p>17 A I would have to check. I don't have</p> <p>18 that exact number.</p> <p>19 Q Okay. Were you collecting commissions</p> <p>20 from CBT Group?</p> <p>21 A No, ma'am.</p> <p>22 Q Okay. Were you collecting any salary</p> <p>23 for CBT Group?</p> <p>24 A No, ma'am.</p> <p>25 Q Any bonuses?</p>

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1 A None. Not yet.  
 2 Q Do you know approximately how many  
 3 investors you have in CBT Group?  
 4 A No, ma'am. I don't have that  
 5 information.  
 6 Q Would you say it's above ten?  
 7 A I would say below ten.  
 8 Q I'm sorry, can you repeat that, Mr.  
 9 Chavez?  
 10 A I don't -- I don't -- I don't have an  
 11 exact number. I would have to double check. I  
 12 don't -- I would have to double check on that.  
 13 Q Okay. And what real estate is CBT  
 14 currently invested in?  
 15 A We're still negotiating a property --  
 16 property that we -- that we still in -- into  
 17 closing. I will have to get you a better answer  
 18 once I review it.  
 19 Q Where are those properties?  
 20 A In Houston -- Houston area.  
 21 Q And for the CBT Group investors, you  
 22 said that they paid you -- or let me ask the  
 23 question. For CBT Group investors, how did they  
 24 pay you?  
 25 A Check.

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1 Q Where did these -- where were these  
 2 checks deposited?  
 3 A In Cadence and Lone Star.  
 4 Q Are those the only places that these  
 5 checks were deposited?  
 6 A Yes, ma'am. That I recall, yes, ma'am.  
 7 Q Do you have an account at Spirit of  
 8 Texas?  
 9 A That is a -- that is a CBT account.  
 10 That is correct.  
 11 Q Were the checks deposited in that  
 12 account?  
 13 A Not that I know, no. I would have to  
 14 double check, but not that I know of.  
 15 Q Do you have a CryptoFX account at the  
 16 Spirit of Texas Bank?  
 17 A No, ma'am.  
 18 Q What is Maurizzio Group?  
 19 A That was a real estate marketing  
 20 company that I was creating as well, but that  
 21 was -- I don't know if it was before CryptoFX or  
 22 after. I would have to double check, but it was  
 23 more like a marketing.  
 24 Q I believe you previously testified that  
 25 this company that -- scratch that.

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1 Did Maurizzio Group ever take any  
 2 investor money?  
 3 A No. No, ma'am. Not that I recall. I  
 4 would have to double check on that.  
 5 Q But if it did, you would have the  
 6 records, right?  
 7 A Correct. Yes, ma'am.  
 8 Q And Maurizzio Group is a real estate  
 9 marketing group; is that right?  
 10 A Yes, ma'am.  
 11 Q Can you give some more detail on that?  
 12 A Yes. Well, pretty much the goal of it  
 13 is to find -- to connect the builders with the  
 14 end purchasers, clients. We do the marketing  
 15 aspects.  
 16 Q Does it have any relation to CryptoFX  
 17 or CBT?  
 18 A No, ma'am. Sorry for interrupting you.  
 19 Q Okay. And you have not paid out any  
 20 returns or anything from Maurizzio Group?  
 21 A No. No, ma'am.  
 22 Q Okay. You talked about earlier your  
 23 wins and your losses. Am I correct in stating  
 24 that you previously testified that you did lose  
 25 some of the investor money; is that right?

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1 A That was when I first started. When I  
 2 was first starting I did lose money and then --  
 3 like I said, then I regained. And -- but that's  
 4 how the markets are sometimes. You enter into  
 5 business, sometimes your wins are bigger, but,  
 6 yes, ma'am, I told you that.  
 7 Q Okay. Do you know how much money you  
 8 lost?  
 9 A I would say, like, three percent.  
 10 Q How much money does that translate to?  
 11 A I would have to check the numbers and  
 12 give you an exact amount, but just -- just to  
 13 give you an example, maybe \$100,000.00, three  
 14 percent, you know, just \$3,000.00, just so you  
 15 can get an idea. It was nothing to affect the  
 16 company, so.  
 17 Q Was there ever a time where you were  
 18 not able to give a person who you loaned -- who  
 19 loaned you money a return?  
 20 A No, ma'am.  
 21 Q Okay. But you did have some losses in  
 22 investing in cryptocurrency, right?  
 23 A Yes, but since the gains have been  
 24 higher than the -- than the losses, that's  
 25 probably we've been able to never refund anybody.

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1 Q Okay. And I understand that it is  
2 cyclical, but let me ask you this, did you ever  
3 pay one of your investors with new investor  
4 money?  
5 A No, ma'am.  
6 Q Okay. So, every time that you paid an  
7 investor it was from the profits of your trading?  
8 A Yes, ma'am.  
9 Q Okay. So, when you previously  
10 testified that you lost some investor money, what  
11 did you mean?  
12 A I meant at that particular trades I  
13 lost to the market. I mean, for instance, if I  
14 put in, let's say, \$100,000.00, I lost 30,000 or  
15 3,000 just to give you an example.  
16 Q But if you're trading with investor  
17 money and it's pooled together, and you are  
18 coming out with less than you put in, how are you  
19 able to make every single investor hole?  
20 A Because that's why I don't put  
21 everything in one exchange. That's why I have  
22 different exchanges. Because one exchange -- if  
23 I did everything at once it's too risky. You  
24 can't. I don't -- I don't do risky trades.  
25 Q Okay. So, you pooled together the

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1 investor money and you put a certain percentage  
2 in one exchange, a certain percentage in another  
3 exchange and a certain percentage in another  
4 exchange, correct?  
5 A That is correct.  
6 Q What if everything is down?  
7 A Okay. The way I operate, I do three  
8 different exchanges. One which I do more on a  
9 daily basis. The second one which I do on, like,  
10 every two weeks basis. And the other one was  
11 just long-term because of this situation when the  
12 market is down, the other way I protect myself is  
13 I put the crypto itself in USDT in the  
14 Stablecoin. The Stablecoin, even though the  
15 market going down or up, it doesn't matter. If I  
16 had -- let's say I had \$1 million, but if I had  
17 idea that the market was somehow going to drop, I  
18 will put into the Stablecoin and that Stablecoin,  
19 even though the market goes down, it cannot go  
20 lower than what I put in the Stablecoin. That's  
21 how I protect myself.  
22 Q Okay. Were you ever in a situation  
23 where you've had to defer a return until later  
24 because you didn't have the money to cover what  
25 you owed out to your investors?

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1 A No, ma'am.  
2 Q Okay. So, you always paid your  
3 investors a return in a timely amount?  
4 A Yes, ma'am.  
5 Q Okay. So, you didn't ever have any,  
6 you know, complaints from investors?  
7 A Not that I recall. Not that I can  
8 remember.  
9 Q I mean, you had thousands of investors  
10 and you never had any complaints regarding --  
11 A Oh. I'm sorry, go ahead. Go ahead.  
12 Q Go ahead, Mr. Chavez. Go ahead.  
13 A No. What I mean is some people of  
14 course when they call they want you to answer the  
15 phone, like, right away, you know. And you get  
16 complaints like that. Of course we had things  
17 happen. Not that we never -- we always paid  
18 our -- the people that lend -- lend us the money.  
19 Q Okay.  
20 A We always pay.  
21 Q Okay. So, you never had to tell your  
22 investors, it's going to take, you know, another  
23 month, another month, another month to get you  
24 your money back?  
25 A Never.

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1 Q Okay. And I want to be just very, very  
2 clear on that. You were always paying your  
3 investors with money from your -- with profits  
4 from the actual trades; is that right?  
5 A Yes, ma'am.  
6 Q It was not that you were, you know, not  
7 doing well in the Bitcoin market and, therefore,  
8 you had to solicit new investors to cover your  
9 losses?  
10 A No, ma'am. No. No.  
11 Q Never?  
12 A Never.  
13 Q Okay. Okay.  
14 MS. HARRIS: Let's go to Exhibit 17,  
15 please, Jamie.  
16 Q And I'll just flag for you, Mr. Chavez,  
17 this is a pretty long exhibit. We're going to be  
18 here for a while.  
19 A Okay.  
20 Q So, just looking at this first page,  
21 can you explain what this is?  
22 Let me ask a better question. Do you  
23 recognize this?  
24 A Yeah. That is a WhatsApp -- one of our  
25 WhatsApp group.

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1 Q Okay. And it seems like if you go to  
 2 the, kind of, bottom third that two people are  
 3 speaking back and forth, Gio CFX and M Group.  
 4 Who is GIO CFX?  
 5 A That -- I think that's Georgio.  
 6 Q Okay. And who is M Group?  
 7 A M Group is -- is me.  
 8 Q And now we're having a little bit of  
 9 technical difficulties. Jamie is going to get  
 10 this back up for you.  
 11 A Okay. Georgio is Gio, Georgio, and M  
 12 Group is me, Mauricio.  
 13 Q Great, okay. So, we received a couple  
 14 of transcripts like this in your production. Is  
 15 WhatsApp the primary way you communicated with  
 16 the people who you gave loans to?  
 17 A That's why we have the groups, yes,  
 18 ma'am.  
 19 Q Okay. So, WhatsApp is the way you  
 20 communicated to investors, correct?  
 21 A Yes, ma'am.  
 22 Q Okay. And WhatsApp is also the way you  
 23 communicated to other employees, correct?  
 24 A Yes. Yes, ma'am. Employees, texts as  
 25 well.

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1 Q Okay. Okay. Do you have those text  
 2 messages to employees?  
 3 A I wouldn't -- yes, I do.  
 4 Q Do you -- do you have any additional  
 5 transcripts in your possession that you have not  
 6 turned over to us?  
 7 A Not that I know, but I would have to  
 8 get with my lawyer and see what -- what other  
 9 documents we can send out to you.  
 10 Q Yeah, okay. I'm just asking if there  
 11 are any other additional web chats that you  
 12 haven't given to your lawyer to give to us. If  
 13 so, they're -- they're responsive to the  
 14 subpoena.  
 15 A Okay.  
 16 Q Yeah. So, you said that Gio -- that M  
 17 Group was you and Gio CFX is Gio, what was his  
 18 last name?  
 19 A Georgio Benvenuto.  
 20 Q Georgio Benvenuto. Who is Georgio  
 21 Benvenuto?  
 22 A He's the other person that I told you  
 23 for the CBT account.  
 24 Q Okay. Is he an employee of CryptoFX?  
 25 A No, ma'am.

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1 Q He is just an employee of CBT?  
 2 A Yes, ma'am.  
 3 Q Is he an employee of the Mauricio  
 4 Group?  
 5 A No, ma'am.  
 6 Q Okay. One technical question here, it  
 7 says throughout this transcript that certain  
 8 audio has been omitted, audio has been deleted.  
 9 Can I assume that is when you are sending each  
 10 other voice messages?  
 11 A Yes. When I -- when I -- when I send  
 12 the information the problem is like when you  
 13 send -- you know, as the audios, it will take a  
 14 day to a couple of days to transfer everything.  
 15 So, when I was sending it to my attorney, I  
 16 send -- when I forward that -- that WhatsApp chat  
 17 I did it without the audio and without the -- so  
 18 it wouldn't be too heavy. The file wouldn't be  
 19 too heavy. That's the reason why it says audio  
 20 omitted.  
 21 Q So, you do still have in your  
 22 possession these audio messages that are  
 23 reflected here?  
 24 A Yes, ma'am.  
 25 Q Now, these are responsive to the

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1 subpoena. We should try and find a way to get  
 2 those to us, but let's move on for right now.  
 3 What was Georgio's role at CBT?  
 4 A The -- he's the one of the managers.  
 5 Q Okay. And he played no role in  
 6 CryptoFX; is that right?  
 7 A No, ma'am.  
 8 Q No that's not right or --  
 9 A No. No. No, he doesn't -- he doesn't  
 10 play a role. No, ma'am.  
 11 Q Okay.  
 12 MS. HARRIS: Let's go to page ending in  
 13 699. I think it's the third page down. We  
 14 there?  
 15 Q You can kind of take some time to read  
 16 through this.  
 17 A Uh-huh.  
 18 (Whereupon, witness reviews Exhibit.)  
 19 A Yes, ma'am.  
 20 Q Okay. And then --  
 21 MS. HARRIS: And I'm sorry, Jamie, I'm  
 22 going to ask you to go down -- hang on. I  
 23 apologize. It's actually on the next page ending  
 24 in 700. I apologize, that's my fault.  
 25 Q So, we are on page CFX 081700 and we

<p style="text-align: right;">Page 195</p> <p>1 are at the bottom third. It's a message that Gio 2 CFX sends to you at 10:56 a.m. Do you see that? 3 So, I'm going to read it into the 4 record. He says, Good Morning, Brother. Just a 5 friendly reminder that I am bringing Gabriel 6 Torres to you tomorrow at 11 a.m. Please carve 7 out a little time to spend with me and Gabriel to 8 get him comfortable with the idea of investing 9 with CryptoFX. I have him 90 percent there 10 already. He's committing 10K. 11 A Okay. So, what Gio is saying that he's 12 going to refer Gabriel to the academy. 13 Q Okay. So, Gabriel is giving -- giving 14 one of the loans of \$10,000.00; is that right? 15 A That is correct, yes, ma'am. 16 Q And Gio is presumably being paid a 17 referral fee? 18 A That is correct. Yes, ma'am. 19 Q Okay. Did Gio generally -- did Gio 20 regularly go out and find investors for CryptoFX? 21 A Not -- not -- not really. No, ma'am. 22 Q Okay. Okay. 23 MS. HARRIS: Let's go to four pages 24 down at 704. 25 Q And once again, we're at the bottom of</p>	<p style="text-align: right;">Page 197</p> <p>1 page. This is a message that Gio sent to you on 2 December 2nd, 2020 at 2:02. And he's making a 3 list. He says, E-mail me the CryptoFX, LLC 4 documents. Transfer at least 10K into the CBT 5 account by Friday. 6 And I'll give you some time to kind of 7 read the entire thing, but my question to you is, 8 why did he have access to the CryptoFX, LLC 9 documents? Why did he want those? 10 A I don't -- I don't -- I have to -- I 11 need more time to -- I don't know why. 12 Q Okay. You had previously -- oh, go 13 ahead, Mr. Chavez. 14 A No. I don't know. I mean, I know what 15 the 10K was for, but talking about the 16 cryptocurrency document, I don't know. 17 Q If you don't remember, you don't 18 remember, that's fine. I'll move on -- 19 A The 10K was because of architecture 20 fee. That's what, you know, the 10K. 21 Q Okay. 22 A But I don't remember that document. 23 Q Where were you going to transfer the 24 10K from? 25 A I don't want to give you miss --</p>
<p style="text-align: right;">Page 196</p> <p>1 the page and starting at around 2:56. Basically, 2 you guys are talking about Gabriel's checks. And 3 I'm assuming that's Gabriel Torres, correct? 4 A Could you highlight? I'm sorry. 5 Q Yeah. At the very bottom starting at 6 2:56 where Gio says, I just need to know about 7 Gabriel's checks. He says, The funds are still 8 in his account. Is everything okay? 9 A Oh, okay. What happened was when 10 Gabriel gave me the check to come in to do the 11 loan, I had not deposited the check. That's why 12 he was saying that. 13 Q Okay. What do you mean when you 14 respond, Not yet because I'm trying to lower my 15 account first? What does that mean? 16 A I don't recall. I will have to double 17 check that. 18 Q Okay. I don't want you to speculate. 19 A I don't want to speculate. 20 Q Yeah. If you don't remember, you don't 21 remember. 22 MS. HARRIS: Let's go to page 716. This 23 will be the Bates label ending in 716, I 24 apologize. 25 Q So, we are at the top third of the</p>	<p style="text-align: right;">Page 198</p> <p>1 misinformation. I don't -- I'd have to double 2 check on that, ma'am. 3 Q Okay. So, it would have been one of 4 the accounts that you had access to; is that 5 correct? 6 A Correct. Yes, ma'am. 7 Q Is that -- is it possible that it would 8 have been from your personal account? 9 A Yes, it is -- it's possible. 10 Q Is it possible that it would have been 11 from the CryptoFX business account? 12 A No, ma'am. 13 Q Okay. So, if I -- if I were to look at 14 the records I wouldn't see a transfer of 15 \$10,000.00 around this time from any of the 16 CryptoFX money? 17 A Correct. 18 Q Okay. So, it's possible that it could 19 have come from a personal account. Where else 20 would it have come from? 21 A From the personal account. It would 22 have to have come from the personal account. 23 Q Okay. 24 MS. HARRIS: Let's go to the page 25 ending in 735.</p>

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1 Q So, starting at March 29th, 2021 at  
2 4:30 Gio is discussing, Our attorney has just  
3 reminded me that he has yet to receive your  
4 personal taxes for last year. We have passed our  
5 deadline and I have asked for extension. 1.7  
6 million needs to be put into the CDT account on  
7 April 7th. Do you see that?

8 A Yes, ma'am.

9 Q Okay. Without telling me what you  
10 discussed with any attorney, do you know what  
11 attorney Mr. -- or Georgio is referencing?

12 A No, ma'am.

13 Q So, you -- you don't know what attorney  
14 he's talking about? It says, Our attorney.

15 A But he's the one that managed that. I  
16 don't have that information, ma'am.

17 Q Okay. So, you don't know who CBT's  
18 attorney was?

19 A No, ma'am.

20 Q Okay. And where would this \$1.7  
21 million come from?

22 A Through the people that would loan for  
23 the CBT account.

24 Q Can you repeat your answer, Mr. Chavez?  
25 I didn't quite understand it.

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1 A From -- from the people that would loan  
2 for the CBT Group. For the people that was doing  
3 the loans for the CBT.

4 Q Okay. So, why did -- I'm trying to see  
5 if this is -- I'm trying to understand the  
6 construction of this message here.

7 Why did \$1.7 million need to be -- I'm  
8 assuming that means CBT account by April 7th, why  
9 was that?

10 A Because we were looking into purchasing  
11 a land to build apartment complex.

12 Q Okay. So, I'll represent to you that  
13 throughout this Webex -- excuse me, WhatsApp  
14 conversation you guys talk about this million  
15 dollars -- \$1.7 million several times. Where  
16 were you getting this money?

17 A From people that would loan the money.

18 Q Okay. So -- so, from investors?

19 A Different -- different people that  
20 would loan the money for -- for the loans for us  
21 to -- to do the development.

22 Q Okay. Did you ever get this money?

23 A No, ma'am.

24 Q And is that because you couldn't find  
25 additional investors to give you money?

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1 A I didn't. It was because I didn't  
2 promote to do it, if I understood me. Because if  
3 I would pay out people from that, you know,  
4 whatever we did, then I would -- I would have got  
5 it.

6 Q Okay. So, my understanding was you're  
7 saying it's because you didn't really promote CBT  
8 you were not able to get this money in order to  
9 make the real estate development purchase that  
10 you wanted, right?

11 A Correct.

12 Q Okay. I know you previously testified  
13 that you don't know how many investors CBT has,  
14 but do you have records where we could find out?

15 A I can definitely look into that, yes,  
16 ma'am.

17 Q And have you -- perhaps you answered  
18 this. Forgive me if you have. You've never  
19 taken a salary from CBT; is that correct?

20 A No, ma'am.

21 Q Okay. And your primary source of  
22 income is from CryptoFX; is that correct?

23 A That is correct.

24 Q Okay. So, since you had not purchased  
25 any real estate through CBT as of yet, where

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1 has -- where is the investor money sitting right  
2 now?

3 A In the account.

4 Q In the account, okay. Has any -- has  
5 any money been taken out of it?

6 A Not investors money, no, ma'am.

7 Q Okay. I mean, do you guys have any  
8 overhead or anything that you're using where  
9 you're spending investor money?

10 A Gio he has some salary.

11 Q How much is his salary?

12 A I believe it's 2,500 a week maybe.

13 Q Is his salary disclosed to investors?

14 A No, ma'am.

15 Q And you previously testified that you  
16 don't remember whether or not these investors  
17 with CBT Group have contracts, correct?

18 A Correct. Yes, ma'am.

19 Q Were you the primary person  
20 communicating with the CBT Group investors?

21 A Myself and Eduardo.

22 Q How did you communicate with them?

23 A Face-to-face.

24 Q Face-to-face, okay. When they would --  
25 well, any e-mails?



<p style="text-align: right;">Page 203</p> <p>1 A No, ma'am.</p> <p>2 Q Text messages?</p> <p>3 A No, ma'am.</p> <p>4 Q Okay. And there are no promotional</p> <p>5 materials for CBT Group; is that correct?</p> <p>6 A No, ma'am.</p> <p>7 MS. HARRIS: Let's go to page ending in</p> <p>8 Bates label 751, please.</p> <p>9 Q Right in the middle Mr. -- or</p> <p>10 Georgio -- I'm sorry, what is his name again?</p> <p>11 A Georgio.</p> <p>12 Q Georgio, correct. Okay, Georgio gives</p> <p>13 you a link to www.McNamaraGroup. And then he</p> <p>14 states, I'm trying to set up a Zoom call or</p> <p>15 possibly a conference call with Rhory McNamara at</p> <p>16 McNamara Corporate Services, Inc. based in St.</p> <p>17 Lucia to set up your offshore account. Checkout</p> <p>18 his website.</p> <p>19 Later, further down there's audio</p> <p>20 omitted. He also says, Brother, I will be at the</p> <p>21 office in the morning for a Zoom call with St.</p> <p>22 Lucia and offshore account. I will be headed to</p> <p>23 Magnolia for Spirit of Texas Bank business. If</p> <p>24 you have more checks for me, please give them so</p> <p>25 I can deposit them into the CBT account. See you</p>	<p style="text-align: right;">Page 205</p> <p>1 checks you are sitting on. Then he says, Money</p> <p>2 in checks, correcting himself from the previous</p> <p>3 message. And you respond, Morning Bro, like a</p> <p>4 million. A lot under the Maurizzio Group.</p> <p>5 Explain that back and forth to me a little bit.</p> <p>6 Take your time.</p> <p>7 A I believe we were still trying to -- to</p> <p>8 purchase that land and -- but, like I said, we</p> <p>9 never -- we never purchase it. So, that's why he</p> <p>10 wanted to know how much money I had.</p> <p>11 Q You state under -- you state in</p> <p>12 response to him, A lot under Maurizzio Group, but</p> <p>13 you previously testified that Maurizzio Group did</p> <p>14 not really take investors. So, help me</p> <p>15 understand that.</p> <p>16 A No, Maurizzio doesn't -- does not take</p> <p>17 investors for -- for any real estate at all.</p> <p>18 Q So, how do you have \$1 million under</p> <p>19 the Maurizzio Group?</p> <p>20 A I would have to go into the -- those</p> <p>21 bank records and -- and check. I don't --</p> <p>22 Q Okay. Is it -- go ahead.</p> <p>23 A No, go ahead. Go ahead, ma'am.</p> <p>24 Q Well, my question is, is it based on</p> <p>25 Maurizzio Group's operations?</p>
<p style="text-align: right;">Page 204</p> <p>1 this morning.</p> <p>2 So, let me ask you first, do you have</p> <p>3 an offshore account in St. Lucia?</p> <p>4 A No, ma'am.</p> <p>5 Q Were you attempting to set up one in</p> <p>6 St. Lucia?</p> <p>7 A I was, but I never did.</p> <p>8 Q Okay. What was the purpose of that?</p> <p>9 A I wanted -- wanted to have an offshore</p> <p>10 account to establish a -- a business outside the</p> <p>11 U.S.</p> <p>12 Q What was going to be that business?</p> <p>13 A Pretty much it was going to be the same</p> <p>14 real estate development business.</p> <p>15 Q Where?</p> <p>16 A In El Salvador.</p> <p>17 Q But this account has never been set up,</p> <p>18 correct?</p> <p>19 A No, ma'am, never.</p> <p>20 Q Okay. Do you have any accounts with</p> <p>21 the McNamara Group?</p> <p>22 A No, ma'am.</p> <p>23 Q Okay. On the next page, if we could go</p> <p>24 down there, right in the middle Georgio says,</p> <p>25 Give me a ballpark figure on how much money and</p>	<p style="text-align: right;">Page 206</p> <p>1 A Yes, but I would have to go into the</p> <p>2 statements and -- and really check to see what --</p> <p>3 what those were.</p> <p>4 Q Right. So, at some point you</p> <p>5 represented you have like a million under the</p> <p>6 Maurizzio Group. And that is based on the</p> <p>7 Maurizzio Group's profits, correct?</p> <p>8 A Correct.</p> <p>9 Q So, these are not student funds or</p> <p>10 investor money that you directed to the Maurizzio</p> <p>11 Group, but it's really money from CryptoFX; is</p> <p>12 that right?</p> <p>13 A Could you rephrase that question?</p> <p>14 Q Sure. So, when you previously talked</p> <p>15 about Maurizzio Group it sounded like it was</p> <p>16 something that you were just starting. And I</p> <p>17 want to understand how you have \$1 million in the</p> <p>18 bank for Maurizzio Group. Is it from the</p> <p>19 operations?</p> <p>20 A Yes, ma'am.</p> <p>21 Q Okay. So, based on your real estate</p> <p>22 marketing you had already made \$1 million?</p> <p>23 A That is -- that is correct, but I will</p> <p>24 have to check the statements to see where those</p> <p>25 came -- what I got to give you a better answer on</p>

<p style="text-align: right;">Page 207</p> <p>1 that.</p> <p>2 Q Okay. So, I mean, tell me a little bit</p> <p>3 more about this real estate marketing. Is it --</p> <p>4 do you have certain clients? You know, kind of,</p> <p>5 how were you guys making money?</p> <p>6 A Yes. This through -- well, pretty much</p> <p>7 it's -- the Maurizzio Group is more like a --</p> <p>8 like a marketing firm as far as development --</p> <p>9 connecting development companies with customers.</p> <p>10 And -- and the Maurizzio Group, that's when --</p> <p>11 Maurizzio Group I think -- I believe I opened</p> <p>12 before CBT Group, but I decided to continue with</p> <p>13 CBT Group, not Maurizzio Group. But like I said,</p> <p>14 I would have to check the records on that to give</p> <p>15 you a better on answer on that.</p> <p>16 Q Yeah. I'd like to understand because</p> <p>17 it seems like -- like Maurizzio Group -- I want</p> <p>18 to understand a little bit more about the --</p> <p>19 about the operations. So, walk me through, like,</p> <p>20 who were your biggest clients, what were you</p> <p>21 doing, you know. Tell -- tell me what you were</p> <p>22 doing.</p> <p>23 A Yeah, I can -- I can definitely get</p> <p>24 that information to you. I don't have that</p> <p>25 part -- the \$1 million, I don't have that</p>	<p style="text-align: right;">Page 209</p> <p>1 A That is correct. That's what I was</p> <p>2 starting through Maurizzio Group, but then</p> <p>3 because of the experience that Georgio had and</p> <p>4 Gabriel had, that's why I decided to do it</p> <p>5 through CBT Group.</p> <p>6 Q But at no point did Maurizzio Group</p> <p>7 take investors?</p> <p>8 A No, ma'am.</p> <p>9 Q So, where are you getting this capital?</p> <p>10 A That's what I would have to check</p> <p>11 the -- the statements, but most of that was my</p> <p>12 money.</p> <p>13 Q Okay. Okay. So, \$1 million is a</p> <p>14 significant amount of money. You're saying that</p> <p>15 you didn't ever get it from investors because</p> <p>16 Maurizzio Group never really got off the ground,</p> <p>17 right?</p> <p>18 A Correct.</p> <p>19 Q And Maurizzio Group never took any</p> <p>20 investors, right?</p> <p>21 A Correct.</p> <p>22 Q And most of it is your money, right?</p> <p>23 A Yes, ma'am.</p> <p>24 Q But not all of it is your money, right?</p> <p>25 A Not -- that's why I have to check the</p>
<p style="text-align: right;">Page 208</p> <p>1 information.</p> <p>2 Q I'm less interested in the \$1 million.</p> <p>3 I'm now more interested in the Maurizzio Group</p> <p>4 what the operations were. Please tell me.</p> <p>5 A That -- that was like marketing, but at</p> <p>6 the beginning it was like a -- like I said, it --</p> <p>7 it was more like a CBT. Instead of doing it at</p> <p>8 Maurizzio Group, I started doing the development</p> <p>9 through Mauricio -- I mean, instead of doing it</p> <p>10 through Maurizzio Group, I started doing it</p> <p>11 through CBT Group, the development side of the</p> <p>12 real estate.</p> <p>13 Q I still don't understand. Is it your</p> <p>14 testimony today that you did real estate</p> <p>15 development through the Maurizzio Group?</p> <p>16 A That's what I was starting, but I</p> <p>17 decided to do it through CBT Group.</p> <p>18 Q Okay. And so, Maurizzio Group has \$1</p> <p>19 million because you did a real estate development</p> <p>20 with them?</p> <p>21 A No. That was -- the Maurizzio Group</p> <p>22 money, that was my money. That was not money</p> <p>23 from investors.</p> <p>24 Q But you said you did real estate</p> <p>25 development with Maurizzio Group, right?</p>	<p style="text-align: right;">Page 210</p> <p>1 statement. But a lot of it -- a lot of it --</p> <p>2 most of it -- the majority of it is my earnings</p> <p>3 from the -- my crypto portfolio personally as</p> <p>4 well.</p> <p>5 Q Okay. So, in the Maurizzio Group</p> <p>6 you're housing money that you earned in</p> <p>7 commissions and bonus from CryptoFX; is that</p> <p>8 correct?</p> <p>9 A And my personal portfolio.</p> <p>10 Q And your personal portfolio?</p> <p>11 A Yes, ma'am.</p> <p>12 Q Okay. And you put it in the Maurizzio</p> <p>13 Group entity. And you were going to take this</p> <p>14 money use it to develop real estate, but then you</p> <p>15 met Gabriel and Georgio and then you created CBT,</p> <p>16 right?</p> <p>17 A Correct. The -- the vision that I had</p> <p>18 for Maurizzio Group I -- because of the</p> <p>19 experience that they had, I wanted to do it with</p> <p>20 the CBT Group.</p> <p>21 Q Okay. I think I understand. I might</p> <p>22 come back to that one.</p> <p>23 MS. HARRIS: Let's go to the page</p> <p>24 ending in 758.</p> <p>25 Q So, kind of starting at the top of the</p>

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1 page it looks like you might have copied and  
2 pasted someone else's text message because they  
3 are referring to you and you're not talking in  
4 the third person I assume. So, help me  
5 understand what's going on here.

