

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GOPALA KRISHNAN, MANIVANNAN
SHANMUGAM, SAKTHIVEL PALANI
GOUNDER, NANBAN VENTURES LLC,
GSM ETERNAL LLC (A/K/A NORTHSTARS
FINTECH), HIMALAYAN FINTECH LLC,
and CENTUM FINTECH LLC (A/K/A
SUNSHINES FINTECH),

Defendants,

C.A. No.: 4:23-cv-885 SDJ

Jury Trial Demanded

**APPENDIX IN SUPPORT OF
PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S
EMERGENCY *EX PARTE* MOTION FOR TEMPORARY RESTRAINING ORDER,
PRELIMINARY INJUNCTION, ASSET FREEZE, AND OTHER ANCILLARY
EMERGENCY RELIEF, AND BRIEF IN SUPPORT**

Dated: October 5, 2023.

Respectfully submitted,

/s/ Keefe Bernstein

Keefe Bernstein

Texas Bar No. 24006839

(817) 900-2607

bernsteink@sec.gov

Jason P. Reinsch

Texas Bar No. 24040120

Direct Phone: (817) 900-2601

reinschj@sec.gov

Samantha Martin
Texas Bar No. 24065090
(817) 978-5035
martins@sec.gov

Clemon Ashley
Illinois Bar No. 6294839
(817) 900-2627
ashleyc@sec.gov

Securities and Exchange Commission
801 Cherry Street, Suite 1900
Fort Worth, TX 76102

Counsel for Plaintiff
Securities and Exchange Commission

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FILED UNDER SEAL

C.A. No.:

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and CENTUM FINTECH LLC (A/K/A
SUNSHINES FINTECH)

Defendants,

FILED UNDER SEAL

C.A. No.:

Jury Trial Demanded

**DECLARATION OF LAURA K. BENNETT IN SUPPORT OF
PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S EMERGENCY *EX*
PARTE MOTION FOR TEMPORARY RESTRAINING ORDER, PRELIMINARY
INJUNCTION, ASSET FREEZE AND OTHER ANCILLARY EMERGENCY RELIEF**

I, Laura Bennett, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify to the matters stated herein. I have personal knowledge of the matters stated herein, and if called as a witness, could and would testify competently thereto.

1. I am currently employed as a Senior Enforcement Accountant with the United States Securities and Exchange Commission (the "Commission") in its Fort Worth Regional Office in Fort Worth, Texas. I have been employed by the Commission since March 2013. I am a Certified Public Accountant, licensed in New Mexico by the New Mexico State Board of Public Accountancy and in California by the California Board of Accountancy. I am also a

Certified Fraud Examiner and Certified in Financial Forensics by the American Institute of Certified Public Accountants (AICPA).

2. My official duties with the Commission include participating in fact-finding inquiries and investigations to determine whether the federal securities laws have been violated and assisting in the Commission's litigation of securities laws violations. This includes interviewing witnesses, reviewing and analyzing financial and other records of various entities and individuals, and tracing financial transactions to determine their source and use. The results of my review of voluminous bank and financial records are summarized in various schedules and charts. I may also testify regarding my summaries at hearings and/or trials.

3. As part of my official duties, I have been involved in a Commission investigation to determine if any federal securities laws were violated by defendants Nanban Ventures LLC ("Nanban Ventures"), Gopala Krishnan ("Krishnan"), Manivannan Shanmugam ("Shanmugam"), Sakthivel Palani Gounder ("Gounder"), GSM Eternal LLC ("GSM"), Himalayan Fintech LLC ("Himalayan"), and Centum FinTech LLC ("Centum") (collectively "Defendants"). As part of this investigation, the Commission sought to determine whether Defendants violated the federal securities laws in connection with their offer and sale of limited partnership interests and high-yield investment notes. In connection with this investigation, and pursuant to subpoenas and standard document requests, I, and other members of the Commission, reviewed various documents and testimony related to Defendants, including but not limited to, offering materials, bank account records, brokerage account records, public records, and other financial records produced by Defendants and other third parties.

4. As part of my official duties, I reviewed and analyzed bank account and brokerage account records and other documents to determine the sources and uses of investor

money in connection with Defendants’ offer and sale of limited partnership interests and high-yield investment notes. My analysis focuses on Defendants’ offering and sale of limited partnership interests and high-yield investment notes between April 16, 2021, through July 18, 2023 (the “Relevant Period”), which generally corresponds with the date range of the financial records the Commission has obtained to date. However, it is my understanding that Defendants have continued to offer and sell both classes of securities through the present day. The most recent deposits from VC Fund investors and Note Investors in the Relevant Period were made on July 14, 2023 and July 12, 2023, respectively.

Overview of Improper Payments

5. During the Relevant Period, Defendants raised over \$129.74 million from two classes of investors – fund investors and note investors.

6. Defendants have distributed approximately \$31.72 million in purported profit and principal payments to those investors.

7. In contrast, the investments have generated *at most* approximately \$13.94 million, consisting of approximately \$6.48 million in profit and \$7.46 million in deposits from real estate transactions that do not qualify as revenue, but could conceivably be used to fund investor payments. Notably, the \$6.48 million profit figure likely overstates the actual investment profit, because I took a conservative approach and treated certain credit transactions from unknown sources, including \$992,242 in unidentified deposits, as investment profit.

8. As a result, I have concluded that at least \$17.78 million of the payments Defendants made to the fund and note investors to date were Ponzi payments – *i.e.*, payments made using other investor funds.

9. Defendants also used investor funds raised from the fund and note investors to make at least \$2.31 million in additional Ponzi payments to investors who invested in their earlier and now closed hedge funds.

10. In addition, Defendants paid themselves at least \$8.03 million in compensation. Defendants used a significant portion of investor money as a primary source for these distributions as well.

Background

Nanban Hedge Funds

11. In May 2020, Krishnan, Shanmugam, and Gounder (collectively, “Founders”) launched for-profit hedge funds (“Hedge Funds”) that they claimed would generate returns that would consistently over perform the S&P 500 Index. To achieve these returns, the Hedge Funds claimed to employ “GK Strategies,” which the Founders purported to be a proprietary options trading system that Krishnan personally developed. From June 2020 to September 2021, the Founders raised approximately \$116.58 million from 395 investors in four successive Hedge Funds (“HF Investors”).

12. All of the Hedge Funds underperformed the S&P 500 Index. By August 2022, the Founders had closed their last two remaining Hedge Funds and returned HF Investors’ original capital, along with a purported profit, which they partially sourced with money from new investors as described below.

Nanban Venture Funds

13. In May 2021, the Founders formed Nanban Ventures LLC, which they used to market venture capital funds. The Founders created, owned, managed, and otherwise controlled five Nanban Ventures venture capital funds: Nanban Venture Capital Fund 1 LP (“Capital

Fund”); Nanban Ventures AAA Fund LP (“AAA Fund”); Nanban Ventures Abundance Fund LP (“Abundance Fund”); Nanban Ventures Ganga Fund LP (“Ganga Fund”); and Nanban Ventures Nile Fund LP (“Nile Fund”) (collectively, the “VC Funds”).

14. To raise capital for the VC Funds, the Founders, Nanban Ventures, and their affiliated entities disseminated to investors, among other things, private-placement memorandums (“PPMs”) and limited partnership agreements (“LPAs”) to offer and sell membership units in the VC Funds.

15. Unlike the Hedge Funds, the VC Funds purportedly used more than just GK Strategies to generate returns. The VC Funds planned to generate returns through: (1) trading using GK Strategies, (2) real estate investments, and (3) venture capital investments in startup companies.

16. During the Relevant Period, I determined that Defendants raised approximately \$89.81 million from over 350 investors in the VC Funds (“VC Fund Investors”). Also, during the Relevant Period, Nanban Ventures, through its third-party fund administrator, represented to VC Fund Investors that the VC Funds had total earnings of approximately \$23.20 million.

17. Nanban Ventures offered the VC Fund Investors the option to either receive their share of these purported profits or reinvest the amounts back into the VC Funds. Most VC Fund Investors chose to reinvest. The VC Fund Investors that chose to take profit distributions received approximately \$10.68 million in purported profit payments during the Relevant Period.

Founder Company Note Offerings

18. The Founders also raised money from investors through the sale of unsecured high-yield investment notes issued by GSM, Himalayan, and Centum (collectively, the “Founder Companies”). The Founder Companies are owned and controlled by the Founders through

intermediary entities. In total, the Founder Companies received approximately \$39.93 million from ten investors that invested directly in one or more of the Founder Companies through promissory notes (“Note Investors”). The investment notes guaranteed that the Founder Companies would pay the Note Investors 18% per annum, usually for a period of five years.

19. During the Relevant Period, the Founder Companies paid approximately \$21.04 million to the Note Investors, of which approximately \$14.54 million was purported profit and \$6.50 million was purported return of principal.

Commingling of Investor Funds

20. The Founders commingled the VC Funds’ money with the money from Note Investors within the Founder Companies bank accounts.

21. The Founders also directed approximately \$72.28 million of the commingled money from the two investor classes into two TD Ameritrade brokerage accounts belonging to GSM for the purpose of conducting trading using GK Strategies.

22. During the course of my review, I encountered three limitations. First, the commingling of the assets of the two investor classes, along with other transactions that occurred in the Founder Companies bank accounts and GSM’s brokerage accounts, affected my ability to track the flow of funds for each investor class. Second, Defendants did not produce financial statements or books and records for all entities despite the Commission serving Defendants with valid subpoenas requesting such information and relevant documents. Third, some of the bank records I reviewed contained incomplete records related to certain debits and credits. Defendants’ failure to provide the relevant financial records coupled with the incomplete bank records resulted in my inability to classify the source of \$992,242 in credits or the purpose of approximately \$8.77 million in debits.

23. Because of these limitations, I compared the total amount of purported profits paid to both investor classes with the total amount of revenue identified in the bank accounts corresponding to the VC Funds and the Founder Companies. Because of the limitations of my analysis described above, I took a conservative approach in Defendants' favor and treated certain credit transactions from unknown sources (like \$992,242 in unidentified deposits¹) as investment profit. Even using this conservative approach, I concluded that Defendants could not have paid investors approximately \$31.72 million in purported profit without using investor money to cover the shortfall in revenue, i.e., by making Ponzi payments. In further support of my conclusion, I provide specific examples below of instances when Defendants made purported profit payments to investors when they had insufficient revenue to justify the payments.

Relevant Bank Accounts, Brokerage Accounts and Other Financial Information

24. Generally, bank accounts that the Founders control or are affiliated with, of which the Commission is aware, have been maintained at First Republic Bank ("First Republic"), First United Bank and Trust Company ("First United"), JPMorgan Chase Bank ("JPMC"), and U Bank.² Defendants maintain brokerage accounts at TD Ameritrade.

25. As part of my duties, I analyzed records for thirty-seven bank accounts ("Relevant Bank Accounts") and four brokerage accounts ("Relevant Brokerage Accounts") for the Relevant Period. A list of the Relevant Bank Accounts and Relevant Brokerage Accounts for which I have reviewed records is attached to this declaration as Exhibit A. For each such

¹ The documents provided from the bank indicate \$580,000 was transferred from other unidentified bank accounts and an additional \$412,242 was deposited with no support produced. Therefore, I was unable to determine the source of those funds.

² During the investigation, I learned that First Republic closed Defendants' bank accounts in March 2023 and that JPMC is in the process of closing all relevant accounts. The Founders have transferred the significant balances from JPMC to Wells Fargo and have withdrawn, through cash withdrawals and cashier checks the smaller account balances.

account, when available, I reviewed account opening documents and signature cards. I also reviewed account statements, transaction data files, deposit and withdrawal supporting documentation, and other documents. In reviewing the records produced for the Relevant Bank Accounts, I learned that the Founders have authority and control over all the accounts and signatory authority over most of the accounts.³

26. Other relevant financial information that I reviewed includes financial statements for each VC Fund, the HUB and the SPVs (as defined below), Centum, and Himalayan, books and records for the SPVs and Nanban Ventures, lists of investors and lists of earnings allocations to investors, among other things (“Other Relevant Financial Information”).

Flow of Investor Funds

27. As set forth above, Defendants raised approximately \$129.74 million during the Relevant Period. VC Fund Investors deposited approximately \$89.81 million, and Note Investors deposited approximately \$39.93 million. Based on my review of the records, investors wired their investment amounts into the Relevant Bank Account that corresponds to the entity in which the investors invested. Upon receiving new investor funds, Defendants (1) commingled those funds with other investor funds, and (2) used the funds for various purposes.

Investor Deposits to the VC Funds

28. Based on my analysis of the Relevant Bank Accounts and Other Relevant Financial Information, I determined that VC Fund Investors primarily deposited money to the VC Funds via wire transfer transactions.

³ Signature details were not produced for the VC Funds and Hub accounts maintained at JPMC. However, prior to moving the accounts from First Republic to JPMC, the Founders were all signatories. This leads me to reasonably conclude that the Founders also have authority over the JPMC accounts.

29. I prepared the following table that summarizes the investor deposits in the VC

Funds:

Fund	Raise Period	Investors	Amount Raised
Capital	May 11, 2021 – July 18, 2023	105	\$25,509,592
AAA	September 17, 2021 – July 18, 2023	99	\$5,426,494
Ganga	December 10, 2021 – July 18, 2023	95	\$19,280,193
Abundance	December 27, 2021 – July 18, 2023	6	\$23,325,000
Nile	August 26, 2022 – July 18, 2023	81	\$16,266,872
Total Raised:⁴			\$89,808,151

30. The Founders did not always direct the VC Funds' cash in a consistent manner as depicted in the chart below. Therefore, I have described the general flow of funds and not described every aberration I identified in my review.

31. After the receipt of the VC Funds Investors' deposits into the VC Funds' bank accounts, the Founders generally pooled the assets of the five VC Funds into an account in the name of Nanban Ventures Hub LLC ("HUB"). From the HUB, they generally directed money to three special purpose vehicles ("SPVs"): (1) Nanban Ventures Intangible Assets, LLC ("Intangible SPV"), (2) Nanban Ventures Solid Assets LLC ("Solid SPV"), and (3) Nanban Ventures Unicorn LLC ("Unicorn SPV"). I learned through the Founders' testimony and the testimony of their accountant that, during the Relevant Period, the Founders primarily used the

⁴ Although the total number of investors appears to be 386 there are only approximately 350 distinct investors, due to several investors investing in multiple funds or investing in multiple ways, i.e., through both a traditional IRA and a Roth IRA.

SPVs corresponding accounts to direct money for Nanban Ventures' three investment categories of focus. The Founders deployed the VC Funds' assets as follows:

- approximately \$ 70.26 million to Intangible SPV for "cash-flow purposes," meaning, predominantly for trading using GK Strategies;
- approximately \$25.31 million to Solid SPV to invest in real estate; and
- approximately \$5.23 million to Unicorn SPV to invest in start-up companies.

32. The total funds deployed to the SPVs (approximately \$100.80 million) is more than the total amount of funds raised for the VC Funds (approximately \$89.81 million). Without a complete accounting from Defendants, we are unable to explain this difference of approximately \$10.99 million. It is possible that the Founders could have also deployed the Note Investor Funds received from the Founder Companies (explained in more detail below) or funds from some other source to the SPVs.

33. The records I reviewed led me to conclude that the Founders likely used the money deployed to Solid SPV and Unicorn SPV for their intended purposes. But they commingled the vast majority of the VC Funds Investors' funds (approximately \$70.26 million) with the Note Investors' Funds.

Note Investor Deposits to the Founder Companies

34. Further, based on my analysis of the Relevant Bank Accounts, I determined that the Note Investors primarily deposited money to the Founder Companies via wire transfer and other bank-to-bank transfer transactions.

35. I prepared the following table that summarizes the investor deposits in the Founder Companies:

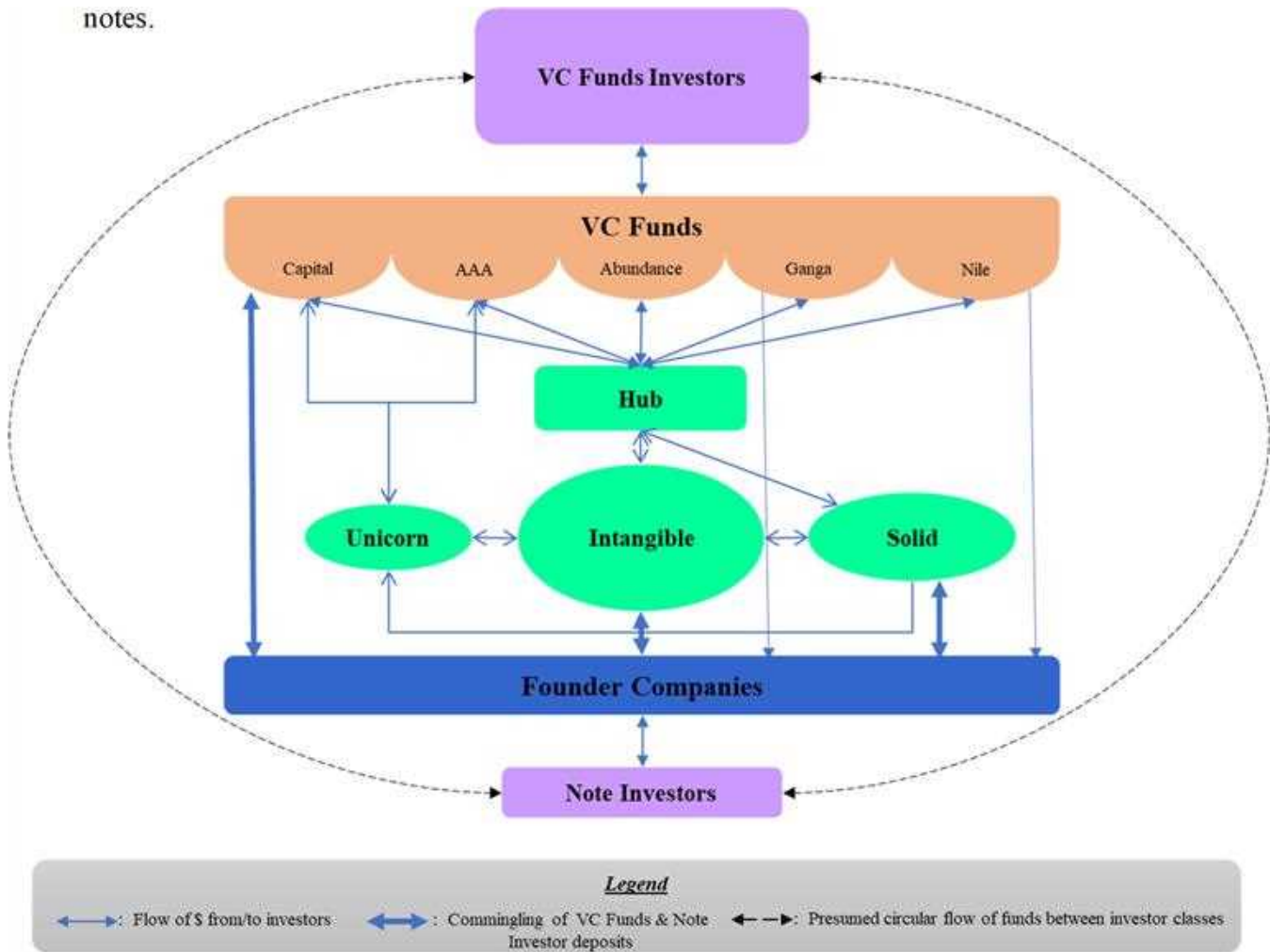
Founder Company	Raise Period	Investors	Amount Raised
GSM	April 16, 2021 – July 18, 2023	9	\$29,337,440
Centum	November 18, 2022 – July 18, 2023	1	\$5,000,000
Himalayan	December 1, 2022 – July 18, 2023	2	\$5,597,405
Total Raised:			\$39,934,845

Transfer and Commingling of Investor Deposits

36. The Founders commingled the VC Funds' money with the money from Note Investors in bank accounts and brokerage accounts. The Founders used Intangible SPV to direct approximately \$70.26 million to the Founder Companies through at least 13 related-party unsecured high-yield investment notes issued by the Founder Companies. The Founders directed the VC Funds to purchase these notes indirectly through Intangible SPV. This resulted in the VC Funds purportedly investing approximately \$70.26 million in the Founder Companies. Also, included in this figure is approximately \$2.60 million that the Founders transferred from the VC Funds to the Founder Companies through a third-party real estate entity. Consequently, approximately \$70.26 million of the VC Funds' assets became commingled in the bank accounts of the Founder Companies with the Note Investors' money that also included credit transactions to Defendants from unknown sources.