6 There is a message at the very top on  
7 June 28th, 2021 at 7:13 p.m. from you. And it  
8 says -- starts with, Yeah, I got \$5,000.00 in  
9 cryptos and that went down literally more than  
10 half too. And then it continues, And 5K is  
11 nothing compared to all the tears and sweat that  
12 I dedicated to you and your company for years,  
13 Mauricio. So, don't tell me that's a lot of  
14 money. Seven long years of supposedly brothers,  
15 slash, business partners. The company keeps  
16 growing from seeds that we all planted, us three,  
17 but you know where I stand, Mauricio. You know  
18 well know what I did for the company and what I  
19 sacrificed too. You all know my work, Mauricio,  
20 and that's now in the office is completely  
21 different culture.

22 I know I was an important piece. So  
23 now many people keep looking for me from your  
24 company to work with me, but I decline every  
25 single one of them. I don't need a company of my

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1 own, just so you know. I'm good by myself. All  
2 of your leaders keep trying to hit me up, man.  
3 That's how you know no one is loyal to you, but  
4 yourself.

5 And then in a separate message, all  
6 caps, And you don't have to reply. I know you  
7 know where I stand at -- in the company and you  
8 know what work what I did. Only when I went to  
9 Chicago that same week one million came in,  
10 Mauricio. I know who I am and what I am and I'm  
11 worth a lot more than 500K. We will talk soon.  
12 God bless to you and your family always.

13 Can you explain who that is from?

14 A That is from one of the persons that  
15 started with us as well, but he -- he was not --  
16 not a partner. I don't know why he said that  
17 because Eduardo and I are the ones that started  
18 the company.

19 Q What's his name?

20 A His name is Gustavo.

21 Q Last name?

22 A Gomez.

23 Q Do you have his contact information?

24 A Yes, ma'am.

25 Q Could you provide that to us?

Page 213

1 A I can. Through my attorney I  
2 definitely will.

3 Q Okay. Was he ever an employee?

4 A Yes, ma'am.

5 Q What did he do?

6 A He helped people with the crypto  
7 wallets, these people, with different cryptos as  
8 well.

9 Q So, he traded on behalf of your  
10 investors and he taught people; is that right?

11 A Mostly. He -- he -- no, he didn't do  
12 trading. He mostly did teaching.

13 Q And based off his teaching he got  
14 \$500,000.00?

15 A That -- that's the portfolio that I had  
16 given him to do trading -- to hold and do  
17 trading, but I guess the portfolio that he -- he  
18 decided not to give to me.

19 Q So, you did give him investor money to  
20 trade; is that right?

21 A Yes. Yes, ma'am. Yes, ma'am.

22 Q Okay. So, let me go back to my  
23 previous question. I'd like you to answer it.

24 Is it correct that he both taught and  
25 did trading on behalf of your investors?

Page 214

1 A Yes. With the -- with the portfolio,  
2 yes, ma'am.

3 Q Okay. Give me a little bit of context  
4 around this message. Why is he upset?

5 A That's more on a personal level, ma'am.

6 Q Okay. Okay. And I understand -- I  
7 understand it's personal. It might be sensitive,  
8 but is -- it seems like something happened,  
9 perhaps you didn't pay him. Kind of, you know --  
10 I understand it's sensitive, and you can take  
11 your time, but kind of -- if you could help me  
12 understand.

13 A Yeah, that's -- that's more on a  
14 personal. I would rather see if we can get that  
15 through my lawyer.

16 Q So, Mr. Chavez, I understand it's  
17 personal, but this was a document that was  
18 produced by your lawyer. And you are in  
19 investigative testimony right now. So, to the  
20 extent you, you know, can answer, I -- I ask you  
21 to please do so. I would like to kind of get  
22 some understanding.

23 A Okay. Not a problem. What -- what  
24 happened was that one of the persons that --  
25 that -- the person that -- who was with -- you

<p style="text-align: right;">Page 215</p> <p>1 know, pretty much we had a relationship, that's 2 what happened. 3 Q Okay. Okay, understand. So, you had a 4 relationship with his girlfriend, is that my 5 understanding? 6 A So, as I understood, they were no 7 longer together so. 8 Q Okay. I understand. And we can move 9 on from that because I understand now. 10 And this is him stating that he's done 11 with the business; is that right? 12 A That is correct, yes, ma'am. 13 Q Okay. And he -- you gave him 14 \$500,000.00 and kind of told him, you know, we're 15 kind of done with you; is that right? 16 A Yes, ma'am. 17 Q Okay. And that's why he's saying at 18 the very end, I'm worth a lot more than 500K? 19 A That is correct. 20 Q Okay. Thank you, Mr. Chavez. I 21 appreciate your candor. And we don't have to 22 explore too much more about that. 23 MS. HARRIS: Jamie, if we could go to 24 766. 25 Q 720 -- or, excuse me, July 23rd, 2021</p>	<p style="text-align: right;">Page 217</p> <p>1 Q Okay. Was he ever compensated by 2 CryptoFX in any way? 3 A No, ma'am. 4 Q Well -- 5 A Besides the loan that he had, that's 6 about it. 7 Q What loan? 8 A The loan that he made to -- in the 9 package to go into CryptoFX. 10 Q Okay. So, he made a loan and he 11 invested money with you for cryptocurrency -- 12 A I'm sorry, that's how I met him, so. 13 Q Okay. He made a loan to CryptoFX. He 14 invested with you. That's how you guys met, but 15 he also was getting referrals to you, correct? 16 A Yes, ma'am. 17 Q But he was never getting a salary or 18 anything like that? 19 A No, ma'am. 20 Q Okay. Understood. 21 On down in this page you say -- or, 22 excuse me, Georgio says at 1:27, What do you 23 think of Bill Rapp becoming our broker when we 24 are granted the license to be a dealer entity? 25 I'm going to take this step by step. Who is Bill</p>
<p style="text-align: right;">Page 216</p> <p>1 at 1:21:08 Georgio says, I will be there in 20 2 minutes. You have to let me fix the company, 3 Brother. We are committing so many violations 4 and I'm trying to get us into -- excuse me. I'm 5 sorry. I'm trying to avoid us getting into some 6 serious trouble. Not only from the IRS, but also 7 the Texas Work Commission. 8 What is he talking about here and what 9 company is he talking about here? 10 A He's talking about CryptoFX, I'm sorry, 11 because I had all independent contractors with 12 CryptoFX and he was giving me idea to put them on 13 salary instead of being independent contractors, 14 but I have records that I've always given 1099 to 15 my employees and stuff. So, he wanted to make 16 sure that, you know, we had all the -- had the 17 employee salary employee and not 1099 independent 18 contractors. That's what he meant. 19 Q Okay. So, Georgio did have a role in 20 CryptoFX? 21 A More like a friendship. Not a role as 22 an employee. 23 Q Okay. He was helping you out as a 24 friend, but he did have a role in your business? 25 A To give an idea in a way.</p>	<p style="text-align: right;">Page 218</p> <p>1 Rapp? 2 A I think Bill Rapp is -- you know, now 3 that I see it, I think he was the lawyer for 4 CryptoFX. 5 Q You're -- you're wondering if Bill Rapp 6 was the lawyer for CryptoFX? 7 A Yeah. He -- Georgio was the most 8 involved. So, I don't know if he's the lawyer or 9 he's the contact for the lawyer. I have to 10 double check on that. I'm not quite sure on that 11 one. 12 Q Okay. So, at some point Bill Rapp was 13 doing legal services for CryptoFX; is that right? 14 A No. I'm sorry, for CBT Group I meant. 15 Q Oh, okay. Okay. 16 A My apologies. 17 Q No, no worries. I've made that same 18 mistake. No worries. 19 In this message what entity is Georgio 20 talking about? 21 A Let me see. Okay. For CryptoFX. Like 22 he meant, broker -- like a -- like a license, 23 like a broker license for -- for investing, 24 that's what he meant. 25 Q Yeah, okay. And so, you say, Let's do</p>

<p style="text-align: right;">Page 219</p> <p>1 it, Brother. And he says, Sounds awesome. So,  2 you agreed that CryptoFX needs a broker, correct?  3 A Yes, ma'am.  4 Q Okay. And he also says, When we are  5 actually granted the license to be a dealer  6 entity. What license is he referring to?  7 A The -- the -- the license -- the broker  8 license. That's what he meant.  9 Q And so you agree that CryptoFX needs a  10 brokers license; is that right?  11 A Yes, ma'am.  12 MS. HARRIS: Let's go down to 672,  13 please.  14 Q And it -- it just struck me, I  15 apologize, we can -- we can stop here and take a  16 five-minute break if people need it. I -- I  17 didn't realize how long we had been going. I  18 apologize to everyone. I had promised I would  19 give breaks.  20 Mr. Chavez, do you need a five-minute  21 break here?  22 A Yes, please.  23 Q Okay. Great. We'll stop. We're going  24 to start back up on CFX 018782, but right now  25 we're going to go off the record at 3:51.</p>	<p style="text-align: right;">Page 221</p> <p>1 that, but of course we want to make sure that we  2 are in good standards and following every single  3 rule aspect.  4 Q Okay. He says that you're wanting to  5 transition to a financial advisory service. Are  6 you -- are you providing financial advice?  7 A No, ma'am.  8 Q So, when people pay you for the classes  9 to teach them how to trade is that not providing  10 financial advice?  11 A No, ma'am, because we give them ideas,  12 but the final decision they make them.  13 Q Okay. When you are working with your  14 VIPs and you give them the trades and you're  15 showing them how to trade, is that not providing  16 personalized financial advice?  17 A No, because at the end of the day --  18 I'm sorry, at the end of -- what we tell them,  19 they're the ones that decide, okay, we'll go  20 ahead and I'm going to do that exchanges going  21 from these other account. So, at the end of the  22 day, even though I -- I tell them what I'm doing  23 and I give them as far as an idea of what I'm  24 doing, I always make it clear to them that  25 they're the ones that make the final decision.</p>
<p style="text-align: right;">Page 220</p> <p>1 (Brief recess taken at 3:51 p.m.  2 Central Time.)  3 MS. HARRIS: So, we are back on the  4 record at 3:57 p.m. Central Time.  5 BY MS. HARRIS:  6 Q And, Mr. Chavez, we -- I just started  7 asking you about the document that ends in 782.  8 At the very top Georgio states, I understand.  9 Thanks for trusting me on this one. We really  10 need to take care of CFX. And if we have any  11 hope of finally making the transition to a  12 financial advisory service once we can honestly  13 report our financials. So, I'm going to break  14 that document -- excuse me, message down into a  15 couple of questions.  16 What was Georgio really doing for CFX  17 at this time?  18 A Just advising. Just, I ask him for --  19 help me out to get an -- an idea on how we can --  20 you know, of course we -- we doing it to loans,  21 but we -- you know, we're not looking for  22 investors right now outside of CryptoFX Academy,  23 but eventually down the road our idea, our goal,  24 was to be a -- a financial company. Let's say,  25 Fidelity, Vander Group, you know, companies like</p>	<p style="text-align: right;">Page 222</p> <p>1 Q Correct. But you're giving them advice  2 as to -- let me restate that.  3 You're giving them guidance as to what  4 you would do and how they should execute their  5 trades; is that correct?  6 A Yes.  7 Q And is that not financial advice?  8 A It would be financial advice if I would  9 do it for them, but I would just guide them.  10 Like, not really execute. They're the ones that  11 do it. They're the ones that make the final  12 decision.  13 Q I understand that, but you previously  14 testified that for your VIP people that they had  15 direct access to you. They can look at your  16 trades. They can talk to you. And that's what  17 makes it VIP; is that right?  18 A Right. It makes it VIP the fact that  19 they are getting the trades from me, the -- the  20 ones that have the top production, you know.  21 Q And you have the ability to interact  22 with them directly, correct?  23 A Yes, ma'am.  24 Q Okay. I'm still trying to figure out  25 why you not executing that -- executing their</p>

Page 223

1 trades for them even matters. You're giving them  
 2 financial guidance, correct?  
 3 A I'm -- I would say no because the --  
 4 the decision -- you know, like I could tell you,  
 5 okay, to buy certain coins because I think --  
 6 personally think that it's going to go down, but  
 7 at the end of the day, you are the ones who's  
 8 going to make the final decision to buy it or  
 9 not.  
 10 Q Right. But you are telling people on a  
 11 one-on-one basis, here's what I think you should  
 12 do, but you're leaving it to their discretion  
 13 whether or not to do it; is that right?  
 14 A Yes. Yes, ma'am.  
 15 Q Okay. Were you not honestly reporting  
 16 your financials before?  
 17 A Yes. Yes, I was. Yes, ma'am.  
 18 Q He says, Once we can honestly report  
 19 our financials.  
 20 A But that -- he has no clue, but I do  
 21 report my financials.  
 22 Q So, what is he referencing here?  
 23 A I -- I have no idea, ma'am.  
 24 Q Okay.  
 25 A I did my taxes and everything.

Page 224

1 Q Okay.  
 2 A And the company's taxes.  
 3 Q Okay.  
 4 MS. HARRIS: Let's go to page ending in  
 5 812, please.  
 6 Q Middle of the page the message that Gio  
 7 or Georgio sent to you on October 27th, 2021 at  
 8 11:45 a.m, Brother, just to circle back on this  
 9 morning's conversation. I really wished we could  
 10 engage our attorneys about getting us the  
 11 position to apply to the SEC for a financial  
 12 advisory license. I just see a really good  
 13 future for CFX if we can get over this hurdle.  
 14 CFX is CryptoFX, correct?  
 15 A Yes, ma'am.  
 16 Q Why is he wanting to apply for a  
 17 financial advisory license?  
 18 A Because he knows that the big goal that  
 19 we have as a corporation, as a company, my vision  
 20 is to be one of these companies, but -- you know.  
 21 So, that's why he was telling me that.  
 22 Q But you were previously not giving  
 23 financial advice. Is that my understanding?  
 24 A Well, no. We're actually -- no, I'm  
 25 not giving financial advice. We are -- it's

Page 225

1 completely different. So, this is in the crypto  
 2 space that we're doing it, but it's not financial  
 3 advice. This is more on the long-term scale that  
 4 where we envisioning to be in -- in the future,  
 5 you know.  
 6 Q Okay. So, I'm -- I'm a little bit  
 7 confused, you know, about the advice thing and  
 8 about how you say the end of the day they're  
 9 not -- that you're -- that it's up to them to  
 10 execute because some people -- some of your  
 11 students, you're -- you're also doing their  
 12 crypto wallets, right? Because they've also given  
 13 you loans.  
 14 So, there are some students that attend  
 15 your classes, hear your financial guidance and  
 16 kind of what you would do, et cetera, et cetera.  
 17 And then, you are also taking their money and  
 18 executing those trades, correct?  
 19 A Yes, ma'am.  
 20 Q Okay. So, there are some people that  
 21 you're saying, Here's what I, Mauricio Chavez,  
 22 would do and then you are executing upon that  
 23 plan with their money, right?  
 24 A On -- you mean on the loans that they  
 25 give us, correct?

Page 226

1 Q Yes.  
 2 A Yes, ma'am.  
 3 Q Their money, yes.  
 4 A Yes, ma'am.  
 5 Q Okay. What attorney is he talking  
 6 about?  
 7 A I don't know if he's talking about Bill  
 8 Rapp.  
 9 Q Okay. Did you ever consider applying  
 10 for a license before?  
 11 A Yes, ma'am.  
 12 Q Okay. When?  
 13 A Since 2021 up to that as well.  
 14 Q And that's because you just have a  
 15 broader vision of the company?  
 16 A Well, you know, the thing is that we  
 17 haven't grown or nothing because we -- you know,  
 18 because we need the license, you know. We want  
 19 to be in the vendor space. We want to be -- so,  
 20 another -- I mean, that was always the vision,  
 21 you know.  
 22 Q Right. But it's your testimony that,  
 23 you know, you would get a license to do things in  
 24 the future. You're not getting a license because  
 25 of past conduct, right?

1 CERTIFICATE

2

3 I, SHAUNNA H. MORAN, a Certified  
4 Shorthand Reporter and Registered Professional  
5 Reporter in the States of New Jersey, New York and  
6 The District of Columbia, and Notary Public of the  
7 State of New Jersey, do hereby certify that the  
8 foregoing is a true and accurate transcript of the  
9 testimony as taken stenographically by and before  
10 me at the time, place and on the date hereinbefore  
11 set forth.

12 I DO FURTHER CERTIFY that I am  
13 neither a relative nor employee nor attorney nor  
14 counsel of any of the parties to this action, and  
15 that I am neither a relative nor employee of such  
16 attorney or counsel, and that I am not financially  
17 interested in the action.

18

19

20

21

22 \_\_\_\_\_  
23 SHAUNNA H. MORAN, CSR, RPR  
24 Shorthand Reporter

25

# **EXHIBIT E**



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IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE )  
COMMISSION, )

Plaintiff, )

vs. ) Case No. 4:22-cv-3359

MAURICIO CHAVEZ, )  
GIORGIO BENVENUTO, and )  
CRYPTOFOX, LLC, )

Defendants. )

and )

CBT GROUP, LLC, )

Relief Defendant. )

ORAL VIDEOTAPED DEPOSITION

ORAL VIDEOTAPED DEPOSITION OF

MR. JULIO E. TAFFINDER

December 14, 2022

ORAL VIDEOTAPED DEPOSITION OF MR. JULIO E.  
TAFFINDER, produced as a witness at the instance of  
the Plaintiff and duly sworn, was taken in the  
above-styled and numbered cause on the 14th day of  
December, 2022, from 9:15 a.m. to 6:43 p.m., before  
Michelle Hartman, Certified Shorthand Reporter in and  
for the State of Texas and Registered Professional  
Reporter, reported by computerized stenotype machine

1 THE VIDEOGRAPHER: Today's date is  
2 December 14th, 2022. The time is approximately 9:15  
3 a.m. We are now on the record. Beginning tape one.

4 THE COURT REPORTER: Do we want to do  
5 appearances?

6 MR. GULDE: Sure. For the Securities and  
7 Exchange Commission, I'm Matt Gulde.

8 MS. THEMELI: Sonila Themeli, Shook,  
9 Hardy & Bacon for the Receiver, John Lewis.

10 MR. FLACK: Paul Flack for Mauricio  
11 Chavez.

12 MR. PATEL: Ronak Patel for Julio  
13 Taffinder.

14 MR. JULIO E. TAFFINDER,  
15 having been first duly sworn, testified as follows:

16 EXAMINATION

17 Q. (BY MR. GULDE) Good morning,  
18 Mr. Taffinder. As I said, my name is Matt Gulde. I  
19 represent the United States Securities and Exchange  
20 Commission. You're probably aware we have sued  
21 Mauricio Chavez, CFX, Giorgio Benvenuto, and then as  
22 a Relief Defendant, also your company CBT Group.

23 Are you aware of that?

24 A. From the package I received, yes.

25 Q. And you understand when you lifted your

1 hand there, you swore an oath to tell the truth?

2 A. Yes, sir.

3 Q. And that if you don't tell the truth  
4 today, that could have civil consequences or it could  
5 have criminal consequences. Do you understand that?

6 A. Of course.

7 Q. Have you ever had your deposition taken?

8 A. No, sir.

9 Q. Is there any reason that you couldn't  
10 give us your full attention today?

11 A. No, no, sir.

12 Q. Okay. You're prepared to answer my  
13 questions?

14 A. Of course, sir.

15 Q. Do you have any medical conditions that  
16 would affect your ability to recall the events of the  
17 last couple of years?

18 A. Not that I'm aware, sir.

19 Q. Okay. Are you taking any medications  
20 that might affect your ability to answer my  
21 questions?

22 A. No, sir.

23 Q. Will you let me know if you don't  
24 understand one of the questions that I ask you?

25 A. Yes, sir.

1 Q. And you're doing a great job, I would say  
2 continue speaking loudly and clearly. And will you  
3 agree to, you know, use -- use words, yes, no,  
4 whatever answer it is instead of just nodding or  
5 shaking your head?

6 A. Okay. Understood.

7 Q. Thanks.

8 A. Uh-huh.

9 Q. One more preliminary, if you need a break  
10 at any time, that's fine, just ask for it. The only  
11 thing that I ask is that if there's a question  
12 pending, when you need your break, go ahead and  
13 answer the question, and then we will take the break,  
14 okay?

15 A. Okay. Understood.

16 Q. Okay. Would you state your full name for  
17 the record.

18 A. Yes, sir. My name is Julio Eduardo  
19 Taffinder.

20 Q. Will you spell Eduardo.

21 A. E-D-U-A-R-D-O.

22 Q. And Taffinder is T-A-F-F-I-N-D-E-R?

23 A. Yes, sir, with double F.

24 Q. And am I pronouncing that correctly, with  
25 an emphasis on the first syllable, Taffinder?

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A. Yes, sir.

Q. Have you ever used any other names?

A. No, sir.

Q. Do you have any nicknames you go by?

A. Yes, L-A-L-O, Lalo.

Q. Lalo?

A. Yeah.

Q. Okay. Who calls you Lalo?

A. Personal family.

Q. Did you say "personal family"?

A. Yes, sir.

Q. Friends, too?

A. Some. Most call me Julio.

Q. Okay. What's your date of birth and where were you born?

A. **REDACTED**

**REDACTED**

Q. **REDACTED**

A. **REDACTED**

Q. **REDACTED**

**REDACTED**

A. **REDACTED**

Q. **REDACTED**

**REDACTED**

A. **REDACTED**

1 Q. I am just going to go ahead and mark this  
2 document as Exhibit 31 --

3 (Exhibit 31 marked)

4 Q. (BY MR. GULDE) -- and hand it to you.  
5 Can you tell me what I have marked as  
6 Exhibit 31?

7 A. Am I looking for a yellow sticker?

8 Q. I put a front -- a sticker on the first  
9 page there that says --

10 A. Oh.

11 Q. -- Exhibit 31.

12 A. Sorry.

13 Q. That's for our purposes to identify it  
14 when we're looking at this record later.

15 A. Okay.

16 Q. Can you tell me what this document is?

17 A. Oh, of course, yes, sir. It's a WhatsApp  
18 chat between me and Mauricio.

19 Q. And as I read it, it -- it starts with a  
20 chat entry from April 19th, 2022; is that correct?

21 A. Yes, sir.

22 Q. And the last one on here is from  
23 October 8th, 2022?

24 A. Yes.

25 Q. And this is a document that you provided

1 to your lawyer recently?

2 A. Yes, sir.

3 Q. Okay. As you look at it -- when you  
4 provided it to your lawyer, was it in the same form  
5 that it -- that it was sitting in your phone or your  
6 computer?

7 A. Of course.

8 Q. Okay. Did you do anything to change it?

9 A. No, sir.

10 Q. Are there any texts between you and  
11 Mauricio outside of this time frame, April to  
12 October?

13 A. So there were texts before, but I had a  
14 phone glitch, so these are the -- from the WhatsApp  
15 chat, these are the only ones that exist.

16 Q. So am I to understand you switched your  
17 phone sometime around April --

18 A. In March.

19 Q. -- 2022?

20 A. Yes, sir. But the WhatsApp chat started  
21 in April.

22 Q. Did you have WhatsApp chats on the prior  
23 phone?

24 A. No.

25 Q. Okay. How did you communicate with

1 Mauricio before April of 2022?

2 A. IMessage.

3 Q. IMessage on a --

4 A. iPhone.

5 Q. -- an iPhone?

6 A. Yes, sir.

7 Q. Is that just the normal text message app  
8 on an iPhone?

9 A. Correct.

10 Q. Okay. And when you got your new phone,  
11 did you migrate any of that data over to your -- over  
12 to your new phone?

13 A. The -- the other iMessages that were  
14 submitted were -- those were the ones that I was able  
15 to retrieve.

16 Q. Okay. So you gathered in preparation for  
17 this deposition the messages you were able to  
18 retrieve?

19 A. Exactly, yes, sir.

20 Q. Okay. And what was the process you went  
21 through to get your hands on those?

22 A. So on the Apple computer, you are able  
23 to -- whatever is synced to the computer, you're able  
24 to print out a PDF file of it, and it automatically  
25 generates that.



1 Q. Okay. So between this document,  
2 Exhibit 31 --

3 A. Uh-huh.

4 Q. -- and the other text messages that you  
5 provided to your lawyer --

6 A. Yes, sir.

7 Q. -- that he provided to us, are there any  
8 other text messages that you have between you and  
9 Mauricio?

10 A. No text, just the e-mails that were  
11 provided as well.

12 Q. You provided e-mails, okay.

13 A. Yes, sir.

14 Q. Are there any other records of your  
15 communications other than those text messages or  
16 e-mails?

17 A. Not that I recall, sir.

18 Q. Okay. So let's just start with this  
19 document, Exhibit 31.

20 A. Uh-huh.

21 Q. Starting in April of 2022, had Mauricio  
22 told you prior to this that he had already been  
23 interviewed by the SEC in February?

24 A. I have no idea, sir.

25 Q. Okay. And I noticed down in the third

1 entry here for 4/21 at 4:22 p.m., there's Flow with  
2 two emojis there. And who is that?

3 A. That's my -- so in October, I was  
4 receiving a lot of calls constantly, and for security  
5 reasons, I didn't know who had access to my phone, so  
6 I changed the -- my name on WhatsApp to Flow, just to  
7 limit the amount of calls that I was receiving.

8 Q. And is there any significance to the word  
9 "Flow"?

10 A. No, sir.

11 Q. Okay. Do you know -- why did you pick  
12 it?

13 A. I believe that my parents' death, like  
14 everything just goes with the flow in life --

15 Q. Okay.

16 A. -- and you just have to adjust to that.

17 Q. Is there any meaning to the emojis?

18 A. Oh, no, sir. I like learning, so I'm  
19 putting a little thing.

20 Q. That's a graduation cap?

21 A. Yes, sir.

22 Q. And then some stars?

23 A. Yes, sir.

24 Q. Okay. What was your name before you  
25 changed it to Flow?

1 A. It was just my -- my name, Julio.

2 Q. Okay. Just your first name?

3 A. No, I had Julio Taffinder.

4 Q. Okay.

5 A. Yes, sir.

6 Q. And was it associated with your phone  
7 number?

8 A. Yes, sir. It -- it's linked to the phone  
9 number.

10 Q. Okay. Did changing your name to Flow  
11 prevent people from being able to get in touch with  
12 you?

13 A. There were some people that were calling  
14 me and in a very threatening way, and so I wanted --  
15 I didn't feel safe and so that's why I put that  
16 there.

17 Q. So I guess my question is: If someone  
18 had access to your phone number --

19 A. Uh-huh.

20 Q. -- when your I.D. was Julio Taffinder --

21 A. Uh-huh.

22 Q. -- how did changing it to Flow --

23 A. It doesn't matter.

24 Q. So they would still have access to your  
25 phone number?

1 A. Of course, sir.

2 Q. But they just wouldn't necessarily know  
3 from seeing Flow that it's Julio?

4 A. No, they could still see it's me, whoever  
5 had my phone number.

6 Q. So I guess I'm having a hard time  
7 understanding the change. Did it help?

8 A. I just did it for security reasons, sir.

9 Q. And that's my question: Did it -- did it  
10 help security reasons, did you get fewer contacts  
11 from unwanted people?

12 A. Yes, sir.

13 Q. Okay. Do you think that's just because  
14 they didn't associate Flow with Julio?

15 A. If my number was shared -- I mean, I  
16 don't know, sir, if that changes the thing if my  
17 number was shared, but if for whatever reason  
18 somebody new was added to a particular chat or  
19 something that I was a part of, then they would see  
20 Flow.

21 Q. Okay. And then you'll notice many  
22 examples in here where it says "audio omitted."

23 Do you see any of those on the first  
24 page?

25 A. Yes, sir.

1 Q. Can you describe to people who don't  
2 necessarily use WhatsApp very often what's happening  
3 there?

4 A. That's just how WhatsApp compiles when  
5 you export the chat.

6 Q. Let's go even further back.

7 What is -- does WhatsApp allow people to  
8 send spoken messages, too?

9 A. Yes, sir.

10 Q. Okay. And if audio -- if it says "audio  
11 omitted," does that indicate that there was a spoken  
12 word message?

13 A. Yes, sir.

14 Q. Okay. Does the audio of that message  
15 still exist on your -- on your device?

16 A. Yes, sir.

17 Q. Okay. It just doesn't transfer to the --

18 A. It doesn't transfer.

19 Q. -- to the next page?

20 A. Exactly.

21 Q. I haven't had much time with the  
22 documents, but did -- did it transfer to the files  
23 that you gave your lawyer?

24 A. No, sir, it just would have -- it's what  
25 is there.

1 Q. Okay. So if we wanted to hear those, we  
2 would have to get our hands on your -- on one of the  
3 devices that has this account?

4 A. Yeah, each -- each -- each audio message  
5 would have to be individually downloaded.

6 Q. Okay. I think we're going to want to do  
7 that.

8 A. Okay.

9 MR. PATEL: Sure, yeah.

10 MR. GULDE: Let me know if I need to make  
11 an official request for that, but I think that's  
12 probably covered under the --

13 MR. PATEL: I think it's -- I think it's  
14 covered. We're just --

15 MR. GULDE: Okay.

16 MR. PATEL: -- in the interest of time  
17 and getting --

18 MR. GULDE: Getting us something, I  
19 appreciate it.

20 MR. PATEL: Yeah.

21 (Information to be supplied)

22 Q. (BY MR. GULDE) Okay. So let's look  
23 at -- one, two, three, four -- five entries down.

24 On May 25th at 3:33, you say, "Hi,  
25 Brother." Is this something you often said to

1 Mauricio?

2 A. Yes, sir.

3 Q. "Brother" is a term that you used for  
4 him?

5 A. "Brother" is a term that was very common  
6 amongst everyone there.

7 Q. Yeah, I've been through it, I've seen it.

8 A. Yes, sir.

9 Q. Your message to him is, "I paid out all  
10 BTC payments from last week of 21K."

11 A. Uh-huh.

12 Q. Does that mean BitCoin payments?

13 A. Yes, sir.

14 Q. And then 21K is \$21,000?

15 A. Yes, sir.

16 Q. Okay. And then you say, "This week there  
17 will be an additional 70K that will need to be paid  
18 out."

19 Did I read that correctly?

20 A. Yes, sir.

21 Q. Is it fair to say that these kind of  
22 requests are -- exist throughout your chat with  
23 Mauricio?

24 A. Yes, sir.

25 Q. Almost every day?

1           A. No, sir, whenever -- at least once a  
2 week, sir.

3           Q. At least once a week you're asking him  
4 for BitCoin payments?

5           A. Yes, sir.

6           Q. And when you're asking him for BitCoin  
7 payments, sometimes you ask for a specific number of  
8 BitCoin, right?

9           A. Uh-huh.

10          Q. And then other times you ask for an  
11 amount of U.S. dollars; is that right?

12          A. Translated in BitCoin.

13          Q. So help -- help me understand that.  
14 If -- well, let's -- we'll wait until we get to an  
15 example of that. So I'll ask a different question.

16                 What were -- what were the purpose of  
17 these BitCoin payments?

18          A. So the BitCoin payments were part of  
19 students, they called in customer service that  
20 Mauricio had to pay them back, and Mauricio would  
21 then hold the BitCoin; and then he asked me, and I  
22 don't recall the exact date in May, I believe it was  
23 early May, if I could help out distribute the  
24 payments; and so he would send me BitCoin, and then I  
25 would distribute that to the students that submitted



1 me a request.

2 Q. Let's break that down, but tack on the  
3 last thing you said first.

4 A. Uh-huh.

5 Q. He asked you -- you said he asked you  
6 sometime in May, but this is in April, right?

7 A. I'm sorry, April, yes, sir.

8 Q. Okay. So did -- are --

9 A. No, but --

10 Q. -- do you think he asked you sometime  
11 before?

12 MR. GULDE: Go ahead.

13 MR. PATEL: I think he -- just, Matt, I  
14 think we are looking at May here.

15 MR. GULDE: Oh, okay. I got you. Sorry  
16 about that. I was looking at the -- the very top.

17 THE WITNESS: Uh-huh.

18 Q. (BY MR. GULDE) So we're talking about a  
19 May 25th, 2022 request. So do you recall that being  
20 around the time he asked you to help distribute  
21 BitCoin?

22 A. Yes, sir, if I recollect correctly.

23 Q. Okay. Now, you said earlier students  
24 would call customer service for payment. Did I  
25 understand that right?

1 A. Yes, sir.

2 Q. Was -- did CFX just have a customer  
3 service phone line?

4 A. Yes, sir.

5 Q. Did they have an e-mail associated with  
6 that, with customer service?

7 A. Not at their general e-mail, no, not that  
8 I'm aware of.

9 Q. Okay. What was your role in connection  
10 with customer service?

11 A. So customer service would gather the  
12 payment requests from students, and then I would  
13 simply just process them or distribute the BitCoin.

14 Q. And that's your role after Mauricio asked  
15 you in May to help distribute BitCoin?

16 A. Yes, sir.

17 Q. Did you have any role with customer  
18 service before May?

19 A. No, sir.

20 Q. We'll talk more about your -- your roles  
21 with CFX, but just briefly, what were you doing  
22 before May?

23 A. I was brought in to be a crypto teacher,  
24 sir.

25 Q. And were you on salary?

1 A. He would pay me on a biweekly basis.

2 Q. How much?

3 A. 5K.

4 Q. So does that mean \$5,000 every two weeks?

5 A. Yes, sir.

6 Q. And how long were you a crypto teacher?

7 A. The entirety of the time that I was  
8 there, sir.

9 Q. Okay. So you continued to be a crypto  
10 teacher after you took on this additional duty?

11 A. Yes, sir.

12 Q. Did you make more money for this  
13 additional duty?

14 A. No, sir.

15 Q. Did you ever ask for -- to make more  
16 money because of this additional duty?

17 A. No, sir.

18 Q. Did this duty take a significant amount  
19 of your time?

20 A. No, sir.

21 Q. Were you basically pinging Mauricio for  
22 BitCoin payments and then distributing --  
23 distributing them to the people who had called for  
24 payment?

25 A. Yeah, based on the data that customer

1 service gathered, yes.

2 Q. How many hours a week would you estimate  
3 that you spent doing this?

4 A. Maybe two to three if Mauricio sent me  
5 BitCoin.

6 Q. And you said "if -- if Mauricio sent you  
7 BitCoin." What -- what do you mean by that?

8 A. Per the requests, sir, on the text  
9 messages.

10 Q. So if he didn't send you the BitCoin,  
11 would you spend less time on it?

12 A. Yeah, I don't have anything to do.

13 Q. Okay. And did you find yourself having  
14 to remind him a lot to keep sending you the BitCoin?

15 A. Yes, sir.

16 Q. Now, let's -- let's go back and talk  
17 about what -- what you said about students calling  
18 customer service. Are these people who held  
19 contracts with CFX?

20 A. Yes, sir.

21 Q. And did you have access to their  
22 contracts?

23 A. They would submit their contract to  
24 customer service and then I would see it.

25 Q. Okay. How would they submit it

1 generally?

2 A. Through text.

3 Q. And then how would you receive it?

4 A. Either through text, and then the --  
5 there was -- there was also a system, I should say  
6 so, a Salesforce. Salesforce was used for that, too.

7 Q. Describe the Salesforce system.

8 A. It's a customer management tool, sir.

9 Q. Okay. Software -- a piece of software?

10 A. Yes, sir.

11 Q. Okay. Does -- does a contract holder  
12 with CFX know that they're interacting with  
13 Salesforce?

14 A. No, sir.

15 Q. Okay. If someone who's holding a  
16 contract with CFX is asking for payment, does someone  
17 at CFX have to enter that request into Salesforce?

18 A. Yes, sir.

19 Q. Okay. And who would that be?

20 A. Customer service, and then there was a  
21 contract filing team.

22 Q. Okay. Who were the people who worked in  
23 customer service?

24 A. There was -- there was Olegario Munoz.

25 Q. Can you spell that to the best of your

1 ability.

2 A. O-L-E-G-A-R-I-O; and then Munoz,  
3 M-U-N-O-Z.

4 Q. Okay. Who else?

5 A. Alejandra S-A-N-E-Z, I believe. I don't  
6 know how to spell her last name. And then her -- her  
7 son Raul, the same last name.

8 Q. Okay.

9 A. And then Andrea Munoz as well.

10 Q. Related to Olegario?

11 A. Yes, sir.

12 Q. How?

13 A. Niece. And then there were some -- there  
14 was also another -- front end customer service people  
15 that just answered general questions.

16 Q. And who were they?

17 A. Alex Lemus, and I don't know how to spell  
18 their last names exactly correctly either, L-E-M-O-S  
19 (sic). Jonathan, I don't remember his last name.  
20 Eddie, E-D-D-I-E; Carmona C-A-R-M-O-N-A. There was  
21 one more person I'm trying to recollect. There was  
22 one more girl. I can't remember her name at this  
23 time.

24 Q. Okay. Were all of these people that you  
25 just listed people who worked at the Blalock

1 location?

2 A. Yes, sir.

3 Q. Did you have any experience with the City  
4 Center location of CFX?

5 A. No, sir, not at all.

6 Q. Okay. So you -- you're telling me that  
7 students would call customer service for payout and  
8 you said that you would see the contracts that  
9 they're talking about, right?

10 A. Yes.

11 Q. And these are -- are contracts in which  
12 students have invested money; is that right?

13 A. That they purchased their student  
14 membership.

15 Q. Purchased a student membership.

16 So, in your words, tell me what the  
17 student membership gets you at CFX.

18 A. The learning curriculum or the access to  
19 the classes, and then they do get like a return on  
20 their purchase of 15 percent a month.

21 Q. Okay. So if I invested \$5,000 as a  
22 student member of CFX, I would have access to  
23 classes?

24 A. Yes, sir.

25 Q. And they would be in person at Blalock?

1 A. Both in person and -- and streamed.

2 Q. Okay. Streamed on Zoom?

3 A. Yes, sir.

4 Q. And you taught these classes?

5 A. I was one of the teachers, sir.

6 Q. Okay. How many total teachers were  
7 there?

8 A. There was me. Eddie was also a teacher.  
9 There was another teacher called -- his name is Juan  
10 Puac. There was another guy that worked at CFX. His  
11 name was Marco, and I believe he also taught  
12 technical fundamentals; and then there were previous  
13 teachers before me, sir.

14 Q. Okay. And then aside from the classes,  
15 tell me about the -- what I can expect with my \$5,000  
16 payment as a CFX Academy member.

17 A. They would payout on a three-month basis,  
18 sir.

19 Q. And what would they pay out?

20 A. The 15 percent that was incurred.

21 Q. Okay. Compounded monthly?

22 A. Yes, sir, it was on a monthly basis.

23 Q. Okay. So if I invest my \$5,000, after  
24 one month, I would have earned 15 percent on that  
25 5,000; is that right?



1 A. Yes, sir.

2 Q. But I don't have access to it until month  
3 three?

4 A. Yes, sir.

5 Q. Okay. And that's -- that's something  
6 that people typically agreed to in the contract?

7 A. Yes, sir.

8 Q. Okay. And then after month two, now I  
9 have 15 percent of that \$5,000, plus the 15 percent  
10 that I earned in the first month?

11 A. Oh, no, sir.

12 Q. Oh, okay. So how does the math work?

13 A. 15 from the five.

14 Q. Okay. So month one, 5,000 times  
15 15 percent; month two, 5,000 times 15 percent; and  
16 the same for month three?

17 A. Yes, sir.

18 Q. Okay. And then at month three, if I have  
19 chosen the three-month option, can I pull my money  
20 out?

21 A. Yes, sir.

22 Q. Okay. And I could choose to have that  
23 paid in BitCoin?

24 A. Yes, sir.

25 Q. Okay. How would I tell people that I

1 want it in BitCoin?

2 A. You call the customer service line, sir.

3 Q. Okay. And that's when it would come to  
4 you?

5 A. Yes.

6 Q. Okay. Was there anybody else that you  
7 know of who was involved in getting the BitCoin to  
8 the student investors?

9 A. No, sir.

10 Q. Okay. Just you?

11 A. From what Mauricio had to give to me,  
12 sir.

13 Q. Okay. You're unaware of Mauricio giving  
14 BitCoin to anybody else to get them to cust -- to get  
15 it to customers?

16 A. Yes, sir. He used to do it directly  
17 himself.

18 Q. Okay. Who handled the BitCoin at CFX  
19 other than you and Mauricio?

20 A. Just Mauricio.

21 Q. Okay. So when -- when student investors  
22 made a request to be paid in BitCoin, would -- would  
23 they give you a wallet that BitCoin could be  
24 transferred to?

25 A. They would give customer service a

1 wallet, sir.

2 Q. Okay. And that information came to you  
3 in your role helping Mauricio?

4 A. Yes, if he asked me to.

5 Q. With that information about the wallet,  
6 once Mauricio gave you access to the BitCoin, would  
7 you be able to conclude that transaction?

8 A. Once he sent the BitCoin from the main --  
9 his wallet to just the temporary wallet that was  
10 used, which when we had the BitCoin that he sent  
11 over, then that wallet, which is I guess you could  
12 call it a child wallet, would just send it to the  
13 adequate student.

14 Q. Help me understand those terms as  
15 somebody who's -- who's not too hip with -- with  
16 crypto terms. Did you call it a "child wallet"?

17 A. I'm making up that term just to kind of  
18 help illustrate the -- the process, sir.

19 Q. Okay.

20 A. Mauricio was the owner of that, if you  
21 will, and so I don't -- I did not have access to  
22 BitCoin other than what he authorized to send me; and  
23 so then that will get distributed to the student.

24 Q. So when we look at the entry on 5/23 on  
25 Exhibit 31 --

1 A. Uh-huh.

2 Q. -- can you explain what that string of  
3 characters and numbers is?

4 A. That's a BitCoin wallet, sir.

5 Q. And whose BitCoin wallet is that?

6 A. That's the child's wallet, the one that  
7 was created temporarily to distribute back to the  
8 student.

9 Q. Who created that?

10 A. That was one that I created that was --  
11 it doesn't hold anything other than what Mauricio  
12 sends.

13 Q. Okay. So if there was ever any BitCoin  
14 going through this wallet ending in PGR --

15 A. Uh-huh.

16 Q. -- that came from Mauricio Chavez --

17 A. Yes, sir.

18 Q. -- at your request?

19 A. From the student's request, sir.

20 Q. But the student request didn't go  
21 straight to Mauricio; is that right?

22 A. No, sir.

23 Q. They came through you to Mauricio?

24 A. Through the customer service, and then  
25 based on what the customer service info was gathered,

1 then that amount is specifically stated in the  
2 messages.

3 Q. Okay. Now, let's go down to the very  
4 bottom entry on that first page of Exhibit 31.

5 A. Uh-huh.

6 Q. Do you see where it says, "Hi, Brother,  
7 good morning. For the BitCoin payment, can you send  
8 me two Bits to continue to pay out folks? We have  
9 about 30 plus people awaiting payments."

10 A. Yes, sir.

11 Q. And this is 30 plus people awaiting  
12 payments who have asked to be paid in BitCoin on CFX  
13 contracts; is that right?

14 A. Correct, sir.

15 Q. Now, when you were talking earlier about  
16 what being a student investor/contract holder at CFX  
17 entitled you to, you talked about the classes, you  
18 talked about the payments; is that right?

19 A. Yes, sir.

20 Q. Does it entitle you to anything else?

21 A. I mean, if the -- there was an event  
22 held, then they could go to the event, but just  
23 mainly the classes and the streams.

24 Q. Now, at some point, you know, people  
25 started learning about this lawsuit, right?

1           A. I mean, after October when everything was  
2 published.

3           Q. Okay. And you were aware of  
4 conversations happening in the CFX community about --  
5 about what would happen with CFX?

6           A. Previous to October?

7           Q. I'm asking you after people learned about  
8 our lawsuit.

9           A. After October, everything that was  
10 published, that's when everybody found out.

11          Q. Okay. And were people discussing, you  
12 know, what might happen with CFX?

13          A. The -- you can see the conversations on  
14 the -- one of the WhatsApp chats that was provided,  
15 sir.

16          Q. And I'm just asking about your personal  
17 knowledge. Are you aware of the chatter coming from  
18 the CFX student investor community?

19          A. Based on what's in the chat, sir, in the  
20 English chat that was provided.

21          Q. Your chat was the only access you had to  
22 CFX investors?

23          A. There was other chats, sir.

24          Q. Okay.

25          A. There were -- I don't even know how many.

1 Q. In general, were people more concerned  
2 about the classes continuing or the money getting  
3 paid back?

4 A. Some people were concerned about the --  
5 the classes, and then some people obviously wanted  
6 their -- their money back.

7 Q. Can you -- can you say what people were  
8 more concerned about?

9 A. I mean, after this was published, it is  
10 evident that people wanted their -- their student  
11 membership back.

12 Q. And what do you mean by "student  
13 membership"?

14 A. So whatever they purchased, so like the  
15 5,000, they wanted it back.

16 Q. They wanted their money back?

17 A. Yes, sir.

18 Q. Okay. Looking at that last entry, just  
19 to help me understand the way you would talk to  
20 Mauricio, you're asking him for a specific number of  
21 BitCoin here, right?

22 A. Yes, sir.

23 Q. And BitCoin -- at this time in early June  
24 of 2022, was a BitCoin worth about \$30,000?

25 A. I don't remember, sir.

1 Q. Okay. But is it fair to say that the  
2 price of BitCoin in relation to U.S. dollars would  
3 fluctuate over time?

4 A. Yes, sir.

5 Q. Okay. And so when you're asking him for  
6 two BitCoin on July 2nd, is it fair to say that you  
7 knew how many U.S. dollars that represented?

8 A. Yes, sir, based on the day.

9 Q. Based on the daily price of --

10 A. Yes.

11 Q. -- BitCoin?

12 A. Yes, sir.

13 Q. Okay. And you had probably done the  
14 calculation to know that whatever number of dollars  
15 that two BitCoin represented, that would be enough to  
16 make the payments that you needed to make?

17 A. Exactly, sir.

18 Q. And you know, if BitCoin dropped in, you  
19 know, U.S. dollar price over the next month, as it  
20 did, you would make that adjustment in your head if  
21 you're asking for a specific number of BitCoin?

22 A. If I was asking on a different date?

23 Q. Yes.

24 A. Yes, sir.

25 Q. Let's turn to the next page. And just



1 for reference as we work through this document,  
2 there's a number on the lower right side we'll call a  
3 Bates number, and I'll just say this one is 157.

4 MR. PATEL: (Indicates.)

5 THE WITNESS: Oh, perfect. Thank you,  
6 sir.

7 Q. (BY MR. GULDE) So when I direct you to  
8 certain pages, I will use that number, okay?

9 A. Uh-huh.

10 Q. And so looking five entries down,  
11 Mauricio is responding to you and he's saying "Hey,  
12 Bro, I sent you, \$40,000 for BitCoin payment."

13 Do you see that?

14 A. Yes, sir.

15 Q. Now, he says "\$40,000," he doesn't say  
16 "two BitCoin"?

17 A. Uh-huh.

18 Q. So what did he do there?

19 A. I mean, we would have to look at the  
20 price of the date, and I don't remember how much it  
21 is; but he's basically just telling me that he's  
22 sending BitCoin, but instead of translating it to  
23 BitCoin, he just translated it to dollars.

24 Q. This would be some -- if he had literally  
25 sent you \$40,000' worth of BitCoin, that would be,

1 you know, presumably 1. some string of decimals in  
2 BitCoin, right?

3 A. If you make the conversion on that date,  
4 then it would be whatever the conversion is.

5 Q. Now, assuming it was 30-something,  
6 assuming that one BitCoin is worth \$30,000 --

7 A. Uh-huh.

8 Q. -- so would it be -- would it have been  
9 standard for you to receive some decimal amount of  
10 BitCoin from Mauricio?

11 A. Yes, sir.

12 Q. And would you -- like, could you trust  
13 his statement here of \$40,000 -- that -- that he sent  
14 you \$40,000 worth of BitCoin?

15 A. Yes, sir, it's all knowledge in the -- on  
16 the blockchain.

17 Q. I guess what I'm asking is: How loose is  
18 he with language, is he estimating here, or would you  
19 find him to speak pretty precisely?

20 A. He would speak precisely.

21 Q. Okay. So if he says, "I sent you  
22 40,000," you would go check, and sure enough, there's  
23 \$40,000 worth of BitCoin?

24 A. Sure.

25 Q. And that was the case throughout your

1 interaction with him?

2 A. Yes, sir.

3 Q. Okay. Now, in the next line, you thank  
4 him and you note that you received them and then say  
5 you'll be sending out the urgent payments now.

6 Do you see that?

7 A. Yes, sir.

8 Q. Now, what would make any payment more or  
9 less urgent?

10 A. Depending on the date the request was  
11 received, sir.

12 Q. And does that have any relation to the --  
13 the payout date that's on the contract?

14 A. Yes, it could. So if a contract was very  
15 past due and they have been calling for a while and  
16 it hasn't been taken care of because there was no  
17 BitCoin to get paid out, then that's urgent, right?

18 Q. Okay. That makes sense from a customer  
19 service perspective --

20 A. Yeah.

21 Q. -- to handle the people who have been  
22 barking the longest, right?

23 A. (Nods).

24 Q. So you said something about there --  
25 there not being enough BitCoin. What do you mean by

1 that?

2 A. Again, sir, I don't control the BitCoin  
3 that's available. So if there is more requests, then  
4 I can only make the request and just sit there until  
5 it's received.

6 Q. So when you said, you know, "there's not  
7 enough BitCoin available," you're talking about  
8 Mauricio has not sent over the BitCoin yet?

9 A. Precisely.

10 Q. Okay. So we'll keep -- keep going to the  
11 next line. There's a request in Spanish -- or a  
12 statement in Spanish from Mauricio. Could you  
13 translate that for us?

14 A. Which line, sir?

15 Q. 6/3 at 3:20.

16 A. Oh, that is a forwarded message, sir,  
17 from -- that he received directly. So it's saying,  
18 "Good afternoon, my name is Abraham Benitez. I am  
19 calling because I have not received a \$6,522 from  
20 April 20th. Please, you know, I'm looking for  
21 assistance."

22 Q. Now, do you know why Mauricio would have  
23 received this request outside of the customer service  
24 procedure that you outlined for us?

25 A. A lot of people had his personal number,

1 sir.

2 Q. Is this something that would have  
3 surprised you that somebody reached out like this to  
4 Mauricio?

5 A. No, sir.

6 Q. Okay. And a couple of lines down, he  
7 asks, "Do you have this one for payment?" Do you  
8 think that means Abraham Benitez?

9 A. That means has he called customer service  
10 and has it been tracked appropriately.

11 Q. Okay. Got you. So when he says, "Do you  
12 have this one for payment," he's effectively asking,  
13 is he in the system, in the line getting ready for  
14 payout; is that right?

15 A. Correct, sir.

16 Q. Okay. And you tell him you'll check,  
17 right?

18 A. Uh-huh.

19 Q. And then you tell Mauricio that you found  
20 Mr. Benitez and that you can pay him in a short bit;  
21 is that right?

22 A. Yes, sir.

23 Q. And you tell Mauricio effectively, "After  
24 I pay Mr. Benitez, I will only have \$2,000 of BitCoin  
25 left;" is that right?

1 A. Yes, sir.

2 Q. And just to make sure I understand the  
3 jargon, you're saying, "I will only have \$2,000  
4 United States dollars' worth of BitCoin left;" is  
5 that right?

6 A. That's correct, sir.

7 Q. And you're asking Mauricio to send you  
8 some more to keep paying other people, right?

9 A. Correct.

10 Q. Okay. Now, down at the bottom of this  
11 page, three from the bottom, there's a comment from  
12 you that says, "We have these remaining now for the  
13 month of April. I have paid out the above but will  
14 need another 44,000 to complete the rest."

15 Do you see that?

16 A. Yes, sir.

17 Q. So, I mean, it's June 3rd when you're  
18 sending this. Is it -- is it common for there to  
19 be -- was it common for there to be unpaid requests  
20 from April and June?

21 A. So customers would call from any time  
22 period. Some customers wouldn't call for months, and  
23 then that would have to be backtracked. So whatever  
24 customers were needed to be backtracked from April,  
25 that's what this is explaining.

1 250 each?

2 A. That was guidance, sir.

3 Q. Guidance from Mauricio?

4 A. Yes, sir.

5 Q. Okay. Who decided that VIP tickets would  
6 be \$500?

7 A. That was discussed with him as well.

8 Q. With Mauricio?

9 A. Yes, sir.

10 Q. And who had the final say on gala  
11 planning?

12 A. Mauricio, sir.

13 Q. Okay. If -- if you wanted to include a  
14 key chain in the swag bag, would you have asked  
15 Mauricio?

16 A. No, sir, just -- that was -- that came  
17 through the -- the team, from like Carlos, Henry, and  
18 I, sir.

19 Q. Okay. So the team decided what's in the  
20 swag back?

21 A. Yes, sir.

22 Q. Anything else that you guys had  
23 discretion in terms of the gala?

24 A. On the larger aspect, for example, we  
25 brought in a motivational speaker. His name was

1 Ruben Gonzalez. He was an Olympian. And those --  
2 those things were covered with Mauricio, sir.

3 Q. You guys found him but Mauricio okayed  
4 it?

5 A. Yes, sir.

6 Q. What was Ruben Gonzalez's event in the  
7 Olympics, do you remember?

8 A. What did he do?

9 Q. Yeah.

10 A. Oh, he did the -- where you -- the ice --

11 Q. Luge?

12 A. Is it a luge? I don't know he --

13 Q. Like a one-man bobsled?

14 A. Yeah, yeah. And he was a gold medalist.

15 Q. And so what was his fee?

16 A. \$5,000, if I recall correctly, sir.

17 Q. What was the total gala cost?

18 A. I don't recall, sir.

19 Q. You don't remember what your budget was?

20 A. No, sir.

21 Q. Do you know how many people attended?

22 A. Yes, sir. There was supposed to be only  
23 300 tickets sold, but people swapped their -- there  
24 was a lanyard that was used as a ticket and people  
25 were swapping it in and out and bringing additional



1 people in, and it turned -- I don't know, there was  
2 probably way over 300, maybe 400, maybe more.

3 Q. What day was this?

4 A. August 19th.

5 Q. Of 2022?

6 A. 2022, yes, sir.

7 Q. And Royal Sonesta's in Houston?

8 A. Yes, sir.

9 Q. How long did this event last?

10 A. It was a three-hour conference, which  
11 included the motivational speaker; it also included  
12 the panel from 79 Protons; and then it included  
13 Mauricio speaking to the audience; and then there was  
14 cocktail happy hour socializing afterwards.

15 Q. Who was on the 79 Proton's panel?

16 A. The CEO and the --

17 Q. Did you say CEO?

18 A. Yeah, the CEO -- and his partner, and  
19 they brought in a speaker on their behalf as well,  
20 sir.

21 Q. What are -- what is the name of the CEO  
22 of 79 Proton?

23 A. Marvin Bunnell. B-U I believe it's  
24 N-N-E-L-L.

25 Q. And his partner?

1 A. Yes, Sergio Aleman.

2 Q. A-L-L-E-M-A-N?

3 A. B-U-N-N-E-L-L, Bunnell.

4 Q. That's Marvin?

5 A. Yes.

6 Q. And then Sergio's last name?

7 A. Aleman, A-L-M-E-A-N (sic), yes. Like  
8 Germany in Spanish.

9 Q. And then a third person, who was that by  
10 name?

11 A. I don't recall his name, sir.

12 Q. Okay. But he was a motivational speaker  
13 as well?

14 A. You could say he was a motivational  
15 speaker.

16 Q. Why -- why could you say he was a  
17 motivational speaker?

18 A. Because he was very hyped and making  
19 jokes.

20 Q. He's a rah-rah guy?

21 A. I don't understand, sir.

22 Q. Somebody who's going to hype the crowd  
23 up?

24 A. Oh, yes, sir.

25 Q. Other than the 79 Proton's panel and

1 Mauricio speaking, what else happened at the gala?

2 A. The Argentinian Olympian, sir.

3 Q. Okay. And that's Ruben Gonzalez?

4 A. Yes, sir.

5 Q. And then other than that?

6 A. Just the cocktail happy hour networking  
7 event.

8 Q. Was there a meal served?

9 A. Yeah, there was -- I don't know what  
10 they're called. When they pass around and they have  
11 trays and people pick from them.

12 Q. Hors d'oeuvres?

13 A. Yes, sir.

14 Q. Okay. Did you -- did the planning  
15 committee pick the hors d'oeuvres or did Mauricio?

16 A. No, the planning committee, sir.

17 Q. Did Mauricio get to veto any  
18 hors d'oeuvre picks?

19 A. No, sir.

20 Q. All right.

21 A. It was based on what availability they  
22 had, sir, at the hotel.

23 Q. Did you speak at this event?

24 A. Just an introduction, sir. Carlos and I  
25 spoke in the introduction.

1 Q. And what -- what did you say?

2 A. I was the greeter, sir.

3 Q. What did you say?

4 A. So we thanked everybody for coming in.

5 We told them we had a special night, and we hinted

6 that we were going to be presenting someone in the

7 crypto space, sir.

8 Q. That you were going to be presenting

9 someone in the crypto space --

10 A. Yes, sir.

11 Q. -- is that what you said?

12 A. 79 Protons, sir.

13 Q. Oh, okay.

14 A. Yes, sir.

15 Q. And what was the gist of the 79 Proton's

16 package?

17 A. They were presenting their NFT, sir.

18 Q. And can you -- can you tell us what they

19 presented about their NFT?

20 A. So they were presenting the first

21 gold-backed NFT and how they were associated with a

22 gold -- I am trying to look for the right word --

23 producer, so someone that produced gold from scratch

24 or a process.

25 Q. They mine it from the ground?

1 A. Yes, sir, mining. There we go.

2 Q. Okay. And --

3 A. And --

4 Q. -- and you say they were associated with  
5 a mining operation?

6 A. Yes, sir.

7 Q. And what's the name of that mining  
8 operation?

9 A. I don't recall, sir.

10 Q. Okay. So they're the first gold-backed  
11 NFT, they're associated with a mining operation, and  
12 what else?

13 A. And their plan to build a Metaverse,  
14 which included a gold castle in a virtual world.

15 Q. And what does that mean to the laymen  
16 that a gold castle is coming to the virtual world?

17 A. So just like the Oculus Quest where you  
18 put your goggles and you see a hole in a virtual  
19 reality or a virtual world that it is part of the  
20 Metaverse, which is part of the Web3, which is just  
21 an entire world that you submerge into virtually.