37. Each note required a Founder Company to make interest payments of 18% per annum on the loan amount. Because the Founder Companies could not make the interest payments with profit alone (as described below), they made up the shortfall with the commingled funds of the VC Investors and Note Investors.

38. The following chart depicts the flow of funds from both investor classes and the commingling of the funds that occurred as a result of the investment Intangible SPV made in the Founder Companies through the unsecured high-yield investment notes and the purported interest payments the Founder Companies made to Intangible SPV to satisfy the terms of the notes.



Defendants Trading Resulted in a Net Loss

39. Based on my analysis of the Relevant Bank Accounts and the Relevant Brokerage Accounts held in the name of GSM ("GSM Brokerage Accounts"), I noted that \$72,276,553 was transferred from the Relevant Bank Accounts to the GSM Brokerage Accounts during the Relevant Period. This total represents approximately 67% of the combined total of (1) deposits

from Note Investors and (2) funds Defendants transferred from the VC Fund Investors to the Founder Companies. In addition, I noted that a total of \$70,302,963 was transferred out of the GSM Brokerage Accounts, \$63,289,463 went to the Relevant Bank Accounts and \$7,013,500 went to a third-party lender during the Relevant Period.

40. The amount transferred to the GSM Brokerage Accounts exceeds the amount transferred from the GSM Brokerage Accounts by \$1,973,590. The end-of-day cash balance for the GSM Brokerage Accounts was \$680,090.12 on July 18, 2023. This analysis indicates that the GSM Brokerage Accounts had a net loss of \$1,293,499.80 during the Relevant Period.

41. During Krishnan's testimony on May 30, 2023, he claimed that the source of the distribution payments to VC Fund Investors was the "cash flow" the Founders realized from trading in GSM Brokerage Accounts. Krishnan's testimony is inconsistent with my analysis of the GSM Brokerage Accounts.

Income Sources and Distributions

VC Funds

42. Based on my analysis of the Relevant Bank Accounts, I determined that corresponding accounts for the VC Funds and the SPVs received deposits (approximately \$115.24 million). Generally, the categories of these deposits were (1) VC Fund Investors, (approximately \$89.81 million); (2) transfers from the Founder Companies, which I determined was sourced by the commingled funds of Note Investors and VC Fund Investors, (approximately \$17.42 million); and (3) non-investor sources (approximately \$8.01 million).

43. The sub-categories of deposits from non-investor sources included, among other items, (1) real estate principal and loan proceeds (approximately \$5.60 million); (2) unidentified

deposits⁵ (approximately \$0.41 million); and (3) what appears to be legitimate revenue (approximately \$1.97 million).

44. I also determined that Defendants distributed approximately \$113.55 million from these accounts. The categories of distributions include, among other items, (1) investor distributions (approximately \$10.68 million); (2) transfers to the Founder Companies, (approximately \$70.26 million); (3) real estate investments (approximately \$25.31 million); (4) investments in start-up companies (approximately \$5.23 million); and (5) transfers to VC Funds management and general partner entities, controlled by the Founders (approximately \$2.03 million).

45. This analysis reflects that, with — at most — only \$8.01 million from non-investor sources, Defendants would have been unable to distribute approximately \$10.68 million⁶ to investors without using funds sourced by investors. In particular, the deposits from non-investor sources were insufficient to cover the investor distributions. Therefore, I concluded that Defendants used at least approximately \$2.67 million of investor funds to cover the shortfall.

46. Based on the analysis described above, I prepared the following chart that summarizes the income sources and distributions for the VC Funds, the Hub, and SPV entities during the Relevant Period.

⁵ The bank did not provide support for deposits of approximately \$0.41 million. Therefore, I was unable to determine the source of those funds.

⁶ The bank records have direct support for approximately \$9.7 million in distributions to investors. However, it appears that there was an additional \$1 million in investor payments based on the timing of and notations on certain payments.

VC Funds, HUB & SPVs Combined Activity	
Balance on 03/31/2021	\$ -
Add deposits:	
- VC Funds investor deposits	\$ 89,808,151
- Transfers from Founder Companies	\$ 17,417,938
- Real estate principal, refinance loan proceeds	\$ 5,598,616
- Legitimate Revenue	\$ 1,973,988
- Unknown deposits	\$ 412,242
- Other	\$ 30,000
Total deposits	\$ 115,240,934
Less distributions:	
- Transfers to Founder Companies	\$ 70,260,817
- Real estate investments	\$ 25,311,559
- Investor distributions	\$ 10,676,854
- Investments in start-up entities	\$ 5,225,000
- Transfers to Management entities	\$ 1,477,471
- Transfers to General Partner entities	\$ 549,941
- Expenses	\$ 9,889
- Unknown	\$ 39,109
Total distributions	\$ 113,550,641
Balance on 07/18/23	\$ 1,690,293

Founder Companies

47. Based on my analysis of the Relevant Bank Accounts and Relevant Brokerage Accounts, I determined that corresponding accounts for the Founder Companies received approximately \$207.28 million. Generally, the categories of these deposits were (1) Note Investors (approximately \$39.93 million); (2) transfers from the VC Funds, which I determined were sourced by VC Fund Investors (approximately \$70.26 million); (3) transfers from the Relevant Brokerage Accounts, which I determined were sourced by Note Investors and VC Fund Investors (approximately \$70.30 million); and (4) non-investor sources (approximately \$26.78 million). The sub-categories of deposits from non-investor sources included, among other items, (1) third-party loan proceeds (approximately \$19.11 million); (2) unidentified deposits

(approximately \$580,000); (3) real estate refunds⁷(approximately \$1.86 million), *e.g.*, earnest money refunds; and (4) what appears to be legitimate revenue (approximately \$4.80 million).

48. I also determined that Defendants distributed approximately \$200.81 million from these accounts. The categories of distributions include, among other items, (1) investor distributions (including to Note Investors, VC Funds Investors via transfers to Intangible SPV⁸, and HF Investors), approximately \$41.97 million; (2) transfers to the Relevant Brokerage Accounts, approximately \$72.28 million; (3) payments to the Founders and there affiliated companies, approximately \$19.67 million; (4) real estate and other presumed investments approximately \$38.02 million⁹, and (5) loan repayments, approximately \$19.14 million..

49. This analysis reflects that, with – at most - only \$26.78 million from non-investor sources, Defendants would have been unable to distribute approximately \$41.97 million without using funds sourced by investors. In particular, the deposits from non-investor sources were insufficient to cover the investor distributions. Therefore, I concluded that Defendants used at least approximately \$15.19 million of investor funds to cover the shortfall.

50. The Relevant Bank Account analysis also reflects that the Founder Companies had no operations outside of using VC Fund Investor and Note Investor funds to conduct trading in brokerage accounts, invest in real estate, and possibly the purchase of bonds. In fact,

⁷ Third-party documentation describes the \$1.86 million as real estate transactions, approximately \$1.60 million as “returning earnest money,” approximately \$0.16 million as “issuing refinance fee,” and approximately \$0.10 million simply as “real estate investment.”

⁸ \$17.42 million was transferred to the VC Funds, however, only \$10.68 million was paid to VC Fund Investors. Due to the rampant comingling, it is impossible without additional information from Defendants to tell what ultimately happened to the entire amount transferred.

⁹ Approximately \$9.0 million of the \$38.02 million is presumed to be investments. The documentation I reviewed does not clearly identify these distributions as investments. However, I determined that they are possible investments based on Krishnan’s testimony that the Founder Companies were investing in corporate bonds and reviewing the incomplete financial statements of the Founder Companies produced by Defendants.

Himalayan conducted no business during the Relevant period and was used solely as a conduit to move investor monies between the Founder Companies.

51. Based on the analysis described above, I prepared the following chart that summarizes the income sources and distribution for the Founder Companies during the Relevant Period.

Founder Companies Combined Activity	
Balance on 03/31/2021	\$ -
Add deposits:	
- Transfers from VC Funds	\$ 70,260,817
- Note Investor deposits	\$ 39,934,846
- Transfers from TD Ameritrade accounts	\$ 70,302,963
- Third-party loans	\$ 19,111,329
- Legitimate revenue	\$ 4,803,662
- Real estate transaction fees (e.g. earnest money refunds)	\$ 1,864,101
- Transfers from VC Funds management entities	\$ 425,000
- Unknown deposits	\$ 580,000
Total deposits	\$ 207,282,718
Less distributions:	
- Note Investor distributions	\$ 21,044,973
- Transfers to VC Funds	\$ 17,417,938
- Hedge Fund investor distributions	\$ 3,505,235
- Real estate and other presumed investments	\$ 38,024,988
- Third-party loan payments	\$ 19,141,823
- Payments to Founder affiliated companies	\$ 13,674,869
- Payments to Founders	\$ 5,997,961
- Transfers to TD Ameritrade accounts	\$ 72,276,553
- Miscellaneous/Unknown	\$ 8,727,973
- Expenses	\$ 1,000,355
Total distributions	\$ 200,812,667
Bank accounts balance on 07/18/23	\$ 6,470,051
Add: TD Ameritrade accounts cash balance at 7/18/23	\$ 680,090
Grand Total	\$ 7,150,141

Examples of Ponzi Payments

52. My analysis of the Relevant Bank Accounts and Relevant Brokerage Accounts shows that, on multiple occasions, Defendants made payments in which new investor funds were used to make payments to existing investors (“Ponzi payments”). In these transactions, Defendants received investor funds and, at a later point in time, transferred a portion of the funds

out to different investors. The following instances are examples that illustrate how Defendants made Ponzi payments within the Relevant Bank Accounts and Relevant Brokerage Accounts. Although the examples are all from 2022, my review of the Founders 2023 distributions to VC Fund Investors and Note Investors is consistent with my overall conclusion that the Founders have used Ponzi payments to make up their shortfall in profits. The longer the Founders' have been in operation, the more complicated it becomes for me to describe the Ponzi payments due to the limitations in my analysis identified above. Therefore, I chose the most straight-forward examples of Ponzi payments to describe, instead of the most recent.

VC Fund Examples

53. On July 22, 2022, the VC Funds paid investors a total of \$1,645,607.50 in purported profit. Based on my analysis of the Relevant Bank Accounts, the majority of this “profit” was actually investor money.

54. On July 19, 2022, the VC Funds had a combined bank balance of \$7,110,282.22 consisting mostly of funds from VC Fund Investors, with only \$27,000 in what appears to be legitimate revenue. Also, On July 19, 2022, the Founder Companies had a combined bank balance of \$175,837.60, in what appears to be legitimate revenue.

55. On July 20, 2022, the Founder Companies received funds from three sources: (1) \$1,890,000 from the VC Funds through Intangible SPV to GSM; (2) \$210,000 of what appears to be legitimate revenue; and (3) \$500,000 from the GSM Brokerage Accounts, in which the deposits were sourced by the commingled funds of VC Fund Investors and Note Investors and had no discernible gains¹⁰ as of July 20, 2022. This brought the combined available funds in the

¹⁰ The Relevant Bank Accounts and GSM Brokerage Accounts reflect that, from day one through the statement date ending July 31, 2022, the total amount transferred to the GSM brokerage accounts exceeded the total amount transferred out of the GSM brokerage accounts by approximately \$6.56 million. However, the ending balance in the

Founder Companies to \$2,775,837.60, consisting of \$385,837.60 in what appears to be legitimate revenue and \$2,390,000 from investors.

56. Also, on July 20, 2022, the Founder Companies transferred \$1,728,890.89, through GSM, to the VC Funds, through Intangible SPV. The following day, on July 21, 2022, the Founder Companies transferred \$559,941.47 to the VC Funds, through Intangible SPV, bringing the total amount transferred in the two-day period from the Founder Companies to the VC Funds to \$2,288,832.36. After these transfers the combined bank balances looked as follows:

Combined Bank Balances as of July 21, 2022		
	VC Funds	Founders Companies
Revenue	\$412,837.60	\$0.00
Investor Funds	\$7,096,276.98	\$487,005.24
Total	\$7,509,114.58	\$487,005.24

57. Because after the transfers from the Founder Companies, the VC Funds only had \$412,837.60 in what appeared to be legitimate revenues, I concluded that the VC Funds used at least \$1,232,769.90 in investor money when it purported to distribute \$1,645,607.50 in profit to VC Fund investors on July 22, 2022.

Founder Companies Examples

58. On May 19, 2021, a Note Investor invested \$5,000,000 in a Founder Company (GSM) in exchange for an unsecured high-yield investment note the Founder Company issued to

GSM Brokerage Accounts as of July 31, 2022, was only approximately \$4.04 million; therefore the GSM Brokerage Accounts reflected a net loss of approximately \$2.52 million as of July 31, 2022.

the Note Investor requiring the Founder Company to make annual interest payments of 18%. After the Note Investor made a redemption request, GSM paid the Note Investor \$5,450,000, consisting of \$540,000 in purported profit and \$5,000,000 in purported return of principal to pay off the unsecured high-yield investment note on March 8, 2022.

59. Based on my analysis of the Relevant Bank Accounts, on March 6, 2022, the Founder Companies had a combined bank balance of \$2,807,059.27, the vast majority of which was funds sourced by investors. From December 30, 2021, when the Founder Companies had a combined bank balance of \$4,425.62, through March 6, 2022, the Founder Companies received funds from four sources: (1) \$11,312,639 from the VC Funds through Intangible SPV; (2) \$6,000,000 from two Note Investors; (3) \$68,428.69 of what appears to be legitimate revenue and (4) \$9,421,400 from the GSM Brokerage Accounts, in which the deposits were sourced by the commingled funds of VC Fund Investors and Note Investors and had no discernible gains. Therefore, at most \$68,428.69 of the Founder Companies combined balance on March 6, 2022, was legitimate profits. On March 7, 2022, the Founder Companies, through GSM, transferred approximately \$3.50 million from the GSM Brokerage Accounts, in which the deposits were sourced by investors and had no discernible gains¹¹. Therefore, the money used to pay off the Note Investor was almost entirely sourced by new investor funds.

60. Further, in August 2022, the two remaining Hedge Funds paid HF Investors \$26,305,789.39 to close the Hedge Funds, including \$16,003,659.39 from Nanban Investments OCT 2020 Fund LLC (“OCT Fund”) and \$10,302,130 from Nanban 2020 Perpetual Income

¹¹ The Relevant Bank Accounts and GSM Brokerage Accounts reflect that from day one through the statement date ending March 31, 2022, the total amount transferred to the GSM brokerage accounts exceeded the total amount transferred out of the GSM brokerage accounts by approximately \$34.53 million. However, the ending balance in the GSM Brokerage Accounts as of March 31, 2022, was only \$29.88 million, therefore the GSM Brokerage Accounts reflected a net loss of approximately \$4.64 million as of March 31, 2022.

Fund (“Perpetual Fund”). Based on my analysis of the Relevant Bank Accounts and Relevant Brokerage Accounts, the Hedge Funds did not have sufficient funds to pay the investors.

61. On July 31, 2022, the OCT Fund had a cash balance of \$243,911.94 in the Relevant Bank Accounts and on August 3, 2022, transferred \$14,118,906.17 from the Relevant Brokerage Accounts for a total of \$14,362,818.11. On July 31, 2022, the Perpetual Fund had a cash balance of \$400,085.96 in the Relevant Bank Accounts and on August 3, 2022, transferred \$9,235,553.76 from the Relevant Brokerage Accounts for a total of \$9,635,639.72.¹²

62. On July 31, 2022, the Founder Companies had a combined bank balance of \$385,654.71. Subsequently on August 1, 2022, the Founder Companies received \$3,000,000 from a Note Investor, and, on August 2, 2022, wired an additional \$1,484,482 from the GSM Brokerage Accounts, in which the deposits were sourced by the commingled funds of VC Fund Investors and Note Investors and had no discernible gains.¹³

63. On August 3, 2022, the Founder Companies, through GSM, wired money to the two remaining Hedge Funds—\$2,188,630 to the OCT Fund and \$1,316,605 to the Perpetual Fund. Therefore, the Founder Companies sourced the entire \$3,505,235 million they paid to the Hedge Funds from the VC Fund Investor’s and Note Investor’s commingled funds. In addition, at least \$666,490.28 of the funds that the Perpetual Fund paid HF Investors on August 3, 2022, and \$1,640,841.28 of the funds that the OCT Fund paid HF Investors on August 23, 2022, had no connection to the Hedge Funds and was sourced by commingled funds from Note Investors and VC Fund Investors.

¹² The transfers from the Relevant Brokerage accounts essentially closed those accounts leaving insignificant amounts of cash.

¹³ See footnote 8.

Payments to Defendants

Nanban Ventures

64. Based on my analysis of the Relevant Bank Accounts, the VC Funds transferred approximately \$2.03 million to the VC Funds' general partner entities and management entities, including Nanban Ventures. Pursuant to the VC Funds' LPAs, the general partners are entitled to a distribution after the limited partners allocation of a preferred return rate and the management entities are entitled to 2% of monies raised per year. The bank records show that Defendants paid approximately \$1.48 million to management entities and approximately \$0.55 million to general partner entities. Since Nanban Ventures operates as both the manager and general partner of one of the VC Funds, it is impossible from the produced records to determine the exact amount of management fees or general partner allocations. Nevertheless, if approximately \$1.48 million of the payments are management fees, then the remaining \$549,941 is an allocation of income to the general partners. As discussed above, the VC Funds lacked sufficient income to cover the limited partners' preferred returns, much less a return to the general partners.

Founder Companies

65. Based on my analysis, I determined that the Founders received direct payments totaling more than \$6 million from the corresponding Founder Companies accounts—Krishnan received approximately \$3.28 million, Gounder received approximately \$1.86 million, and Shanmugam received approximately \$0.86 million. On May 30, 2023, Krishnan testified that the source of the over \$6 million payments to the Founders was the Founders' "cash flow" from trading in the GSM Brokerage Accounts. As noted above, the Founders' trading resulted in a loss of approximately \$1.29 million during the Relevant Period. As described above, Defendants

would have been unable to sustain their level of distributions from only the flow of legitimate revenue, including distributing the amount of money to investors, without using a significant portion of investor money raised as a primary source for the distributions.

Current Bank Account and Brokerage Account Balances

66. Attached Exhibit A reflects balances as of July 18, 2023, for all Relevant Bank Accounts. In summary:

1. As of July 18, 2023, Defendants held \$8,160,340.52 at JPMC.
2. As of July 18, 2023, Defendants held \$3.16 at U Bank.
3. As of July 18, 2023, Defendants held \$680,090.12 in cash in the GSM Brokerage Accounts at TDA.

Other Assets

4. As of July 18, 2023, the VC Funds appear to hold real estate investments through Solid SPV that they purchased for \$25,311,559.
5. As of July 18, 2023, the VC Funds appear to hold interests in start-up companies through Unicorn SPV that they purchased for \$5,225,000.
6. As of July 18, 2023, the Founder Companies hold real estate that they purchased for \$29,025,089.
7. As of July 18, 2023, the Founder Companies may have additional unidentified investments of \$8,999,898.¹⁴

Risk of Dissipation

67. The Founders have access to over \$8.17 million in bank accounts connected to the VC Funds and Founder Companies and over \$680,000 cash in GSM's brokerage accounts. The

¹⁴ See footnote 7.

Founders recently moved all of the JPMC accounts to a new bank and withdrew cash and cashiers' checks totaling at least \$369,000 in the process. They also control the entities that hold assets sourced to both investor classes such as real estate and investments in private companies. The Founders have already shown a willingness to misuse investor funds by making Ponzi payments and appear to have already taken approximately \$6.5 million for themselves out of the VC Fund Investors' and Note Investors' commingled funds. If the Founders continue to have unfettered access to the assets listed above, there is a risk that they will dissipate additional investor funds.

Executed on October 2, 2023, in Fort Worth, Texas.

A handwritten signature in black ink, appearing to read 'LKB', with a horizontal line extending to the right.