22 Q. And among the three to 400 people who are  
23 attending here, do you know how many were CFX  
24 contract holders?

25 A. All of them, sir.

1 Q. Everybody in that room is a CFX contract  
2 holder?

3 A. Except the invitees.

4 Q. Okay. Were there any people giving  
5 testimonies about how much they had made with CFX?

6 A. No, sir.

7 Q. Were you at events where such testimonies  
8 were given?

9 A. There were -- I was invited to Chicago  
10 events where that would occur, sir.

11 Q. And what would people giving their  
12 testimonies at events like the Chicago events say?

13 A. Basically that CFX changed their life.

14 Q. How?

15 A. Because they were able to quit their jobs  
16 or they were able to pay for their medical bills.  
17 There was one lady who had a daughter who had cancer  
18 and there was a donation for her.

19 Q. There was a donation from CFX outside of  
20 her contract?

21 A. No, as in like a community, like  
22 fundraising.

23 MR. PATEL: Matt, just --

24 MR. GULDE: Feel free.

25 MR. PATEL: Just Matt's question was

1 about people talking about their experience with CFX  
2 and how it made them money. Is that separate than  
3 this donation piece?

4 THE WITNESS: Oh, 100 percent separate,  
5 sir, yeah.

6 Q. (BY MR. GULDE) I'm curious about the  
7 donation piece, too. How -- how do you know -- if  
8 you know, how -- how did the CFX community of  
9 investor -- investors learn about this woman's  
10 medical issue?

11 A. Whoever the -- coordinated the Chicago  
12 event were the ones that presented her story, sir,  
13 and ask if anybody wanted to donate.

14 Q. Were you there in person when this story  
15 was presented?

16 A. Yes, sir.

17 Q. And did you observe people donating?

18 A. No, sir.

19 Q. Okay. Do you know what form they donated  
20 money in?

21 A. No, sir.

22 Q. Do you know if they donated money?

23 A. No, sir.

24 Q. Okay. Did you ever hear from this woman  
25 again?

1 A. No, sir.

2 Q. Did you ever hear anybody talking about  
3 this woman again?

4 A. No, sir.

5 Q. But what I'm -- what I'm hearing from you  
6 is that it would not be uncommon for people to stand  
7 up at the Chicago events and give testimony about how  
8 the payments from CFX changed their life?

9 A. Correct, sir.

10 Q. Would people in the crowd at these events  
11 be prospective CFX contract holders?

12 A. I'm not sure, sir.

13 Q. Do you know who was in the crowd at these  
14 events?

15 A. No, sir.

16 Q. Do you know who set up these events?

17 A. No, sir. I know who invited me.

18 Q. Who invited you?

19 A. Ismael Sanchez.

20 Q. How many of these events did you attend?

21 A. I attended one in April. They were  
22 typically held at the end of the month. I attended  
23 one in May, I believe, and then I attended one in  
24 September.

25 Q. Do you think those three are the only



1 time you ever attended a Chicago event for CFX?

2 A. I can't remember if I attended in August  
3 or not.

4 Q. Let's keep going from Exhibit 31. Turn  
5 to page 164. A little less than halfway down the  
6 page, you're asking Mauricio, "Are you still good for  
7 me to meet with Eric about Salesforce?"

8 A. Oh, yes, sir.

9 Q. Who's Eric?

10 A. That is his brother-in-law.

11 Q. What is Eric's full name?

12 A. I believe it's Gonzalez.

13 Q. And you believe that Eric is Mauricio's  
14 brother-in-law?

15 A. Yes, sir.

16 Q. Because he's married to Mauricio's  
17 sister?

18 A. Yes, sir.

19 Q. And what's Mauricio's sister's name?

20 A. I don't know. Actually, first name  
21 Carla.

22 Q. Did Eric work at Blalock?

23 A. No, sir.

24 Q. Okay. What would you meet with Eric  
25 about Salesforce for?

1           A. So Mauricio asked me to -- Eric was  
2 building a new Salesforce system, sir, and Mauricio  
3 asked me to see why it was taking so long to build.

4           Q. Is Eric a computer programmer?

5           A. Yes, sir.

6           Q. And help me understand. Salesforce is a  
7 proprietary software package, right?

8           A. It can be customized, sir.

9           Q. Okay. Was Eric customizing Salesforce  
10 for use by CFX?

11          A. Yes. He was developing the Salesforce  
12 system --

13          Q. Okay.

14          A. -- based on Mauricio's ask.

15          Q. Okay. And why were you meeting with  
16 Eric?

17          A. Because Mauricio asked me to, sir.

18          Q. What -- what did Mauricio ask you to do  
19 with Eric in Salesforce?

20          A. By the time he asked me for this, he said  
21 that he had been doing it for a long time and that he  
22 was wondering why.

23          Q. Okay. So he's asking you to give Eric a  
24 kick in the pants?

25          A. He's asking me to see why -- what's

1 the -- what's the progress behind it.

2 Q. Okay. Are you -- do you have computer  
3 programming background?

4 A. I have an information systems background.

5 Q. Okay. Do you feel qualified to  
6 understand what amount of progress Eric has made and  
7 what might be taking him so long?

8 A. Yes, sir.

9 Q. Okay. And you told Mauricio that?

10 A. Yes, sir. He did not understand.

11 Q. Mauricio did not understand?

12 A. (Shakes head).

13 Q. Did Mauricio understand computer programs  
14 in general?

15 A. I don't think so.

16 MR. PATEL: When you get to a good spot.

17 MR. GULDE: We're at a good spot. Yeah,  
18 we can take a break.

19 Let's go off the record.

20 THE VIDEOGRAPHER: Off the record at  
21 10:29 a.m. Ending tape one.

22 (Recess taken)

23 THE VIDEOGRAPHER: Back on the record  
24 10:41 a.m. Beginning tape two.

25 Q. (BY MR. GULDE) Mr. Taffinder, we were

1 just talking about Eric Gonzalez's efforts with  
2 Salesforce. Do you remember that?

3 A. Yes, sir.

4 Q. Did you end up meeting with Eric?

5 A. I did, sir.

6 Q. And what came of that meeting or any  
7 meetings that followed?

8 A. He was very confused on the guidance that  
9 he was given from Mauricio.

10 Q. Okay. What was he confused about if you  
11 can remember?

12 A. The system. There seemed to be  
13 conflicting information that was told to him on  
14 different occasions and so he had to redevelop things  
15 a few times.

16 Q. Do you remember, like, what the  
17 conflicting information was?

18 A. The automation and the -- what fields  
19 should be present on the system, like what  
20 information should be present on the system.

21 Q. And when you say "fields," you mean  
22 spaces for information to be input, correct?

23 A. Correct.

24 Q. Okay. And Mauricio had feelings about  
25 that and had communicated them to Eric?

1 Q. And so that -- that would be the date  
2 that the student investor called CFX customer  
3 service?

4 A. Yes, sir.

5 Q. Okay. And the next column is a BitCoin  
6 amount?

7 A. Yeah, translated in dollars.

8 Q. Okay. And so if we used the dollars  
9 there, we don't have to worry about any -- any daily  
10 conversion to BitCoin. That's just the amount of  
11 U.S. dollars that these people are expecting?

12 A. No. You have to convert it to BitCoin on  
13 that date.

14 Q. On the date of payment?

15 A. Yes, sir.

16 Q. On whatever date that Mauricio gets you  
17 the BitCoin and you're able to turn it around and  
18 send it to the investors --

19 A. Yes, sir.

20 Q. -- that's when you would do the  
21 conversion?

22 For example, on this first one you would  
23 say, okay, what -- how many BitCoin's \$4,500?

24 A. Yes, sir.

25 Q. And you would send that amount to

1 Ms. Ordonez?

2 A. Yes, sir.

3 Q. To the -- and that's her telephone number  
4 in the next one?

5 A. Yes, sir.

6 Q. And then the next one is the wallet that  
7 belongs to the investor?

8 A. Yes, sir.

9 Q. Okay. So you would get the BitCoin from  
10 Mauricio and convert 4,500 of U.S. dollars to BitCoin  
11 on whatever day the payment's going to be made, and  
12 you would send it from your wallet that we have  
13 discussed to the wallets in the wallet column here;  
14 is that right?

15 A. Yes, sir.

16 Q. And then "ciudad," what is that?

17 A. Where they're calling from.

18 Q. Does that have anything to do with where  
19 their contract was executed?

20 A. It could be, but it's typically where  
21 they're from.

22 Q. Is it where they reside when they're  
23 asking for payment?

24 A. Yes, sir.

25 Q. Okay. Is that information that customer

1 service would collect when the call came in?

2 A. That was -- yes, sir, it was collected  
3 from -- from customer service.

4 Q. And a lot of these are empty, as you'll  
5 notice on the September page. So was it important  
6 information?

7 A. No. It was just -- if I recall  
8 correctly, it was in the previous template, sir. So  
9 it was just kept.

10 Q. And then the next column says -- it says  
11 "false," but then it's populated by a bunch of falses  
12 and a few truths. So what is that?

13 A. So upon download, I think there must have  
14 been a glitch, but there should be a checkmark  
15 that -- there that represents paid. So if you would  
16 see "true," then it should -- it should have a  
17 checkmark and which would have resembled that it's  
18 been paid.

19 Q. Okay. So we'll -- we'll confirm and do  
20 some -- and do some talking about that logistically  
21 to make sure we understand.

22 But -- but as you're -- as you're looking  
23 at this right now, you think that column that's  
24 currently labeled "false" is the "paid yes or no"  
25 column?

1 A. Yes, exactly.

2 Q. Okay.

3 A. So in programming, a check represents a  
4 true and a no represents a false.

5 Q. Okay. So the ones we're seeing as  
6 "true," you believe that those represent people who  
7 have been paid?

8 A. Correct, yes, sir.

9 Q. Okay. And the next column, please  
10 translate that for us.

11 A. Date of payment.

12 Q. Okay. Now, the first column also says  
13 "date of payment," but you understand that to --

14 A. Oh, the second one is like when it  
15 actually was paid.

16 Q. Yeah, okay.

17 A. Yeah.

18 Q. And when I said the "first column," it  
19 was first until I scrolled over. It's actually  
20 the -- column C is another date of payment, but  
21 that's the day that their contract payment became  
22 due, and then you're telling me that the dates that  
23 reside in column J are the dates that money was  
24 actually paid to these student investors?

25 A. Yes, sir.



1 Q. Okay. So if a -- if it's blank, is that  
2 typically associated with -- with a "false" or a "no"  
3 check?

4 A. It either means that it hasn't been fully  
5 paid out or that -- yeah, that it hasn't been paid  
6 out.

7 Q. Okay. And would customer service fill in  
8 the checkmarks and the dates of payment?

9 A. They would help, yes, sir. Some I would  
10 fill out myself whenever I -- I did the tento (ph)  
11 transaction, and for all the transactions that were  
12 finalized, there is a transaction I.D. that should be  
13 present on the left.

14 Q. Yeah, is that column L?

15 A. Yes, sir.

16 Q. Okay. And is that a feature of BitCoin  
17 transactions such that any payment of BitCoin is  
18 assigned an identification?

19 A. That's like a receipt from the  
20 blockchain, yes.

21 Q. Okay. So using that I.D. -- transaction  
22 I.D., you could find it on the -- on the blockchain?

23 A. Yes, sir. It's public information.

24 Q. Okay. Is that the easiest way to find it  
25 on the blockchain is to have that I.D.?

1 A. Yes, sir.

2 Q. Are there other ways?

3 A. I don't think so, sir.

4 MR. PATEL: Can you pull up history --  
5 can you pull up history by an address?

6 THE WITNESS: You can -- if you have the  
7 BitCoin address, you can pull up the history, too.

8 Q. (BY MR. GULDE) And you see every single  
9 transaction that had been made into or out of a  
10 specific wallet?

11 A. Yes, sir.

12 Q. And so that would include these -- this  
13 information that we're seeing in column L, but just  
14 all -- all such transactions --

15 A. Yes, sir --

16 Q. -- in a wallet?

17 A. -- it should all be there.

18 Q. Okay.

19 A. Yeah, that's correct.

20 Q. Okay. Where did this spreadsheet in  
21 Exhibit 32 reside in the CFX system?

22 A. Google Drive, sir.

23 Q. Google Drive?

24 A. Yes.

25 Q. Okay. And whose Google account was that

1 associated with?

2 A. The entire customer service team and  
3 obviously my e-mail, sir; and the accounting team  
4 also had access to it, sir.

5 Q. Okay. Does it still exist?

6 A. Yes, sir.

7 Q. Have you seen it recently?

8 A. This is the copy, sir.

9 Q. You pulled this straight off of the  
10 Google Drive?

11 A. Yes, sir.

12 MR. PATEL: Just so the record's clear,  
13 is it a Google Drive or is this a Google document  
14 that people have access to?

15 THE WITNESS: Oh, I'm sorry, it is a  
16 Google sheet.

17 Q. (BY MR. GULDE) Okay. As I understand  
18 the -- when I think of Google Drive, I'm thinking  
19 of -- I'm thinking of Google's umbrella that they put  
20 over sheets and docs and whatever other apps that  
21 Google offers. Is that consistent with what you  
22 think of?

23 A. That is the same -- yeah, I am in line  
24 with the Google Sheet.

25 Q. Okay. What day was it that you logged in

1 and pulled this off?

2 A. It's Wednesday. So Monday?

3 MR. GULDE: Can we go off the record for  
4 just a second?

5 THE VIDEOGRAPHER: Off the record at  
6 11:19 a.m.

7 (Recess taken)

8 THE VIDEOGRAPHER: Back on the record,  
9 11:24 a.m. Beginning tape three.

10 Q. (BY MR. GULDE) So as to this spreadsheet  
11 in Exhibit 23, if we're looking at September 2002  
12 (sic), there are a lot more that haven't been paid  
13 than have been paid, right?

14 A. I'm sorry, where are we at, sir?

15 Q. If we're looking at the September tab on  
16 Exhibit 32 --

17 A. Uh-huh.

18 Q. -- there are a lot more that have not  
19 been paid than have been paid.

20 A. In September, yes, sir, whatever is on  
21 the sheet --

22 Q. Okay.

23 A. -- is accurate.

24 Q. And is that the case because they just  
25 haven't become -- the passage of time has not become

1 urgent enough to -- to get the BitCoin from Mauricio?

2 A. It's whatever Mauricio wanted to provide  
3 with -- to me, it's whatever could be paid out.

4 Q. So if we're looking at the first green  
5 row, that shows a date that was owing -- or an amount  
6 that was owing on the 7th of September; is that  
7 right?

8 A. Uh-huh.

9 Q. 2700 bucks, and you have the wallet  
10 information, and they have called customer service on  
11 the day before it was -- it was in.

12 Do you know if you would have, before the  
13 end of all things at CFX, spoken with Mauricio about  
14 getting this one paid?

15 A. I'm sorry, sir, can you repeat that  
16 again?

17 Q. Do you know if you would have spoken with  
18 Mauricio about getting Jane Abril (ph) and Josinia  
19 Van (ph) paid via BitCoin?

20 A. If it's in -- wait, what date,  
21 September -- September 7th? If it's on the text  
22 message, then that was my request; and if it doesn't  
23 say "paid" there, then at the time I did not have any  
24 funds to pay it.

25 Q. But we wouldn't necessarily see those

1 names or any contract number in the text message,  
2 right?

3 A. No, sir. No, there is -- there's a  
4 document that is mentioned here that shows the  
5 request amount that I would send him, and I needed  
6 for him to see it so he could see the urgency.

7 Q. And did that document reside in Google  
8 Drive?

9 A. Yeah, you guys can now have access to it.

10 Q. And it is still there as far as you know?

11 A. Yeah, everything should still be there.

12 Q. Is that a running document that was  
13 altered as you go or would there be a September  
14 version of that document?

15 A. There should be different iterations of  
16 the document based on the dates of that document.

17 Q. Okay. Do you know anything about the  
18 color codes on the rows here?

19 A. Oh, that was customer service, sir.

20 Q. Did they say anything to you?

21 A. Those were the ones they would highlight  
22 that would call very often, sir.

23 Q. Okay. Which --

24 A. They're --

25 Q. Do you know which color indicated more

1 urgency?

2 A. There is no -- there's -- there's not a  
3 color system, sir. It was just they highlighted  
4 them --

5 Q. Oh, okay.

6 A. -- different colors.

7 Q. Okay. So if you see color on one of  
8 these, you can assume that's someone that customer  
9 service gets calls from?

10 A. Yes, sir.

11 Q. Okay. All right. Let's -- let's move on  
12 and go back to Exhibit 31.

13 MR. PATEL: Before you do, there -- I  
14 just wanted to point something out.

15 MR. GULDE: Sure.

16 MR. PATEL: Looking at the first column  
17 in the name, there is reference to a name and a  
18 number three.

19 THE WITNESS: Uh-huh.

20 MR. PATEL: We see that in sort of  
21 various instances. What does that reflect to your  
22 understanding?

23 THE WITNESS: Students had different  
24 accounts there, sir.

25 Q. (BY MR. GULDE) Appreciate that. Let's go

1 to page 168 of Exhibit 31. Do you see about a little  
2 less than halfway down there's a message from you to  
3 Mauricio saying, "Hi, Brother. Eduardo from L.A.  
4 told me they gave 18 percent for BitCoin contracts."

5 A. At 1:33:56 p.m., sir?

6 Q. Yeah.

7 A. Yes, sir. What was the question?

8 Q. Do you -- you see where -- where that is.  
9 So you've confirmed that.

10 A. Uh-huh.

11 Q. Who is Estuardo?

12 A. He is an L.A. leader, sir.

13 Q. Okay. And by "leader," what do you mean?

14 A. So "leader" is where salespeople that  
15 would have a lot of references, so they would sell a  
16 lot of student packages, sir. Some leaders had their  
17 own office there.

18 Q. I didn't understand that last part.

19 Some leaders have their own what?

20 A. Office.

21 Q. Office. And so Estuardo is in L.A.?

22 A. Yes, sir.

23 Q. Do you know where the L.A. office is?

24 A. I'm trying to recall. I mean, I don't  
25 know the exact address, sir.



1 Q. Would you have the address anywhere in  
2 your possession?

3 A. I can -- I can look into that, sir.

4 Q. Definitely relevant to -- to what we have  
5 asked. So if you have documents that show what the  
6 address in L.A. is, please produce them.

7 A. Of course.

8 (Information to be supplied)

9 Q. (BY MR. GULDE) Now, do you have a last  
10 name for Estuardo?

11 A. Colama.

12 Q. Spell, please.

13 A. And this may be spelled wrong, but it  
14 should be C-O-L-A-M-A.

15 Q. And what do you understand giving  
16 18 percent for BitCoin contracts to mean?

17 A. So I'm asking because at the time it  
18 seemed like they were doing their own thing, sir.

19 Q. And you want to make sure that Mauricio  
20 has blessed whatever Estuardo is doing?

21 A. Yes, sir.

22 Q. So what did you understand them to be  
23 doing?

24 A. At the time, giving 18 percent on the  
25 contract, sir.

1 Q. Well, who -- giving 18 percent to whom?

2 A. They're students, sir.

3 Q. Okay. So let's pick a hypothetical,  
4 okay, and say that there is a \$10,000 contract; and  
5 so a student investor, how would that 18 percent be  
6 relevant to the student investor?

7 A. So 5,000, they would get 18 percent of  
8 5,000 for month three or six.

9 Q. Okay. So the 18 percent that you're  
10 describing here simply substitutes for the 15 percent  
11 that we have been discussing, which was the  
12 monthly --

13 A. Correct.

14 Q. -- proceeds to expect from your initial  
15 investment; is that right?

16 A. Yes, sir.

17 Q. Okay. So instead of getting 8 -- or  
18 15 percent for each of the three months in a  
19 three-month contract, you get 18 percent?

20 A. Yes, sir.

21 Q. Okay. And you were checking to see if  
22 Mauricio had authorized this?

23 A. Yes, sir.

24 Q. And you were asking -- you asked him  
25 explicitly, "Is this across the company or just

1 them?"

2 A. I was asking -- I was trying to  
3 understand what was going on with that situation,  
4 because I had never come across it, sir.

5 Q. Yeah. And what did you end up finding  
6 out about that?

7 A. I don't exactly remember. I believe they  
8 were, but did not seem to have answered my question.

9 Q. Now, does that 18 percent mean that they  
10 were better at trading BitCoin than L.A.?

11 A. I don't know where it came from, sir.

12 Q. What's your understanding of how CFX was  
13 able to pay any percent of return on amounts invested  
14 by student investors?

15 A. Mauricio would conduct trading, sir.

16 Q. And you said trading, not training?

17 A. Trading, yes.

18 Q. Okay. So Mauricio would conduct trading  
19 in -- in what assets?

20 A. I don't know, sir.

21 Q. Now, do you know if Mauricio conducted  
22 trades in -- in crypto currency?

23 A. I witnessed a Coinbase Pro account once.

24 Q. And do you have any details of that  
25 Coinbase Pro account?

1           A. No. He just mentioned that he had made  
2 \$50,000 in five minutes once and then he showed the  
3 transaction.

4           Q. When was this transaction?

5           A. It was when I was joining, sir.

6           Q. Would that have been around -- or when  
7 was that?

8           A. It should have been around -- I started  
9 volunteering for classes in February, so around that  
10 time, sir.

11          Q. And this is February of 2022?

12          A. Yes, sir.

13          Q. And Mauricio -- Mauricio was telling you  
14 that he just made \$50,000 in five minutes?

15          A. Yes, sir.

16          Q. And did he spin his monitor around and  
17 show you?

18          A. Oh, no, he showed me on his phone, sir.

19          Q. On his phone?

20          A. Yeah.

21          Q. And is this something Mauricio did more  
22 than once?

23          A. No, sir, I only saw it once.

24          Q. Did you ever see any -- anything on his  
25 phone or in documentation that reflected other crypto

1 currency trading?

2 A. I saw a -- on his monitor, he had  
3 CoinMarketCap pulled up quite often.

4 Q. What is CoinMarketCap?

5 A. It is a platform that shows you all the  
6 crypto currencies and their relevant prices at the  
7 time.

8 Q. And could you tell if he was logged in as  
9 a trader on this website?

10 A. No, sir.

11 Q. Is this a trading website that allows you  
12 to conduct transactions?

13 A. It's an information site, sir.

14 Q. Okay. So it's like having CNN up?

15 A. Yes.

16 Q. Okay. So that's not an indication to you  
17 that he was conducting trades?

18 A. I never saw anything other than  
19 described, sir.

20 Q. Okay. So you saw on his monitor, he  
21 would have the CoinMarketCap screen up, and he showed  
22 you his phone the one time.

23 Did you actually confirm that there was a  
24 \$50,000 gain on a transaction?

25 A. I glanced at it, sir.

1 Q. Can you say -- can you say right now that  
2 you are confident from what you saw that it was a  
3 \$50,000 gain in five minutes?

4 A. I can only recall the -- the  
5 conversation, sir.

6 Q. Okay.

7 A. And green on the -- green squiggles on  
8 the -- on the chart.

9 Q. Okay. Green squiggles, like a graph?

10 A. Yes, sir.

11 Q. How far away from the phone were you when  
12 he showed you?

13 A. Like, (indicates) --

14 Q. Okay.

15 A. -- maybe three, four feet, I would guess  
16 from my face.

17 Q. Okay. Three or four feet from your face?

18 A. I don't know.

19 Q. Could you tell if he -- could you tell  
20 what particular app he had open in that moment?

21 A. I don't know for a fact, sir. It looked  
22 like a CoinbasePro account.

23 Q. And Coinbase is an actual crypto  
24 transaction app, correct?

25 A. It's an exchange, sir.

1 Q. And by "representative," do you mean like  
2 sales staff?

3 A. Yes.

4 Q. Okay. Sergio is the design guy?

5 A. Yes, sir.

6 Q. So literally like the art -- art design?

7 A. Yes, sir.

8 Q. Okay. So he would design the keys?

9 A. Yes, sir, he designed the keys.

10 Q. And then Marvin, what role did he play?

11 A. He was like business and the -- yeah, he  
12 was like on the business side, sir.

13 Q. Okay. Did they have any other NFT  
14 offerings that you know of?

15 A. No, sir.

16 Q. Does 79 Protons have any other NFT  
17 offerings that you know of?

18 A. Pardon me, sir?

19 Q. Does 79 Protons have any other NFT  
20 offerings other than the ones we have discussed?

21 A. No, sir.

22 Q. Okay. So did you have conversations with  
23 Marvin and Sergio after we filed our lawsuit?

24 A. Marvin reached out to explain the lawsuit  
25 to me, and -- and then they -- they reached out maybe

1 like a couple of weeks ago just to check in on me;  
2 and they said that maybe one day I could  
3 potentially -- like, they would be interested in me  
4 helping them with technology.

5 Q. Was Marvin the first person to tell you  
6 about this lawsuit?

7 A. Aside from the news, sir, that was  
8 published, yes, he was the one to explain in detail  
9 what's going on to me.

10 Q. And this would have been the beginning of  
11 October?

12 A. Yes, sir.

13 Q. Okay. What did Marvin tell you about it?

14 A. He basically told me -- and I'm trying to  
15 recollect. He told me that the contract -- the --  
16 had been voided, and then he -- he just laid out the  
17 facts for me, sir, that are explained in the details  
18 of the lawsuit; and then from there, yeah, he was  
19 asking me, like, if I had spoken to Mauricio, and I  
20 told him -- I mean, from there, I was -- I mean, I  
21 was, you know, not going to -- not going to do  
22 anything with -- with Mauricio basically. And that  
23 was the terms that we came that to talk, because I  
24 understood kind of what's going on now.

25 Q. Let's go back to -- back in time to when



1 CFX began its relationship with 79 Protons.

2 A. Uh-huh.

3 Q. How did -- how did CFX and 79 Protons  
4 come together at first?

5 A. So there was a -- one of their sales  
6 representatives one evening before I was about to  
7 teach the class, she went into the office and she was  
8 looking for Mauricio or, you know, kind of someone to  
9 convey the message that she was a part of the team --

10 Q. What was her name?

11 A. Maribel.

12 Q. Maribel what?

13 A. Coleman.

14 Q. C-O-L-E-M-A-N?

15 A. Yes, sir.

16 Q. Okay. Sorry to interrupt. She -- she  
17 came and she found Mauricio?

18 A. No. So, again, Mauricio was not around  
19 too often, or only in the evenings, and so she wanted  
20 to speak to kind of bring out the idea. She spoke to  
21 the front desk; and then eventually someone pointed  
22 her out to, like, just talk to me, because no one  
23 really understands NFTs, and I was the crypto  
24 teacher.

25 Yeah, someone pointed it out to me

1 eventually. And so I told Mauricio about it, about  
2 what had happened; and he told me to go with Carlos,  
3 which is our marketing guy, and just to hear them out  
4 and then report back to him as to what it was.

5 Q. Okay. And did you?

6 A. Yes, sir.

7 Q. And did she give you a pitch for  
8 79 Protons?

9 A. No, sir, she -- she told me that she  
10 could come in and maybe we could meet and she would  
11 bring in her team, and then that's when Carlos and I,  
12 after confirming with Mauricio, met with the  
13 79 Protons staff, sir.

14 Q. Okay. And that -- would that have been  
15 Mar -- Marvin and Sergio?

16 A. Yes, sir.

17 Q. And did they tell you -- what did they  
18 tell you about NFTs at 79 Protons?

19 A. The same thing I was just -- I had  
20 commented before, sir. And they brought in examples  
21 of rocks and talked about the mineralogy and the NFT  
22 and building a castle and how it is inspired after,  
23 like, Egyptian, Greek, you know, ancient world  
24 artifacts, if you will.

25 Q. You're saying that the keys themselves or

1 the castle --

2 A. Yes.

3 Q. -- or everything?

4 A. Everything.

5 Q. Okay. The -- the world that they're  
6 building has -- has an Egyptian aesthetic; is that  
7 the idea?

8 A. Not just Egyptian, sir. Just more like  
9 an ancient relic type of aesthetic --

10 Q. Okay.

11 A. -- mixed with obviously modern.

12 Q. Now, the second part of that pitch that  
13 we were talking about was exclusivity. So can you  
14 tell me more about what -- what that means and how it  
15 benefits a potential investor.

16 A. So in the NFT world, it's very common for  
17 NFT holders of whatever NFT have exclusive rights to  
18 other presales or advance. For example, the New York  
19 Yacht Club, they do like a big giant New York event,  
20 right? And so that's only -- like, you have to hold  
21 them or an Ape in order to go to that event. So they  
22 had the same idea in mind.

23 Q. Are these real world events or are they  
24 virtual events?

25 A. They could be both.

1 Q. Okay. So that's one thing.

2 Is there any other aspect of exclusivity  
3 that -- that is good for potential investors?

4 A. I mean, they could eventually build a  
5 game around the NFTs, which they would have gaming  
6 rights for it; and by "gaming," I'm talking about  
7 video game type of feel and style in the Metaverse.

8 Q. Okay. So other than gaming rights and a  
9 potential video game and presale or VIP event-type  
10 things, were there other exclusivity aspects of this  
11 that were beneficial?

12 A. No, sir.

13 Q. How about the financial aspect, how do  
14 you -- can you -- can you explain what you would say  
15 to an investor who was wondering how this could  
16 benefit them financially?

17 A. Well, they would ultimately buy an NFT,  
18 right? That, per 79 Protons, would be the first NFT  
19 backed by gold. So the mint price would be backed by  
20 gold, they would back it; and then after that, they  
21 can do whatever they want with it: They can hold it,  
22 they can sell it, they can do whatever.

23 Q. So the backed by gold aspect of this  
24 is -- am I understanding it correctly to say that  
25 even if the -- the resale price on OpenSea goes into

1 the toilet, you still have rights to this actual,  
2 physical gold that will always be worth something?