Laura K. Bennett

EXHIBIT A

EXHIBIT A
NANBAN INVESTMENTS ET AL
RELEVANT BANK ACCOUNT LIST AND
RELEVANT BROKERAGE ACCOUNT LIST

FINANCIAL INSTITUTION	LAST 4 DIGITS OF ACCT NUMBER	ACCOUNT TYPE	ACCOUNT NAME	AFFILIATION	BALANCE AT 7/18/23	CLOSED
Relevant Bank Accounts						
1 First Republic Bank	4889	Checking	Nanban Ventures Abundance Fund LP	VC Fund	Closed	3/9/2023
2 First Republic Bank	5365	Checking	Nanban Ventures AAA Fund LP	VC Fund	Closed	3/9/2023
3 First Republic Bank	6017	Checking	Nanban Venture Capital Fund I LP	VC Fund	Closed	3/9/2023
4 First Republic Bank	6661	Checking	Nanban Investments 2020 OCT Fund LLC	Hedge Fund	Closed	3/9/2023
5 First Republic Bank	7528	Checking	Nanban Ventures HUB LLC	VC Fund SPV	Closed	3/9/2023
6 First Republic Bank	8010	Checking	Nanban Ventures Ganga Fund LP	VC Fund	Closed	3/9/2023
7 First Republic Bank	6695	Checking	Nanban 2020 Perpetual Income Fund LLC	Hedge Fund	Closed	3/9/2023
8 First Republic Bank	8423	Checking	Nanban Ventures Nile Fund LP	VC Fund	Closed	3/9/2023
9 First United Bank and Trust Company	0813	Checking	Nanban 2020 Perpetual Income Fund LLC	Hedge Fund	Closed	3/23/2022
10 First United Bank and Trust Company	8816	Checking	GSM Eternal LLC	Founder Companies	Closed	6/26/2023
11 First United Bank and Trust Company	2533	Checking	Nanban Venture Capital Fund I LP	VC Fund	Closed	3/28/2022
12 First United Bank and Trust Company	8190	Checking	Nanban Investments 2020 OCT Fund LLC	Hedge Fund	Closed	3/23/2022
13 First United Bank and Trust Company	4200	Savings	Nanban Investments 2020 OCT Fund LLC	Hedge Fund	Closed	5/14/2021
14 First United Bank and Trust Company	3105	Checking	Nanban Ventures AAA Fund LP	VC Fund	Closed	3/24/2022
15 First United Bank and Trust Company	9264	Checking	Nanban Ventures Ganga Fund LP	VC Fund	Closed	8/17/2022
16 First United Bank and Trust Company	7207	Checking	Nanban Ventures Intangible Assets LLC	VC Fund SPV	Closed	12/19/2022
17 First United Bank and Trust Company	8211	Checking	Nanban Ventures Unicorn LLC	VC Fund SPV	Closed	1/11/2023
18 First United Bank and Trust Company	8467	Checking	Nanban Ventures Solid Assets LLC	VC Fund SPV	Closed	12/21/2022
19 First United Bank and Trust Company	8491	Checking	Nanban Investments 2020 June Fund LLC	Hedge Fund	Closed	3/23/2022
20 First United Bank and Trust Company	9935	Checking	Nanban Investments 2020 Sep Fund LLC	Hedge Fund	Closed	3/23/2022
21 JPMorgan Chase Bank	1679	Checking	Nanban Investments 2020 Sep Fund LLC	Hedge Fund	Closed	7/1/2021
22 JPMorgan Chase Bank	9778	Checking	Nanban Investments 2020 June Fund LLC	Hedge Fund	Closed	6/15/2021

1 of 2

**NANBAN INVESTMENTS ET AL
RELEVANT BANK ACCOUNT LIST AND
RELEVANT BROKERAGE ACCOUNT LIST**

FINANCIAL INSTITUTION	LAST 4 DIGITS OF ACCT NUMBER	ACCOUNT TYPE	ACCOUNT NAME	AFFILIATION	BALANCE AT 7/18/23	CLOSED
23 JPMorgan Chase Bank	8763	Checking	Nanban Ventures Intangible Assets LLC	VC Fund SPV	\$ 470.64	
24 JPMorgan Chase Bank	2434	Checking	Centum FinTech LLC	Founder Companies	\$ 5,020,055.54	
25 JPMorgan Chase Bank	2829	Checking	Himalayan FinTech LLC	Founder Companies	\$ 538.90	
26 JPMorgan Chase Bank	1261	Savings	Centum FinTech LLC	Founder Companies	\$ 1,038,453.55	
27 JPMorgan Chase Bank	0459	Checking	Centum FinTech LLC	Founder Companies	\$ (10.00)	
28 JPMorgan Chase Bank	4083	Checking	GSM Eternal LLC	Founder Companies	\$ 411,009.64	
29 JPMorgan Chase Bank	8847	Checking	Nanban Ventures Unicorn LLC	VC Fund SPV	\$ 6,924.12	
30 JPMorgan Chase Bank	8870	Checking	Nanban Ventures Solid Assets LLC	VC Fund SPV	\$ 3,133.33	
31 JPMorgan Chase Bank	8271	Checking	Nanban Ventures Nile Fund LP	VC Fund	\$ 543,461.79	
32 JPMorgan Chase Bank	8487	Checking	Nanban Venture Capital Fund I LP	VC Fund	\$ 7,443.39	
33 JPMorgan Chase Bank	8131	Checking	Nanban Ventures AAA Fund LP	VC Fund	\$ 89,796.20	
34 JPMorgan Chase Bank	8529	Checking	Nanban Ventures Abundance Fund LP	VC Fund	\$ 31,645.12	
35 JPMorgan Chase Bank	9092	Checking	Nanban Ventures Ganga Fund LP	VC Fund	\$ 28,968.69	
36 JPMorgan Chase Bank	8727	Checking	Nanban Ventures HUB LLC	VC Fund SPV	\$ 978,449.61	
37 U Bank	4998	Checking	Centum FinTech LLC	Founder Companies	\$ 3.16	
					\$ 8,160,343.68	

BROKERAGE ACCOUNT LIST

FINANCIAL INSTITUTION	LAST 4 DIGITS OF ACCT NUMBER	ACCOUNT TYPE	ACCOUNT NAME	AFFILIATION	BALANCE AT 7/18/23	CLOSED
Relevant Accounts						
1 TD Ameritrade	6387	Brokerage	GSM Eternal LLC	Founder Companies	\$ -	1/31/2023
2 TD Ameritrade	5232	Brokerage	GSM Eternal LLC	Founder Companies	\$680,090.12 (cash)	
3 TD Ameritrade	5626	Brokerage	Nanban Investments 2020 Oct Fund LLC	Hedge Fund	\$ 1,047.39	
4 TD Ameritrade	7401	Brokerage	Nanban 2020 Perpetual Income Fund LLC	Hedge Fund	\$ 9.49	
					\$ 681,147.00	

APP 00026

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GOPALA KRISHNAN, MANIVANNAN
SHANMUGAM, SAKTHIVEL PALANI
GOUNDER, NANBAN VENTURES LLC,
GSM ETERNAL LLC (A/K/A NORTHSTARS
FINTECH), HIMALAYAN FINTECH LLC,
and CENTUM FINTECH LLC (A/K/A
SUNSHINES FINTECH)

Defendants.

FILED UNDER SEAL

C.A. No.:

Jury Trial Demanded

**DECLARATION OF CHYHE K. BECKER IN SUPPORT OF PLAINTIFF SECURITIES
AND EXCHANGE COMMISSION'S EMERGENCY *EX PARTE* MOTION FOR
TEMPORARY RESTRAINING ORDER, PRELIMINARY INJUNCTION,
ASSET FREEZE AND OTHER ANCILLARY EMERGENCY RELIEF**

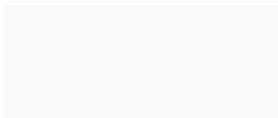
I, Chyhe K. Becker, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify to the matters stated herein. I have personal knowledge of the matters stated herein, and if called as a witness, could and would testify competently thereto.

1. I am the Deputy Director in charge of the Office of Litigation Economics in the Division of Economic and Risk Analysis at the U.S. Securities and Exchange Commission ("SEC"). I direct the activities of a staff of financial economists that assist the SEC in its enforcement investigations and actions through economic and quantitative analysis and research.

I serve as a point of contact for attorneys throughout the SEC for information on the economics of securities law violations, and I perform economic analysis related to enforcement activities.

2. Attached hereto as Exhibit A is a true and correct copy of my Expert Report, dated October 3, 2023, that the SEC is submitting in connection with its Emergency *Ex Parte* Motion for Temporary Restraining Order, Preliminary Injunction, Asset Freeze and Other Ancillary Emergency Relief.

Executed on October 3, 2023, in Washington, D.C.



CHYHE K. BECKER

EXHIBIT A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GOPALA KRISHNAN, MANIVANNAN
SHANMUGAM, SAKTHIVEL PALANI
GOUNDER, NANBAN VENTURES LLC,
GSM ETERNAL LLC (A/K/A NORTHSTARS
FINTECH), HIMALAYAN FINTECH LLC,
and CENTUM FINTECH LLC (A/K/A
SUNSHINES FINTECH),

Defendants.

FILED UNDER SEAL

C.A. No.:

Jury Trial Demanded

EXPERT REPORT OF CHYHE K. BECKER, Ph.D.

EXHIBIT

A

I. Qualifications

1. I am the Deputy Director in charge of the Office of Litigation Economics in the Division of Economic and Risk Analysis at the U.S. Securities and Exchange Commission (“SEC” or “Commission”). I direct the activities of a staff of financial economists that assist the Commission in its enforcement investigations and actions through economic and quantitative analysis and research. I serve as a point of contact for attorneys throughout the Commission for information on the economics of securities law violations, and I perform economic analysis related to enforcement activities.
2. I joined the SEC as an Assistant Director in the Office of Economic Analysis in March 2008. Prior to joining the SEC, I was a principal at Chicago Partners LLC, where I specialized in securities litigation. Prior to Chicago Partners, I was a principal with the Economic Consulting group at Deloitte Financial Advisory Services LLP. I received an M.B.A. and Ph.D. in Financial Economics from The University of Chicago Booth School of Business, and a B.A. in Psychology from Yale University. In addition, I taught corporate finance at The University of Chicago Booth School of Business. My research has been published in the Journal of Financial Intermediation. I have testified on behalf of the SEC as well as the U.S. Department of Justice in litigated cases. My curriculum vitae is attached as Appendix 1.
3. I provide this report based on my individual knowledge, understanding, and analysis and the list of materials that I have relied upon or considered in forming my opinions, which is attached as Appendix 2.
4. I receive an annual salary for the performance of my duties at the SEC. I have not been specially compensated for the preparation of my report nor is my annual salary in any way dependent upon the outcome of this case.

II. Introduction and Summary of Conclusions

5. I was asked by the Division of Enforcement of the SEC to review documents and testimony regarding an investment strategy identified as “GK Strategies.” I was asked to explain GK Strategies and describe its expected return as compared with the expected returns on the S&P 500 index.¹

6. In addition, I was asked to calculate the profits earned by several “Nanban” investment funds as well as additional accounts controlled by Gopala Krishnan. I was asked to determine whether these accounts using GK Strategies generated profits that consistently exceeded the profits that would have been achieved assuming that the funds and accounts were invested on the S&P 500 index. I was provided with monthly account statements for all the accounts I analyzed.

7. I was also asked to calculate actual annual percentage profits/losses (returns) for the accounts analyzed and compare these returns to statements regarding annual returns made by Mr. Krishnan.

8. Finally, I was asked to explain the difference between “cash flow returns” and other returns.

9. My conclusions are:

- a. GK Strategies comprises a covered-call strategy and a protective-put strategy. These strategies are well known and widely implemented by participants in the securities markets. Expected returns on such strategies are generally lower than the returns on the underlying index. In other words, when GK Strategies are implemented with the S&P 500 index, expected returns on the strategy would be lower than expected returns on the S&P 500 index. The expected returns from GK Strategies would also not be positive in all market conditions.

¹ The S&P 500 Index is a market-capitalization-weighted index of 500 publicly traded companies in the U.S., and it is regarded as a gauge of U.S. equities' performance, and by extension, that of the stock market overall.

- b. Neither the Nanban investment funds nor the other accounts controlled by Mr.

Krishnan produced profits consistently exceeding the profits of investing on the S&P 500 index. To the contrary, the accounts' profits are generally lower than the profits of investing in the S&P 500 index.

- c. The accounts' actual percentage returns were also significantly lower than the percentage returns that Mr. Krishnan has claimed and negative in many instances.
- d. "Cash flow returns" are the same as "realized returns" and they reflect only the cash flows associated with an investment portfolio. As a result, "cash flow returns," in contrast to investment returns, do not reflect changes in the value of the underlying assets. Thus, "cash-flow returns" provide limited information regarding the total change in the value of a portfolio, and an investment might provide consistently positive cash flows and yet lose all of its value.

III. Description of GK Strategies and Its Expected Returns

10. Based on documents and testimony in this case, I understand GK Strategies to encompass a covered call option investment strategy, put protection strategy, and the mix of these two strategies.²

² See Gopala Krishnan Interview, 12/15/2021, pages 67-68 ("A: Okay, so here, the, the exact asset is SBY, which is the S&P 500 ETF, the S&P 500 market. Q: So, you invest, you take, the investor's money comes in and they invest it, you invest it for them in the S&P 500 index fund? A: Correct, so that is our asset. Then, then every week, we apply as I told you, depending on implied volatility, we select a strike price to sell a call to generate cash flow. And then we take a certain percentage, again, that is our propriety [sic] IP, to buy a protection, again using production on that index. So at any point, our risk is mitigated.") and page 65 ("Okay, so here, index is your asset and we have a proprietary way of determining which strike price to sell our call option to generate cash."); Manivannan Shanmugam Interview, 10/21/2022, page 64 ("Q: What – what is proprietary about GK Strategies? A: First, we don't invest in individual stocks, right, and then we invest in ETFs. ... and we collect the cash, you know, when you sell a call, and then you take a certain percentage of that. You're not paying out of your pocket. You take a certain percentage off the cash collected and then you go buy your put insurance."); Sakthivel Gounder Interview, 10/19/2022, page 55, ("So in GK Strategies, ... we always have a put option which protects the portfolio."), page 56 ("Q: ... Buying a put in what? A: In S&P 500"), and pages 127-129, ("Q: ... it says here GK Strategies level one through five, so I want to break it down. What is GK Strategies level one? ... A: So GK Strategies level one is to buy the stock. Q: By the stock you mean the ETF? A: Buy the ETF, S&P 500. ... So I'm selling a covered call on top of it. ... Level one is buying a stock, and then doing the covered call. ... Q: ... What's GK Strategies level two? A: Level two put spread. ... Q: Okay, what's GK Strategies

These strategies are implemented using an equity index³ and options on this index. An equity index is a group of securities selected to represent a sector or a country. Options are contracts that give the holder the right to buy or sell the underlying security at a prespecified price. In this section, I describe each of these strategies and their expected returns.

A. Covered Call Options Investment Strategy

11. One approach of GK Strategies involves an investment approach described as a covered call options strategy. This investment strategy was described as the “level one” GK Strategies.⁴ Below I provide a brief description of the covered call options investment strategy. I also document that there are publicly traded ETFs that implement this strategy and review the evidence of its returns to investors. I conclude that this specific GK Strategies approach should not be expected to provide returns that exceed the returns on the S&P 500 index and would also not be expected to always achieve positive returns.

12. A covered call options investment strategy consists of holding an asset and selling call options on the underlying asset. A call option is a contract that gives the buyer the right, but not the obligation, to buy the underlying asset at a fixed price, called the strike price or exercise price, before the expiration date of the option. If someone sells a call option, they have agreed to sell 100 shares of the underlying security (stock or, in the case of GK Strategies, an ETF) at the strike price, until the expiration date of the option. The buyer of the call option will only receive a profit if the price of the

level three? A: It's doing both at the same time. ... Q: Okay, what's GK Strategies level four? ... A: Level four is trading short term, and level five is trading long term and high volatility.”)

³ I understand from testimony that GK Strategies invests, without leverage or trading on margin, in a diversified index through exchange traded funds (“ETF”) rather than individual stocks. *See* Gopala Krishnan Interview, 5/30/2023, pages 66-67 and Gopala Krishnan Interview, 12/15/2021, pages 61-63.

⁴ *See* Sakthivel Gounder Interview, 10/19/2022, pages 127-128, (“Q: ... it says here GK Strategies level one through five, so I want to break it down. What is GK Strategies level one? ... A: So GK Strategies level one is to buy the stock. Q: By the stock you mean the ETF? A: Buy the ETF, S&P 500. ... So I'm selling a covered call on top of it. ... Level one is buying a stock, and then doing the covered call.”)

underlying stock exceeds the strike price and cost of the option premium prior to the expiration of the option.

13. For example, the managers of GK Strategies have described selling call options on the S&P 500 index ETF.⁵ At the time of the option sale, the seller collects the call option premium (i.e., the price of the call option the buyer pays). If the S&P 500 index remains below the strike price of the option prior to the expiration date, the buyer of the option **will not** exercise the option and the seller of the option will keep the full amount of the option premium collected. However, if the S&P 500 index rises above the strike price of the option prior to the expiration date, the buyer of the option **will** exercise the option, paying the strike price in exchange for the share of the S&P 500 index ETF. Because the strike price is below the current market price of the index, the seller suffers losses as a result of the option exercise. Hence, the profit or loss to the call option seller reflects the change in value of the underlying asset, except the option seller's upside potential is capped by the strike price.

14. The covered call index option trading is described in investment textbooks and academic research as well as various online sources.⁶ The returns from covered call strategies should not be

⁵ See Sakthivel Gounder Interview, 10/19/2022, page 74, "We don't use any stocks, okay? We only use S&P 500." Also, see footnote 2.

⁶ For example, one investment textbook says that selling covered calls has been a popular strategy among institutional investors, noting that the sellers, "forfeit potential capital gains should the stock price rise above the exercise price." See Bodie, Z., et al, (2008) *Investments*, 7th edition, NY: McGraw Hill Irwin, p. 705. Also see, for instance, Pounds, H., (1978) "Covered Call Option Writing: Strategies and Results," *Journal of Portfolio Management*, 4, 31-42. Several brokerage firms describe this strategy on their websites. See for instance, Fidelity Investments, "Why use a covered call?" available at <https://www.fidelity.com/learning-center/investment-products/options/why-use-a-covered-call> ("Covered call writing is suitable for neutral-to-bullish market conditions. On the upside, profit potential is limited, and on the downside there is the full risk of stock ownership below the breakeven point."); Charles Schwab, "Options Trading: Basics of a Covered Call Strategy," available at <https://www.schwab.com/learn/story/options-trading-basics-covered-call-strategy> ("Understanding how this options strategy works could help you potentially earn income from stocks you own, but it's not without risks, so take the time to learn what's involved."); Ally.com, "Covered Call Strategy: What Are Covered Calls?" available at <https://www.ally.com/stories/invest/the-basics-of-covered-calls-strategy/>.

expected to consistently exceed the returns on the S&P 500 index, because the returns from a covered call strategy are capped and are not protected from the risk of losses due to market declines.⁷

15. The covered call strategy is not unique to GK Strategies. Numerous indices engage in covered call strategies on ETFs, including some that are designed to “to track the performance of a hypothetical buy-write strategy on the S&P 500 Index.”⁸ For example, an Invesco ETF implements a covered call strategy on the S&P 500 index. The annual percentage returns on the Invesco ETF have consistently been smaller than the returns on the S&P 500 index, and the Invesco ETF has suffered negative returns in multiple years.⁹

B. Protective Put Options Strategy

16. GK Strategies also involves an investment approach known as a protective put options strategy. This investment strategy is described as “level two” GK Strategies.¹⁰ Below I provide a brief description of the protective put options investment strategy. I also document that there are publicly traded ETFs that implement this strategy and review the evidence of its returns to investors. I conclude that this specific GK Strategies approach should not be expected to provide returns that

⁷ This expectation is consistent with economic research. For example, see Edwards, C., (2015) “The Instantaneous Return and Volatility of a Covered Call Position,” *Applied Economic Letters*, 22, 1059-1063, (“It is demonstrated that the instantaneous volatility and instantaneous expected return of the covered call position are always less than or equal those of being long the underlying asset.” The author also notes, “On a returns basis, a covered call position will tend to outperform a long position during periods when the asset price is falling, stable or appreciating mildly, while the covered call position will deliver lower returns than a long position during periods when the underlying asset is appreciating rapidly.”)

⁸ See for instance, the CBOE S&P 500 Buywrite Index, information available at <https://www.cboe.com/us/indices/dashboard/bxm/>, and S&P Dow Jones Covered Call Indices, information available at <https://www.spglobal.com/spdji/en/index-family/multi-asset/option-strategies/covered-call/#overview>.

⁹ See, for instance, performance information available at <https://www.invesco.com/us/financial-products/etfs/product-detail?audienceType=investor&ticker=pbp> and <https://www.invesco.com/us-rest/contentdetail?contentId=8b9832b525051410VgnVCM100000c2f1bf0aRCRD&dnsName=us>.

¹⁰ See Sakthivel Gounder Interview, 10/19/2022, pages 128, (“Q: ... What’s GK Strategies level two? A: Level two put spread.”)

exceed the returns on the S&P 500 index and would also not be expected to always achieve positive returns.