3 A. Yes. And they would -- they were the  
4 managers of that, if you will, or the -- the ones  
5 that would take custody of that.

6 Q. So tell me if I understand this  
7 correctly: The financial aspect of this that is  
8 beneficial to investors is that because of the backed  
9 by gold things we have discussed, because of the  
10 exclusivity things we've discussed, they will combine  
11 to lead to an increase in value that will allow for  
12 higher resale, should an investor choose to do that?

13 A. That's depending on the market or what --  
14 I mean, that was -- that was the market's decision to  
15 do if it was ever released.

16 Q. Is there any other -- is there any other  
17 factor that affects the financial aspect of this that  
18 I'm ignoring?

19 A. No. An NFT is -- you're the owner of  
20 that digital asset, and as the owner, you have  
21 exclusive rights to do whatever you want to with it.

22 Q. So if the value goes up, great?

23 A. Pretty much.

24 Q. Okay. And if it doesn't, we got the  
25 gold?

1 A. (Nods.)

2 Q. Okay.

3 THE COURT REPORTER: Out loud.

4 THE WITNESS: Yes. I'm sorry.

5 THE COURT REPORTER: It's okay.

6 Q. (BY MR. GULDE) So the -- Sergio and  
7 Marvin told you something pretty similar to that --  
8 that group of facts to -- to suggest this is a  
9 worthwhile endeavor?

10 A. Basically what's on the website, sir.

11 Q. What's on the 79 Protons website?

12 A. Yes, sir. They just dove more into the  
13 mineralogy, and they showed videos of how the gold  
14 plants do it and like their process and all that  
15 stuff, sir.

16 Q. Did they actually have a gold mine?

17 A. They were in the process of building one,  
18 sir.

19 Q. But they -- they owned -- owned the  
20 property on which they were building a gold mine?

21 A. They were in the process of -- so they  
22 have a facility in Utah or some sort of association  
23 to a facility in Utah they were looking to bring over  
24 here to Texas.

25 Q. Were they going to find gold in Texas?

1 A. I don't know the process, sir.

2 Q. Do you know if the gold was in Utah?

3 A. I don't know the process, sir.

4 Q. Okay.

5 A. I know it was -- based on the videos, it  
6 was processed through extraction of the -- of the  
7 soil, and they had some sort of, like, chemical  
8 compounds and processes; and they showed a video on  
9 it, and you had pictures of the gold being liquid and  
10 then -- yeah.

11 Q. And did they run the numbers for you  
12 comparing the cost of extracting the gold from the --  
13 to the price of the gold extracted?

14 A. They mentioned they could produce it,  
15 like, wholesale, like way below market value, sir,  
16 because they were the controllers of it.

17 Q. Okay. Did they give you numbers on that,  
18 or did they just say generally, "We can -- we can  
19 produce this gold at well under its -- its value"?

20 A. There was a lot of technical terms that I  
21 don't recall, sir.

22 Q. Okay. We're going to come back again to  
23 NFTs.

24 A. Okay.

25 Q. Let's run -- let's run to page 179, the

1 third from the bottom -- the third entry from the  
2 bottom on September 1st of this year, you told  
3 Mauricio, "Also, Bud, if someone wanted to void their  
4 contract in exchange for an NFT (this saves us money  
5 long-term because we don't have to pay the reward)  
6 can I go ahead and do it? I think that's a pretty  
7 fair transaction."

8 Do you see that?

9 A. Yes, sir.

10 Q. Do you remember that?

11 A. Yes, sir.

12 Q. Did it end up happening?

13 A. Do you want me to explain the process?

14 Q. Sure.

15 A. So I had a customer come in, and he  
16 pretty much brought up this idea, and so I'm  
17 regurgitating the idea of the customer since he  
18 wanted an NFT and he didn't care about his contract  
19 anymore.

20 Q. And so what -- what size contract would  
21 this guy have?

22 A. The equivalent to the NFT, sir.

23 Q. So a \$5,000 total value or are we talking  
24 about multiples of the gold keys --

25 A. No, just --



1 Q. -- would sell for 5,000?

2 A. -- just the one 5,000.

3 Q. Okay. And your view was it seemed pretty  
4 fair because, you know, he's going to get 5,000, he  
5 could just trade that for an NFT?

6 A. That was what he wanted, sir --

7 Q. Okay. And it seemed fair to you?

8 A. -- the customer wanted.

9 I believe so, sir.

10 Q. And Mauricio agreed with that?

11 A. Yes, sir.

12 Q. Okay. And so did that transaction  
13 happen?

14 A. Yes, sir.

15 Q. Okay.

16 MR. PATEL: Just to help --

17 MR. GULDE: Yeah.

18 MR. PATEL: -- real quick.

19 On this spreadsheet -- you provided this  
20 spreadsheet that -- that identifies certain sales of  
21 these NFTs, right?

22 THE WITNESS: Yes, sir.

23 MR. PATEL: And how is that situation  
24 that we just talked about reflected on that  
25 spreadsheet?

1 THE WITNESS: So on the spreadsheet, you  
2 will see the customer name and then it says "CFX  
3 contract" next to "payment."

4 Q. (BY MR. GULDE) Okay. Without pulling it  
5 back up, is that something that happened more than  
6 once?

7 A. It happened a few times.

8 Q. Okay. More than 10 times?

9 A. No, I don't think. It happened less than  
10 10 times --

11 Q. Okay.

12 A. -- I think.

13 Q. Turn to the next page, 180. A little  
14 more than halfway down, there is a message on 9/7 at  
15 9:43 p.m. where you tell Mauricio, "Hi, Bud. Spoke  
16 to Carlitos earlier. He mentioned if we could pay  
17 him out his salary from the key sales?"

18 A. Yes, sir.

19 Q. "Let me know if you're good with this,  
20 and I'll discount it from the -- from the sales,  
21 Bud." And then in parentheses, "He mentioned 15K  
22 from six weeks."

23 Was Carlitos making a salary for selling  
24 NFT keys?

25 A. No, sir.

1 Q. Okay. What is this talking about?

2 A. Based on this, and my memory, Carlitos  
3 had not been paid for his day-to-day activities  
4 designing content, and so he asked me that he needed  
5 to get paid. And Mauricio is responsible for the  
6 payment, so if he wasn't going to show up that day, I  
7 was asking if he could just discount it, and  
8 obviously he makes up for it since he still has to  
9 pay him.

10 Q. Okay. That makes sense. And do you know  
11 if that happened?

12 A. I don't believe so, sir. I don't see a  
13 reply.

14 Q. Okay. Did you go to L.A. for the opening  
15 of the new office?

16 A. Yes, sir.

17 Q. Okay. And we've discussed that you went  
18 out to L.A. several times, right?

19 A. No, just once.

20 Q. Oh. Was it Chicago you went to several  
21 times?

22 A. To Chicago, yes, sir.

23 Q. Okay. What was the opening of the new  
24 office like?

25 A. They were the -- they toured the office.

1 It had a big auditorium -- not -- I wouldn't call it  
2 auditorium, more like conference room; and then they  
3 had several little offices there. They were still  
4 moving in, so they were just showing it; and then  
5 they had probably 30 people there, and they had a  
6 mariachi.

7 Q. Now, Mauricio asked you to go out  
8 specifically?

9 A. Yes, sir.

10 Q. What role did you play in the opening of  
11 the new office?

12 A. I was just there to report back; and I  
13 did a live crypto class training, sir, about the  
14 history of BitCoin and crypto and how it started,  
15 where we're at now, and how it's evolving to  
16 tomorrow.

17 Q. From the L.A. office?

18 A. Yes, sir.

19 Q. Okay. Who is Flor, F-L-O-R?

20 A. She is the California leader, sir.

21 Q. Okay. Did she stop being responsive to  
22 Mauricio about -- about payment?

23 A. I believe so, sir.

24 Q. Okay. And was Mauricio concerned about  
25 that?

1 A. Yes, sir --

2 Q. Did he --

3 A. -- very concerned.

4 Q. Did he ask you to do anything about it?

5 A. He asked the accounting team, and then he  
6 said that the accounting team, he felt like they  
7 weren't pushing, and so he asked me if I can push as  
8 well since I saw her at the event, sir.

9 Q. Now, how -- how did Mauricio know that  
10 Flor was not sending enough money?

11 A. The accounting team had a spreadsheet,  
12 sir.

13 Q. The accounting team at Blalock in  
14 Houston?

15 A. Yes, sir.

16 Q. Okay. And how would the accounting team  
17 at Blalock in Houston know that Flor was not sending  
18 enough money?

19 A. They would be in contact with -- with the  
20 leaders, sir.

21 Q. So would the leaders in California be  
22 sending in contracts to Blalock?

23 A. Yes, sir.

24 Q. Okay. Is that how it happened for every  
25 satellite office where contracts were signed in L.A.

1 or Chicago or New Orleans but they were sent to  
2 Houston?

3 A. Yes, sir.

4 Q. And did the money also come all to  
5 Houston?

6 A. That was the accounting department's job,  
7 sir.

8 Q. Do you know if the money came to Houston,  
9 regardless of whose job it was?

10 A. Yes, sir.

11 Q. And how do you know the money came from  
12 Houston?

13 A. Because the leaders were present in the  
14 accounting offices, sir.

15 Q. I'm not sure I understand how that -- are  
16 you a CFX leader?

17 A. No, sir.

18 Q. Okay. So the leaders were present in the  
19 accounting office; is that what you said?

20 A. Yeah, they would have meetings with the  
21 accounting team, sir.

22 Q. And would you participate in the  
23 meetings?

24 A. No, sir.

25 Q. So how do you know the money came in from

1 places like L.A.?

2 A. Because Mauricio is asking for the money,  
3 sir, from there.

4 Q. Okay. So Mauricio's asking for money  
5 from Flor and has involved you in it, right?

6 A. Yes, at the end, sir.

7 Q. Is there any other reason that you know  
8 that money's coming in from other offices?

9 A. Just seeing the leaders and I would see  
10 the leaders talk about balance and stuff with the  
11 accounting team.

12 Q. Okay. Do you know how money was  
13 transported between offices?

14 A. So Flor would send BitCoin from this last  
15 one or to Mauricio, sir.

16 Q. To Mauricio directly?

17 A. Yes, sir.

18 Q. So on page 183, is that what you're  
19 looking at?

20 A. Yes, sir.

21 Q. When you say, "Did you receive from  
22 Flor," and Mauricio says, "Only 100,000," is he  
23 reporting a BitCoin transaction?

24 A. I believe so, sir.

25 Q. Okay. Do you know what form money came

1 from other offices to Houston?

2 A. No -- not entirely, sir.

3 Q. How about partially?

4 A. It can be anything, sir. It could be any  
5 form of money.

6 Q. Do you know if money came in the form of  
7 cash from any other office?

8 A. It could have been, sir.

9 Q. Did you know if it was?

10 A. For a fact, I do not.

11 Q. Okay. Does anything lead you to believe  
12 that cash went between offices?

13 A. There is a statement here where he asks  
14 to send Mon over.

15 Q. What page is that on?

16 A. Which --

17 MR. PATEL: 184.

18 THE WITNESS: 184, sir.

19 Q. (BY MR. GULDE) Okay. Who is Mon?

20 A. His chauffeur, sir.

21 Q. And so Mon is somebody from Houston?

22 A. Yes, sir.

23 Q. Okay. So if we're talking about that  
24 second message on page 184 from you, it says, "I  
25 followed up with her today," are we still talking



1 about Flor? Is that right?

2 A. Yes, sir.

3 Q. "And I just spoke to Anna." Who is Anna?

4 A. She is the accounting person in charge of  
5 Flor, sir.

6 Q. In California?

7 A. No. She's here in Houston, sir.

8 Q. Okay. So she is a Houston accounting  
9 employee who had responsibility for California  
10 accounts?

11 A. Yes, sir.

12 Q. Okay. And Anna was calling Flor?

13 A. Yes, sir.

14 Q. And you say, "If she doesn't respond" --  
15 meaning if Flor doesn't respond -- "I will call her  
16 one last time in the evening and let her know that  
17 from now on, we will send Mon every 15 day to collect  
18 or sooner since the U.S. dollar" -- is that right?  
19 Is that U.S. dollar transaction?

20 MR. PATEL: No.

21 THE WITNESS: U.S. Tether. That is a  
22 crypto currency.

23 Q. (BY MR. GULDE) What crypto currency is  
24 that?

25 A. U.S. dollar Tether.

1 Q. U.S. dollar Tether?

2 A. Uh-huh.

3 Q. So does that indicate to you that if --  
4 that Flor had been paying with that particular crypto  
5 currency?

6 A. Yes, sir.

7 Q. Had been paying Mauricio?

8 A. That's what Mauricio told me, sir.

9 Q. Okay. And did Mauricio tell you that --  
10 that the plan would be if Flor didn't become more  
11 responsive to send his chauffeur to California from  
12 Houston?

13 A. Yes, sir. He was pressuring me a lot,  
14 sir.

15 Q. Okay. Is there a threat involved in that  
16 at all?

17 A. No, sir.

18 Q. Okay. The idea is it is harder to say --  
19 to say no to somebody in person?

20 A. Yes, sir. He was -- he kept telling me  
21 pretty much and texting me about it, and it was -- it  
22 was very strange. It was the first occurrences that  
23 he had done that.

24 Q. This is the first time you ever heard  
25 Mauricio saying, "Let's send somebody in person to

1 get the money"?

2 A. Yes, sir.

3 Q. Let's go to that previous page, 183.

4 At 3:50 on 9/15, there is a statement  
5 from you that says, "Okay, Bro, can you send me your  
6 wallet? I'm going to send you 40K from NFT -- NFT  
7 sales, too. I had to use 40K from the 80 for daily  
8 payments, and I'll follow up on the rest from Flor."

9 Do you see that?

10 A. Yes, sir.

11 Q. Is that a situation where you're telling  
12 Mauricio that you have used \$40,000 from \$80,000 that  
13 had come in on NFT sales?

14 A. Uh-huh.

15 Q. And you would use that \$40,000 to make  
16 routine contract payments for student investors?

17 A. So at this point, sir, there was no  
18 BitCoin that was ever received, and so there was a  
19 lot of people and there was people at my doorstep,  
20 and that BitCoin money was something that he told me  
21 that, if needed, that he could -- that I could pay it  
22 out and then he would just replenish it.

23 Q. So Mauricio had -- had pre-authorized  
24 this -- this sort of transaction with you; is that  
25 right?

1 A. Yes, in person, sir.

2 Q. Is this the first time that it actually  
3 happened?

4 A. Yes, sir.

5 Q. So did he give any reason for why the  
6 BitCoin was -- was not forthcoming?

7 A. No, sir. The only thing I can see is  
8 that he's starting to pressure.

9 Q. He's starting to what?

10 A. Pressure, on like the text messages in  
11 regards to -- so he wouldn't send me BitCoin, but he  
12 was starting to, like, pressure me to ask for that.

13 Q. I'm not sure I understand. Can you --  
14 can you tell me what you mean by "pressure."

15 A. Yes, sir. So there was no BitCoin in  
16 that wallet at the same -- at the time.

17 Q. No BitCoin in the wallet that you and I  
18 have been discussing?

19 A. Yes, sir.

20 Q. Okay.

21 A. So that means that I can't conduct my  
22 duties that were assigned to me at that time, and so  
23 the only thing I have which was separate was the NFT  
24 crypto currency, which is separate; and so in order  
25 to be able to conduct my daily tasks that I was

1 instructed to do, I had pre-asked them if I was okay  
2 where I'm asking him again, because at the end of the  
3 day, the NFT money, he's still responsible for that,  
4 too. So I was looking for authorization.

5 Q. I understand that. Explain what -- so is  
6 the pressure part of that just the whole thing, that  
7 the -- the wallet's empty, that there's pressure on  
8 you to get the payments made, and he is -- and you've  
9 approached him with a way to relieve that pressure?

10 Whose idea was it to use the NFT money  
11 to -- to pay the -- the contract investors?

12 A. So that was brought up to him because  
13 there was no money in the wallet, so --

14 Q. It was brought up to him by you?

15 A. Yes, I asked him if that could be done  
16 and if it would be okay to do.

17 Q. And he gave you the thumbs up on that?

18 A. Yes, sir.

19 Q. Yeah. And this is just you asking to do  
20 it again?

21 A. Yes, sir.

22 Q. I was just reacting to your use of the  
23 word "pressure," and I want to make sure I understand  
24 where it's coming from.

25 MR. PATEL: Yeah, I -- I think I do know.

1 MR. GULDE: Clarify, feel free.

2 MR. PATEL: When you -- when you  
3 referenced "pressure," were you referring to his  
4 efforts to collect money from others -- other  
5 offices? Was that the pressure you're referring to?

6 MR. FLACK: Object to the form.

7 THE WITNESS: Yes, that, and having a  
8 lack of -- of BitCoin in the wallet as well.

9 (Discussion off record re objection)

10 MR. GULDE: I mean he said, "Objection:  
11 Form." I don't have any objections at all.

12 THE COURT REPORTER: I got it.

13 MR. FLACK: He objected to the form of my  
14 form objection.

15 Q. (BY MR. GULDE) Okay. Did this happen  
16 again where -- where you had to use money from NFT  
17 sales to pay contract payments?

18 A. If it's not on the messaging, sir, then I  
19 don't recollect doing so, sir.

20 Q. And let's just discuss the form of the  
21 payment --

22 A. Uh-huh.

23 Q. -- briefly. Do you know what form that  
24 \$80,000 was in?

25 A. It was in crypto, sir.

1 Q. And how do you know that?

2 A. Because that was the same crypto that  
3 was -- in this case he was authorizing me to send pay  
4 in BitCoin, sir.

5 Q. Student -- does that mean that all of the  
6 student investors who came in for that \$80,000 worth  
7 of NFTs had paid in crypto?

8 A. Yes, sir.

9 Q. Okay. Did Flor eventually pay?

10 A. I don't quite know, sir.

11 Q. Did Mauricio have to send Mon out to  
12 California every 15 days?

13 A. I don't quite know, sir.

14 Q. Who would know?

15 A. Probably the accounting team, sir.

16 Q. Now, you said that you had people at your  
17 doorstep. Is that literally true?

18 A. Yes, sir, there were people in my office.

19 Q. Did people come to your home?

20 A. No, sir.

21 Q. But student investors came to your  
22 office?

23 A. Uh-huh.

24 Q. And what did they want?

25 A. Their BitCoin payments, sir.

1 Q. Did they also come up and say, "Teach me  
2 my classes"?

3 A. I don't -- what do you mean, sir?

4 Q. You had people on your doorstep --  
5 doorstep demanding payment, right?

6 A. Yes, sir.

7 Q. Of the amount due proceeds on their  
8 contract, right?

9 A. Yes, sir.

10 Q. Similarly, did you have people coming up  
11 to your doorstep demanding classes?

12 A. I had people come to me with all kinds of  
13 crypto questions, sir.

14 Q. They -- were they coming to your  
15 doorstep, like in person saying, "Hold more classes"?

16 A. No, they were asking me like about  
17 wallets, and they were asking me how to -- most of  
18 the time it was ask -- they were asking me how to  
19 open up wallets.

20 Q. Did those questions increase after our  
21 lawsuit?

22 A. I wasn't -- I -- I wasn't involved in  
23 this after that, sir.

24 Q. And you had investors approaching you  
25 about how they -- how they might get repaid?



1           A. Oh, yes, sir, there's -- there's -- I  
2 would get a lot of calls and some -- sometimes they  
3 were threatening calls, sir.

4           Q. Yeah, can you describe some of the  
5 threats?

6           A. There's one person on the chat that was  
7 provided, sir, that she kept -- she keeps asking  
8 like, "Where's Julio? Don't-make-me-come-get-you"  
9 type of threats, sir.

10          Q. Has anyone threatened you in person?

11          A. No, sir.

12          Q. Has there been any violence in connection  
13 with this?

14          A. No, sir.

15          Q. Are you familiar with a situation in  
16 which Carmen de la Cruz was threatened with a gun?

17          A. No, sir.

18          Q. Are you familiar with anyone receiving a  
19 threat -- in-person threat with a weapon?

20          A. No, sir.

21          Q. Let's go back to page 184.

22          A. Sure.

23          Q. About two-thirds of the way down, there's  
24 a message from you that says you spoke to Estuardo a  
25 moment ago. And this is one of the leaders in

1 Q. Okay. So this is -- what is his real  
2 name?

3 A. I know him as "Mon."

4 Q. I'm sorry?

5 A. I know him as "Mon."

6 Q. Okay. And "Chino" was his nickname?

7 A. Yes.

8 Q. Why was his nickname Chino or Chinese?

9 A. He was Asian.

10 Q. He was Asian?

11 A. (Nods).

12 Q. There are a couple of documents -- CFX  
13 documents that show Chino brought to Houston a  
14 million dollars in September. Do you know how Chino  
15 or Mon carried that money from L.A. or from  
16 California to Houston?

17 A. No. That's -- I don't know any of that,  
18 ma'am.

19 Q. You never heard any -- anybody at CFX  
20 say, "Oh, he drove from California, he took three  
21 days" or something like that?

22 A. No, ma'am.

23 Q. Were -- were -- do you know -- do you  
24 have any other information about this -- this person?

25 A. None other than the text messages that

1 Mauricio told me about.

2 Q. Do you have a phone number for Mon?

3 A. Yes. It should be on the sheet, I think.

4 Q. Okay. And were those WhatsApp text  
5 messages? Or in the sheet that you went through  
6 there?

7 A. It's actually on the -- it's actually on  
8 this big sheet, the WhatsApp -- the English chat.

9 Q. Okay. That's fine. We can look at that.

10 A. Yeah.

11 Q. Did you have a -- did CFX give you a  
12 company -- a phone?

13 A. The Ring Central, ma'am, that you have  
14 access to.

15 Q. Okay. And anything else other than Ring  
16 Central, any other -- any other phone?

17 A. No, ma'am.

18 Q. What about other employees, were they  
19 given like a cellphone, a CFX cellphone?

20 A. There was two other cellphones that I  
21 saw, ma'am.

22 Q. Okay. And who handled the CFX cellphone?

23 A. People in customer service.

24 Q. Customer service?

25 A. Yeah, people in customer service.

1 Q. Would they bring those cellphones at home  
2 with them at the end of the day or were those  
3 cellphones left at Blalock?

4 A. What I saw was they were always left  
5 there.

6 Q. And were you given a computer by CFX, a  
7 laptop or any other type of computer?

8 A. I purchased that from the money that  
9 Mauricio would pay me for the classes.

10 Q. I don't understand. Did you purchase  
11 your computer with CFX money?

12 MR. PATEL: Well, her question is: Did  
13 you buy -- was that your personal laptop or was that  
14 CFX's laptop?

15 THE WITNESS: It was my personal laptop  
16 that I spent from the money that I was paid to  
17 conduct the classes.

18 Q. (BY MS. THEMELI) So you consider that  
19 your personal laptop?

20 A. Yes, ma'am.

21 Q. Okay. Do you know if CFX gave any  
22 company laptops or other type of devices, iPads or  
23 anything like that to any other employee?

24 A. Yes, everyone had their own computer.

25 Q. And when you say "everyone had their own

1 computer," were those computers that -- were those  
2 laptops or desktops?

3 A. Both.

4 Q. Well, let's start with the desktops.

5 A. Uh-huh.

6 Q. Those were CFX computers?

7 A. Yes, ma'am.

8 Q. Okay. And they stayed presume -- I  
9 assume at Blalock, right --

10 A. Yes.

11 Q. -- during the -- okay.

12 And do you know if they were password  
13 protected?

14 A. I didn't handle those, ma'am.

15 Q. Who at CFX would handle this type of  
16 information, like passwords for computers, computer  
17 system or anything like that?

18 A. They're individually managed by the  
19 device owner.

20 Q. Okay. So each -- each employee would  
21 manage their own computer?

22 A. Yes, ma'am.

23 Q. Okay. And was there some sort of  
24 service -- IT service that the company had  
25 entertained or hired in case there were any IT

1 issues?

2 A. No, ma'am.

3 Q. What did y'all do when there were IT  
4 issues? I have IT issues all the time. I cannot  
5 live without IT, so that's why I wanted to --

6 A. People would ask me for assistance as the  
7 crypto teacher.

8 Q. So were you always there to help?

9 A. No.

10 Q. Okay. And who would help them with  
11 resetting passwords or anything like that?

12 A. Oh, that was their -- their own doing.

13 Q. Did CFX give anyone a laptop and I mean,  
14 as a company laptop?

15 A. Yeah, people had company laptops.

16 Q. And who had company laptops?

17 A. Customer service had their company  
18 laptop.

19 Q. Okay. Anyone else other than the  
20 customer service employees?

21 A. No, ma'am, just that.

22 Q. What about the accounting personnel?

23 A. I recall them having the desktop, ma'am.

24 Q. Tell me about the security system at the  
25 CFX offices of Blalock.

1 A. What do you mean?

2 Q. Do you know -- I mean, there are cameras  
3 everywhere, right?

4 A. Uh-huh.

5 Q. Okay. And there were -- they are  
6 monitors as well connected to those cameras?

7 A. Those were -- there was cameras. They  
8 were connected to the big, giant t.v. screen that was  
9 in the main office.

10 Q. Okay. Do you know if CFX -- if there was  
11 a company -- some sort of security company that CFX  
12 had retained to handle the security systems?

13 A. No, ma'am. But I did see a fire alarm  
14 company.

15 Q. Okay. And what is the fire alarm  
16 company?

17 A. You can easily tell by the tags on the  
18 extinguishers.

19 Q. But you're not aware of a security -- of  
20 a company handling their security systems?

21 A. I don't know that information, ma'am.

22 Q. Who would know that information?

23 A. Gio.

24 Q. And by "Gio," do you mean Giorgio  
25 Benvenuto?

1 A. Yes, ma'am.

2 Q. Was Gio in charge of the -- of the office  
3 there, of the rent, of the like --

4 A. Yeah, he was -- he was the bill manager  
5 and he would pay for the desks and the sprinkler  
6 system and if anything broke, which the AC would  
7 break like religiously.

8 Q. Okay. The armed security guards at CFX  
9 at Blalock, tell me about them. How many were there?

10 A. Excuse me. There was two, which are  
11 listed in the -- in the team -- in the org chart from  
12 July.

13 Q. Uh-huh.

14 A. And then eventually Joseph, like, became  
15 a security guard as well.

16 Q. Okay. So Adam and Joseph?

17 A. Yes, ma'am.

18 Q. What's Adam's last name?

19 A. Whatever's on the sheet, ma'am.

20 Q. There's nothing on the sheet.

21 A. Oh.

22 Q. It says "N/A."

23 A. Then I don't know.

24 Q. And Adam and Joseph, were they like  
25 off-duty police officers or Harris County Sheriff's



1 Officers or anything like that?

2 A. I don't know that information, ma'am.

3 Q. Did you know if they were hired through a  
4 company, like Securitas or any other type -- or a  
5 similar type company?

6 A. I don't know.

7 Q. Other than Adam and Joseph, did Mauricio  
8 have a personal security guard?

9 A. I don't know.

10 Q. Someone who would drive him around or  
11 drive him home or anything like that?

12 A. I don't know. I know that the securities  
13 at the office would escort him to his car.

14 Q. Would anyone go with him in the car?

15 A. No.

16 MR. PATEL: Hold on one second.

17 (Discussion off record sotto voce)

18 THE WITNESS: Oh, okay.

19 MR. PATEL: Just to be clear, they're  
20 asking about not just people in security. Her  
21 question about "Did somebody drive Mauricio around"  
22 is not tied to the security title, if I understand  
23 correctly.

24 MS. THEMELI: Correct.

25 THE WITNESS: Oh, understood. That was

1 my --

2 Q. (BY MS. THEMELI) It's okay. Did  
3 Mauricio, say, have a chauffeur or someone who would  
4 drive him around?

5 A. Yes.

6 Q. And who would that be?

7 A. It was Mon, and there was also another  
8 guy. I don't know his name, though.

9 Q. And did Mon carry a gun?

10 A. I never saw anything.

11 Q. What about the other guy, did he carry a  
12 gun? Or I assume it was a guy.

13 A. I don't know.

14 Q. Did Mauricio have a personal computer?

15 A. Yes, ma'am.

16 Q. Was it a desktop?

17 A. It was a Mac Mini that sat on his desk.

18 Q. And we have seen some pictures. And  
19 other than that computer you just described, are you  
20 aware of any other type of computer, laptop or iPads  
21 that Mauricio had?

22 A. His cousin gifted him a custom built  
23 computer. It was white. It was underneath his desk  
24 as well.

25 Q. Was it an Apple computer?

1 A. A custom built PC.

2 Q. Custom built. And I am a complete  
3 ignorant. That's why I'm asking you.

4 A. No, no worries. It was a custom built  
5 PC.

6 Q. PC?

7 A. Uh-huh.

8 Q. Did he have any other device that you  
9 have seen him other than his phone?

10 A. No, ma'am.

11 Q. An iPad, for example?

12 A. No, ma'am.

13 Q. What type of car did Mauricio drive at  
14 the office?

15 A. It was a BMW.

16 Q. We know that CFX had a Facebook account  
17 and other social media. Do you know who administered  
18 those and who ran those?

19 A. No, ma'am.

20 Q. Was Carlo in marketing? Right?

21 A. Yes.

22 Q. Would he handle -- is it possible that he  
23 handled those?

24 A. No, ma'am, I don't think so.

25 Q. And who would know?

1 A. My -- may I provide my assumption?

2 Q. Yes, of course.

3 A. Okay. If any social media things were  
4 created, they were created a long time ago before I  
5 was there.

6 Q. Uh-huh.

7 A. And I think there's social medias, like  
8 this picture (indicates), from accounts that were  
9 created from random students.