17. A protective put options investment strategy consists of holding an asset and buying a put option on the underlying asset. A put option is a contract that gives the buyer the right, but not the obligation, to sell the underlying asset at the exercise price before the expiration date of the option. The buyer of a put option only receives a profit when the value of the underlying asset declines below the exercise price by more than the cost of the option.

18. For example, the managers of GK Strategies have described buying put options on exchange traded funds (ETFs) such as the S&P 500 index ETF.¹¹ The strategy includes holding the ETF as well as purchasing a put option that enables the holder to sell the asset at the exercise price in the event that the price of the ETF declines. At the time of the purchase of the put option, the buyer pays a premium, which is the price of the put option. In the event that the ETF value rises, the option expires worthless, and the buyer will have incurred the cost of purchasing the option without receiving a benefit from the option. In the event that the ETF value falls below the exercise price, the buyer also incurs the cost of purchasing the option but would exercise the option and receive the exercise price in exchange for the ETF shares. As a result, the position is protected from declines in the value of the ETF in case that the index value declines below the put option strike price by an amount exceeding the cost of the option.

19. The protective put options investment strategy is described in investment textbooks and academic research as well as various online sources.¹² The returns from the protective put options

¹¹ See footnote 2.

¹² For example, one investment textbook says, “protective put strategies provide a form of *portfolio insurance*. The cost of the protection is that, in the case of stock price increases, your profit is reduced by the cost of the put, which turned out to be unneeded.” (*emphasis* in the original) See Bodie, Z., et al, (2008) *Investments*, 7th edition, NY: McGraw Hill Irwin, p. 705. Also see, for instance, Alles, L., (2008) “An Option Pricing Approach to the Estimation of Downside Risk: A

strategy should not be expected to consistently exceed the returns on the S&P 500 index, because the returns from a protective put strategy incur the cost of purchasing the put options.¹³

20. The protective put strategy is also not unique to GK Strategies. Numerous indices engage in protective put strategies.¹⁴ For example, a Global X S&P 500 Tail Risk ETF implements a protective put strategy on the S&P 500 index. The annual percentage returns on the protective put strategies have been consistently smaller than the returns on the S&P 500 index and have been negative in multiple years.¹⁵

C. Covered Call Options Investment Strategy with Put Protection

21. GK Strategies also involves an investment approach that combines covered call options investment strategy with protective put options strategy. This investment strategy was described as the “level three” GK Strategies; furthermore, the “level four” and the “level five” GK Strategies appear to be the same investments strategies only using different frequency of trading or different option expirations.¹⁶ Below I provide a brief description of the covered call options investment

European Cross-Country Study,” *Journal of Derivatives & Hedge Funds*, 14, 31-41. And see, for instance, <https://www.fidelity.com/learning-center/investment-products/options/options-strategy-guide/protective-put> (“Potential profit is unlimited, because the underlying stock price can rise indefinitely. However, the profit is reduced by the cost of the put plus commissions.”), and <https://www.schwab.com/learn/story/can-protective-puts-provide-temporary-shield> (“A protective put can make sense in a portfolio to help protect against a strong stock price drop. However, because of the associated costs of holding a put option, it's unlikely to be a permanent, repeating addition to a portfolio, where the investor constantly buys new puts each time the old puts expire. Instead, protective puts are generally used in a more targeted fashion.”)

¹³ See footnote 12.

¹⁴ See for instance, the CBOE S&P 500 5% Put Protection Index, information available at <https://www.cboe.com/us/indices/dashboard/pput/>.

¹⁵ See <https://www.cboe.com/us/indices/dashboard/pput/> and add SPX as a comparison for various time periods; PPUT Historical Price Data available on the website.

¹⁶ See Sakthivel Gounder Interview, 10/19/2022, pages 127-129, (“Q: ... it says here GK Strategies level one through five, so I want to break it down. What is GK Strategies level one? ... A: So GK Strategies level one is to buy the stock. Q: By the stock you mean the ETF? A: Buy the ETF, S&P 500. ... So I’m selling a covered call on top of it. ... Level one is buying a stock, and then doing the covered call. ... Q: ... What’s GK Strategies level two? A: Level two put spread. ... Q: Okay, what’s GK Strategies level three? A: It’s doing both at the same time. ... Q: Okay, what’s GK Strategies level four? ... A: Level four is trading short term, and level five is trading long term and high volatility.”)

strategy with protective put. I also document that there are publicly traded ETFs that implement this strategy and review the evidence of its returns to investors. I conclude that this specific GK Strategies approach should not be expected to provide returns that exceed the returns of the S&P 500 index and would also not be expected to always achieve positive returns.

22. The covered call index option trading strategy with put protection protects the investment from declines in the value of the ETF below the exercise price of the put and also truncates gains in the value of the ETF above the exercise price of the call option. The options components of the strategy serve to reduce the volatility, or risk, of the investment. But the strategy should not be expected to consistently produce returns that are as high as the returns on the underlying index. When GK Strategies are implemented on the S&P 500 index, the strategies should not be expected to consistently produce returns that exceed the returns on the S&P 500 index.

23. The covered call with protective put strategy is described in textbooks¹⁷ and studied by economists. For example, a recent article states, “Lower expected return [on equity index collars] due to reduced equity risk premium is incontrovertible: a collar mechanically has lower equity exposure than its underlying index.”¹⁸ The authors also provide an analysis of realized returns from this strategy, concluding “Investing in a typical collar implementation has provided lower returns and a lower Sharpe Ratio than investing directly in the S&P 500 Index.”¹⁹

¹⁷ See, for instance, Hull, J., and S. Basu, 2018, *Options, Futures, and Other Derivatives*, 10th edition, India: Pearson India Educational Services, pages 284-286.

¹⁸ Israelov, R., and M. Klein, (2016), “Risk and return of equity index collar strategies,” *Journal of Alternative Investments*, 19. The authors analyze the performance of the equity index collar strategy as implemented by the CBOE S&P 500 95-110 Collar Index (CLL) over the 1986-2014 period, reporting lower returns for the collar than for the S&P 500 index.

¹⁹ Ibid. The Sharpe Ratio measures average percentage return of a security or portfolio of securities and compares it to a risk-free asset after adjusting for its risk.

24. The covered call with protective put strategy is also not unique to GK Strategies. Numerous indices engage in the covered call with protective put strategies.²⁰ For example, there is an ETF that implements an equity index collar strategy on the S&P 500 (ticker XCLR), which has underperformed the S&P 500 since its inception on 8/25/2021.²¹

25. Overall, I conclude that the investment strategies comprising GK Strategies are described in textbooks, studied by academic research, and are available as investment products on the U.S. markets. Investment strategies similar to GK Strategies should be expected to produce lower returns than the returns on the S&P 500 index. Consistent with this conclusion, these strategies have historically produced lower returns than the returns on the S&P 500 index and have often produced negative returns.

IV. Nanban Investment Fund Performance

26. I was asked to review trading records since 2017 and compare the profits/losses of 23 accounts to the profits/losses had the contributions been invested in the S&P 500 index. The 23 accounts (“GK Accounts”) include seven accounts for Nanban investment funds and sixteen additional accounts that Mr. Krishnan controls. The investment funds employed GK Strategies.²²

²⁰ See, for instance, information regarding the CBOE S&P 500 95-110 Collar Index (CLL), available at <https://www.cboe.com/us/indices/dashboard/cll/>.

²¹ See, for instance, <https://www.globalxetfs.com/funds/xclr/#performance>.

²² See, for instance, Nanban 2020 Perpetual Income Fund LLC Confidential Private Placement Memorandum, indicating that “The Manager will direct the actions of the company, in Manager’s sole discretion,” (page vii, SEC-NANBAN-E-0023001), and “The Manager of the Company is Nanban Investments LLC.” (page 20, SEC-NANBAN-E-0023025). The Private Placement Memorandum also says, “GK has been very successful in developing investment strategies to generate consistent above market returns from [sic] US financial market. ... These strategies are copy righted [sic] under the name of ‘GK Strategies.’ GK has been using ‘GK Strategies’ to generate consistent returns from [sic] US financial market for himself and for his friends and family members. As Chief Executive Officer and Portfolio manager of Nanban Investments LLC. [sic] GK is managing the private equity fund(s) to generate returns that will consistently over perform [sic] the S&P 500 Index. To achieve those kind of returns [sic], GK will be using his proprietary strategies.” (page 20, SEC-NANBAN-E-0023025) Based on the trade blotter data, I observe trading consistent with the types of trades used for the covered call and protected put strategies described above in the actively traded investment funds.

Mr. Krishnan indicated in the private placement memorandums for his investment companies that he was also using GK Strategies in his other controlled accounts.²³

27. Since it is not possible to invest directly in the S&P 500 index, I calculated the but-for profits/losses for each GK Account had the contributions been invested directly in the S&P 500 Index ETF (ticker “SPY”) and compared these results to the accounts’ actual profits/losses.²⁴ SPY is a large and popular exchange-traded fund that follows the S&P 500 index and the trading records indicate that GK Accounts invested at times in SPY. Overall, I determined that the GK Accounts did not generate profits that consistently exceeded the profits had the contributions been invested in the S&P 500 index.

28. I also reviewed several statements Mr. Krishnan made about the percentage returns obtained using GK Strategies, and his claims that the strategy cannot result in negative returns in any market conditions. I provide a summary of some of Mr. Krishnan’s claims in Appendix 3. For example, Mr. Krishnan stated that historically GK Strategies “from 2009 till early part of 2020, ... [generated] 18 to 24 percent.” (Appendix 3) Mr. Krishnan also claimed “[GK Strategies] consistently generate more than a hundred percent in the higher level strategies....in any market condition.” (Appendix 3) I determined, and the tables below demonstrate, that the accounts analyzed did not generate percentage returns consistent with Mr. Krishnan’s statements and that returns in these accounts were frequently negative.

29. Based on the account statements and trading data, I determined that seven of the GK Accounts were inactive, reflecting no trading, and I determined the remaining 16 GK Accounts were

²³ See, for instance, Nanban 2020 Perpetual Income Fund LLC Confidential Private Placement Memorandum, indicating that “GK has been using ‘GK Strategies’ to generate consistent returns from [sic] US financial market for himself and for his friends and family members.” (page 20, SEC-NANBAN-E-0023025).

²⁴ In order to compare the performance of the accounts to the performance of the S&P 500 index, I established a relevant period of analysis for each account. If an account ends in the middle of the year, then I compare the performance of the S&P 500 Index ETF (SPY) over the relevant time period.

active. I focused my analysis on the 16 active accounts. The list of accounts, with the time frame analyzed, and my determination of whether the account is active or inactive, is provided as Table 1.

Table 1: GK Account List

Brokerage Firm	Account Number	Account Name	Starting Date	Ending Date	Status
Apex	XXXX4366	GOPALA KRISHNAN	5/7/18	9/30/22	Inactive
Apex	XXXX5278	GOPALA KRISHNAN	3/1/19	9/30/22	Active
Apex	XXXX9553	GOPALA KRISHNAN	12/6/21	10/31/22	Inactive
IBS	XXXX8305	GOPALA KRISHNAN	6/25/20	11/30/22	Inactive
IBS	XXXX5807	NANBAN CAPITAL, LLC	1/8/21	9/30/21	Inactive
IBS	XXXX7549	GOPALA KRISHNAN	1/1/17	11/30/22	Inactive
IBS	XXXX6488	SRINIVASA R PANCHUMARTHI ROLLOVER IRA	11/23/20	9/30/21	Active
IBS	XXXX0800	ARUN HEBBUR IRA	11/11/20	7/31/21	Active
TDA	XXXXXX6387	GSM Eternal	4/21/21	1/31/23	Active
TDA	XXXXXX5232	GSM Eternal	6/2/21	7/18/23	Active
TDA	XXXXXX9021	2020 September Fund	10/12/21	2/28/22	Active
TDA	XXXXXX6647	2020 September Fund	9/16/20	10/31/21	Active
TDA	XXXXXX5626	NANBAN INVESTMENTS 2020 OCT FUND LLC	1/4/21	7/31/22	Active
TDA	XXXXXX7401	NANBAN 2020 PERPETUAL INCOME FUND LLC	2/18/21	7/31/22	Active
TDA	XXXXXX5871	2020 June Fund	6/30/20	1/31/22	Active
TDA	XXXXXX2741	GOPALA KRISHNAN ROLLOVER IRA	1/1/17	6/30/23	Active
TDA	XXXXXX2784	GOPALA KRISHNAN	5/10/18	11/30/22	Active
TDA	XXXXXX6332	HEMA KRISHNAN	1/13/20	6/30/23	Active
TDA	XXXXXX5480	HEMA KRISHNAN ROLLOVER IRA	1/1/17	6/30/23	Active
TDA	XXXXXX5687	GOPLALA KRISHNAN AS CUST FOR HARINI KRISHNAN	1/1/17	5/31/18	Inactive
TDA	XXXXXX0011	GOPALA KRISHNAN AS CUST FOR GAUTHAM KRISHNAN	1/1/17	5/31/18	Inactive
TDA	XXXXXX7686	GOPALA KRISHNAN	1/1/17	6/30/23	Active
TDA	XXXXXX9342	NANBAN INVESTMENTS LLC	2/21/20	7/18/23	Active

30. I calculated the annual profits/losses for each account-year by collecting the starting and ending balances in the account for each annual period, and the contributions to and distributions from

the account during the same period.²⁵ To calculate the trading profits (or losses) generated per account-year, I started with the final balance. I subtracted the starting balance as well as any contributions, and I added back any distributions. The resulting dollar figure is the annual trading profits (or losses) for a particular account-year. I also calculated the money-weighted percentage rate of return (“MWRR”) for each account-year considering profits (or losses), contributions, and distributions from the account during that year, which is listed in columns [j] on Tables 2, 3, 7 and 8.²⁶ The MWRR methodology considers the performance of the account together with the size and timing of contributions and distributions. Since the timing and size of contributions and distributions are unique to each account, MWRR is an appropriate measure of an account’s performance.

Active Investment Accounts

31. I present the results for the 16 active GK Accounts divided into two groups: the seven active investment fund accounts, and nine other accounts that include the eight active personal accounts and the investment adviser account. Specifically, Table 2 column [h] reports the trading profits and losses for each year and overall for the entire period for each of the seven active investment fund accounts. For example, the NANBAN INVESTMENTS 2020 OCT FUND LLC (the “October 2020” fund) had a \$48,936,021 balance as of end-of-year 2021. Once I subtracted the \$48,140,129 contributions from the ending balance and added the \$196,517 distributions made in 2021, the trading profits in the calendar year were \$992,409. Trading profits for calendar year 2022 were \$375,726. Combined, the October 2020 fund’s actual trading profits for calendar years 2021 and 2022 were \$1,368,135 which implies a 2.40% rate of return.

²⁵ Account-year refers to account number and calendar year. Not all account-years include the 12 months of the year, so profits/losses measured over each account-year are not necessarily annualized statistics.

²⁶ The money-weighted percentage rate of return (“MWRR”) is the discount rate that represents the compounded annual rate of return on the project. Tables 9 and 10 provide examples of how the MWRR is calculated.

32. To compare the performance of the accounts to the performance of the S&P 500 index, I calculated hypothetical trading profits (or losses) assuming that the fund was invested in the S&P 500 Index ETF. This calculation relies on the same starting balance, contributions, and distribution information I described above. Table 2 column [i] reports the hypothetical profits and losses for each account-year, and overall, for the seven active investment fund accounts.

33. For example, the October 2020 fund had actual trading profits of \$992,409 in 2021. If the same amount of money (\$48,140,129) had been invested into SPY, the trading profits would have been \$11,358,972 (after accounting for actual distributions). Overall, trading profits for account-years 2021 and 2022 for the October 2020 fund would have been \$5,531,192 if the funds had been invested in the SPY instead of the actual profits of \$1,368,135 obtained using GK Strategies. Hence, the October 2020 fund's overall performance fell short of the S&P 500 index performance over the same period.

34. As another example, the two GSM Eternal accounts (ending in 6387 and 5232) had losses when I consider the entire period between 2021 and 2023. One GSM Eternal account (6387) had losses of \$640,741 and the other one (5232) had losses of \$652,759. In addition, when I consider the entire period of analysis, both GSM Eternal accounts had worse performance when compared to the alternative of investing in the S&P 500 Index ETF.

35. The results in Table 2 show that when I consider the entire period of analysis, *all* seven active investment fund accounts underperformed the S&P 500 Index. Next, I conducted my analysis for each active investment fund account on an account-year basis. I have data for 17 account-years, and I determined that the profits on the accounts were smaller than the profits of investing on the S&P 500 index in 10 instances, or 59% of the time. Hence, the active investment fund accounts did not consistently beat the S&P 500 index.

36. Finally, I calculate the percentage returns for each account for each year as well as the average annual return for each of the accounts and contrast my findings with Mr. Krishnan's claims about investment returns.²⁷ Contrary to Mr. Krishnan's claims of large annual percentage returns being generated consistently in any market conditions, I find that it is not unusual for the accounts to experience losses (i.e., negative percentage returns) and annual percentage returns that are substantially lower than even the lowest return claimed by Mr. Krishnan of 18%.

37. Overall, to summarize, the results in Table 2 show that the seven actively traded investment fund accounts did not consistently generate greater profits than investing in the S&P 500 index.²⁸ When I compared the accounts' percentage returns to the claims Mr. Krishnan made about the percentage returns obtained using GK Strategies, I concluded that contrary to his statements, the accounts frequently suffered losses and only rarely achieved, much less exceeded, the return thresholds he mentioned.

²⁷ Percentage returns are only reported for periods greater than half a year and reported as not available otherwise.

²⁸ Similar results are obtained if I exclude inactive periods for the active accounts from the analysis. See Tables 6, 7 and 8.

Table 2 - Balances, Contributions, Distributions, and Annual Performance per Account Statements
Active Investment Fund Accounts

Source: Account Statements; CRSP

[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]=[g]-[d]-[e]+[f]		[i]	[j]
Account #	Account Name	Year	Starting Balance	Contributions	Distributions	Ending Balance	Profit/(Loss)		Actual Investing in S&P500	Actual Percentage Rate of Return
							Actual			
1. XXXXX5626	NANBAN INVESTMENTS 2020 OCT FUND LLC	2021	\$0	\$48,140,129	\$196,517	\$48,936,021	\$992,409		\$11,358,972	2.43%
		2022	\$48,936,021	\$0	\$35,692,006	\$13,619,741	\$375,726	(\$5,827,779)		2.33%
		Total					\$1,368,135	\$5,531,192		2.40%
2. XXXXX7401	NANBAN 2020 PERPETUAL INCOME	2021	\$0	\$44,240,182	\$182,976	\$42,268,008	(\$1,789,198)		\$9,676,858	-5.13%
		2022	\$42,268,008	\$0	\$34,862,807	\$8,826,030	\$1,420,829	(\$6,332,244)		9.03%
		Total					(\$368,369)	\$3,344,613		-0.71%
3. XXXXX6387	GSM Eternal	2021	\$0	\$17,939,125	\$1,414,900	\$16,526,428	\$2,203		\$2,027,665	0.03%
		2022	\$16,526,428	\$0	\$15,838,596	\$44,881	(\$642,951)	(\$1,680,041)		-21.34%
		2023	\$44,881	\$0	\$44,888	\$0	\$7	\$63,996		n.a.
		Total					(\$640,741)	\$411,620		-5.72%
4. XXXXX5232	GSM Eternal	2021	\$0	\$15,244,329	\$170,000	\$11,835,274	(\$3,239,055)		\$945,945	-80.05%
		2022	\$11,835,274	\$35,993,099	\$47,330,882	\$2,855,395	\$2,357,903	(\$1,414,874)		34.05%
		2023	\$2,855,395	\$0	\$2,403,697	\$680,090	\$228,392	\$280,841		69.83%
		Total					(\$652,759)	(\$188,088)		-5.13%
5. XXXXX6647	2020 September Fund	2020	\$0	\$14,861,875	\$0	\$16,041,637	\$1,179,762		\$1,850,329	n.a.
		2021	\$16,041,637	\$0	\$17,483,372	\$587	\$1,442,321	\$3,030,674		11.70%
		Total					\$2,622,084	\$4,881,002		16.51%
6. XXXXX9021	2020 September Fund	2021	\$0	\$12,761,372	\$40,360	\$12,370,358	(\$350,653)		\$1,227,846	n.a.
		2022	\$12,370,358	\$0	\$12,593,600	\$28	\$223,270	(\$347,842)		n.a.
		Total					(\$127,383)	\$880,004		n.a.
7. XXXXX5871	2020 June Fund	2020	\$0	\$6,097,813	\$0	\$7,451,308	\$1,353,496		\$1,235,418	51.48%
		2021	\$7,451,308	\$0	\$4,195,344	\$3,460,857	\$204,892	\$1,924,022		3.17%
		2022	\$3,460,857	\$0	\$3,637,000	\$34,990	\$211,134	(\$145,090)		n.a.
		Total					\$1,769,521	\$3,014,350		20.44%

Other Active Accounts

38. My second analysis considers nine other active accounts: the eight personal GK Accounts that were actively traded and one account belonging to the investment adviser to the investment funds (Nanban Investment LLC). The results in Table 3 show that when I consider the entire period of analysis, eight out of the nine accounts underperformed the S&P 500 Index ETF over the same period. I also conducted the analysis for each account on an account-year basis. Based on the 42 account-years, I find that the profits were lower in 31 account-years than what would have been generated by the S&P 500 index ETF in the same account-year. Thus, the S&P 500 Index ETF outperformed the nine accounts 74% of the time. Finally, when I consider only the profits through the year-end 2020, I find that in 15 of 21 (or 71%) of the account years, the profits were lower than what would have been generated if the money had been invested in the S&P 500 Index ETF.

39. Next, I calculate the percentage returns for each account for each year as well as the average annual return for each of the accounts and contrast my findings with Mr. Krishnan's claims about investment returns of GK Strategies. Contrary to Mr. Krishnan's claims of consistent performance, I find that, in about half of the instances (17 of 36 years with percentage returns), the accounts experienced losses (i.e., negative percentage returns). When the accounts had positive percentage returns, these returns were substantially lower than even the lowest return claim by Mr. Krishnan of 18%.

40. Overall, the results in Table 3 show the nine accounts did not consistently beat the S&P 500 index.²⁹ The accounts' percentage returns were also significantly lower than the percentage

²⁹ Similar results are obtained if I exclude inactive periods for the active accounts from the analysis. See Tables 6, 7 and 8.

returns that Krishnan claimed in his statements referenced above and were negative in many instances.³⁰

³⁰ Percentage returns are only reported for periods greater than half a year and reported as not available otherwise.

Table 3 - Balances, Contributions, Distributions, and Annual Performance per Account Statements
Active Personal and Investment Advisor Accounts

Source: Account Statements; CRSP

[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]=[g]-[d]-[e]+[f]		[i]	[j]
Account #	Account Name	Year	Starting Balance	Contributions	Distributions	Ending Balance	Profit/(Loss)		Investing in S&P500	Actual Percentage Rate of Return
							Actual			
1. XXXX5278	GOPALA KRISHNAN	2019	\$0	\$225,000	\$0	\$211,911	(\$13,089)		\$39,779	-6.92%
		2020	\$211,911	\$0	\$200,000	\$26,906	\$14,995		\$13,553	44.37%
		2021	\$26,906	\$0	\$0	\$17,345	(\$9,561)		\$22,517	-35.61%
		2022	\$17,345	\$0	\$0	\$13,585	(\$3,760)		(\$24,131)	-27.96%
		Total					(\$11,415)		\$51,717	-4.58%
2. XXXX6488	SRINIVASA R PANCHUMARTHI	2020	\$0	\$39,000	\$0	\$39,000	\$0		\$2,212	n.a.
		2021	\$39,000	\$10,000	\$50,761	\$0	\$1,761		\$5,718	10.85%
		Total					\$1,761		\$7,930	8.60%
3. XXXX0800	ARUN HEBBUR IRA	2020	\$0	\$240,720	\$0	\$246,256	\$5,536		\$14,578	n.a.
		2021	\$246,256	\$0	\$248,005	\$0	\$1,748		\$33,882	1.77%
		Total					\$7,284		\$48,459	5.65%
4. XXXXX2741	GOPALA KRISHNAN ROLLOVER IRA	2017	\$43,538	\$0	\$0	\$43,546	\$8		\$9,448	0.02%
		2018	\$43,546	\$201,908	\$0	\$220,298	(\$25,155)		(\$10,680)	-13.84%
		2019	\$220,298	\$0	\$0	\$270,086	\$49,788		\$76,248	22.67%
		2020	\$270,086	\$0	\$0	\$320,373	\$50,287		\$58,879	18.62%
		2021	\$320,373	\$0	\$0	\$294,025	(\$26,348)		\$109,042	-8.25%
		2022	\$294,025	\$0	\$0	\$172,528	(\$121,498)		(\$88,747)	-41.41%
		2023	\$172,528	\$0	\$0	\$184,875	\$12,347		\$67,110	n.a.
		Total					(\$60,571)		\$221,299	-5.12%
5. XXXXX2784	GOPALA KRISHNAN	2018	\$0	\$10,000	\$0	\$10,003	\$3		(\$587)	0.05%
		2019	\$10,003	\$25,000	\$10,004	\$25,000	\$1		\$1,112	0.07%
		2020	\$25,000	\$50,000	\$25,000	\$16,008	(\$33,992)		\$9,002	-68.32%
		2021	\$16,008	\$0	\$0	\$5,778	(\$10,230)		\$17,110	-64.01%
		2022	\$5,778	\$0	\$0	\$528	(\$5,250)		(\$10,095)	-92.74%
		Total					(\$49,467)		\$16,543	-78.80%

Table 3 - Balances, Contributions, Distributions, and Annual Performance per Account Statements
Active Personal and Investment Advisor Accounts

Source: Account Statements; CRSP

[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]=[g]-[d]-[e]+[f]		[i]	[j]
Account #	Account Name	Year	Starting Balance	Contributions	Distributions	Ending Balance	Profit/(Loss)		Actual	Actual Percentage Rate of Return
							Actual	Investing in S&P500		
6. XXXXX6332	HEMA KRISHNAN	2020	\$0	\$5,000	\$0	\$10,861	\$5,861	\$849	123.02%	
		2021	\$10,861	\$0	\$0	\$8,524	(\$2,337)	\$1,681	-21.57%	
		2022	\$8,524	\$0	\$0	\$5,329	(\$3,195)	(\$1,368)	-37.56%	
		2023	\$5,329	\$0	\$0	\$4,839	(\$490)	\$1,035	n.a.	
Total							(\$161)	\$2,196	-0.94%	
7. XXXXX5480	HEMA KRISHNAN ROLLOVER IRA	2017	\$27,939	\$0	\$0	\$29,572	\$1,633	\$6,063	5.86%	
		2018	\$29,572	\$0	\$0	\$25,196	(\$4,376)	(\$1,549)	-14.84%	
		2019	\$25,196	\$0	\$0	\$33,205	\$8,010	\$10,132	31.89%	
		2020	\$33,205	\$0	\$0	\$67,427	\$34,222	\$7,824	103.06%	
		2021	\$67,427	\$0	\$0	\$59,231	(\$8,197)	\$14,490	-12.19%	
		2022	\$59,231	\$0	\$0	\$28,990	(\$30,240)	(\$11,793)	-51.15%	
		2023	\$28,990	\$0	\$0	\$32,994	\$4,004	\$8,918	n.a.	
Total							\$5,056	\$34,084	2.59%	
8. XXXXX7686	GOPALA KRISHNAN	2017	\$8,567	\$0	\$0	\$8,568	\$1	\$1,859	0.01%	
		2018	\$8,568	\$224,963	\$75,000	\$140,684	(\$17,847)	(\$8,579)	-15.91%	
		2019	\$140,684	\$10,004	\$0	\$183,556	\$32,867	\$49,147	22.12%	
		2020	\$183,556	\$0	\$20,000	\$240,113	\$76,557	\$35,305	46.77%	
		2021	\$240,113	\$400,000	\$0	\$672,413	\$32,300	\$90,335	10.20%	
		2022	\$672,413	\$3,996,367	\$1,050,000	\$3,644,456	\$25,676	(\$297,218)	1.07%	
		2023	\$3,644,456	\$605,000	\$4,750,000	\$199,077	\$699,620	\$45,964	n.a.	
Total							\$849,175	(\$83,187)	22.97%	
9. XXXXX9342	NANBAN INVESTMENTS LLC	2020	\$0	\$1,582,500	\$157,000	\$2,035,749	\$610,249	\$75,105	150.82%	
		2021	\$2,035,749	\$3,630,000	\$3,777,030	\$1,288,944	(\$599,776)	\$777,054	-19.80%	
		2022	\$1,288,944	\$0	\$700,000	\$453,284	(\$135,660)	(\$361,215)	-16.43%	
		2023	\$453,284	\$0	\$0	\$477,645	\$24,361	\$210,326	10.13%	
Total							(\$100,825)	\$701,269	-2.58%	

All Active Accounts

41. Finally, I also provide an analysis combining all of the 16 active GK Accounts into one time series. When I combine the analysis of all the 16 accounts into one, I find that, in aggregate, the accounts earned smaller profits/higher losses than the S&P 500 index in 2017, 2018, 2019, 2020, and 2021 and larger profits/smaller losses than the S&P 500 index in 2022 and 2023. Over the entire period, the actual aggregate profits were \$4,611,324, and the aggregate but-for profits of investing in the S&P 500 index ETF would have been \$18,875,006. Overall, the results in Table 4 show that the aggregate profits for all 16 active accounts did not consistently exceed the profits had the contributions been invested on the S&P 500 index.

Table 4 - Profit and Losses for 16 Accounts

Year	Profit/(Loss)		Underperformed the S&P500?
	Actual	Investing in S&P500	
2017	\$ 1,642	\$ 17,370	Yes
2018	\$ (47,375)	\$ (21,395)	Yes
2019	\$ 77,577	\$ 176,418	Yes
2020	\$ 3,296,973	\$ 3,303,053	Yes
2021	\$ (3,357,719)	\$ 31,263,808	Yes
2022	\$ 3,671,984	\$ (16,542,437)	No
2023	\$ 968,242	\$ 678,189	No
Total	\$ 4,611,324	\$ 18,875,006	Yes

42. To summarize, I used various approaches to compare the profits/losses on the GK Accounts to the profits/losses on the S&P 500 index. Based on the evidence I reviewed, the GK Accounts did not consistently generate profits that exceeded the profits of investing on the S&P 500 index.

V. Cash Flow Based Returns

43. Mr. Krishan’s biography in the PPM for the nine funds launched between 2020 and 2022 states that “GK has been using ‘GK strategies’ to generate consistent returns.... [and] GK is [/will be] managing the private equity fund(s) to generate *returns* that will consistently over perform the S&P 500 Index.” (emphasis added).³¹

44. In contrast, the language in a more recent PPM for the Eco Harmony fund states that “GK is managing the private equity fund(s) to generate *cash-flow-based returns* that will consistently over perform the S&P 500 Index *cash flow*.”³²

45. I was asked to explain the difference between “cash-flow-based returns” and investment returns. I was also asked to assess whether “the S&P 500 Index cash flow” performance captures the investment returns to investors in the index.

46. I interpret the term “cash-flow-based returns” to be the same as “realized returns.” Hence, “cash-flow-based returns” reflect the cash flows from investments, including purchases (cash out), sales (cash in), and dividends received (cash in). “Cash-flow-based returns” would not include changes in the value of the underlying assets.

47. In contrast, I interpret the term investment return to comprise both the realized (as defined above) and unrealized returns, *i.e.*, the change in the value of all positions held in the account throughout the period analyzed. Hence, investment return captures the total change in value of a portfolio.

³¹ See PPM for Nanban Investments-2020-June-Fund, LLC dated June 10, 2020, p. 18; PPM for Nanban Investments 2020 Sep Fund, LLC dated August 17, 2020, p. 17; PPM for Nanban Investments 2020 Oct Fund, LLC dated November 1, 2020, p. 20; PPM for Perpetual Income Fund LLC dated December 15, 2020, p. 20; PPM for Nanban Venture Capital Fund – I LP dated April 14, 2021, p. 20; PPM for Nanban Ventures AAA Fund LP dated September 17, 2021; PPM for Nanban Ventures Ganga Fund LP dated December 1, 2021; PPM for Nanban Ventures Abundance Fund LP dated December 15, 2021, p. 19; PPM for Nanban Ventures Nile Fund LP dated July 15, 2022.

³² See PPM for Eco Harmony Fund LP dated July 15, 2023, p.21.

48. As a result, “cash-flow-based returns” would provide limited information regarding the total change in the value of a portfolio. For example, an investment of \$1,000,000 might provide consistently positive cash flows of \$5 per year, and yet lose all of its value. As long as the investor did not sell the asset, the cash flows would be positive, even though the investment return was a far greater loss.

49. With respect to “the S&P 500 Index cash flow” performance, I note that the S&P 500 is an index, hence, it does not pay dividends.^{33, 34} However, many of the companies that are part of the S&P 500 index pay dividends. The S&P 500 index ETF pays dividends quarterly – the ETF dividends reflect “any cash dividends declared on the Portfolio Securities during the applicable period, net of fees and expenses” as well as taxes incurred by the ETF Trust.³⁵ Hence, the performance of investments in the S&P 500 index may be disaggregated into two parts: dividends paid by the companies in the index and changes in the value of the companies in the index.³⁶

50. Based on my analysis of the S&P 500 index ETF shown in Table 5, virtually all of the changes in the value of investments in the S&P 500 in the last seven years come from changes in the value of the companies in the index. For example, an investor who purchased one share of the S&P 500 ETF on January 4, 2016, and held it until June 30, 2023, would have received a total of \$40.93 in dividends over that time period, while the value of one share of the ETF would have increased by \$242.26 over the same timeframe. In other words, “cash-flow returns” do not

³³ <https://www.investopedia.com/articles/markets/071616/history-sp-500-dividend-yield.asp#:~:text=The%20S%26P%20500%20is%20an,which%20investors%20can%20invest%20in.>

³⁴ I also note that the term “S&P 500 Index cash flow” may refer to the aggregate cash flow (an accounting measure) of all companies in the index.

³⁵ <https://www.ssga.com/us/en/intermediary/etfs/resources/doc-viewer#spy&prospectus>, pp. 10 and 11.

³⁶ Distributions of capital gains may occur during the year in addition to dividends declared by the fund. (<https://www.ssga.com/us/en/intermediary/etfs/resources/doc-viewer#spy&prospectus>, p. 11)

capture the investment returns to investors in an S&P 500 index, because an investor's gain or loss from such an investment is a function of the overall investment return and not cash flow returns.

**Table 5 - S&P 500 ETF
Investment Returns and Dividend Returns**

	SPY price	Annual dividends over prior year	Price plus prior year dividends	Investment returns, including dividends	Dividend returns
1/4/2016	\$201.02				
1/3/2017	\$225.24	\$4.54	\$229.78	14%	2%
1/2/2018	\$268.77	\$4.80	\$273.57	21%	2%
1/2/2019	\$250.18	\$5.10	\$255.28	-5%	2%
1/2/2020	\$324.87	\$5.62	\$330.49	32%	2%
1/4/2021	\$368.79	\$5.69	\$374.48	15%	2%
1/3/2022	\$477.71	\$5.72	\$483.43	31%	2%
1/3/2023	\$380.82	\$6.32	\$387.14	-19%	1%
6/30/2023	\$443.28	\$3.14	\$446.42	17%	1%

Dated: October 3, 2023

Chyhe K. Becker, Ph.D.

Table 6: GK Account List When Excluding Inactive Accounts and Periods

Brokerage Firm	Account Number	Account Name	Starting Date	Ending Date	Status
Apex	XXXX5278	GOPALA KRISHNAN	3/1/19	9/30/22	Active
IBS	XXXX6488	SRINIVASA R PANCHUMARTHI ROLLOVER IRA	1/1/21	5/31/21	Active
IBS	XXXX0800	ARUN HEBBUR IRA	11/11/20	2/28/21	Active
TDA	XXXXX6387	GSM Eternal	8/1/21	4/30/22	Active
TDA	XXXXX5232	GSM Eternal	6/2/21	7/18/23	Active
TDA	XXXXX9021	2020 September Fund	10/12/21	12/31/21	Active
TDA	XXXXX6647	2020 September Fund	9/16/20	9/30/21	Active
TDA	XXXXX5626	NANBAN INVESTMENTS 2020 OCT FUND LLC	1/4/21	7/31/22	Active
TDA	XXXXX7401	NANBAN 2020 PERPETUAL INCOME FUND LLC	2/18/21	7/31/22	Active
TDA	XXXXX5871	2020 June Fund	6/30/20	1/31/22	Active
TDA	XXXXX2741	GOPALA KRISHNAN ROLLOVER IRA	3/1/18	6/30/23	Active
TDA	XXXXX2784	GOPALA KRISHNAN	2/1/20	11/30/22	Active
TDA	XXXXX6332	HEMA KRISHNAN	1/13/20	6/30/23	Active
TDA	XXXXX5480	HEMA KRISHNAN ROLLOVER IRA	1/1/17	6/30/23	Active
TDA	XXXXX7686	GOPALA KRISHNAN	5/1/18	6/30/23	Active
TDA	XXXXX9342	NANBAN INVESTMENTS LLC	2/21/20	7/18/23	Active

Table 7 - Balances, Contributions, Distributions, and Annual Performance per Account Statements
Active Investment Fund Accounts - Excluding Inactive Periods

Source: Account Statements; CRSP

[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]=[g]-[d]-[e]+[f]		[i]	[j]
Account #	Account Name	Year	Starting Balance	Contributions	Distributions	Ending Balance	Profit/(Loss)		Investing in S&P500	Actual Percentage Rate of Return
							Actual			
1. XXXXX5626	NANBAN INVESTMENTS 2020 OCT FUND LLC	2021	\$0	\$48,140,129	\$196,517	\$48,936,021	\$992,409		\$11,358,972	2.43%
		2022	\$48,936,021	\$0	\$35,692,006	\$13,619,741	\$375,726	(\$5,827,779)		2.33%
		Total					\$1,368,135		\$5,531,192	2.40%
2. XXXXX7401	NANBAN 2020 PERPETUAL INCOME	2021	\$0	\$44,240,182	\$182,976	\$42,268,008	(\$1,789,198)		\$9,676,858	-5.13%
		2022	\$42,268,008	\$0	\$34,862,807	\$8,826,030	\$1,420,829	(\$6,332,244)		9.03%
		Total					(\$368,369)		\$3,344,613	-0.71%
3. XXXXX6387	GSM Eternal	2021	\$10,494,693	\$6,529,125	\$1,061,125	\$16,526,428	\$563,735		\$1,273,243	n.a.
		2022	\$16,526,428	\$0	\$15,763,596	\$119,502	(\$643,330)	(\$1,443,767)		n.a.
		Total					(\$79,595)		(\$170,524)	-0.96%
4. XXXXX5232	GSM Eternal	2021	\$0	\$15,244,329	\$170,000	\$11,835,274	(\$3,239,055)		\$945,945	-80.05%
		2022	\$11,835,274	\$35,993,099	\$47,330,882	\$2,855,395	\$2,357,903	(\$1,414,874)		34.05%
		2023	\$2,855,395	\$0	\$2,403,697	\$680,090	\$228,392	\$280,841		69.83%
		Total					(\$652,759)		(\$188,088)	-5.13%
5. XXXXX6647	2020 September Fund	2020	\$0	\$14,861,875	\$0	\$16,041,637	\$1,179,762		\$1,850,329	n.a.
		2021	\$16,041,637	\$0	\$0	\$17,368,403	\$1,326,766		\$2,659,311	11.25%
		Total					\$2,506,528		\$4,509,639	16.33%
6. XXXXX9021	2020 September Fund	2021	\$0	\$12,761,372	\$40,360	\$12,370,358	(\$350,653)		\$1,227,846	n.a.
		Total					(\$350,653)		\$1,227,846	n.a.
7. XXXXX5871	2020 June Fund	2020	\$0	\$6,097,813	\$0	\$7,451,308	\$1,353,496		\$1,235,418	51.48%
		2021	\$7,451,308	\$0	\$4,195,344	\$3,460,857	\$204,892		\$1,924,022	3.17%
		2022	\$3,460,857	\$0	\$3,637,000	\$34,990	\$211,134	(\$145,090)		n.a.
		Total					\$1,769,521		\$3,014,350	20.44%

Table 8 - Balances, Contributions, Distributions, and Annual Performance per Account Statements
Active Personal and Investment Advisor Accounts - Excluding Inactive Periods