10 Q. So are you saying that there is no  
11 official CFX Academy or Life -- or CFX Lifestyle or  
12 CryptoFX Facebook account?

13 A. From March when I was there, no.

14 Q. Does CFX have a website?

15 A. There was one. It says it on the bottom  
16 of the contract.

17 Q. And who managed that?

18 A. I don't know.

19 Q. Did CFX ever use web services to generate  
20 business leads or new investors?

21 A. No.

22 Q. It was all word of mouth?

23 A. I think that's --

24 Q. As far as you know?

25 A. As far as I know.

1 Q. Did you ever confirm commissions for  
2 meters?

3 A. No, ma'am.

4 Q. I have an e-mail here -- I think I need  
5 to put on my glasses -- from John Segura. He's in  
6 Miami, correct?

7 A. Correct.

8 Q. And he's sending an e-mail to you --

9 A. Uh-huh.

10 Q. -- talking about his commission and his  
11 bonus?

12 A. Yes, ma'am.

13 Q. And why would John Segura send you -- by  
14 the way, John Segura, is he the founder of CFX Miami?

15 Is that -- does that sound correct?

16 A. Yes.

17 Q. How long has CFX Miami been around?

18 A. It never kicked off, ma'am, that I'm  
19 aware of.

20 Q. They never had an office?

21 A. They never went live.

22 Q. Okay. And why would John Segura send you  
23 an e-mail about his commission?

24 A. So he would reach out to Anna and as an  
25 additional source, he always wanted me to -- he

1 always provided the e-mail to me as well. He was  
2 also an attender of my crypto class, so --

3 Q. So what, he was going to send it to you  
4 just so that you knew about it or was he asking for  
5 some sort of confirmation from you?

6 A. He was asking me to share that with Anna  
7 or see if there is a status from Anna since I was  
8 also in the building.

9 Q. I am going to hand you what's being  
10 marked as Exhibit 42 to this deposition.

11 (Exhibit 42 marked)

12 Q. (BY MS. THEMELI) This is a contract  
13 under the name of Jonadas Salido?

14 A. Yes, ma'am.

15 Q. This is your -- your brother-in-law,  
16 right?

17 A. Yes, ma'am.

18 Q. And if you see at the bottom there, the  
19 contract was signed on June 17th, 2022.

20 Do you see that?

21 A. Yes, ma'am.

22 Q. And is that John's signature above  
23 student's signature?

24 A. Yes, ma'am.

25 Q. And next to that it says "CryptoFX, LLC

1 representative," and that's your name, right?

2 A. Yes, ma'am.

3 Q. And then on the right we have again your  
4 name as the CryptoFX, LLC student?

5 A. Yes, ma'am.

6 Q. What does that mean, that you received  
7 his \$10,000 investment?

8 A. That I received the 10,000, and then that  
9 would go to the accounting team.

10 Q. And was that \$10,000 in cash?

11 A. That was 10,000, ma'am, yes.

12 Q. Okay. And if you go at the top of the  
13 document where it says "Direct sponsor, seven  
14 percent; indirect sponsor, three percent." do you see  
15 that?

16 A. Yes, ma'am.

17 Q. And your name is listed on those --  
18 you're listed both as a direct sponsor and also as an  
19 indirect sponsor, correct?

20 A. Yes, ma'am.

21 Q. Okay. And how much money did you receive  
22 as a direct sponsor from this -- from this contract?

23 A. None, ma'am. That went back to John.

24 Q. What do you mean it went back to John?

25 A. So, yeah, so that -- that was a referral

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STATE OF TEXAS  
COUNTY OF HARRIS

REPORTER'S CERTIFICATE  
ORAL VIDEOTAPED DEPOSITION OF  
MR. JULIO E. TAFFINDER

December 14, 2022

I, Michelle Hartman, the undersigned  
Certified Shorthand Reporter in and for the State of  
Texas and Registered Professional Reporter, certify  
that the facts stated in the foregoing pages are true  
and correct.

I further certify that I am neither  
attorney or counsel for, related to, nor employed by  
any parties to the action in which this testimony is  
taken and, further, that I am not a relative or  
employee of any counsel employed by the parties  
hereto or financially interested in the action.



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SUBSCRIBED AND SWORN TO under my hand and seal of office on this 19th day of December, 2022.

*Michelle Hartman*

Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23



[4/19/22, 9:40:24 PM] Mauricio: Messages and calls are end-to-end encrypted. No one outside of this chat, not even WhatsApp, can read or listen to them.

[4/19/22, 9:40:24 PM] Mauricio: Contact card omitted

[4/21/22, 4:22:35 PM] Flow 🏠👉: image omitted

[5/23/22, 8:07:57 PM] Flow 🏠👉 **REDACTED**

[5/25/22, 3:33:40 PM] Flow 🏠👉: Hi brother, I paid out all btc payments from last week of 21k. This week there are an additional 70k that need to be paid out

[5/26/22, 1:38:16 PM] Flow 🏠👉: Hi brother, happy Wednesday. Just a friendly reminder that we are out of btc to continue pay outs. Let me know if I can help with anything

[5/26/22, 8:28:39 PM] Mauricio: audio omitted

[5/26/22, 11:14:35 PM] Flow 🏠👉: audio omitted

[5/26/22, 11:15:22 PM] Mauricio: audio omitted

[5/26/22, 11:16:20 PM] Flow 🏠👉: audio omitted

[5/26/22, 11:23:07 PM] Mauricio: Awesome bro

[5/26/22, 11:27:53 PM] Flow 🏠👉: Awesome bro, I'll text you when I get back Sunday my guy 🗨️🗨️

[5/26/22, 11:28:10 PM] Mauricio: Have a great flight

[5/26/22, 11:29:54 PM] Flow 🏠👉: Yes sir, thanks man! I'll send you pics fo shizzle

[5/26/22, 11:38:22 PM] Flow 🏠👉: I'll still be in the office tomorrow just going to leave at 4 to catch the flight. Let me know if you need anything as well

[5/27/22, 12:38:07 PM] Flow 🏠👉: audio omitted

[5/27/22, 2:24:36 PM] Flow 🏠👉: CFX Academy - Poster Boards CFXACA-0001.pdf • 1 page document omitted

[5/27/22, 2:25:25 PM] Flow 🏠👉: Hi brother this is the quote for the led banner. Let me know when I'm good to place the order 👍

[5/27/22, 2:26:24 PM] Flow 🏠👉: I was able to get a \$300 discount. The leds will also be for indoor/outdoor and we can transport them to events if needed

[5/27/22, 2:47:49 PM] Mauricio: audio omitted

[5/27/22, 2:49:13 PM] Flow 🏠👉: No problem my guy 🗨️🗨️ can I get the money from Cindy to order them?

[6/2/22, 10:52:42 AM] Flow 🏠👉: Hi brother, Good Morning. For the BTC payments, can you send me 2 BTC to continue to pay out folks. We have about 30+ people awaiting payments



# EXHIBIT F

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IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE )	)
COMMISSION, )	)
Plaintiff, )	)
vs. )	) Case No. 4:22-cv-3359
MAURICIO CHAVEZ, )	)
GIORGIO BENVENUTO, and )	)
CRYPTOFOX, LLC, )	)
Defendants. )	)
and )	)
CBT GROUP, LLC, )	)
Relief Defendant. )	)

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ORAL AND VIDEOTAPED DEPOSITION OF  
MARIA SARAVIA  
DECEMBER 15, 2022

ORAL AND VIDEOTAPED DEPOSITION OF MARIA SARAVIA,  
produced as a witness at the instance of the PLAINTIFF,  
and duly sworn, was taken in the above-styled and  
numbered cause on DECEMBER 15, 2022, from 9:17 a.m. to  
6:19 p.m., before Donna L. Garza, CSR, in and for the  
State of Texas, reported by machine shorthand, at the  
law offices of Shook, Hardy & Bacon, LLP, 600 Travis  
Street, Suite 3400, Houston, Texas, pursuant to the  
Federal Rules of Civil Procedure and the provisions  
stated on the record or attached hereto; that the  
deposition shall be read and signed before any notary  
public.  
JOB No. 221215WWC

1 A. Yes. Correct.

2 Q. And it has your name on the top of it?

3 A. Yes.

4 Q. And it says the start date is December 1,  
11:57 5 2020?

6 A. Okay.

7 Q. Do you believe this is your second contract  
8 with CFX?

9 A. Yes. Because the first one was a thousand.

11:57 10 Q. Okay. And aside from looking at this, do you  
11 remember that your second contract was for \$4,000?

12 A. Correct.

13 Q. And it says that the user here at the top of  
14 the page is Mauricio Chavez, listed 1 and 2.

11:58 15 Do you see that?

16 A. Yes.

17 Q. Did Mauricio Chavez sign you up for your  
18 second contract?

19 A. It was another person. They would always put  
11:58 20 his name.

21 Q. Do you have any understanding about why they  
22 always put his name?

23 A. No, I do not know.

24 Q. Who did you give your money to when you  
11:58 25 brought in \$4,000?

1 A. Mr. Taffinder.

2 Q. Okay. And was some of that \$4,000 money that  
3 you had gotten from CFX in your previous contract?

4 A. Yes. Yes. But I put some more because I  
11:59 5 hadn't earned that -- that much.

6 Q. Yeah. A good result so far?

7 THE INTERPRETER: Excuse me?

8 Q. (BY MR. GULDE) A good result so far?

9 A. Yes, sir.

11:59 10 Q. Do you know of any significance of having  
11 Mauricio Chavez listed as 1 and 2 at the top of this  
12 document?

13 A. I think it's because he earned the Commission  
14 1 and Commission 2.

12:00 15 Q. Okay. So, later contracts would show the  
16 commissions explicitly in -- in this location; is that  
17 right?

18 A. In the thousand?

19 Q. They would show the word "direct" and  
12:00 20 "indirect" sponsor?

21 A. I don't remember about the first ones.

22 Q. Okay. Okay. How did you understand that  
23 Mauricio was in -- well, let me ask a different  
24 question. Sorry.

12:01 25 Did you understand that Mauricio would

1 receive 7 percent and 3 percent on your \$4,000 here?

2 A. It's what it says there, yes.

3 Q. Okay. So, seeing Mauricio here listed as 1  
4 and 2 means to you that he would have received 7 percent  
12:01 5 an 3 percent on your 4,000?

6 A. Yes.

7 Q. And do you have that understanding because of  
8 your continued experience with CFX?

9 A. Yes, sir.

12:02 10 Q. Okay. So, let's look down at the bottom of  
11 this contract.

12 It shows -- it shows that you were paid on  
13 December 15th, 2020, \$800?

14 A. Yes.

12:02 15 Q. Now, I'm -- I'm a little confused. Because it  
16 says the start date is 12-1. So, only 15 days have  
17 passed.

18 A. I don't know. Possibly they made a mistake.  
19 I don't know. I don't remember that.

12:02 20 Q. Do you remember receiving \$800 in December,  
21 January, and February of '21?

22 A. Yes. Because in this one, I think they would  
23 pay me monthly.

24 Q. Okay. Is that the normal practice at CFX?

12:03 25 A. Yes. At the beginning, it was every month,

1 every three months, every six months.

2 Q. Just to make sure I understand that, "at" --  
3 "at the beginning," you mean in the beginning of your  
4 experience with CFX?

12:03 5 A. Correct.

6 Q. You're saying at the beginning, it was CFX's  
7 practice to pay out monthly?

8 A. Yes.

9 Q. So, if you look at the bottom of this contract  
12:04 10 we've been looking at, Exhibit 45, it shows those three  
11 monthly payments, right?

12 A. (No response.)

13 Q. And do you know -- do you know what percentage  
14 800 is of 4,000?

12:05 15 A. Mr. Taffinder told us -- they said for those  
16 that would help, they would give us the 20 percent. I  
17 don't know if that's in there.

18 Q. Well, I'll represent to you that 800 is 20  
19 percent of 4,000.

12:05 20 So, you -- you believe you were receiving  
21 a 20 percent monthly payment from CFX?

22 A. Yes.

23 Q. And why is it that you understood you were  
24 getting 20 rather than the 15 that we had discussed  
12:05 25 before?



1 A. They told us that we would -- if we would help  
2 there, because a lot of people would arrive -- that if  
3 we helped there with the people and we -- those of us  
4 that helped would get 20 percent.

12:06 5 THE WITNESS: May I go to the bathroom?

6 MR. GULDE: Yeah. You know what? It's  
7 probably a good time for us to break for lunch. So, we  
8 can go off the record.

9 THE VIDEOGRAPHER: Off the record at  
12:06 10 12:06 p.m.

11 (Break from 12:06 p.m. to 1:11 p.m.)

12 THE VIDEOGRAPHER: Back on the record,  
13 1:11, beginning Tape 4.

14 Q. (BY MR. GULDE) Ms. Saravia, before lunch, we  
13:11 15 were discussing your first couple of contracts with CFX.

16 Do you remember that?

17 A. Yes.

18 Q. And, specifically, we were looking at Exhibit  
19 No. 45, that appears to show that you were paid \$800  
13:12 20 every month between December and ending in February of  
21 2021.

22 A. Yes.

23 Q. And, then, Exhibit 45 shows that the next date  
24 that you were paid was in July.

13:12 25 Is that how you remember it happening?

1 A. I don't remember. I'm just looking at it.

2 Q. You don't remember there being a five-month  
3 gap between getting paid on this contract?

4 A. I don't remember. It's not here.

13:13 5 (Marked Saravia Exhibit 46.)

6 Q. (BY MR. GULDE) I'm going to hand you what  
7 I've labeled 46.

8 A. All right.

9 Q. Now, the first page of Exhibit 46 is -- is  
13:13 10 actually the signed contract that relates to the first  
11 page of Exhibit 45; is that right?

12 A. Yes.

13 Q. And, so, you entered this contract with a  
14 start date of December 1st, 2020; is that right?

13:14 15 A. I didn't sign this. This is not my signature.

16 Q. So, you're pointing to the bottom of the first  
17 page of Exhibit 46, correct?

18 A. Here.

19 Q. Here, you're talking about the bottom of  
13:14 20 Exhibit 46?

21 A. Here. All right.

22 Q. Is the answer "yes"? Are you looking at  
23 Exhibit 46 with the -- the number on it?

24 A. This.

13:15 25 Q. Okay. Thank you.

1           The signatures there appear to be some  
2 sort of verified digital signature; is that right?

3           MS. AGUILAR: Can I -- wait. Can I have  
4 a minute?

13:15 5           MR. GULDE: Sure.

6           (Witness and counsel conferring.)

7           MR. GULDE: Did you clarify my question?

8           MS. AGUILAR: Yes. She didn't understand  
9 the word "digital."

13:15 10          MR. GULDE: Okay.

11          Q.    (BY MR. GULDE) So, let me ask that question  
12 one more time.

13           The signatures on the bottom of Exhibit 46  
14 appear to be some sort of verified digital signature,  
13:15 15 right?

16          A.    Oh, okay. All right.

17          Q.    Are you familiar with a computer being able to  
18 sign a document this way?

19          A.    No.

13:16 20          Q.    Are you familiar with -- with anyone using  
21 digital signatures?

22          A.    No.

23          Q.    Okay. Are you familiar with a device being  
24 used at CFX hooked up to a computer where people could  
13:17 25 sign a pad?

1 Q. And, so, did you sign this document on  
2 February 14th, 2022?

3 A. Yes. The date is on -- is there, 14th of  
4 February.

14:43 5 Q. Do you believe that says '22 or '20?

6 A. It says '28 here.

7 Q. Are you a time traveler, Ms. Saravia?

8 A. (No response.)

9 Q. Do you know -- do you know when you would have  
14:44 10 signed this?

11 A. I don't know, because here the date is -- I  
12 don't know. It probably was this year.

13 Q. Yeah. It wouldn't have been 2020 because you  
14 weren't involved with CFX in --

14:44 15 A. Yes. It had to be this year, I think.

16 Q. Okay. And above your signature is a list of  
17 numbers. And it says: Lolly Saravia; Quantity, 1; Unit  
18 Price, \$90,000.

19 Do you know what this is referring to?

14:44 20 A. They were both bonuses that they paid me. And  
21 after that, I wasn't paid anything.

22 Q. So, you're saying that the -- that CFX paid  
23 you \$90,000 in bonuses in February of 2022?

24 A. Correct.

14:45 25 Q. And that's the last time you received any

1 bonus or commission payment from CFX?

2 A. Yes. After that, I wasn't paid.

3 Q. Do you --

4 A. That's why I'm mad.

14:45 5 Q. Do you believe that you received \$10,000 in  
6 bitcoin?

7 A. He was going to send it to me in bitcoin, but  
8 I didn't want it. He gave it to me in cash. I didn't  
9 want him to send that.

14:46 10 Q. And when you say "He was going to send it,"  
11 who are you talking about?

12 A. Mauricio.

13 Q. Okay. Did you have a personal conversation  
14 with Mauricio about whether this would be in bitcoin or  
14:46 15 in cash?

16 A. Yes.

17 Q. What does \$80,000 in "contratos" mean here?

18 A. I don't know -- I don't know what it is  
19 referring to, but it was bonuses that I was paid. And  
14:47 20 bonuses and contracts, perhaps that's why they put it in  
21 there.

22 Q. So, are -- are you saying to us today that  
23 this \$90,000 includes both bonus and commission payments  
24 to you and contract payments?

14:47 25 A. Yes.

1 Q. Okay. Is -- would this be broken out anywhere  
2 so we could know what belonged to what?

3 A. No.

4 Q. Did you believe that this \$90,000 had been  
14:47 5 correctly calculated?

6 A. I don't remember, because I don't even  
7 remember this date.

8 Q. Do you remember getting paid \$90,000?

9 A. Yes.

14:48 10 Q. And did you think that's what you were owed?

11 A. I believe so. I don't -- I don't remember, to  
12 tell you the truth.

13 Q. Do you think you would recall -- do you think  
14 you would have known if Mauricio was shortchanging you?

14:48 15 A. I don't remember. I'm not able to tell you  
16 "yes" or "no."

17 Q. After this date in February, did you earn more  
18 bonuses that haven't been paid?

19 A. Bonuses I have not been paid. I don't  
14:49 20 remember. I don't remember contracts. Bonuses, I have  
21 not been paid.

22 (Marked Saravia Exhibit 47.)

23 Q. (BY MR. GULDE) Okay. I'm going to hand you  
24 what I put exhibit sticker No. 47 on. And it's a  
14:50 25 collection of documents, some of which have been

1 stapled. I would just ask you to take care -- to keep  
2 them in the same order that they are right now.

3 A. Very well.

4 Q. Is this a document that you gave to your  
14:50 5 lawyer to give to us?

6 A. Yes.

7 Q. Okay. And -- and what are these documents?

8 A. In the latest months -- June, July, August --  
9 we were given for us to also pay people.

14:51 10 Q. You were instructed to -- to pay CFX student  
11 investors?

12 A. Yes.

13 Q. Okay. Who instructed you to do that?

14 A. The office manager.

14:51 15 Q. And who is that?

16 A. Norma Chavez.

17 Q. Okay. So, prior to -- before Norma telling  
18 you that, was your job just helping people fill out  
19 contracts and collecting their cash for CFX?

14:52 20 A. No. The payments, I wouldn't receive. The --  
21 the payments, she would receive them. I would do the  
22 contracts -- Norma. I would do the contracts. They  
23 would go up with the contract and pay her.

24 Q. Okay. So, before Norma gave this new  
14:52 25 instruction, you would help people fill out the

1 contract?

2 A. Only.

3 Q. And at the end of your interaction with them,  
4 they would have a finished contract that they would then  
14:53 5 take to Norma?

6 A. That's the way it is.

7 Q. And at that point, they would give Norma  
8 whatever amount of cash they needed to?

9 A. Well, cash or -- or cashier's check.

14:53 10 Q. Okay. Did you see people come in and pay with  
11 cashier's checks?

12 A. Yes.

13 Q. And how often did that happen?

14 A. I don't remember.

14:53 15 Q. Often?

16 A. Maybe some two or three times a month.

17 Q. So, how did Norma announce this new policy?

18 A. Norma.

19 Q. How -- how did she --

14:54 20 MR. GULDE: Did I say "Monica"?

21 THE INTERPRETER: Maybe you did.

22 MR. GULDE: Who knows? Who knows?

23 Q. (BY MR. GULDE) So, how did Norma announce  
24 this new policy?

14:54 25 A. She said that we had to do that because they



1 had a lot of work.

2 Q. "They" being the accounting office?

3 A. Correct.

4 Q. Okay. And did she say this in person?

14:55 5 A. Yes.

6 Q. Did you believe that she had permission from  
7 Mauricio to make this change?

8 A. I believe so.

9 Q. Why would you think that?

14:55 10 A. Because he also said that in a meeting.

11 Q. Mauricio said that people like you would be  
12 helping with payments in a meeting?

13 A. Yes.

14 Q. Okay. And he said this before Norma  
14:55 15 approached you?

16 A. I don't know who was first, him or her.

17 Q. Okay. And explain to us how Norma said it  
18 would work.

19 A. That we were going to do the contract; that we  
14:56 20 would receive the money; and at the closure, we would  
21 give it to her.

22 Q. Let me break that up into little pieces.

23 You would still help people fill out their  
24 contracts?

14:56 25 A. That's the way it is.

1 Q. But now they would give you the money?

2 A. Exactly.

3 Q. Okay. And would you take the money and the  
4 contract to Norma?

14:57 5 A. Yes.

6 Q. Or someone else in accounting?

7 A. No, to Norma. She was the accountant.

8 Q. Was she there every day all day?

9 A. From Monday to Friday.

14:57 10 Q. Okay.

11 A. She wouldn't go on Saturday.

12 Q. Did you -- did CFX take money in on Saturday?

13 A. Till midday.

14 Q. And who was the accountant who took the money  
14:57 15 on Saturdays?

16 A. They would be different persons.

17 Q. Okay. So, is the only change in this new  
18 policy that you would personally handle the money?

19 A. Yes. And that's -- that's why people think  
14:58 20 that I stole the money, because they were giving the  
21 money to me. But I have here that I would deliver that.

22 Q. Okay. You didn't take this money home; you  
23 gave it to Norma?

24 A. No. There was a safe there. And we would  
14:58 25 keep it there whenever Mrs. Norma wasn't there; and on

1 the next day, we would give it to her. If not, I'll be  
2 killed if they see me with that money.

3 Q. I'm going to hand you Exhibit 41.

4 Do you recognize that as the layout of  
14:59 5 Blalock?

6 A. Yes.

7 Q. Can you put it on the table and then point to  
8 where the -- the safe was?

9 A. Which safe?

14:59 10 Q. Well let's talk about the one you just  
11 mentioned, the safe.

12 A. Where I would keep it? At the first level.  
13 It was at the end. It was in the back near the south.  
14 There's an office there that had the safe.

15:00 15 Q. Are you talking about -- if you're in the  
16 lobby and you're -- it's to the right of the stairs as  
17 you're facing the office?

18 A. To the left hand at the end, at the very end.

19 Q. Okay. I think -- let me pull this up here  
15:00 20 real quick.

21 So, left side, as you -- as you're facing,  
22 left side this way?

23 A. Where the conference room was at the end.

24 MS. AGUILAR: Can she put an X on it?

15:00 25 MR. GULDE: I don't really want her to

1 write on this thing. I mean, do you guys care?

2 MS. AGUILAR: No. Would you put an X on  
3 it --

4 MR. GULDE: Okay.

15:00 5 MS. AGUILAR: -- and initial it?

6 A. When you enter the building, there's the  
7 reception. You have the stairs that go up, right; and  
8 there to the left, at the end, there was a conference  
9 room and there was a small office and there was a safe.

15:01 10 Q. (BY MR. GULDE) Would you put an X where you  
11 think it is?

12 MS. THEMELI: Where do you think the safe  
13 was?

14 A. It was on the first level. Near the  
15:01 15 conference room on the first level.

16 Q. (BY MR. GULDE) Okay. So, that's one safe?

17 A. On the first floor.

18 Q. Okay. On the first floor.

19 Where were the other safes?

15:01 20 A. I don't know. I only knew about that one.

21 Q. Okay. And is that where the money went that  
22 had been received the way we've been discussing daily?

23 A. Yes. And then after, I would deliver it to  
24 the lady.

15:02 25 Q. Okay. So, for the record --

1 MR. GULDE: Oh, what does that say that  
2 she's written on the exhibit?

3 THE INTERPRETER: First level.

4 MR. GULDE: Okay.

15:02 5 Q. (BY MR. GULDE) So, the witness has written  
6 the words "first level" in Spanish on Exhibit 41 in blue  
7 ink an area beneath second floor conference room  
8 indicating location.

9 Do you have any idea how much money would  
15:03 10 typically be in the safe at the end of the day?

11 A. It was different amounts.

12 Q. Do you have a range, smallest or biggest?

13 A. Sometimes 50-, maybe 100-.

14 Q. Do you know where that money would go at the  
15:03 15 end of the day?

16 A. No. I would give it to Mrs. Norma. I don't  
17 know where it would go.

18 Q. Okay. You would -- you would give the money  
19 from the safe to Norma?

15:03 20 A. Yes. Yeah, in an envelope. She would count  
21 it, and she would give me this paper.

22 Q. Okay. So, it was a daily procedure at the end  
23 of -- of the day for you to take money out of the safe,  
24 put it in an envelope, and give it to Norma?

15:04 25 A. Yes.

1 Q. And -- and you -- did you create this document  
2 to give to Norma?

3 A. No. She would give it to me. I don't know  
4 anything about computers.

15:04 5 Q. Do you know if Norma created this document?

6 A. She would give it to me. I don't know if it  
7 was already in the system or what.

8 Q. Okay. But when you received it, it was on  
9 paper?

15:05 10 A. Yes, on paper.

11 Q. And you apparently got to keep it?

12 A. Yes. It would remain at the office. I would  
13 keep it there.

14 Q. And how did you end up with these documents  
15:05 15 after the office closed?

16 A. I just -- I just by chance had found these and  
17 brought them as an example.

18 Q. Do you have -- do you have any idea how these  
19 particular documents ended up at your house?

15:05 20 A. Well, I would put them in my -- in my purse as  
21 always documents.

22 Q. Did you use them at home?

23 A. No. I found them because she asked me to look  
24 for any -- for them, and I found them.

15:06 25 Q. Well, I understand your -- your lawyer asked

1 you to find CFX documents at home.

2 But my question is: You know, do you know  
3 why these ended up at your house?

4 A. Yes. Because maybe sometimes I would put it  
15:06 5 in my purse. And that was good; because if not, I  
6 wouldn't have brought anything. Everything was there.

7 Q. I'm glad you did.

8 But just to clarify, was -- was there --  
9 was there any reason why you took these?

15:07 10 A. No --

11 Q. Do you know when --

12 A. -- no reason.

13 Q. Do you know when you would have taken them?

14 A. Neither. I have -- I have no idea.

15:07 15 Q. Do you know other people who took documents  
16 like this home?

17 A. I don't know. Because different people worked  
18 in different ways.

19 Q. Did CFX have any company policy about how  
15:07 20 documents like this ought to be handled?

21 A. I don't know. It was given to me.

22 Q. Okay. By Norma?

23 A. Yes. She was the one in charge.

24 Q. So, looking at that front page of Exhibit 47,  
15:08 25 it bears a date that has not happened yet, right?

1 THE INTERPRETER: What?

2 Q. (BY MR. GULDE) It bears a date that has not  
3 happened yet.

4 A. They made a mistake.

15:08 5 Q. Yeah. You believe that '23 to be a typo?

6 A. I believe. Because over here, you can see it  
7 says '22.

8 Q. Okay. And then -- but below that it says:  
9 "New Contracts."

15:08 10 And it says "\$310,500"; is that right?

11 A. Correct.

12 Q. Does that mean to you that on August 26th, you  
13 took in \$310,500 in new contracts from CFX student  
14 investors?

15:09 15 A. Maybe not only that day, maybe two or three  
16 days.

17 Q. Okay. So --

18 A. I don't remember.

19 Q. Would it have been standard for a document  
15:09 20 like this to cover not only this day, but a couple of  
21 days in front?

22 A. I didn't -- no, I didn't understand.

23 Q. Was it normal for this to cover more than one  
24 day?

15:10 25 A. Yes, one, two, maybe three days.



1 Q. Okay. So, is it fair to say that in -- on the  
2 26th of August or in the one, two, or three days  
3 preceding that day, that CFX took in \$310,500 in new  
4 contracts from student investors?

15:10 5 A. Yes.

6 Q. Okay. And, so, from that amount on the next  
7 line, was \$56,235 taken away from that amount in  
8 commissions?

9 A. That was paid to people for inviting some  
15:11 10 people.

11 Q. Okay. So, from that \$310,000 that CFX took  
12 in, 56,000 of that was immediately paid to people who  
13 needed referral fees for those contracts?

14 A. Correct.

15:12 15 Q. And that makes sense, because it's somewhere  
16 in between 15 and 20 percent of \$310,000.

17 A. That's between 7 and 3 percent. Maybe 14, 15.  
18 I don't know exactly.

19 Q. Would -- would this have included some double  
15:12 20 bonus referrals?

21 A. Yes.

22 Q. And would this have included the -- the  
23 additional bonus outside of the referral system?

24 A. No. Only the referrals.

15:12 25 Q. Okay. So, the additional bonus would be paid

1 separately?

2 A. Yes.

3 Q. Okay. Did that previous exhibit, 44, does  
4 this show -- does this include the additional bonus?

15:13 5 A. Additional bonuses. And, sometimes, it also  
6 included new contracts.

7 Q. Okay. And, so, looking back to Exhibit 47,  
8 from the \$310,000 that was taken in -- and this is all  
9 cash, right?

15:13 10 A. And sometimes cashier's checks.