Source: Account Statements; CRSP

[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]=[g]-[d]-[e]+[f]	[i]	[m]
Account #	Account Name	Year	Starting Balance	Contributions	Distributions	Ending Balance	Profit/(Loss)		Actual Percentage Rate of Return
							Actual	Investing in S&P500	
1. XXXX5278	GOPALA KRISHNAN	2019	\$0	\$225,000	\$0	\$211,911	(\$13,089)	\$39,779	-6.92%
		2020	\$211,911	\$0	\$200,000	\$26,906	\$14,995	\$13,553	44.37%
		2021	\$26,906	\$0	\$0	\$17,345	(\$9,561)	\$22,517	-35.61%
		2022	\$17,345	\$0	\$0	\$13,585	(\$3,760)	(\$24,131)	-27.96%
Total							(\$11,415)	\$51,717	-4.58%
2. XXXX6488	SRINIVASA R PANCHUMARTHI	2020	\$39,000	\$10,000	\$50,761	\$0	\$1,761	\$5,267	n.a.
		Total						\$1,761	\$5,267
3. XXXX0800	ARUN HEBBUR IRA	2020	\$0	\$240,720	\$0	\$246,256	\$5,536	\$14,578	n.a.
		2021	\$246,256	\$0	\$0	\$249,052	\$2,796	\$4,425	n.a.
Total							\$8,332	\$19,002	n.a.
4. XXXXX2741	GOPALA KRISHNAN ROLLOVER IRA	2018	\$43,549	\$201,908	\$0	\$220,298	(\$25,158)	(\$10,983)	-14.36%
		2019	\$220,298	\$0	\$0	\$270,086	\$49,788	\$73,207	22.67%
		2020	\$270,086	\$0	\$0	\$320,373	\$50,287	\$56,531	18.62%
		2021	\$320,373	\$0	\$0	\$294,025	(\$26,348)	\$104,693	-8.25%
		2022	\$294,025	\$0	\$0	\$172,528	(\$121,498)	(\$85,208)	-41.41%
		2023	\$172,528	\$0	\$0	\$184,875	\$12,347	\$64,434	n.a.
Total							(\$60,582)	\$202,674	-5.31%
5. XXXXX2784	GOPALA KRISHNAN	2020	\$32,567	\$0	\$0	\$16,008	(\$16,559)	\$5,999	-53.98%
		2021	\$16,008	\$0	\$0	\$5,778	(\$10,230)	\$11,086	-64.01%
		2022	\$5,778	\$0	\$0	\$528	(\$5,250)	(\$6,540)	-92.74%
Total							(\$32,039)	\$10,545	-76.69%

Table 8 - Balances, Contributions, Distributions, and Annual Performance per Account Statements
Active Personal and Investment Advisor Accounts - Excluding Inactive Periods

Source: Account Statements; CRSP

[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]=[g]-[d]-[e]+[f]		[i]	[m]
Account #	Account Name	Year	Starting Balance	Contributions	Distributions	Ending Balance	Profit/(Loss)		Actual Percentage Rate of Return	
							Actual	Investing in S&P500		
6. XXXXX6332	HEMA KRISHNAN	2020	\$0	\$5,000	\$0	\$10,861	\$5,861	\$849	123.02%	
		2021	\$10,861	\$0	\$0	\$8,524	(\$2,337)	\$1,681	-21.57%	
		2022	\$8,524	\$0	\$0	\$5,329	(\$3,195)	(\$1,368)	-37.56%	
		2023	\$5,329	\$0	\$0	\$4,839	(\$490)	\$1,035	n.a.	
Total							(\$161)	\$2,196	-0.94%	
7. XXXXX5480	HEMA KRISHNAN ROLLOVER IRA	2017	\$27,939	\$0	\$0	\$29,572	\$1,633	\$6,063	5.86%	
		2018	\$29,572	\$0	\$0	\$25,196	(\$4,376)	(\$1,549)	-14.84%	
		2019	\$25,196	\$0	\$0	\$33,205	\$8,010	\$10,132	31.89%	
		2020	\$33,205	\$0	\$0	\$67,427	\$34,222	\$7,824	103.06%	
		2021	\$67,427	\$0	\$0	\$59,231	(\$8,197)	\$14,490	-12.19%	
		2022	\$59,231	\$0	\$0	\$28,990	(\$30,240)	(\$11,793)	-51.15%	
		2023	\$28,990	\$0	\$0	\$32,994	\$4,004	\$8,918	n.a.	
Total							\$5,056	\$34,084	2.59%	
8. XXXXX7686	GOPALA KRISHNAN	2018	\$8,859	\$207,963	\$75,000	\$140,684	(\$1,138)	(\$7,420)	-1.23%	
		2019	\$140,684	\$10,004	\$0	\$183,556	\$32,867	\$43,712	22.12%	
		2020	\$183,556	\$0	\$20,000	\$240,113	\$76,557	\$31,108	46.77%	
		2021	\$240,113	\$400,000	\$0	\$672,413	\$32,300	\$82,562	10.20%	
		2022	\$672,413	\$3,996,367	\$1,050,000	\$3,644,456	\$25,676	(\$290,892)	1.07%	
		2023	\$3,644,456	\$605,000	\$4,750,000	\$199,077	\$699,620	\$41,181	n.a.	
Total							\$865,883	(\$99,749)	24.33%	
9. XXXXX9342	NANBAN INVESTMENTS LLC	2020	\$0	\$1,582,500	\$157,000	\$2,035,749	\$610,249	\$75,105	150.82%	
		2021	\$2,035,749	\$3,630,000	\$3,777,030	\$1,288,944	(\$599,776)	\$777,054	-19.80%	
		2022	\$1,288,944	\$0	\$700,000	\$453,284	(\$135,660)	(\$361,215)	-16.43%	
		2023	\$453,284	\$0	\$0	\$477,645	\$24,361	\$210,326	10.13%	
Total							(\$100,825)	\$701,269	-2.58%	

Examples Of the Money-Weighted Percentage Rate of Returns Calculation

The MWRR accounts for the timing and amount of contributions and distributions as well as the end-of-period market value of the investment. Table 9 provides an example of the calculation the money-weighted percentage rate of returns (MWRR).

In this example the first contribution is made on January 1, 2018 for an amount of \$1,000. Additional contributions are made at the beginning of 2019, 2020 and 2022 for amounts of \$2,000, \$3,000, and \$5,000, respectively. There is a single distribution of \$1,500 at the beginning of 2021. To calculate the MWRR for the entire period between the first contribution on 2018 and 2022 the market value as of end-of-year 2020 at \$20,000 is considered.

The MWRR is the rate that makes sum of the discounted cash-flows and the discounted end-of-period market value equal to zero. In other words, the MWRR makes the discounted value of all contributions equal to the discounted value of all distributions and the terminal value. In this example, such rate is 30%.

The discounted value of the single distribution is \$682 which equals the distribution amount at \$1,500 discounted at a 30% rate over the three years between the first contribution and the first distribution—i.e. $\$682 = \$1,500 / (1 + 30\%)^3$. The market-value as-of December 31, 2022 is discounted to \$5,378 based on the 5 years between the first contribution and the end-of year 2022. The discounted value of all outflows adds up to \$6,061 equal to the discounted value of the single distribution and the terminal value. Similarly, the contributions are discounted as negative cash-flows and add up to negative \$6,061.

Overall, 30% is the MWRR rate since it is the rate at which the discounted value of all contributions equals the discounted value of all distributions and the terminal value.

Table 9 - Example of Money-Weighted Percentage Rate of Return Calculation

[a]	[b]	[c]	[d]	[e]	[f]=-[c]+[d]+[e]	[g]=[f]/(1+30%)^[b]
	Years since January 1,			Market		
Date	2018	Contribution	Distribution	Value	Cash-Flow	DCF at 30%
1/1/2018	0	\$1,000			(\$1,000)	(\$1,000)
1/1/2019	1	\$2,000			(\$2,000)	(\$1,538)
1/1/2020	2	\$3,000			(\$3,000)	(\$1,774)
1/1/2021	3		\$1,500		\$1,500	\$682
1/1/2022	4	\$5,000			(\$5,000)	(\$1,749)
12/31/2022	5			\$20,000	\$20,000	\$5,378
					Total	\$0

Similarly, Table 10 presents another example that focuses on the MWRR calculation for GSM Eternal account ***6387. The market value as of the end of period is \$0 for the account. This implies that the MWRR is the rate that makes the discounted value of the contributions equal to the discounted value of the distributions. Using -5.72% as the rate to discount contributions the discount value of inflows adds up to minus \$18,159,258. Adding up the discount value of the distributions or outflows one also arrives to \$18,159,258. Overall, -5.72% is the MWRR rate since it is the rate at which the discounted value of all contributions equals the discounted value of all distributions.

**Table 10 - Money-Weighted Percentage Rate of Return Calculation for
GSM Eternal Account XXXXX6387**

[a]	[b]	[c]	[d]	[e]	[f]=-[c]+[d]+[e]	[g]=[f]/(1-5.72%)^[b]
Date	Years since April 21, 2021	Contribution	Distribution	Market Value	Cash-Flow	DCF at -5.72%
4/21/2021	0.00	\$3,500,000			(\$3,500,000)	(\$3,500,000)
4/23/2021	0.01	\$250,000			(\$250,000)	(\$250,081)
5/4/2021	0.04	\$2,000,000			(\$2,000,000)	(\$2,004,199)
5/20/2021	0.08	\$2,000,000			(\$2,000,000)	(\$2,009,378)
5/25/2021	0.09	\$3,000,000			(\$3,000,000)	(\$3,016,500)
7/8/2021	0.21	\$160,000			(\$160,000)	(\$162,026)
7/8/2021	0.21		\$339,550		\$339,550	\$343,850
7/28/2021	0.27	\$500,000			(\$500,000)	(\$507,967)
7/30/2021	0.27		\$14,225		\$14,225	\$14,456
8/26/2021	0.35		\$279,125		\$279,125	\$284,903
8/27/2021	0.35	\$279,125			(\$279,125)	(\$284,949)
9/3/2021	0.37		\$20,000		\$20,000	\$20,440
9/10/2021	0.39	\$2,000,000			(\$2,000,000)	(\$2,046,344)
10/1/2021	0.45	\$2,000,000			(\$2,000,000)	(\$2,053,288)
10/1/2021	0.45		\$512,000		\$512,000	\$525,642
11/2/2021	0.53		\$250,000		\$250,000	\$257,989
11/9/2021	0.55	\$2,250,000			(\$2,250,000)	(\$2,324,527)
2/15/2022	0.82		\$7,013,500		\$7,013,500	\$7,361,272
2/24/2022	0.85		\$5,500,000		\$5,500,000	\$5,781,111
3/30/2022	0.94		\$1,462,000		\$1,462,000	\$1,545,176
4/12/2022	0.98		\$1,788,096		\$1,788,096	\$1,893,792
8/2/2022	1.28		\$75,000		\$75,000	\$80,882
1/18/2023	1.75		\$44,888		\$44,888	\$49,746
1/31/2023	1.78			\$0	\$0	\$0
Total						\$0

Appendix 1

CHYHE K. BECKER, Ph.D.

Deputy Chief Economist and Deputy Director
Division of Economic and Risk Analysis
U.S. Securities and Exchange Commission

Dr. Chyhe Becker is currently a Deputy Chief Economist and Deputy Director in the Division of Economic and Risk Analysis at the U.S. Securities and Exchange Commission. In her role, she leads a division of approximately 200 economists, statisticians, and data scientists who integrate financial economics and data analytics to support the SEC's policy, rule-making, enforcement, and examination activities.

Dr. Becker joined the Securities and Exchange Commission in March 2008, leading the Office of Litigation Economics until May 2018. She was previously a Principal with Chicago Partners LLC, where she specialized in securities litigation. Prior to Chicago Partners, she was a Principal with the Economic Consulting group at Deloitte Financial Advisory Services LLP where she provided expert testimony and analysis in securities class action matters as well as contract disputes. She received an M.B.A. and Ph.D. in Financial Economics from The University of Chicago Graduate School of Business, and a B.A. in Psychology from Yale University. Her research has been published in the Journal of Financial Intermediation and she taught corporate finance at The University of Chicago Graduate School of Business.

EDUCATION

B.A., with Honors	Yale University	1985
M.B.A. (Finance)	University of Chicago	1997
Ph.D. (Finance)	University of Chicago	1998

PROFESSIONAL EMPLOYMENT

U.S. SECURITIES AND EXCHANGE COMMISSION, Washington, D.C.

Division of Economic and Risk Analysis

Deputy Director, March 2019 – December 2020, May 2021 – present
Acting Director, May 2018 – March 2019, December 2020 – May 2021
Associate Director, 2015 – May 2018
Assistant Director, 2008 – 2015

CHICAGO PARTNERS, LLC

Principal, 2006 – 2008

DELOITTE FINANCIAL ADVISORY SERVICES LLP, Chicago, IL

Economist & Principal, Economic Consulting, 2003 – 2006
Senior Manager, Economic Consulting, 2002 – 2003

ANDERSEN LLP, Chicago, IL

Senior Manager, Economic Consulting, 1997 – 2002

Experienced Manager, Economic Consulting, 1997 – 2000

UNIVERSITY OF CHICAGO GRADUATE SCHOOL OF BUSINESS

Lecturer 1997

MADANSKY & ASSOCIATES

Associate, 1994 – 1997

EXPERT TESTIMONY

- June 2023 – SEC v. Matthew Panuwat, U.S. District Court Northern District of California, San Francisco Division, Case No. 3:21-cv-06322-WHO. Expert report, rebuttal report, deposition.
- December 2022 – SEC v. Lee Simmons, U.S. District Court Southern District of New York, Case No. 22-cv-07081. Expert report, declaration.
- July 2018 – United States vs. Mitchell J. Stein, U.S. District Court Southern District of Florida. Criminal No.: 11-80205-CR-MARRA. Testimony at hearing, expert report, rebuttal report.
- May 2018 – United States vs. Kelly Liu et al., U.S. District Court Middle District of Louisiana. Criminal No. 17-92-JWD-EWD. Testimony at trial.
- September 2017 - SEC v. Howard B. Present, United States District Court, District of Massachusetts, Case No. 1:14-CV-14692. Testimony at trial, expert report, declaration.
- August 2017 – United States vs. Jesse H. Roberts III. U.S. District Court Middle District of Louisiana. Criminal No. 15-20-JWD-EWR. Testimony at trial.
- November 2014 – SEC v. Samuel Wyly, et al. United States District Court, Southern District of New York, 10 Civ. 5760 (SAS). Testimony at hearing, expert report.
- July 2013 – In the Matter of BDO Dahua CPA Co., Ltd; Ernst & Young Hua Ming LLP; KPMG Huazhen (Special General Partnership); Deloitte Touche Tohmatsu Certified Public Accountants Ltd.; PricewaterhouseCoopers Zhong Tian CPAs Limited, Respondents. Administrative Proceeding File Nos. 3-14872, 3-15116. Testimony at hearing, rebuttal report.

PUBLICATIONS AND PRESENTATIONS

- “Economic Analysis in Support of Enforcement,” invited panelist at SEC Speaks, February 2017.
- “Economic Analysis in Support of Enforcement,” invited panelist at SEC Speaks, February 2016.
- “Economic Analysis in Support of Enforcement,” invited panelist at SEC Speaks, February 2015.
- “Economists Supporting SEC Enforcement Actions,” invited panelist at SEC Speaks, February 2014.
- “Model Risk, Quants, and the Law,” invited panelist at Society of Quantitative Analysts, April 2012.

- “Broudo v. Dura: Implications for Damages”, invited speaker at Mayer Brown Rowe and Maw LLP, September 2006.
- “Boardroom Best Practices - Stock Option Granting Best Practices and Majority Voting Update”, invited panelist at a webcast hosted by InsideCounsel and Foley & Lardner LLP, July 2006.
- “Economic Perspectives on Regulatory Damages”, invited speaker at Law Seminars International, June 2005.
- “Market Timing in Perspective”, moderator at Directors Roundtable Seminar, Investment Management: Challenges in a Turbulent Time, May 2005.
- “Recent Developments in Securities Litigation”, invited presentation for Skadden Arps, December 2004.
- “Recent Trends in Regulatory Penalties: SEC and Market Timing”, invited presentation for Law Seminars International, June 2004.
- “Calculating Damages in Securities Class Action Litigation”, presentation for Morrison & Foerster LLP, April 2004.
- “Securities Litigation: Calculating Damages”, training module presented at Deloitte & Touche, March 2003.
- “The Effects of Asset Liquidity: Evidence from the Contract Drilling Industry”, *Journal of Financial Intermediation*, Volume 7, Issue 2, September 1998.
- “The Effects of Asset Liquidity on Managerial Decisions”, presentation at the JFI Symposium, June 1997.
- “Capital Structure and the Timing of Firms’ Exit Decisions from a Declining Industry”, working paper, November 1995.

HONORS AND AWARDS

- SEC Distinguished Service Award, 2018
- Investigative Achievement Award, *United States v. Amit Kanodia*, U.S. Attorney’s Office, District of Massachusetts, 2017
- SEC Excellence in Leadership Award, 2015
- SEC Diversity and Inclusion Award, 2013
- SEC Chairman’s Award for Excellence, 2012, 2011
- State Farm Dissertation Prize, 1996

PROFESSIONAL ACTIVITIES

Member: American Finance Association, American Economic Association.

Appendix 2 Materials Considered

I. Case Materials and Data

Account Statements

Brokerage Firm	Account Number	Account Name	Monthly Statements
Apex	XXXX4366	GOPALA KRISHNAN	May 2018 - September 2022
Apex	XXXX5278	GOPALA KRISHNAN	March 2019 - September 2022
Apex	XXXX9553	GOPALA KRISHNAN	December 2021 - October 2022
IBS	XXXX8305	GOPALA KRISHNAN	June 2020 - November 2022
IBS	XXXX5807	NANBAN CAPITAL, LLC	October 2020 - September 2021
IBS	XXXX7549	GOPALA KRISHNAN	January 2017 - November 2022
IBS	XXXX6488	SRINIVASA R PANCHUMARTHI ROLLOVER IRA	November 2020 - September 2021
IBS	XXXX0800	ARUN HEBBUR IRA	November 2020 - July 2021
TDA	XXXXX6387	GSM Eternal	April 2021 - January 2023
TDA	XXXXX5232	GSM Eternal	June 2021 - July 2023
TDA	XXXXX9021	2020 September Fund	October 2021 - June 2023
TDA	XXXXX6647	2020 September Fund	September 2020 - April 2022
TDA	XXXXX5626	NANBAN INVESTMENTS 2020 OCT FUND LLC	January 2021 - June 2023
TDA	XXXXX7401	NANBAN 2020 PERPETUAL INCOME FUND LLC	February 2021 - June 2023
TDA	XXXXX5871	2020 June Fund	June 2020 - June 2023
TDA	XXXXX2741	GOPALA KRISHNAN ROLLOVER IRA	January 2017 - June 2023
TDA	XXXXX2784	GOPALA KRISHNAN	May 2018 - June 2023
TDA	XXXXX6332	HEMA KRISHNAN	January 2020 - June 2023
TDA	XXXXX5480	HEMA KRISHNAN ROLLOVER IRA	January 2017 - June 2023
TDA	XXXXX5687	GOPLALA KRISHNAN AS CUST FOR HARINI KRISHNAN	January 2017 - May 2018
TDA	XXXXX0011	GOPALA KRISHNAN AS CUST FOR GAUTHAM KRISHNAN	January 2017 - May 2018
TDA	XXXXX7686	GOPALA KRISHNAN	January 2017 - June 2023
TDA	XXXXX9342	NANBAN INVESTMENTS LLC	February 2020 - July 2023

Appendix 2
Materials Considered

Public Placement Memoranda

2020 Perpetual Income Fund, December 15, 2020.pdf
2020 September Fund, August 17, 2020.pdf
2020-June Fund, June 10, 2020.pdf
2020-October Fund, November 1, 2020.pdf
AAA, September 17, 2021.pdf
Abundance, December 15, 2021.pdf
Eco Harmony Fund LP, July 15, 2023.pdf
Ganga, December 1, 2021.pdf
Nile, July 15, 2022.pdf
Venture Capital Fund-I, April 14, 2021.pdf

Trade Blotters

Apex: Trading Activity.xlsx
IBS: Trade Blotter.xlsx
TDA: Trade and Order History (received 3-13-23).xlsx
Trade and Order History (received 5-26-23).xlsx
Trade and Order History (received 7-31-23).xlsx

Testimony

Krishnan, Gopala 12/15/2021 and 5/30/2023
Gounder, Sakthivel 10/19/2022
Periasamy, Sudha 5/4/2023
Ramesh, Kutraleeshwaran 3/16/2023
Shanmugam, Manivannan 10/21/2022
Exhibits 1, 2, 5, 6, 8, 10, 16-22, 26, 30, 33-41, 48-51, 63, 68, 71, 72, 74, 76, 80, 82-93, 116-122

Appendix 2 Materials Considered

Transcripts of Mr. Krishnan's Interviews, Podcasts, and Investor Communication

1. 12/02/2020: YouTube: Better Wealth Podcast: *Making a Killing With Index, Options, and The Asset with CEO of Nanban Investments*
2. 02/05/2021: YouTube: *How GK Financial strategy won more than 25,000 people's confidence?*
3. 08/02/2021: YouTube: *GK Strategies for Generating Consistent Income*
4. 08/09/2021: Facebook: FunAsia Radio interview: *Gopala Krishnan GK | Nanban Interview*
5. 08/10/2021: Gopala Krishnan (GK) Nanban Interview.mp4
6. 11/05/2021: YouTube: DotCom Magazin" *Gopala "GK" Krishnan, Chairman & CEO, Nanban Group of Companies, DotCom Magazine Exclusive Interview*
7. 01/08/2022: Facebook: RJ Dhivya Video: *Tamil Breeze Show*
8. 05/23/2022: YouTube: *Financial Strategies And Investments For Creating Cash Flow With CEO of Nanban Enterprise*
9. 06/23/2022: YouTube: *Nanban GK Interview*
10. 07/29/2022: YouTube: *Importance of Tamil Business - GK*
11. 10/19/2022: Global Summit of Tamil Entrepreneurs & Professionals – Mr. Nanban GK Interview on 10/19/2022
12. 10/21/2022: YouTube: *Reasons why Homz was perfect investment for Nanban*
13. 10/26/2022: YouTube: *The Early struggles of Nanban Companies*
14. 10/26/2022: THE STORY OF GK STRATEGIES
15. 12/21/2022: YouTube: *Episode #79 GK's Way to Financial Freedom featuring Nanban GK*
16. 12/28/2022: YouTube: *The Secrets for Successful Fund Management*
17. 01/04/2023: Vinki Loomba with Loomba Investments.com. *Episode #81: Who, Not How: Leveraging Other's Skills and Expertise to Scale FT. Nanban GK*
18. 01/31/2023: Nanban Growth Fund webinar
19. 05/18/2023: Keynote by Mr. Global Krishnan, Chairman & CEO. Nanban Group of Companies.mp4
20. 05/19/2023: Mr. Krishnan telephone call with a potential investor
21. 06/10/2023: Nanban Foundation Webinar
22. 06/11/2023: Nanban Foundation Webinar 2
23. 06/17/2023: Nanban Foundation Webinar 34 GB
24. 06/18/2023: Nanban Foundation Webinar 4 – 2.3
25. 07/20/2023: Nanban Ventures Fund Performance Review – July 2023 - Zoom
26. Investment Fund Secrets – *Testimonials & Recent Case Studies: Black Card Client Testimonials*
27. Investment Fund Secrets – *Testimonials & Recent Case Studies: GK-u0026amp- Sakthi Interview.mp4*
28. Investment Fund Secrets – *Testimonials & Recent Case Studies: Nanban Full Length.mp4*
29. Investment Fund Secrets – *Testimonials & Recent Case Studies: Nanban Investments Testimonials – 320M.mp4*
30. SEC-FUNASIA-E-0000005
31. NANBAN Growth Fund – Introduction Webinar

Appendix 2

Materials Considered

II. Publicly-Available Data, Information, Textbooks, and Academic Research

Center for Research in Securities Prices (SPY data)

Fidelity Investments:

<https://www.fidelity.com/learning-center/investment-products/options/why-use-a-covered-call>

<https://www.fidelity.com/learning-center/investment-products/options/options-strategy-guide/protective-put>

Charles Schwab:

<https://www.schwab.com/learn/story/options-trading-basics-covered-call-strategy>

<https://www.schwab.com/learn/story/can-protective-puts-provide-temporary-shield>

Ally.com:

<https://www.ally.com/stories/invest/the-basics-of-covered-calls-strategy/>

CBOE:

<https://www.cboe.com/us/indices/dashboard/bxm/>

<https://www.cboe.com/us/indices/dashboard/pput/>

<https://www.cboe.com/us/indices/dashboard/cll/>

S&P Dow Jones:

<https://www.spglobal.com/spdji/en/index-family/multi-asset/option-strategies/covered-call/#overview>

Invesco:

<https://www.invesco.com/us/financial-products/etfs/product-detail?audienceType=investor&ticker=pbp>

<https://www.invesco.com/us-rest/contentdetail?contentId=8b9832b525051410VgnVCM100000c2f1bf0aRCRD&dnsName=us>

Other:

<https://www.globalxetfs.com/funds/xclr/#performance>

<https://www.ssga.com/us/en/intermediary/etfs/resources/doc-viewer#spy&prospectus>

<https://www.investopedia.com/articles/markets/071616/history-sp-500-dividend-yield.asp#:~:text=The%20S%26P%20500%20is%20an,which%20investors%20can%20invest%20in>

Appendix 2
Materials Considered

II. Publicly-Available Data, Information, Textbooks, and Academic Research, cont.

Alles, L., 2008, “An Option Pricing Approach to the Estimation of Downside Risk: A European Cross-Country Study,” *Journal of Derivatives & Hedge Funds*, 14, 31-41.

Bodie, Z., A. Kane, and A.J. Marcus, 2008, *Investments*, 7th edition, NY: McGraw Hill Irwin.

Edwards, C., 2015, “The Instantaneous Return and Volatility of a Covered Call Position,” *Applied Economic Letters*, 22, 1059-1063.

Hull, J. and S. Basu, 2018, *Options, Futures, and Other Derivatives*, 10th edition, India: Pearson India Educational Services.

Israelov, R. and M. Klein, 2016, “Risk and return of equity index collar strategies,” *Journal of Alternative Investments*, 19.

Pounds, H., 1978, “Covered Call Option Writing: Strategies and Results,” *Journal of Portfolio Management*, 4, 31-42.

All documents, materials, and data cited in my declaration, Tables, and Appendices.

Appendix 3
Selected Mr. Krishnan's GK Strategies Performance Quotes

Date	Quote	Source
12/2/2020	“I started sharing with my friends and family my level 1, level 2 strategies, and I copyrighted all of my five strategies under GK Strategies copyright. So first two strategies, level 1, level 2, allows people to generate 18 to 30 percent on their own, okay, from cash flow perspective. My level 3, level 4, level 5 takes it to a completely different level. We, we consistently generate more than a hundred percent in the higher level strategies...in any market condition. That's the beauty, up, sideways, down market. So from 2009 till early part of 2020, volatility was low, right? ... And our returns were between 18 to 24 percent still. ... But with this year when volatility increased, you have no idea. Our people are making 60 percent, 70 percent return this year. Since 2001, my worst year has been 21 percent up. Just to tell you, in private fund we are able to give 58 percent return every year. But in Nanban Investments, which is our for-profit private fund business, let's say they invest hundred K. So that is their hundred K capital into our business. In the first year we would give them \$58,000 return. That's 58 percent return. That's what we specialize in. Even though we make more than hundred percent, we give 58 percent only to the investors, rest goes to the company, and we do a lot of charitable work using that income.” (<i>emphasis added</i>)	YouTube Better Wealth Podcast: <i>Making a Killing With Index, Options, and The Asset with CEO of Nanban Investments</i>
8/9/2021	“So, in 2000 – from 2001 (inaudible) and I figured out that this strategy works hundred percent of the time. I didn't keep it with me because I believe in community growing together. From 2001 until now, consistent results. ... And that is key to success. So, when you are making cash flow every week with 100 percent consistency, all those amounts would add up to big profits later.”	Facebook FunAsia Radio interview: <i>Gopala Krishnan GK Nanban Interview</i>

Appendix 3
Selected Mr. Krishnan's GK Strategies Performance Quotes

Date	Quote	Source
11/5/2021	"So, Nanban came into existence just 18 months ago because of the strategies called, "GK Strategies," that I had developed back in 2001, which had worked for me [and] my family office for many, many years, with principal protection and consistent positive returns in any market conditions."	YouTube DotCom Magazin" <i>Gopala "GK" Krishnan, Chairman & CEO, Nanban Group of Companies, DotCom Magazine Exclusive Interview</i>
12/21/2022	"I don't even care if the market has dropped by 20 percent because I know every month with 100 percent consistency and we will get cash. ... So, when you are getting cash every week, every month with 100 percent consistency, your second bank account will always. It cannot go down. ...it only takes one hour a week to do my strategies. That's all because it's purely mechanical. You don't look at any reports, no indicators, no charts. So, when I saw their lifestyle has improved so much because they have got that belief in their mind that my 600,000 is going to be safe, and I am making every year 120,000, minimum at 20 percent And in this market, the current market that is going on, the S&P is down 20 percent, volatility has gone up big time, people are going to make 40, 50 percent this year... So that's the beauty of volatility [in our] strategy." (<i>emphasis added</i>)	YouTube <i>Episode #79 GK's Way to Financial Freedom featuring Nanban GK</i>
1/31/2023	"So, it's a very, very diversified strategy that has been working in Nanban Ventures and Nanban Ventures has delivered for the last 18 months consistent double-digit returns ." (<i>emphasis added</i>)	Nanban Growth Fund webinar

DECLARATION OF PRASANNA KUMAR

I, Prasanna Kumar, hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and further that this Declaration is made based on my personal knowledge and that I am competent to testify as to the matters stated herein:

1. My name is Prasanna Kumar.

2. I live in Frisco, Texas, and I am 49 years old. I am voluntarily providing this declaration and the statements herein are accurate to the best of my knowledge.

3. On or about June 22, 2020, I invested \$200,000 in the Nanban Investments-2020-June-Fund, LLC (the “June Fund”).

4. I am a managing member of Orion RE Capital LLC (“Orion”), a real estate investment company focusing on multifamily acquisitions, operations, management, and some land development. Orion made the following investments in GSM Eternal LLC (“GSM”) via high-yield promissory notes, attached collectively hereto as **Exhibit A**:

February 14, 2022	- \$5 million
August 1, 2022	- \$3 million
September 8, 2022	- \$2 million

5. I am also the managing member of Nanban Realty Mgr LLC (“Nanban Realty Manager”), and a general partner of Nanban Realty Fund 2021-1 LLC (“Nanban Realty”). Nanban Realty made the following investments in GSM via high-yield promissory notes, attached collectively hereto as **Exhibit B**:

April 16, 2021	- \$3 million
May 3, 2021	- \$2 million
September 8, 2021	- \$2 million
September 29, 2021	- \$2 million
November 3, 2021	- \$2 million

6. I first learned of Gopala Krishnan (“GK”) in or around March 2020 shortly after the Covid pandemic started to impact the country. My wife and I live in Frisco, Texas not far from GK’s community. My wife told me GK taught classes on how to build wealth and had developed a special investment system.

7. In or around the spring of 2020, I attended a training session webinar where GK taught his GK Strategies system. During the course, GK talked about the Nanban Foundation, which he used to conduct charitable endeavors such as teaching classes about financial independence. He also told me and others at the classes that GK Strategies levels 1 and 2 encompassed basic options trading strategies like covered calls and related concepts. GK also told us that GK Strategies consisted of five levels but that he only taught levels 1



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and 2 to the public. GK told the attendees that levels 3, 4, and 5 were advanced strategies that could not be used by individual investors.

8. GK told me and others at the GK Strategies training that his system was unique and that he had developed it based on his investing experiences over the last 20 years. He claimed that GK Strategies would earn double digit returns of 20-25 percent, while at the same time being a conservative investment strategy that protected investor's capital. In particular, he told us that his GK Strategies would never lose more than 1-2 percent of an investor's capital. He said that his system always beat the stock market and an index like the S&P 500. He never showed any documents or data to prove those claims.

9. He told me and others at the training webinar that if we used GK Strategies, we could earn 20-25 percent annual returns using only levels 1 and 2. However, GK said that we would need to invest with him if we wanted to earn the higher returns from GK Strategies levels 3, 4, and 5. GK claimed that we could earn an extra 5-15 percent annual returns on any funds invested with him on top of the 20-25 percent we could achieve applying GK Strategies levels 1 and 2 on our own.

10. Sometime in the spring or early summer of 2020, I learned that GK and his partners, Manivannan Shanmugam ("Shanmugam") and Sakthi Gounder ("Gounder") were starting a hedge fund called the June Fund. Thereafter, I attended multiple webinars about the June Fund in which GK, Shanmugam, and Gounder all attended and explained that the June Fund would use GK Strategies levels 3, 4, and 5 to earn returns for investors that exceeded 20 percent per year and would also beat the S&P 500 index.

11. Based on the information I learned from GK at the GK Strategies training webinar and also from GK, Shanmugam, and Gounder at the June Fund webinars, I decided to invest in the June Fund. GK's work with the Nanban Foundation was particularly important to my investment decision because his philanthropic endeavors made me think I could trust him. In or around December 2021, I received from the June Fund my entire principal along with an approximate 22.25 percent annual return during the term of my investment.

12. I later became aware of three additional Nanban Investments LLC hedge funds, but I did not invest in those funds.

13. After I invested in the June Fund, I met several times in person with GK, Gounder, and Shanmugam about their Nanban business model and plans. We talked about the Nanban companies investing in the real estate market to diversify their investments beyond just using GK Strategies. The idea for Nanban Realty and its related entities came out of those meetings. To the extent GK, Gounder, and Shanmugam wanted to invest in real estate, our plan was that any of their Nanban-related hedge funds or venture capital funds would invest in real estate through Nanban Realty.

14. In or around the spring of 2021, however, it became clear to me that GK, Gounder, and Shanmugam were working on too many different Nanban-related projects and



were unable to devote the type of focus that I expected from any business partners of mine. Therefore, on or about May 2021, I removed GK, Gounder, and Shanmugam as managers of Nanban Realty Manager. GK, Gounder, and Shanmugam are no longer affiliated with Nanban Realty or Nanban Realty Manager.

15. In or around early 2021, I spoke with GK, Gounder, and Shanmugam at in-person meetings which took place at Nanban's offices in Frisco, Texas about Nanban Realty and Orion investing available cash with GK so he could grow the money using GK Strategies. During our group discussions, GK, Gounder, and Shanmugam all discussed and talked to me about GSM and another company they owned or controlled called Centum Fintech LLC ("Centum"). They all explained that GSM and Centum were used to implement "treasuring management services" and trade options using GK Strategies. As we talked about GSM and Centum, each of them pointed out that if Nanban Realty or Orion wanted GK to trade the available cash using GK Strategies, Nanban Realty and Orion would need to invest the money with GSM.

16. During those same in-person meetings, GK, Gounder, and Shanmugam also talked with me about and explained that GSM would use Orion's and Nanban Realty's multi-million dollar debt investments to make trades using GK Strategies and that GSM would pay the interest payments owed by the promissory note from the profits earned by GK's trading using his GK Strategies system. It would have been important to me to know if the source of the interest payments was anything other than profits from trading in GK Strategies.

17. Also at the in-person meetings, GK, Gounder, and Shanmugam each reassured me that GSM would pay more than the interest rate contained in the notes should they earn extremely high returns with the GK Strategies trades and those returns exceeded the required interest rate under the note. It would have been important to me to know if the source of the additional payments was anything other than profits from trading in GK Strategies.

18. Based on the above information GK, Gounder, and Shanmugam explained and discussed with me, and my experience in the June Fund, I decided to approve investments in GSM by Orion and Nanban Realty.

19. Orion and Nanban Realty invested in GSM through the high-yield promissory notes attached hereto as Exhibit A and Exhibit B, respectively. Each of the notes included a 60-month maturity rate and required GSM to pay an 18 percent annual interest rate. For the Orion notes, Suresh Batchu signed as Manager on Orion's behalf while Shanmugam signed as Manager on GSM's behalf. For the Nanban Realty notes, Shivesh Gowda signed as Manager on Nanban Realty's behalf while Shanmugam once again signed as Manager on GSM's behalf.

20. GSM made all interest payments required under the investment notes. GSM also paid Orion and Nanban Realty approximately 3-5 percent over the required interest on more than one occasion. In 2021, for example, GSM paid Orion approximately 22-25 percent in annual interest payments rather than the 18 percent required under the investment notes.



21. Prior to my investment in the June Fund, I was never told by GK, Gounder, or Shanmugam any information that would cast doubt on the effectiveness and success of the GK Strategies system.

22. Prior to Orion's or Nanban Realty's investments in GSM, I was never told by GK, Gounder, or Shanmugam that Nanban Investments LLC-related hedge funds that used GK Strategies had been closed due to poor performance, investor complaints, or investor redemptions. I was also never told by GK, Gounder, or Shanmugam that investors in any Nanban Investments LLC-related hedge funds using GK Strategies complained about poor returns, requested the return of their capital, or that the hedge funds failed to obtain returns better than the stock market or an index such as the S&P 500 Index.

23. It would have been important for me to know if GK, Gounder, or Shanmugam gave me false information about the returns earned from GK Strategies or the protection GK Strategies provided to an investor's principal investment.

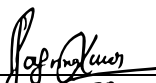
24. I would not have invested in the June Fund if I was aware that GK gave me false information about the returns from GK Strategies or the protection GK Strategies provided to an investor's principal investment. Similarly, I would not have recommended or approved Orion or Nanban Realty's investments in GSM if I was aware that GK gave me false information about the returns from GK Strategies or the protection GK Strategies provided to an investor's principal investment.

25. It would have also been important for me to know if hedge funds using GK Strategies were closed due, in any part, to poor returns, investor complaints, and/or investors requesting the return of their capital. I would not have recommended or approved Orion or Nanban Realty's investments in GSM if I was aware of such facts before the GSM investments.

26. As noted herein, Orion and Nanban Realty invested \$18 million into GSM via high-yield promissory notes. In January 2023, GSM returned \$1.5 million of the principal. By September 30, 2023, GSM is scheduled to return another \$11 million in principal. Thereafter, there will be approximately \$5.5 million in principal outstanding that is expected to be fully returned by October 31, 2023.

27. I do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is within my personal knowledge and is true and correct.

Executed on the 28 day of September, 2023.



Prasanna Kumar

EXHIBIT

A



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PROMISSORY NOTEIssuance Date: **Feb 14th, 2022**Original Principal Amount: **\$5,000,000.00**

FOR VALUE RECEIVED, GSM Eternal LLC (hereinafter both individually and collectively herein the **“Company”** or **“Maker”**), hereby promises to pay to the order of **ORION RE CAPITAL LLC** or its registered assigns (**“Holder”** or **“Lender”**) the amount set out above as the Original Principal Amount (as reduced, increased or otherwise adjusted pursuant to the terms hereof pursuant to conversion or otherwise, the **“Principal”**) when due upon the Maturity Date (as defined below), or otherwise (in each case in accordance with the terms hereof) and to pay interest (**“Interest”**) on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the **“Issuance Date”**) until the same becomes due and payable, whether upon the Maturity Date, acceleration, conversion or otherwise (in each case in accordance with the terms hereof).

1. PAYMENTS OF PRINCIPAL AND INTEREST. Within **Five (5)** year of the Issuance Date herein (the **“Maturity Date”**), the Company shall, unless otherwise extended by Holder, and except if elected otherwise by Holder pursuant to Section 3 upon the Maturity Date, pay to the Holder an amount in cash representing all the outstanding Principal, accrued and unpaid Interest and accrued and unpaid late charges on such Principal and Interest (collectively, the **“Full Note Amount”**). The Company may prepay any portion of the Promissory Note without the prior written consent of Holder.

2. INTEREST; INTEREST RATE. Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of **18%** per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Note Holder upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. CONVERSION OF PROMISSORY NOTE.

(a) This Promissory Note shall be convertible into validly issued, fully paid common units of Company equal to a _____ percent (____%) equity stake, at the sole discretion of Holder upon any event of default as provided in Section 4 herein.

(b) To convert into limited liability company units on any date (each, a “Conversion Date”), Holder shall deliver to Company, on such Conversion Date, a copy of an executed notice

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of conversion in the form attached hereto as Exhibit I (the "Conversion Notice") to the Company. Conversion hereunder shall have the effect of reducing the then-outstanding Full Note Amount by the applicable conversion amount.