11 Q. So, from -- from that amount of cash and  
12 cashier's checks, we take away the commissions; that's  
13 No. 1?

14 And then what -- thank you. What is this  
15:14 15 next line that says "Old Contracts"?

16 A. To pay contracts to people.

17 Q. And that, for example, is the -- the contract  
18 payment that comes up in three months on somebody's  
19 contract of \$5,000?

15:14 20 A. That's the way it is.

21 Q. And that's paid directly out of cash that had  
22 been received in the last couple of days?

23 A. Yes. But some people asked payments in  
24 bitcoin. Not all. Not all -- not all in cash. Some

15:15 25 asked for payment in bitcoins.

1 Q. And those bitcoin payments wouldn't be  
2 reflected on -- on this page at least?

3 A. I don't remember that. This was being paid to  
4 the people there. It was cash.

15:15 5 Q. What is this row that says "Elite"?

6 A. It's when the people invited other people,  
7 like a team bonus.

8 Q. Okay. Did you ever receive a team bonus?

9 A. Yes. When they were paid, that comes included  
15:15 10 in there.

11 Q. And you're talking about the -- the 90,000  
12 that we were looking at for you?

13 A. And also contract. They were paid both in  
14 there.

15:16 15 Q. In Exhibit 44?

16 A. Yes.

17 Q. Sometimes I have to say the actual number on  
18 there just to make sure to make sure we're talking about  
19 the same document.

15:16 20 Q. Okay. So, on this particular day, no  
21 elite bonuses were paid?

22 A. No.

23 Q. And, so, that 132,487 represents the money in  
24 the envelope that you would hand to Norma?

15:16 25 A. No. Let me explain. I would -- I would give

1 her \$310,000 minus this -- this, the 56,000 because that  
2 was paid.

3 Q. Let me make sure I understand.

4 You would hand Norma \$310,500?

15:17 5 A. No.

6 Q. Okay. Tell me again.

7 A. I would subtract the \$56,000 that I -- that I  
8 already had paid the people, I.

9 Q. Okay. So, you took out the 56,235?

15:18 10 A. Yes.

11 Q. Okay. What about the 121-?

12 A. That was to pay three months contracts, and  
13 they would give me the list.

14 Q. Okay. And, so, what happened to that \$121,000  
15:18 15 in the moment that you were handing cash to Norma?

16 A. She would give them back to me.

17 Q. She would give you back \$121,000?

18 A. To pay all these people.

19 Q. Okay. And, so, what Norma was left in her  
15:19 20 hand that day -- at the end of the day was 132,487?

21 A. Correct. Yes.

22 Q. And were all these people on the second and  
23 third page of these -- of this document, were they  
24 present in the office that day?

15:19 25 A. She would give me the money. I would put it

1 back into the safe. She would give me the list. That's  
2 why I would take the list. Because I would make an  
3 envelope with the date of the person and the amount to  
4 be paid, and the person would sign the envelope for me.

15:20 5 It was a lot of work.

6 Q. The person would sign the envelope, and you  
7 would keep the envelope?

8 A. I would hand them the envelope, but I would  
9 take the card back.

15:20 10 Q. Okay. And they -- so, would the envelope say  
11 how much was in it?

12 A. Name and amount.

13 Q. And you would have them sign it and take a  
14 picture of it?

15:20 15 A. And that occurred to me to have evidence.  
16 Because then later they would -- they could come back  
17 and say that they weren't paid.

18 Q. Did you ever have that happen?

19 A. Once.

15:21 20 Q. Who was that?

21 A. I don't remember.

22 Q. Were you able to prove that you had paid?

23 A. Thanks to the Lord that he went to the  
24 accountant. The accountant paid him and -- he was paid  
15:21 25 by the accountant. But then he wanted me to pay him

1 again. And that's why it occurred to me to have in  
2 evidence that nobody else could get back to me again.

3 Q. Are these photographs on the phone that you  
4 brought in?

15:22 5 A. Yes, they are here.

6 Q. All of them? You didn't delete any?

7 A. Maybe not all of them. A majority of them are  
8 there.

9 Q. Okay. Let's look quickly at Page No. 2 here.  
15:22 10 There's a column of dates on the left.

11 Do you know what that date represents?

12 A. When the contract would expire on the person.

13 Q. It would expire, or when payment would become  
14 due?

15:22 15 A. When payment was due.

16 Q. And then the second column is -- is just the  
17 name of the person?

18 A. Yes, the name of the person.

19 Q. The third column is very confusing to me.

15:23 20 A. For me, too. Sometimes, they put amounts; and  
21 sometimes, they put telephone numbers.

22 Q. This first amount is -- is \$8 trillion?

23 A. No. The amount is 4,500. That's the phone  
24 number, 832-whatever.

15:23 25 Q. So, this is a computer formatting issue?

1 THE INTERPRETER: What's that?

2 Q. (BY MR. GULDE) This is a computer formatting  
3 issue?

4 A. I don't know anything about that.

15:23 5 Q. Okay. But you believe this third column are  
6 phone numbers that belong to the people?

7 A. Yes. They are phone numbers.

8 Q. And the fourth column is the amount that has  
9 become due on the date that is listed in the first  
10 column?

11 A. That -- what had to be paid.

12 Q. Okay. And what is -- let's run through these  
13 words on the fifth column.

14 What does "Ganancias" mean?

15:24 15 A. What he earned. What he earned.

16 Q. Earnings. Okay.

17 And, then, what does "Capital" mean?

18 A. Capital is when it was returned with what they  
19 had given at the beginning.

15:24 20 Q. Okay. And, then, handwritten in here -- it's  
21 in red pen. It says "Sobre."

22 A. Because I made an envelope. "Sobre" means  
23 envelope.

24 Q. Okay. Does "Sobre" mean that the envelope had  
15:25 25 been handed over?

1 A. Yes. That -- that I made the envelope with  
2 the data.

3 Q. Okay. But does it mean that you handed the  
4 envelope over to the person?

15:25 5 A. Yes. Correct. I would then send a text to  
6 the person. They would come by and receive their  
7 envelope with the money.

8 Q. Okay. And is there any significance to the  
9 stars in the third column?

15:25 10 A. That means that I have already done it. That  
11 I have certain control.

12 MR. GULDE: Say again.

13 THE INTERPRETER: It had already been  
14 done --

15:26 15 MR. GULDE: Okay.

16 THE INTERPRETER: -- to have a certain  
17 control.

18 Q. (BY MR. GULDE) So, starting with the Reyna  
19 Jeanett De Leon Romero line, there's just a single line  
15:26 20 in red.

21 What does that mean?

22 A. It was 1:00 or 2:00 in the morning in doing  
23 this. I would just do that and go to bed.

24 Q. Okay. No difference between that and the  
15:26 25 star?



1 A. No, no difference.

2 Q. Okay. Is -- what we've just gone through,  
3 was -- was this -- do you know when Norma announced this  
4 new policy and put it into place?

15:26 5 A. I don't remember.

6 Q. Do you think that CFX handled cash any  
7 differently before that -- before you started handling  
8 cash?

9 A. I don't think so.

15:27 10 MR. GULDE: If you would -- before we  
11 stack that up, let's put this on it.

12 MS. AGUILAR: I don't have a copy of  
13 Exhibit 41, the layout.

14 MS. THEMELI: I can make you a copy.

15:28 15 MS. AGUILAR: Thank you.

16 MR. GULDE: Which one is 41?

17 MS. AGUILAR: The layout of Blalock.

18 MR. GULDE: Oh, yeah. I don't have -- I  
19 don't have an extra one of those.

15:28 20 Q. (BY MR. GULDE) Let's talk about the closing  
21 of the office.

22 Were you in the office on September 29th?

23 A. No.

24 Q. Do you know that to be the day that the  
15:29 25 Blalock office closed?

1 A. Yes.

2 Q. Were you just scheduled not to come in that  
3 day?

4 A. I would go Tuesday and Wednesdays.

15:29 5 Q. Okay. Who kept that schedule, by the way?  
6 How did -- how did CFX know who was going to show up?

7 A. I would go Tuesdays and Wednesdays. Because  
8 on Wednesdays, I would stay for the classes. That's why  
9 I scheduled it what way.

15:29 10 Q. My question to you is: Was there someone at  
11 CFX who organized various shifts that people worked?

12 A. That was if I wanted to go, I would go. If  
13 not, not.

14 Q. Were there ever days when nobody showed up to  
15:30 15 work?

16 A. Yes. Nobody showed up to make contracts, or  
17 do you mean to work?

18 Q. Either one. Let's talk about contracts.

19 So, were there days when people didn't  
15:30 20 show up to -- to become -- to create a contract for  
21 themselves?

22 A. Yes. There were days that nobody would show  
23 up.

24 Q. Were there days when CFX was just  
15:30 25 understaffed?

1 A. I don't know. Because I was there from 5:00  
2 to 7:00 so I could stay for the classes.

3 Q. Who, if you know -- do you -- who at CFX could  
4 be counted on to be there pretty much all the time?

15:31 5 A. Can you repeat that?

6 Q. If you know, who was -- who worked most at  
7 CFX?

8 A. Well, the employees.

9 Q. Which ones? I mean --

15:31 10 A. Norma Chavez was the one that was the most  
11 there from Monday to Friday.

12 Q. Okay. And other accountants?

13 A. Yes and others. But the one that I most  
14 communicated with was with her.

15:32 15 Q. Yeah. And people in your role would come in  
16 and out?

17 A. Yes. We didn't have a schedule.

18 Q. When did you learn that the office had been  
19 closed?

15:32 20 A. That same day.

21 Q. On Thursday, the 29th?

22 A. Yes.

23 Q. And what time of day did you hear?

24 A. When they shut it. The person arrived and saw  
15:32 25 it, and called me and told me they had closed.

1 Q. Who was it who had arrived and called you?

2 A. A lady -- I -- I don't remember her surname  
3 but her name is Judith.

4 Q. Is she someone who was coming to CFX that day  
15:33 5 to receive payment?

6 A. Yes.

7 Q. And how did she have your phone number?

8 A. Because a lot of people knew me. A lot of  
9 people knew me. Because some people would invite  
15:33 10 people, but they weren't being helped. And they would  
11 look for me and they would ask me, "Can I" -- "can you  
12 help me?" I didn't even know who they were. And those  
13 are the people that say that I stole because they don't  
14 know me.

15:34 15 Q. And you told this woman what?

16 A. What?

17 Q. When she called you, what did you say?

18 A. She only told me it was closed. It was  
19 closed.

15:34 20 Q. Was she asking you, "Why is it closed"?

21 A. I don't -- I didn't know. She was the one  
22 that called me first.

23 Q. So, did you tell her, "I don't know why the  
24 office is closed"?

15:35 25 A. I don't know.

1 Q. Okay. What did you do? Did you call anyone?

2 A. I started calling Raymundo and all -- and  
3 everybody.

4 Q. Raymundo who?

15:35 5 THE INTERPRETER: Raymundo means  
6 everybody.

7 MR. GULDE: Every Tom, Dick, and Harry?

8 THE INTERPRETER: Anybody -- anybody and  
9 everybody.

15:35 10 MS. THEMELI: I never heard that before,  
11 but it's a good expression.

12 A. I couldn't believe it.

13 Q. (BY MR. GULDE) Okay. And did you call  
14 Mauricio?

15:35 15 A. Yes, but he didn't answer.

16 Q. Okay. When was the next time you spoke with  
17 Mauricio?

18 A. I don't know. Because I started calling him  
19 every day until he answered me. And he told me  
15:35 20 everything was all right.

21 Q. Did you speak with Mauricio specifically about  
22 the closing of the office?

23 A. Yes. And he told me everything was all right.

24 Q. Did he tell you why the office was closed?

15:36 25 A. Yes. Because he told me there was some kind

1 of problem he didn't know, about the gas.

2 Q. Okay. And did he predict when the office  
3 would be open?

4 A. Yes. He told me they were going to open on  
15:36 5 the 3rd of October. And I said -- and I was happy at  
6 the 3rd of October. We can go and collect.

7 Q. And what happened on the 3rd of October?

8 A. They didn't open.

9 Q. Did you come and find it still closed?

10 A. Yes. I saw a paper there saying closed by the  
11 Court.

12 Q. Okay. And did you call Mauricio then?

13 A. Yes. But it's -- things are going to be  
14 fixed.

15:37 15 Q. That's what Mauricio said?

16 A. Uh-huh.

17 Q. Did you say, Mauricio, what does closed by  
18 order of the Court mean?

19 A. Yes.

15:37 20 Q. And what did he say?

21 A. He said that somebody had gone and said  
22 something about the office.

23 Q. Did he give any more details about that?

24 A. No. No.

15:38 25 Q. Did he make any predictions about what would

1 Q. And do you understand that as of the  
2 appointment of Mr. Lewis, no one other than the receiver  
3 can speak on behalf of CryptoFX?

4 A. Yes.

16:04 5 Q. So, anyone who tells people that they will be  
6 paid by CFX will be in violation of the Court's order.

7 A. Yes.

8 Q. Anyone who organizes meetings or sends  
9 messages on behalf of CFX is also in violation of the  
16:04 10 Court's order.

11 Do you understand that?

12 A. Yes.

13 Q. And are you aware of anyone holding money,  
14 whether it's cash or in a bank account or cryptocurrency  
16:05 15 that you understand belongs to CryptoFX?

16 A. That I know? No.

17 Q. Are you aware of anyone who holds property or  
18 cash money in a bank account or cryptocurrency that you  
19 understand belongs to Mauricio Chavez?

16:05 20 A. No.

21 Q. I'm going to go quickly over the contracts  
22 that you produced today, that you brought with you  
23 today.

24 Okay. You brought some contracts with you  
16:06 25 today. The first one we're going to label -- or mark

1 I'm sorry -- Exhibit 48.

2 (Marked Saravia Exhibit 48.)

3 Q. (BY MS. THEMELI) Do you see that,  
4 Ms. Saravia?

16:06 5 A. Yes.

6 Q. Okay. So, it appears that the name on this  
7 contract is -- it says "Karen Morales"?

8 A. Yes.

9 Q. Okay. And there's another name next to hers.  
16:06 10 It says Kelly -- Kelly Galindo?

11 A. Yes.

12 Q. And who is -- who are these two individuals?

13 A. My daughters. I brought this to show that I  
14 put my family into this without me knowing anything.

16:07 15 Q. Okay. And the direct sponsor on this contract  
16 is Patricia Garza, and she's also the indirect sponsor.

17 Do you see that?

18 A. Garza.

19 MS. THEMELI: Yes.

16:07 20 A. Correct.

21 Q. (BY MS. THEMELI) Is that -- is that a friend  
22 of yours?

23 A. Yes, a friend of ours. She was going to call  
24 them because I didn't want to. And she said, "Go ahead.

16:08 25 Make some -- earn some money."



1 Q. So, how come you are not the sponsor on this  
2 contract with your daughters?

3 A. Because she was the one that convinced them to  
4 enter.

16:08 5 Q. Is Patricia another leader at CFX?

6 A. No. She's my friend.

7 Q. Okay. So, the contract was created -- or the  
8 start date is May 19th, 2022, correct?

9 A. Yes.

16:08 10 Q. And it was a 5,000-dollar initial  
11 contribution?

12 A. Yes.

13 Q. And, then, the first payment was due on  
14 August 19th, 2022?

16:09 15 A. Yes.

16 Q. And there was a payment of \$2,250?

17 A. Correct.

18 Q. And -- and your daughters received that in  
19 cash?

16:09 20 A. Yes.

21 Q. Have they received any other payments on this  
22 contract?

23 A. No, only this.

24 Q. I'm going to move quickly to the other one  
16:09 25 that I'm going to mark as Exhibit 49.

1 (Marked Saravia Exhibit 49.)

2 Q. (BY MS. THEMELI) And this is another contract  
3 that you brought, correct, today?

4 A. Yes.

16:10 5 Q. And the name of the -- on the contract is  
6 Silvia Chavez?

7 A. Yes.

8 Q. Is Silvia related to Mauricio?

9 A. No. No, I don't.

16:10 10 Q. And your name is there, as well, next to hers,  
11 Lolly -- Lolly Saravia; is that correct?

12 A. She put me there because I'm also a friend of  
13 hers, to help her receive payment. And if she died, for  
14 me to collect; otherwise, she wouldn't be able to  
16:11 15 collect.

16 Q. Did CFX provide some sort of estate planning  
17 guidance related to these contracts?

18 THE INTERPRETER: Excuse me. What?

19 MS. THEMELI: Estate planning.

16:11 20 THE INTERPRETER: I -- I didn't hear the  
21 question.

22 MS. THEMELI: Did -- let me repeat the  
23 question.

24 THE INTERPRETER: Okay.

16:11 25 Q. (BY MS. THEMELI) Did CFX or any

1 representative of CFX provide some sort of guidance  
2 when -- what would happen if someone -- the holder of a  
3 contract died?

4 A. No. It occurred to me. It was at the time  
16:11 5 people were dying of COVID.

6 Q. That address in there, Gable Wind Mill, is  
7 that your address?

8 A. Yes.

9 Q. Okay. And Karen Morales and Lolly Sarvi --  
16:12 10 Saravi -- I'm sorry -- you were the -- Karen is the  
11 direct sponsor and you're the indirect sponsor on that  
12 contract, correct?

13 A. That's the way it is.

14 Q. And on August 21st, 2022, it appears that  
16:12 15 \$2,250 were paid on this contract; is that correct?

16 A. That's the way it is.

17 Q. Actually, I'm correcting myself. The payment  
18 was due on the 21st of August, but it appears the  
19 payment was made on the 26th; is that right?

16:12 20 A. It was due on the 21st. It was paid on the  
21 26th.

22 Q. Okay. And did you receive your 3 percent  
23 commission on this contract?

24 A. Yes.

16:13 25 Q. And Karen received her 7 percent?

1 A. That's the way it is.

2 Q. And have there been any other payments on this  
3 contract?

4 A. No.

16:13 5 (Marked Saravia Exhibit 50.)

6 Q. (BY MS. THEMELI) The next one is Exhibit  
7 No. 50. And that is also a contract -- a CFX contract  
8 that you brought with you today.

9 Do you see that?

16:14 10 A. Yes. I see it.

11 Q. And the name on that contract is Armida  
12 Fuentes and then Lorry Martinez?

13 A. Yes.

14 Q. And you were the indirect sponsor on this  
16:14 15 contract, correct?

16 A. Yes.

17 Q. And Armida and Lorry, are they your friends,  
18 family friends? Who are they?

19 A. Friends.

16:14 20 Q. Is -- was this their first contract, or did  
21 they have any other contracts?

22 A. They had another one. This was the second  
23 one.

24 Q. Were you the sponsor for their other  
16:15 25 contracts?

1 A. Yes.

2 Q. Were they paid on their other -- on their  
3 first contract?

4 A. Yes.

16:15 5 Q. And how much was their first contract?

6 A. Their first was 5,000.

7 Q. And were you the first -- the direct or the  
8 indirect sponsor on the 5,000-dollar contract for  
9 Armida?

16:15 10 A. Both.

11 Q. So when Armida got paid on her 5,000-dollar  
12 contract, you were paid your commission, correct?

13 A. Yes, sir [sic].

14 Q. Okay. And were there any payments made on  
16:16 15 this August 31st, 2022, contract?

16 A. No. It was due in December.

17 (Marked Saravia Exhibit 51.)

18 Q. (BY MS. THEMELI) The next one -- the next  
19 exhibit, Exhibit 51. And this exhibit has two  
16:17 20 contracts. These were stapled just because that's how  
21 they were brought by you.

22 And the name on this contract is Pedro A.  
23 Saravia and Lolly Saravia, correct?

24 A. Yes.

16:17 25 Q. And there is a No. 2 above Pedro's last name.

1 Do you see that?

2 A. It's Contract No. 2.

3 Q. Okay. And the address there is again your  
4 address, correct?

16:18 5 A. Correct.

6 Q. That's your brother?

7 A. He's my brother.

8 Q. Okay. And Pedro was the direct sponsor and  
9 you were the indirect sponsor on this contract?

16:18 10 A. Correct.

11 Q. And this is a contract for \$50,000.

12 Okay. And whose money was that?

13 A. Of all the family, everybody put a little bit  
14 to make one.

16:18 15 Q. And who -- who chipped in to make this a  
16 50-dollar contract -- who contributed to this \$50 --  
17 \$50,000?

18 A. My sister, Amparo; my brother, Donald; my  
19 brother-in-law, Jaime; my husband; and among all of us  
16:19 20 due to receive in December for Christmas.

21 Q. You were expecting a big payout for Christmas,  
22 correct?

23 A. Yes.

24 Q. And do you have written somewhere how much you  
16:19 25 contributed, how much your sisters or Jaime contributed?

1 A. Not here; but at home, yes.

2 Q. Can you send that to your attorney at some  
3 point so we have it for our records?

4 A. Yes, of course.

16:19 5 Q. And was there a written contract between you  
6 and your family members to contribute \$50,000 for this  
7 contract?

8 A. We made just a very simple paper where -- each  
9 one.

16:20 10 Q. Okay. And I'm correct to say that there were  
11 no payments made on this contract, right?

12 A. No. And nor none will be.

13 Q. If you turn to the second page of the -- that  
14 exhibit, that is another contract that you brought with  
16:20 15 you today. And the name on that contract is Bryan  
16 Galindo; and there, your name is next to Bryan's.

17 Do you see that?

18 A. He is a nephew of my husband.

19 Q. And that address, again, it's your address,  
16:20 20 right?

21 A. Yes.

22 Q. When you and your family were making these  
23 contracts in August of 2022, did you know that Mauricio  
24 had already spoken to the SEC about CFX operations?

16:21 25 A. No.

1 Q. And this contract, Bryan's and your contract  
2 here, is for \$50,000, right?

3 A. Yes.

4 Q. And whose money was that, that \$50,000?

16:21 5 A. Bryan's.

6 Q. And no payments were made on that contract?

7 A. No. It was due in November.

8 Q. And you have requested this money back from  
9 Mauricio?

16:22 10 A. Yes, but you have to wait.

11 (Marked Saravia Exhibit 52.)

12 Q. (BY MS. THEMELI) And that's Exhibit 52.

13 MS. THEMELI: Well, these are all stuck.

14 Q. (BY MS. THEMELI) And that's a contract for  
16:24 15 Carlos Valle -- how do you pronounce that?

16 And the name -- there's two other names  
17 next to Carlos, Myra Romero and Lolly Saravia, right?

18 A. Yes.

19 Q. And who's Carlos?

16:24 20 A. Brother-in-law of my daughter.

21 Q. Okay. And who is Myra Romero?

22 A. The mother, Carlos's mother.

23 Q. Okay. And this was a 5,000-dollar contract,  
24 right?

16:25 25 A. Yes.



1 Q. Entered in July of this year?

2 A. Yes.

3 Q. And whose \$5,000 was that?

4 A. Carlos's.

16:25 5 Q. And is your name there next to Carlos's and  
6 Myra's name just in case Carlos and Myra died and you  
7 can collect on this contract?

8 A. Yes. And if both of them died, then I...

9 Q. But if Carlos died, Myra would get the  
16:25 10 contract?

11 A. Correct.

12 Q. Were there any payments made on this contract?

13 A. No. It was due in October.

14 (Marked Saravia Exhibit 53.)

16:26 15 Q. (BY MS. THEMELI) Okay. The next exhibit,  
16 Exhibit 53, contains four -- four contracts.

17 MS. THEMELI: Can I keep this for a  
18 moment, or can I keep yours?

19 MS. AGUILAR: Sure.

16:26 20 Q. (BY MS. THEMELI) Ms. Saravia, the first name  
21 on that contract is Pedro A. Saravia, right?

22 A. Yes.

23 Q. Okay. And then your name is next to hers --  
24 his? I'm sorry.

16:27 25 A. Yes.

1 Q. Okay. And who is Pedro?

2 A. My brother.

3 Q. Okay. And whose address is the Grove Canyon  
4 Court?

16:27 5 A. My sister's. Where he lives, too.

6 Q. And this contract was entered in August  
7 22nd -- I'm sorry -- August 9th, 2022?

8 A. Yes.

9 Q. And it's a 5,000-dollar contract, right?

16:28 10 A. (No response.)

11 Q. And who -- where did that \$5,000 come from?  
12 Who paid that?

13 A. Because Pedro was there. But Zonia appears  
14 because they made it between both of them.

16:28 15 MS. THEMELI: I'm sorry. Can you repeat  
16 that?

17 THE INTERPRETER: It's Pedro's. But  
18 Zonia is there because they each paid half of it.

19 Q. (BY MS. THEMELI) But Zonia is a direct  
16:28 20 sponsor on this contract. It's not -- her name is not  
21 next to Pedro's?

22 A. No. Because I would help them to collect.  
23 That's why they put me there.

24 Q. So, you are a co-owner of this contract?

16:29 25 A. Yes. In case he died, I could collect.

1 little follow-up on exhibit -- I think it was 41 on  
2 the -- February.

3 MR. GULDE: That's the plan.

4 MS. THEMELI: Which one was this?

17:05 5 MR. FLACK: 47.

6 MS. THEMELI: 47. No, it was the one  
7 before, 46.

8 THE INTERPRETER: It's the list of names  
9 and --

17:05 10 MR. GULDE: 44.

11 MS. THEMELI: 44, okay.

12 THE INTERPRETER: I think so. No, no.

13 MS. THEMELI: Yeah, that one.

14 MR. GULDE: Same one. Will you hand it  
17:05 15 to me for a second?

16 MS. THEMELI: Is that where she  
17 brought --

18 MR. GULDE: It's a different -- sorry.  
19 Same thing.

17:05 20 MS. THEMELI: Yeah.

21 Q. (BY MS. THEMELI) If you turn to the second  
22 page of that -- of Exhibit 44.

23 So, you were paid -- it says there that  
24 you were paid \$90,000, right?

17:05 25 A. Correct.

1 Q. Okay. And you were paid this entire amount in  
2 cash?

3 A. A part. And the other, I did the  
4 40,000-dollar contract.

17:06 5 Q. Okay. So, you -- CFX owed you \$90,000, right?

6 A. Yes.

7 Q. Okay. And did they give you \$90,000 in cash  
8 and then you gave them back 40,000 for the contract?

9 A. In the contract, the one that we just saw.

17:06 10 Q. What did you do with the \$50,000 in cash?

11 A. In the other contract of 30,000 -- I don't  
12 remember if I put it in another part of it in that one.  
13 I don't remember very well. I put it in there.

14 Q. Did you -- did you deposit in your bank  
17:07 15 account any of this money?

16 A. I would deposit a little bit. I would always  
17 reinvest in the contracts. I don't know how much,  
18 but...

19 MS. AGUILAR: She also said -- would  
17:07 20 you -- may I?

21 MS. THEMELI: Yes, please.

22 MS. AGUILAR: She also said that she  
23 would put a little in her bank account.

24 THE INTERPRETER: Yes.

17:08 25 MS. AGUILAR: Is that correct?

1 THE INTERPRETER: Yes.

2 Q. (BY MS. THEMELI) What bank account would that  
3 be?

4 A. At Wells Fargo.

17:08 5 Q. How did people or investors carry their money  
6 when they came to pick it up at CFX?

7 THE INTERPRETER: How did they carry the  
8 money?

9 Q. (BY MS. THEMELI) Yeah. How did they carry  
17:08 10 the money? A bag, backpack, envelope?

11 THE INTERPRETER: Their pocket?

12 A. In -- in their purses, the women. And men, I  
13 didn't even pay attention. And whatever they had on  
14 or...

17:08 15 Q. (BY MS. THEMELI) Did -- did CFX give them  
16 any -- like an envelope or anything? Or did they just  
17 use their own stuff?

18 A. To whom?

19 Q. To the investors who were picking up money.

17:09 20 A. Yes. They would get a folder to put it in.

21 Q. Folder?

22 A. Not an envelope.

23 (Marked Saravia Exhibit 57.)

24 Q. (BY MS. THEMELI) I just handed you Exhibit  
17:09 25 57. This is -- I'll represent to you that this is a

1 record that we obtained from CryptoFX?

2 A. Okay.

3 Q. And it says at the top -- and it's a table,  
4 right, with some names in it?

17:10 5 A. Yes.

6 Q. And it says, "LIDERS 2021," at the top?

7 A. Uh-huh.

8 Q. Do you recognize these names: Nallely,  
9 Victoria --

17:10 10 A. Victoria Alejo, Lucila -- Nallely, I don't  
11 know who it is.

12 Q. Victoria Alejo, is that Vickie that you  
13 mentioned earlier?

14 A. Yes. I know Lucy.

17:10 15 Q. Is that Lucila, that you know?

16 A. Yes. I know Ricarda. And I know Maria  
17 Dolores; that's me.

18 Q. Yeah. That's you right there, No. 11. Yeah.

19 A. I know Gabriela. Who else?

17:11 20 Q. Okay.

21 A. I already said Ricarda. I know Roberto  
22 Zavala.

23 Q. Have you met Roberto Zavala?

24 A. I only would see him. He's from Chicago.

17:11 25 Q. Do you ever talk to him?

1 A. Maybe one or two times. Just "hello."

2 Q. Did -- did you and the other leader friends of  
3 yours, did you-all hang out together?

4 A. Everyone was working on -- on his own.

17:12 5 Q. Now, we know Orlin was working out of the Aqua  
6 Remach office in Cypress.

7 MS. THEMELI: Aqua Remach.

8 A. I don't know. I never went there. I've also  
9 seen him, but I never went to the office.

17:12 10 Q. (BY MS. THEMELI) Do you know if any other CFX  
11 leaders working out of any other offices in Houston?

12 A. I only -- I never knew any other office, only  
13 that one.

14 Q. Okay. No. 11 there, you saw your name, right,  
17:13 15 Maria Dolores Saravia Barrara.

16 A. Barrera.

17 Q. And is "Barrara" -- is that misspelled?

18 A. It is.

19 Q. Okay. Which part of it is misspelled?

17:13 20 A. It's B -- with an E, B-A-R-R-E- --

21 Q. And is that your social number -- Social  
22 Security number?

23 A. Yes.

24 Q. And next to your name there under the  
17:13 25 column -- the Total column, there is a \$125,000?

1 A. Yes.

2 Q. Okay. And what does that amount mean?

3 A. It's what we had paid -- they told us we got  
4 from the contracts, from the bonuses, what we paid was  
17:14 5 there. And I paid my taxes.

6 Q. And did you add up all the money that you had  
7 made from CFX and made sure that it was actually  
8 \$125,000?

9 A. It was a little bit less, 122-. But they put  
17:14 10 125-.

11 Q. So, these amounts are not really exact  
12 amounts; they're approximations?

13 A. No. But they're more or less -- according to  
14 my accounting. But since they did theirs. Norca,  
17:15 15 Norma.

16 Q. Norma Garcia?

17 A. Norma Garcia.

18 Q. And you testified earlier that your -- your  
19 bonus was always 20 percent, right?

17:15 20 A. Yes.

21 Q. Now, my understanding from the CFX records is  
22 that every leader was assigned to a certain person in --  
23 in accounting, right?

24 A. Yes.

17:16 25 Q. Who were you assigned to?



1 A. Norma, Norma Chavez.

2 Q. Were you also assigned to Wendy?

3 A. Yes. Wendy would check that everything was  
4 correct, and Ms. Norma would receive the money.

17:16 5 Q. Now Norma was sort of the head -- head  
6 accounting person, right?

7 A. She was the manager.

8 Q. And she's the aunt of Mauricio?

9 A. Yes.

17:16 10 Q. Did you hang out with Norma outside of CFX,  
11 coffee, tea, anything like that?

12 A. No, no.

13 Q. Who did Norma hang out socially outside of  
14 CFX, outside of the office?

17:17 15 A. I don't know. She would leave with her  
16 husband.

17 Q. Who is her husband?

18 A. I don't know his name. He would bring her and  
19 take her.

17:17 20 Q. Did he work at CFX?

21 A. I would see him there sometimes and see them  
22 arrive. I don't know. I cannot confirm.

23 Q. How was the money transported from Chicago or  
24 LA to -- to Houston?

17:17 25 A. I do not have knowledge of that.

1 Q. Have you ever heard the name Man or Tino?

2 MS. THEMELI: Chino.

3 A. No. What's the name?

4 Q. (BY MS. THEMELI) Man, M-A-N.

17:18 5 A. No.

6 Q. I'm going to give you another exhibit,  
7 Exhibit 58.

8 (Marked Saravia Exhibit 58.)

9 Q. (BY MS. THEMELI) It's a CryptoFX document.

17:18 10 Do you see at the top it says: "Reporte,"  
11 September 21st, 2022?

12 A. Yes.

13 Q. Okay. And "reporte," does it mean report?

14 A. Okay.

17:19 15 Q. I'm asking you. Is that how you understand it  
16 to mean?

17 A. Yes.

18 Q. Okay. And then you have Nombre, Cantidad, and  
19 Entrego.

17:19 20 Does that mean quantity? And, then, what  
21 does "Entrego" mean?

22 A. I -- it means delivered.

23 Q. Delivered, okay. So, "Nombre" means name,  
24 right?

17:20 25 THE INTERPRETER: The problem is --

1 MS. THEMELI: Actually, can you do that?

2 A. Yes.

3 MS. THEMELI: Can you translate it for  
4 us?

17:20 5 THE INTERPRETER: "Nombre," name;  
6 "Cantidad," amount; "Entrego," Delivered.

7 Q. (BY MS. THEMELI) Okay. And do you see your  
8 name right there in the middle of this document,  
9 Ms. Saravia?

17:20 10 A. Yes.

11 Q. Okay. Then it says there under amount,  
12 \$78,088. And the date next to it is September 16th,  
13 2022.

14 A. I wasn't given anything on that date, no.

17:20 15 Q. Did you deliver that amount to CFX on that  
16 day?

17 A. It could be possible. I have delivered many.  
18 I don't remember. This report --

19 Q. Yeah.

17:21 20 A. I don't understand if this report says that  
21 they give it to me or if I gave.

22 Q. Well, I'm asking you: Did you receive -- on  
23 September 16th, 2022, did you receive \$78,888 from CFX?

24 A. No.

17:21 25 Q. Okay.

1 A. I haven't received that.

2 Q. Did you deliver to CFX \$78,888 on  
3 September 16th, 2022?

4 A. Possibly, but I don't remember. I would  
17:22 5 deliver...

6 Q. How was money carried out of the Blalock  
7 office?

8 A. How do they take out?

9 Q. That was not a good question.

17:22 10 At the end of the day when all the  
11 investors had left the office, would the CFX  
12 representatives or employees get the money out of the  
13 Blalock office?

14 A. I don't know. I wasn't in the offices with  
17:22 15 them. I worked at another place there at the end.

16 Q. Did you ever work in the offices on the second  
17 floor?

18 A. No, never.

19 Q. The -- the safe that you described earlier,  
17:23 20 that was on the first floor, right?

21 A. That's the way it is.

22 Q. Was that a -- how big was that safe?

23 A. It was small.

24 Q. Was that safe in a -- in a cabinet, or was it  
17:23 25 by itself?

1 A. Yes, inside a cabinet.

2 Q. Was it like a white or a black cabinet? Do  
3 you recall the color?

4 A. The cabinet was white, but the safe was black.

17:23 5 Q. And that's the only safe that you saw at the  
6 Blalock office?

7 A. Yes. That's the only one, the only I saw.

8 Q. Who had the codes to that safe or the keys?

9 A. I.

17:24 10 Q. Did anybody else have the keys or the codes to  
11 the safe?

12 A. No. Only I so they wouldn't steal.

13 Q. And who gave you the codes to the safe?

14 A. Where it was bought, the code was with it.

17:24 15 Q. How come Norma, the accountant, didn't have  
16 the codes to that safe?

17 A. Because that's where I kept my money. If all  
18 of a sudden it was stolen, they wouldn't know if it was  
19 her or if it was me.

17:25 20 Q. And, so, you -- in all of CFX employees and  
21 representatives, you were the only person who had the  
22 codes to that safe?

23 A. Yes.

24 Q. Okay. And who knew that you were the only  
17:25 25 person who had the codes to that safe?

1 A. Norma. I told her because she was the  
2 manager.

3 Q. And did Mauricio also know that you were the  
4 one who had the codes to that safe?

17:26 5 A. I don't remember if I told -- I told him, too.  
6 But I informed her so that she would know.

7 Q. Now, if Mauricio wanted to have access to that  
8 safe, what would he have to do?

9 A. He would have asked. He would have had to ask  
17:26 10 me for the number.

11 Q. Would you have given it to him?

12 A. If I would be present, yes. If not, no.

13 Q. And why is that?

14 A. For my safety. If it was lost, then they  
17:27 15 would want -- if it was lost, they -- then they would  
16 want me to pay it back.

17 Q. Okay. And the other leaders at CFX, did they  
18 have their own safes?

19 A. No.

17:27 20 Q. Okay. So, why were you so special to have  
21 your own safe?

22 A. Because I asked for it for safety. Because if  
23 they -- if they asked me to work and if there was nobody  
24 upstairs, then who is going to manage that money?

17:27 25 Q. What do you mean "if there was nobody

1 THE STATE OF TEXAS )  
2 COUNTY OF POLK )

3  
4 I, Donna L. Garza, Certified Shorthand  
5 Reporter in and for the State of Texas, do hereby  
6 certify that the above and foregoing contains a true and  
7 correct transcription of all portions of evidence and  
8 other proceedings in the above-styled and numbered  
9 cause, all of which occurred and were reported by me.

10 I further certify that I am neither counsel  
11 for, related to, nor employed by any of the parties or  
12 attorneys in the action in which this proceeding was  
13 taken, and further that I am not financially or  
14 otherwise interested in the outcome of the action.

15 GIVEN UNDER MY HAND AND SEAL OF OFFICE, on  
16 this, the 20th day of December, 2022.

17  
18 *Donna Garza*  
19



DONNA L. GARZA, TEXAS CSR NO. 4785

Expiration Date: 12-31-22

20  
21  
22  
23  
24  
25

---

	08/26/2023
NEW CONTRACTS	\$ 310,500.00
comiciones	\$ (56,235.00)
OLD CONTRACTS	\$ (121,778.00)
ELITE	
	<b>\$ 132,487.00</b>



08/20/2022	REDACTED	\$8,322,456,733	*	\$4,500	GANANCIAS	<i>Sobre</i>
08/28/2022	REDACTED	2819798112	*	\$4,500	GANANCIAS	<i>Sobre</i>
08/25/2022	REDACTED	\$3,466,107,237	*	\$4,950	GANANCIAS	<i>Sobre</i>
08/23/2022	REDACTED	\$4,083,164,240	*	\$4,500	GANANCIAS	<i>Sobre</i>
08/23/2022	REDACTED	\$4,083,164,240	*	\$2,250	GANANCIAS	<i>Sobre</i>
08/26/2022	REDACTED	6159064525	*	\$900	GANANCIAS	<i>Sobre</i>
08/26/2022	REDACTED	6159064525	*	\$2,000.00	CAPITAL	<i>Prop-AD</i>
08/31/2022	REDACTED	\$3,233,973,055	*	\$2,000	CAPITAL	<i>Sobre</i>
08/31/2022	REDACTED	\$3,233,973,055	*	\$1,080	GANANCIAS	<i>Sobre</i>
08/12/2022	REDACTED	\$8,322,937,205	*	\$3,600	GANANCIAS	<i>Sobre</i>
08/04/2022	REDACTED	FOTO	*	\$2,250	GANANCIAS	<i>Sobre</i>
08/15/2022	REDACTED	8326339539	*	\$9,425.00	1/2 CAPITAL	<i>Sobre</i>
08/28/2022	REDACTED	\$8,322,937,205	*	\$540.00	GANANCIAS	<i>Sobre</i>
08/28/2022	REDACTED	\$8,322,937,205	*	\$1,000	CAPITAL	<i>Sobre</i>
08/23/2022	REDACTED	\$8,322,937,205	*	\$7,290	1/2 GANANCIAS	<i>Sobre</i>
08/21/2022	REDACTED	\$8,322,937,205	*	\$2,250.00	GANAICAS	<i>Sobre</i>
08/23/2022	REDACTED	4087753925	*	\$900	GANANCIAS	<i>Sobre</i>
08/23/2022	REDACTED	4087753925	*	\$2,000	CAPITAL	<i>Sobre</i>
06/24/2022	REDACTED	4087753925	*	\$3,000.00	CAPOTA	<i>Sobre</i>
06/01/2022	REDACTED	8328751098	/	\$3,000.00	CAPITAL	
08/25/2022	REDACTED	32306849225	/	\$900.00	GANANCIAS	
08/25/2022	REDACTED	32306849225	/	\$2,000	CAPITAL	
06/21/2022	REDACTED	4173106321	/	\$1,450	CAPITAL	
08/29/2022	REDACTED	8328758166	/	\$450.00		
08/29/2022	REDACTED	8328758166	/	\$1,000	CAPITAL	
07/07/2022	REDACTED	3467729486	/	\$4,730.00	2/2 GANANCIAS	
08/11/2022	REDACTED	5623533050	/	\$6,500.00	3/3 CAPITAL	
08/20/2022	REDACTED	5625353050	/	\$5,625	1/2 GANANCIAS	
08/01/2022	REDACTED	\$8,329,703,091	/	\$2,080	capital	
08/21/2022	REDACTED	3463978918	/	\$6,750	1/2 GANANCIAS	
08/18/2022	REDACTED	8328559043	*	\$2,250.00	GANANCIAS	<i>Sobre</i>
08/19/2022	REDACTED	8328559043	*	\$2,250.00	GANANCIAS	<i>Sobre</i>
07/19/2022	REDACTED	8327711410	*	\$4,500.00	2/2 GANANCIAS	<i>Sobre</i>
07/15/2022	REDACTED	8322938474	*	\$2,250	GANAICAS	<i>Sobre</i>

07/23/2022	<b>REDACTED</b>	8328079485	<del>✓</del> \$5,500	2/2 CAPITAL
07/29/2022	<b>REDACTED</b>	8328079485	<del>✓</del> \$5,000	2/2 CAPITAL
06/29/2022	<b>REDACTED</b>	8325371757	<del>✓</del> \$3,258.00	ganancias
07/27/2022	<b>REDACTED</b>	8327906359	\$450	GANAICAS
07/25/2022	<b>REDACTED</b>	8327906359	<del>✓</del> \$1,000.00	CAPITAL
07/25/2022	<b>REDACTED</b>	8327906359	<del>✓</del> \$450	GANAICAS
08/01/2022	<b>REDACTED</b>	2819673324	<del>✓</del> \$450.00	GANAICAS
08/01/2022	<b>REDACTED</b>	2819673324	<del>✓</del> \$1,000.00	CAPITAL
			<b>\$121,778.00</b>	

*Share Sobria*

08/14/2022	8322363689	* \$10,800	1/2 GANAICAS	YES	*
09/02/2022	8328671060	* \$4,950	GANANANCIAS	YES	*
08/20/2022	5623533050	* \$5,625	2/2 GANANCIAS	YES	*
08/15/2022	8326339539	* \$9,425.00	1/2 CAPITAL	YES	WENDY*
08/16/2022	8325412202	* \$9,000	1/2 GANANCIAS	YES	*
07/28/2022	8322776588	* \$4,500.00	1/2 GANANCIAS	YES	*
07/28/2022	\$8,322,776,588	* \$6,750	1/2 GANANCIAS	YES	*
07/26/2022	8322776588	* \$6,750.00	1/2 GANANCIAS	YES	*
08/15/2022	8178451706	* \$4,500	1/2 GANANCIAS	YES	*
08/24/2022	713-878-2973	* \$6,000.00	1/2 CAPITAL	YES	*
08/24/2022	7138782973	* \$5,000	1/2 CAPITAL	YES	*
08/10/2022	8326381134	* \$7,250	1/2 CAPITAL	YES	*
08/20/2022	\$8,322,893,314	* \$5,625	1/2 GANANCIAS	YES	*
08/27/2022	8327906359	* \$1,000	CAPITAL	YES	*
08/01/2022	3463199123	* \$9,787	1/2 GANANCIAS	YES	WENDY*
08/10/2022	8322876834	* \$4,500	2/2 GANANCIAS	YES	WENDY*
07/26/2022	8322776588	* \$4,500	GANANCIAS	YES	*
07/27/2022	2816384732	* \$4,500.00	GANAICAS	YES	*
07/28/2022	34962883837	* \$2,250.00	GANANCIAS	YES	*
08/03/2022	832-606-4485	* \$4,500.00	GANANCIAS	YES	*
08/07/2022	2816384732	* \$4,500	GANAICAS	YES	*
08/15/2022	8328728059	* \$4,000	CAPITAL	YES	*
08/21/2022	3474320001	* \$4,500	GANANCIAS	YES	*
08/24/2022	3474320002	* \$4,050.00	GANANCIAS	YES	*
08/24/2022	3474320002	* \$6,165	GANANCIAS	YES	*
08/24/2022	3474320002	* \$7,650.00	GANANCIAS	YES	*
08/24/2022	3474320002	* \$14,400.00	GANANCIAS	YES	\$162,



REDACTED

*Redacted*

\* \*

# EXHIBIT G

**Themeli, Sonila (SHB)**

---

**Subject:** FW: Spreadsheet shared with you: "gloria Castaneda"

----- Forwarded message -----

From: **Mauricio Chavez (via Google Sheets)** <[drive-shares-dm-noreply@google.com](mailto:drive-shares-dm-noreply@google.com)>

Date: Tue, Oct 5, 2021 at 8:27 AM

Subject: Spreadsheet shared with you: "gloria Castaneda"

To: <[glorilyc@gmail.com](mailto:glorilyc@gmail.com)>

Cc: <[ceol0xplan@gmail.com](mailto:ceol0xplan@gmail.com)>, <[karla.gonzalez.cfx@gmail.com](mailto:karla.gonzalez.cfx@gmail.com)>

## [agreements@cfxlifestyle.org](mailto:agreements@cfxlifestyle.org) shared a spreadsheet



[agreements@cfxlifestyle.org](mailto:agreements@cfxlifestyle.org) has invited you to **edit** the following spreadsheet:

REPORTE AL BALANCE

 [gloria Castaneda](#)

[Open](#)

If you don't want to receive files from this person, [block the sender](#) from Drive

Google LLC, 1600 Amphitheatre Parkway, Mountain View, CA 94043, USA  
You have received this email because [agreements@cfxlifestyle.org](mailto:agreements@cfxlifestyle.org) shared a spreadsheet with you from Google Sheets.

Google Workspace

# EXHIBIT H

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



**Certificate of Formation  
Limited Liability Company**

Filing Fee: \$300

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 803827371 11/12/2020  
Document #: 1007150090002  
Image Generated Electronically  
for Web Filing**

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**MAURIZIO GROUP LLC**

**Article 2 – Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be company named above) by the name of:

**United States Corporation Agents, Inc.**

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**9900 Spectrum Drive Austin TX 78717**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: **Mauricio Antonio Chavez**

Title: **Managing Member**

Address: **13411 Briar Forest Dr., Apt.1033 Houston TX, USA 77077**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**LegalZoom.com, Inc.      101 N. Brand Blvd., 11th Floor, Glendale, CA 91203**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Cheyenne Moseley, Asst. Secretary, LegalZoom.com, Inc.**

Signature of Organizer

**FILING OFFICE COPY**



# EXHIBIT I

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



**Certificate of Formation  
Limited Liability Company**

Filing Fee: \$300

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 804072640 05/19/2021  
Document #: 1052342500002  
Image Generated Electronically  
for Web Filing**

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**JM MONARCHY LLC**

**Article 2 – Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be company named above) by the name of:

**United States Corporation Agents, Inc.**

**OR**

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**9900 Spectrum Drive Austin TX 78717**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.

**OR**

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

A. The limited liability company is to be managed by managers.

**OR**

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: **Mauricio Travis**

Title: **Managing Member**

Address: **1333 Eldridge Pkwy, #1622 Houston TX, USA 77077**

Managing Member 2: **Janette Gonzalez**

Title: **Managing Member**

Address: **1333 Eldridge Pkwy, #1622 Houston TX, USA 77077**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**LegalZoom.com, Inc. 101 N Brand Blvd, 11th Floor Glendale, CA 91203**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Cheyenne Moseley, Asst. Secretary, LegalZoom.com, Inc.**

Signature of Organizer

**FILING OFFICE COPY**

# EXHIBIT J

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



**Certificate of Formation  
Limited Liability Company**

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 804371095 01/03/2022  
Document #: 1107718720002  
Image Generated Electronically  
for Web Filing**

Filing Fee: \$300

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**LUXURY REAL ESTATE LLC**

**Article 2 – Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be company named above) by the name of:

**United States Corporation Agents, Inc.**

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**9900 Spectrum Drive Austin TX 78717**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: **Mauricio Chavez**

Title: **Managing Member**

Address: **13411 Briar Forest Dr, Apt. 1033 Houston TX, USA 77077**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Initial Mailing Address**

Address to be used by the Comptroller of Public Accounts for purposes of sending tax information.

The initial mailing address of the filing entity is:

**13411 Briar Forest Dr, Apt. 1033  
Houston, TX 77077  
USA**

**Organizer**

The name and address of the organizer are set forth below.

**LegalZoom.com, Inc. 101 N. Brand Blvd., 11th Floor, Glendale, CA 91203**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Cheyenne Moseley, Asst. Secretary, LegalZoom.com, Inc.**

Signature of Organizer

**FILING OFFICE COPY**

# EXHIBIT K

Secretary of State  
 P.O. Box 13697  
 Austin, TX 78711-3697  
 FAX: 512/463-5709



**Certificate of Formation  
 Limited Liability Company**

**Filed in the Office of the  
 Secretary of State of Texas  
 Filing #: 804385290 01/12/2022  
 Document #: 1110789410002  
 Image Generated Electronically  
 for Web Filing**

Filing Fee: \$300

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**HAIR NEWS COLOR N CUTS LLC**

**Article 2 – Registered Agent and Registered Office**

A. The initial registered agent is an organization (cannot be company named above) by the name of:

**United States Corporation Agents, Inc.**

**OR**

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**9900 Spectrum Dr Austin TX 78717**

**Consent of Registered Agent**

A. A copy of the consent of registered agent is attached.

**OR**

B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

A. The limited liability company is to be managed by managers.

**OR**

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: **Mauricio Chavez**

Title: **Managing Member**

Address: **12593 Whittington Dr Houston TX, USA 77077**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**



[The attached addendum, if any, is incorporated herein by reference.]

**Initial Mailing Address**

Address to be used by the Comptroller of Public Accounts for purposes of sending tax information.

The initial mailing address of the filing entity is:

**12593 Whittington Dr  
Houston, TX 77077  
USA**

**Organizer**

The name and address of the organizer are set forth below.

**LegalZoom.com, Inc. 101 N Brand Blvd, 11th Floor Glendale, CA 91203**

**Effectiveness of Filing**

A. This document becomes effective when the document is filed by the secretary of state.

**OR**

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Cheyenne Moseley, Assistant Secretary, Legalzoom.com, Inc.**

Signature of Organizer

**FILING OFFICE COPY**

# **EXHIBIT L**

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IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE )	)
COMMISSION, )	)
Plaintiff, )	)
vs. )	)
MAURICIO CHAVEZ, )	)
GIORGIO BENVENUTO, and )	)
CRYPTOFOX, LLC, )	)
Defendants. )	)
and )	)
CBT GROUP, LLC, )	)
Relief Defendant. )	)
_____ )	)

Case No. 4:22-cv-3359

ORAL VIDEOTAPED DEPOSITION  
MS. JANETTE HERNANDEZ-GONZALEZ  
December 7, 2022

Reported by:  
Michelle Hartman  
JOB No. 221207WWC

1 A. No.

2 Q. Who was your immediate supervisor at CFX?

3 A. Gustavo.

4 Q. And this is Gustavo Gomez?

5 A. Yes.

6 Q. Okay. Who was Gustavo's immediate  
7 supervisor?

8 A. I don't know.

9 Q. Did you both work for Mauricio?

10 A. Yes.

11 Q. Okay. What was -- what was Gustavo's job  
12 at CFX?

13 A. He was one of the partners with Mauricio  
14 and the other person, Eduardo.

15 Q. In terms of the roles they played daily  
16 at CFX, what did Gustavo handle?

17 A. Presentations and anything contracts and  
18 administrating the office.

19 Q. And then what roles did Mauricio handle  
20 at CFX?

21 A. I don't know.

22 Q. Well, he administrated some payments  
23 right, because he -- he instructed you how to make  
24 payments, right?

25 A. Yes.

1 Q. Okay. So was there anything else other  
2 than making payments to investors that you saw  
3 Mauricio be in charge of at CFX?

4 A. He would be in charge of receiving the  
5 contracts at the end of the day.

6 Q. When did you first meet Mauricio Chavez?

7 A. On October.

8 Q. October 2020?

9 A. 2020, yes.

10 Q. When you came to work for CFX and the  
11 Maurizio Group?

12 A. Yes.

13 Q. How did you get the job?

14 A. Through Gustavo Gomez.

15 Q. Okay. How did you meet Gustavo?

16 A. On Facebook.

17 Q. And this was years ago, right, years  
18 earlier than 2020?

19 A. Yes, before I had my son.

20 Q. Yeah. And were you dating Gustavo at the  
21 time you took the job at the Maurizio Group and CFX?

22 A. Yes, I lived with him.

23 Q. Okay. What is your current relationship  
24 with Mauricio Chavez?

25 A. Friends.

1 Q. When is the last time you talked to  
2 Mauricio?

3 A. November 29.

4 Q. And what form was that communication in?

5 A. In person.

6 Q. What did you talk about?

7 A. Signing a document.

8 Q. Is that the affidavit that you provided  
9 to us about the purchase of real estate property?

10 A. Yes, sir.

11 Q. Okay. And we'll talk about that.

12 How often do you talk to Mauricio  
13 generally?

14 A. Occasionally.

15 Q. About how often is "occasionally"?

16 A. I don't really call him every day, but  
17 once in a while.

18 Q. More than once a week?

19 A. Once every two weeks.

20 Q. And do you have texts with him?

21 A. Yes.

22 Q. Do you ever e-mail with him?

23 A. No.

24 Q. Do you ever communicate via WhatsApp?

25 A. Yes.

1 Q. With Mauricio?

2 A. Yes.

3 Q. And is the answer the same as to those  
4 communications, it is only once every two weeks?

5 A. I don't recall exactly how often.

6 Q. Do you text or WhatsApp him more often  
7 than you call him?

8 A. I talk to him more than text, when I do.

9 Q. Let's go back to the Luxury Real Estate  
10 Group. Let's talk about your -- your employment  
11 there. What role did you play at Luxury Real Estate  
12 Group?

13 A. I would do the same as with Maurizio  
14 Group, which is the market research.

15 Q. And did that stay the same -- did that  
16 role stay the same the entire time you were there  
17 between March and September 2022?

18 A. Yes.

19 Q. Were they the same kind of properties,  
20 mainly residential?

21 A. Yes.

22 Q. And the name implies that they're fancy.  
23 Were they more luxurious?

24 A. No.

25 Q. Okay. So the Luxury Real Estate Group

1 looked at the same kind of properties as the Maurizio  
2 Group?

3 A. Approximately.

4 Q. Okay. And so did you also help them make  
5 appointments like you did at the Maurizio Group?

6 A. Yes.

7 Q. Okay. Did you have any roles to play in  
8 transactions with Luxury Real Estate Group?

9 A. No.

10 Q. And so other than helping Mauricio make  
11 appointments and conducting market research, did you  
12 do anything else at Luxury Real Estate Group?

13 A. No.

14 Q. Is there an office for Luxury Real Estate  
15 Group?

16 A. No.

17 Q. There is no central office for that  
18 business?

19 A. I don't know the office. I just know  
20 that I worked from my house.

21 Q. Okay. Were you ever present for meetings  
22 that Mauricio had as part of the Luxury Real Estate  
23 business?

24 A. No.

25 Q. How did you present your market research



1 to Mauricio?

2 A. I will share him the website.

3 Q. And what website would you --

4 A. Websites of the properties that were  
5 available.

6 Q. Okay. So these would be like Realtor  
7 web --

8 A. Yes, yes.

9 Q. -- websites?

10 A. Yes.

11 Q. And your job was to find properties that  
12 he might want to buy?

13 A. Yes.

14 Q. How often did he buy the property that  
15 you suggested to him?

16 A. He wouldn't tell me anything about that.

17 Q. How much were you paid by Luxury Real  
18 Estate?

19 A. I would receive approximately 3,500 to my  
20 bank.

21 Q. Is this a week?

22 A. Twice a month.

23 Q. And did you receive any other benefits  
24 from Luxury Real Estate?

25 A. No.

1 Q. So you're saying the 3,500 was a direct  
2 deposit to your bank account?

3 A. Yes.

4 Q. Were there any other employees at Luxury  
5 Real Estate?

6 A. Not that I know of.

7 Q. Did you negotiate this pay range with  
8 Mauricio Chavez?

9 A. Yes.

10 Q. Did you ask for more money?

11 A. No.

12 Q. Who suggested the number 3,500?

13 A. Himself.

14 Q. Okay. And that was fine with you?

15 A. That was fine with me, yes.

16 Q. How many hours would you work per -- per  
17 day and per -- per week for the Luxury Real Estate  
18 Group?

19 A. It was from 9:00 to 5:00. So 9:00 to  
20 5:00 five days a week.

21 Q. That is a pretty big pay cut from what  
22 you made at the Maurizio Group; is that right?

23 A. Yes.

24 Q. Yeah. How did you -- but roughly the  
25 same hours; is that right?

1 A. 9:00 to 5:00 five days a week.

2 Q. Yeah, and that's basically what you  
3 worked with the Maurizio Group and CFX combined?

4 A. At CFX, it was six days a week.

5 Q. So you worked an extra day and you got  
6 paid roughly twice as much?

7 A. I believe so.

8 Q. Okay. Why were you okay with that pay  
9 cut?

10 A. That's what he offered, so I accepted it.

11 Q. But making half -- half as much money as  
12 you were making before didn't bother you?

13 A. No.

14 Q. Did you have any other sources of income?

15 A. No.

16 Q. Other than the money that we have talked  
17 about -- the 3,000 to 4,000 a week from the Maurizio  
18 Group and CFX, and then later the 3,500 twice a month  
19 from Luxury Real Estate -- have you received anything  
20 of value from Mauricio Chavez?

21 A. When I was working with him and helping  
22 him with CryptoFX, he did give me a bonus every  
23 month.

24 Q. And how much would that be?

25 A. \$10,000 approximately.

1 STATE OF TEXAS  
2 COUNTY OF HARRIS

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REPORTER'S CERTIFICATE  
ORAL VIDEOTAPED DEPOSITION OF  
MS. JANETTE HERNANDEZ-GONZALEZ  
December 7, 2022

I, Michelle Hartman, the undersigned  
Certified Shorthand Reporter in and for the State of  
Texas and Registered Professional Reporter, certify  
that the facts stated in the foregoing pages are true  
and correct.

I further certify that I am neither  
attorney or counsel for, related to, nor employed by  
any parties to the action in which this testimony is  
taken and, further, that I am not a relative or  
employee of any counsel employed by the parties  
hereto or financially interested in the action.

1                   SUBSCRIBED AND SWORN TO under my hand and  
2 seal of office on this 12th       day of December, 2022.

3  
4  
5                   *Michelle Hartman*



6                   Michelle Hartman, CSR, RPR

7                   Texas CSR 7093

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**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
HON. ANDREW S. HANEN  
United States District Judge