4. EVENT OF DEFAULT.

(a) "**Event of Default**", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) any default in the payment of the Principal, or the Interest, as and when the same shall become due and payable, for which there will be no cure period;

(ii) Maker shall fail to observe or perform any obligation or shall breach any term or provision of this Promissory Note and such failure or breach shall not have been remedied within ten (10) Business Days after the date on which notice of such failure or breach shall have been delivered (other than those occurrences described in other provisions of this Section 4 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default);

(iii) Maker shall fail to observe or perform any of its material obligations owed to the Holder or any other material covenant, agreement, representation or warranty contained in, or otherwise commit any material breach hereunder or in any other transaction document executed in connection herewith, and such failure or breach shall not have been remedied within ten (10) Business Days after the date on which notice of such failure or breach shall have been delivered (other than those occurrences described in other provisions of this Section 4 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default);

(iv) Maker shall commence, or there shall be commenced against the Maker, a case under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Maker commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Maker, or there is commenced against the Maker any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of sixty (60) days; or Maker is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or Maker suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty (60) days; or Maker makes a general assignment for the benefit of creditors; or Maker shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or Maker shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or Maker shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by Maker for the purpose of effecting any of the foregoing;



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(b) If any Event of Default occurs, the Full Note Amount shall become, at the election of the Holder, immediately due and payable in cash.

(c) The Holder need not provide, and Maker hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by the Holder at any time prior to payment hereunder. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

(d) The Company agrees that, if any Event of Default shall have occurred and be continuing, then, the Holder, in addition to any rights now or hereafter existing under applicable law, will have all rights as a secured creditor under the UCC in all relevant jurisdictions. Furthermore, the Holder shall have all rights to place a lien on any assets of Company to the extent necessary in accord with this Note. Company agrees to execute all documents that may be necessary to consummate and solidify the Holder's rights and interest as provided herein. For the avoidance of doubt, and in addition to the secured interests granted to Holder herein to Company assets, Holder shall have a first priority secured interest and lien against all items provided in the attached Exhibit II, which may be updated from time-to-time, and hereby incorporated by reference. Company hereby warrants and represents those items listed on Exhibit II, including any amendments thereof, are free and clear of any encumbrances or liabilities. Company shall execute all necessary documentation in order to consummate and solidify the terms of this Section 4(d).

5. COVENANTS. So long as any portion of the Full Note Amount remains outstanding, Maker will not directly or indirectly, without the consent of the Holder:

(a) fail to continue to engage in business of the same general type as now conducted by it and to preserve, renew and keep in full force and effect, its corporate existence and its assets, rights, privileges and franchises to the extent necessary or desirable in the normal conduct of business;

(b) fail to comply in all material respects with all applicable laws, ordinances, rules, regulations, decisions, orders and requirements of governmental authorities;

(c) fail to keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities.

6. NO WAIVER OF THE HOLDER'S RIGHTS. All payments of Principal and Interest shall be made without setoff, deduction or counterclaim. No delay or failure on the part of the Holder in exercising any of its options, powers or rights, nor any partial or single exercise of its options, powers or rights shall constitute a waiver thereof or of any other option, power or right, and no waiver on the part of the Holder of any of its options, powers or rights shall constitute a waiver of any other option, power or right. Maker hereby waives presentment of payment, protest, and all notices or demands in connection with the delivery, acceptance, performance, default or endorsement of this Note. Acceptance by the Holder of less than the full amount due and payable hereunder shall in no way limit the right of the Holder to require full payment of all sums due and payable hereunder in accordance with the terms hereof.



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7. REDEMPTION, PRE-PAYMENT. This Promissory Note is redeemable prior to the Maturity Date. The Company may pre-pay the Promissory Note without the prior written consent of the Holder.

8. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Promissory Note, except as required by law.

9. AMENDING THE TERMS OF THIS PROMISSORY NOTE. The prior written consent of the Holder shall be required for any change, modification or amendment to this Promissory Note. No consideration shall be offered or paid to the Holder to amend or consent to a waiver or modification of any provision of this Promissory Note unless the same consideration is also offered to all of the holders of the Promissory Notes. The Holder shall be entitled, at its option, to the benefit of any amendment to any of the Promissory Notes.

10. TRANSFER. Subject to compliance with applicable securities laws, this Promissory Note and any shares issued upon conversion of this Promissory Note may not be offered, sold, assigned or transferred by the Holder without the consent of the Company.

11. REISSUANCE OF THIS PROMISSORY NOTE.

(a) Transfer. If this Promissory Note is to be transferred, the Holder shall surrender this Promissory Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Promissory Note (in accordance herewith), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Promissory Note (in accordance herewith) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Promissory Note, acknowledge and agree that, by reason of the provisions herewith following conversion or redemption of any portion of this Promissory Note, the outstanding Principal represented by this Promissory Note may be less than the Principal stated on the face of this Promissory Note.

(b) Lost, Stolen or Mutilated Promissory Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Promissory Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Promissory Note, the Company shall execute and deliver to the Holder a new Promissory Note (in accordance with Section 11(c)) representing the outstanding Principal.

(c) Issuance of New Promissory Note. Whenever the Company is required to issue a new Promissory Note pursuant to the terms of this Promissory Note, such new Promissory Note (i) shall be of like tenor with this Promissory Note, (ii) shall represent, as indicated on the face of such new Promissory Note, the Principal remaining outstanding (or in the case of a new Promissory Note being issued pursuant to Section 11(a), the Principal designated by the Holder which, when added to the principal represented by the other new Promissory Note issued in connection with



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such issuance, does not exceed the Principal remaining outstanding under this Promissory Note immediately prior to such issuance of new Promissory Note), (iii) shall have an issuance date, as indicated on the face of such new Promissory Note, which is the same as the Issuance Date of this Promissory Note, (iv) shall have the same rights and conditions as this Promissory Note, and (v) shall represent accrued and unpaid Interest and late charges on the Principal and Interest of this Promissory Note, from the Issuance Date.

12. CUMULATIVE RIGHTS AND REMEDIES; USURY. The rights and remedies of the Holder expressed herein are cumulative and not exclusive of any rights and remedies otherwise available under this Promissory Note, or applicable law (including at equity). The election of the Holder to avail itself of any one or more remedies shall not be a bar to any other available remedies, which Maker agrees the Holder may take from time to time. If it shall be found that any Interest due hereunder shall violate applicable laws governing usury, the applicable Interest Rate due hereunder shall be reduced to the maximum permitted rate of interest under such laws.

13. GOVERNING LAW. All questions concerning the construction, validity, enforcement and interpretation of this Promissory Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas, without regard to the principles of conflicts of law thereof. Each of the Maker and the Holder agree that all legal proceedings concerning the interpretations, enforcement and defense of this Promissory Note shall be commenced in the state and federal courts sitting in Dallas County, Texas (the “**Texas Courts**”). Each of the Maker and the Holder hereby irrevocably submit to the exclusive jurisdiction of the Texas Courts for the adjudication of any dispute hereunder (including with respect to the enforcement of this Promissory Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper. Each of Maker and the Holder hereby irrevocably waive personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to the other at the address in effect for notices to it under this Promissory Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each of Maker and the Holder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Promissory Note or the transactions contemplated hereby.

14. NO ORAL AGREEMENTS. THIS NOTE CONSTITUTES A “WRITTEN LOAN AGREEMENT” PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

15. TRUTH IN LENDING. THE TRUTH IN LENDING ACT DOES NOT APPLY TO THIS NOTE.



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16. REQUIRED NOTICE TO THE HOLDER. The Holder is to be notified by Maker, within three (3) Business Days of the existence or occurrence, of any Event of Default.

17. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Promissory Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Promissory Note or to enforce the provisions of this Promissory Note, or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Promissory Note, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

18. CAPACITY AND AUTHORITY OF MAKER. Maker represents that it has full power, capacity and authority to execute, deliver, and perform this Note without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties.

19. NO RELIANCE. Maker represents that it has not relied on any statement or representation of Lender in entering into this Note

20. CONSTRUCTION; HEADINGS. This Promissory Note shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Promissory Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Promissory Note. Terms used in this Promissory Note but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Issuance Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

21. NOTICES. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth on the signature page, or such other address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 21. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered, by email, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the address set forth on the signature pages attached hereto at or prior to 5:30 p.m. (eastern standard time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via email at the address set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (eastern standard time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.



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22. CERTAIN DEFINITIONS. For purposes of this Promissory Note, the following terms shall have the following meanings:

(a) **"Affiliate"** means, as applied to any person, (a) any other person directly or indirectly controlling, controlled by or under common control with that person, (b) any other person that owns or controls 10% or more of any class of equity securities (including any equity securities issuable upon the exercise of any option or convertible security) of that person or any of its Affiliates, or (c) any director, partner, officer, manager, agent, employee or relative of such person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by," and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through ownership of voting securities or by contract or otherwise.

(b) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in Dallas County, Texas are authorized or required by law to remain closed.

(c) **"Conversion Amount"** means the portion of the Full Note Amount to be converted or with respect to which any determination is being made under this Note.

(d) **"Conversion Price"** means the per-share price calculated by dividing the Conversion Numerator by the Conversion Denominator, as per Section 3.

(e) **"Interest Rate"** means ____% percent per month, compounded and capitalized annually according to the terms and conditions of Section 2, as may be adjusted from time to time in accordance with Section 2.

(f) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(g) **"SEC"** means the United States Securities and Exchange Commission or the successor thereto.

EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

PRIOR TO SIGNING THIS NOTE, MAKER REPRESENTS AND WARRANTS TO LENDER THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. MAKER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.



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IN WITNESS WHEREOF, the Company has caused this Promissory Note to be duly executed as of the Issuance Date set out above.

COMPANY:

GSM Eternal LLC



Manivannan Shanmugam, Manager

Address: 5850, Granite Parkway, Suite 210
Plano, TX 75024

LENDER:

Orion RE Capital LLC

DocuSigned by:

0CFEE9D892ED464...

Suresh Batchu, Manager



Redacted

EXHIBIT I

CONVERSION NOTICE

Reference is made to the Promissory Note (the “**Promissory Note**”) issued to the undersigned by **GSM Eternal LLC** (the “**Company**”). In accordance with and pursuant to the Promissory Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Promissory Note) of the Promissory Note indicated below into shares of limited liability company units, as of the date specified below. Capitalized terms not defined herein shall have their respective meanings as set forth in the Promissory Note.

Date of Conversion: _____

Aggregate Principal to be converted: \$_____.00

Aggregate accrued and unpaid Interest and accrued and unpaid late fees with respect to such portion of the aggregate Principal and such aggregate Interest to be converted: _____

TOTAL AGGREGATE CONVERSION AMOUNT TO BE
CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

Type and Number of shares of units to be issued: limited liability company units equal to ____% equity of such LLC.

Please issue the units into which the Promissory Note is being converted in the following name and to the following address:

Issue to:

Facsimile Number:

Holder:

By:

Title:

Dated:

Account Number:
(if electronic book entry transfer)

Transaction Code Number:
(if electronic book entry transfer)



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Address:
(if delivery of share certificates)

EXHIBIT II

**ADDITIONAL ASSETS AS COLLATERAL AND SUBJECT TO
SECURED INTEREST AND LIEN BY HOLDER**



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PROMISSORY NOTEIssuance Date: **August 1st**, 2022Original Principal Amount: **\$3,000,000.00**

FOR VALUE RECEIVED, GSM Eternal LLC (hereinafter both individually and collectively herein the **“Company”** or **“Maker”**), hereby promises to pay to the order of **ORION RE CAPITAL LLC** or its registered assigns (**“Holder”** or **“Lender”**) the amount set out above as the Original Principal Amount (as reduced, increased or otherwise adjusted pursuant to the terms hereof pursuant to conversion or otherwise, the **“Principal”**) when due upon the Maturity Date (as defined below), or otherwise (in each case in accordance with the terms hereof) and to pay interest (**“Interest”**) on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the **“Issuance Date”**) until the same becomes due and payable, whether upon the Maturity Date, acceleration, conversion or otherwise (in each case in accordance with the terms hereof).

1. **PAYMENTS OF PRINCIPAL AND INTEREST.** Within **Five (5)** year of the Issuance Date herein (the **“Maturity Date”**), the Company shall, unless otherwise extended by Holder, and except if elected otherwise by Holder pursuant to Section 3 upon the Maturity Date, pay to the Holder an amount in cash representing all the outstanding Principal, accrued and unpaid Interest and accrued and unpaid late charges on such Principal and Interest (collectively, the **“Full Note Amount”**). The Company may prepay any portion of the Promissory Note without the prior written consent of Holder.

2. **INTEREST; INTEREST RATE.** Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of **18%** per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Note Holder upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. **CONVERSION OF PROMISSORY NOTE.**

(a) This Promissory Note shall be convertible into validly issued, fully paid common units of Company equal to a _____ percent (____%) equity stake, at the sole discretion of Holder upon any event of default as provided in Section 4 herein.

(b) To convert into limited liability company units on any date (each, a “Conversion Date”), Holder shall deliver to Company, on such Conversion Date, a copy of an executed notice



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of conversion in the form attached hereto as Exhibit I (the "Conversion Notice") to the Company. Conversion hereunder shall have the effect of reducing the then-outstanding Full Note Amount by the applicable conversion amount.

4. EVENT OF DEFAULT.

(a) **"Event of Default"**, wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) any default in the payment of the Principal, or the Interest, as and when the same shall become due and payable, for which there will be no cure period;

(ii) Maker shall fail to observe or perform any obligation or shall breach any term or provision of this Promissory Note and such failure or breach shall not have been remedied within ten (10) Business Days after the date on which notice of such failure or breach shall have been delivered (other than those occurrences described in other provisions of this Section 4 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default);

(iii) Maker shall fail to observe or perform any of its material obligations owed to the Holder or any other material covenant, agreement, representation or warranty contained in, or otherwise commit any material breach hereunder or in any other transaction document executed in connection herewith, and such failure or breach shall not have been remedied within ten (10) Business Days after the date on which notice of such failure or breach shall have been delivered (other than those occurrences described in other provisions of this Section 4 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default);

(iv) Maker shall commence, or there shall be commenced against the Maker, a case under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Maker commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Maker, or there is commenced against the Maker any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of sixty (60) days; or Maker is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or Maker suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty (60) days; or Maker makes a general assignment for the benefit of creditors; or Maker shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or Maker shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or Maker shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by Maker for the purpose of effecting any of the foregoing;



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(b) If any Event of Default occurs, the Full Note Amount shall become, at the election of the Holder, immediately due and payable in cash.

(c) The Holder need not provide, and Maker hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by the Holder at any time prior to payment hereunder. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

(d) The Company agrees that, if any Event of Default shall have occurred and be continuing, then, the Holder, in addition to any rights now or hereafter existing under applicable law, will have all rights as a secured creditor under the UCC in all relevant jurisdictions. Furthermore, the Holder shall have all rights to place a lien on any assets of Company to the extent necessary in accord with this Note. Company agrees to execute all documents that may be necessary to consummate and solidify the Holder's rights and interest as provided herein. For the avoidance of doubt, and in addition to the secured interests granted to Holder herein to Company assets, Holder shall have a first priority secured interest and lien against all items provided in the attached Exhibit II, which may be updated from time-to-time, and hereby incorporated by reference. Company hereby warrants and represents those items listed on Exhibit II, including any amendments thereof, are free and clear of any encumbrances or liabilities. Company shall execute all necessary documentation in order to consummate and solidify the terms of this Section 4(d).

5. COVENANTS. So long as any portion of the Full Note Amount remains outstanding, Maker will not directly or indirectly, without the consent of the Holder:

(a) fail to continue to engage in business of the same general type as now conducted by it and to preserve, renew and keep in full force and effect, its corporate existence and its assets, rights, privileges and franchises to the extent necessary or desirable in the normal conduct of business;

(b) fail to comply in all material respects with all applicable laws, ordinances, rules, regulations, decisions, orders and requirements of governmental authorities;

(c) fail to keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities.

6. NO WAIVER OF THE HOLDER'S RIGHTS. All payments of Principal and Interest shall be made without setoff, deduction or counterclaim. No delay or failure on the part of the Holder in exercising any of its options, powers or rights, nor any partial or single exercise of its options, powers or rights shall constitute a waiver thereof or of any other option, power or right, and no waiver on the part of the Holder of any of its options, powers or rights shall constitute a waiver of any other option, power or right. Maker hereby waives presentment of payment, protest, and all notices or demands in connection with the delivery, acceptance, performance, default or endorsement of this Note. Acceptance by the Holder of less than the full amount due and payable hereunder shall in no way limit the right of the Holder to require full payment of all sums due and payable hereunder in accordance with the terms hereof.



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7. REDEMPTION, PRE-PAYMENT. This Promissory Note is redeemable prior to the Maturity Date. The Company may pre-pay the Promissory Note without the prior written consent of the Holder.

8. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Promissory Note, except as required by law.

9. AMENDING THE TERMS OF THIS PROMISSORY NOTE. The prior written consent of the Holder shall be required for any change, modification or amendment to this Promissory Note. No consideration shall be offered or paid to the Holder to amend or consent to a waiver or modification of any provision of this Promissory Note unless the same consideration is also offered to all of the holders of the Promissory Notes. The Holder shall be entitled, at its option, to the benefit of any amendment to any of the Promissory Notes.

10. TRANSFER. Subject to compliance with applicable securities laws, this Promissory Note and any shares issued upon conversion of this Promissory Note may not be offered, sold, assigned or transferred by the Holder without the consent of the Company.

11. REISSUANCE OF THIS PROMISSORY NOTE.

(a) Transfer. If this Promissory Note is to be transferred, the Holder shall surrender this Promissory Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Promissory Note (in accordance herewith), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Promissory Note (in accordance herewith) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Promissory Note, acknowledge and agree that, by reason of the provisions herewith following conversion or redemption of any portion of this Promissory Note, the outstanding Principal represented by this Promissory Note may be less than the Principal stated on the face of this Promissory Note.

(b) Lost, Stolen or Mutilated Promissory Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Promissory Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Promissory Note, the Company shall execute and deliver to the Holder a new Promissory Note (in accordance with Section 11(c)) representing the outstanding Principal.

(c) Issuance of New Promissory Note. Whenever the Company is required to issue a new Promissory Note pursuant to the terms of this Promissory Note, such new Promissory Note (i) shall be of like tenor with this Promissory Note, (ii) shall represent, as indicated on the face of such new Promissory Note, the Principal remaining outstanding (or in the case of a new Promissory Note being issued pursuant to Section 11(a), the Principal designated by the Holder which, when added to the principal represented by the other new Promissory Note issued in connection with



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such issuance, does not exceed the Principal remaining outstanding under this Promissory Note immediately prior to such issuance of new Promissory Note), (iii) shall have an issuance date, as indicated on the face of such new Promissory Note, which is the same as the Issuance Date of this Promissory Note, (iv) shall have the same rights and conditions as this Promissory Note, and (v) shall represent accrued and unpaid Interest and late charges on the Principal and Interest of this Promissory Note, from the Issuance Date.

12. CUMULATIVE RIGHTS AND REMEDIES; USURY. The rights and remedies of the Holder expressed herein are cumulative and not exclusive of any rights and remedies otherwise available under this Promissory Note, or applicable law (including at equity). The election of the Holder to avail itself of any one or more remedies shall not be a bar to any other available remedies, which Maker agrees the Holder may take from time to time. If it shall be found that any Interest due hereunder shall violate applicable laws governing usury, the applicable Interest Rate due hereunder shall be reduced to the maximum permitted rate of interest under such laws.

13. GOVERNING LAW. All questions concerning the construction, validity, enforcement and interpretation of this Promissory Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas, without regard to the principles of conflicts of law thereof. Each of the Maker and the Holder agree that all legal proceedings concerning the interpretations, enforcement and defense of this Promissory Note shall be commenced in the state and federal courts sitting in Dallas County, Texas (the “**Texas Courts**”). Each of the Maker and the Holder hereby irrevocably submit to the exclusive jurisdiction of the Texas Courts for the adjudication of any dispute hereunder (including with respect to the enforcement of this Promissory Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper. Each of Maker and the Holder hereby irrevocably waive personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to the other at the address in effect for notices to it under this Promissory Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each of Maker and the Holder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Promissory Note or the transactions contemplated hereby.

14. NO ORAL AGREEMENTS. THIS NOTE CONSTITUTES A “WRITTEN LOAN AGREEMENT” PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

15. TRUTH IN LENDING. THE TRUTH IN LENDING ACT DOES NOT APPLY TO THIS NOTE.



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16. REQUIRED NOTICE TO THE HOLDER. The Holder is to be notified by Maker, within three (3) Business Days of the existence or occurrence, of any Event of Default.

17. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Promissory Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Promissory Note or to enforce the provisions of this Promissory Note, or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Promissory Note, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

18. CAPACITY AND AUTHORITY OF MAKER. Maker represents that it has full power, capacity and authority to execute, deliver, and perform this Note without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties.

19. NO RELIANCE. Maker represents that it has not relied on any statement or representation of Lender in entering into this Note

20. CONSTRUCTION; HEADINGS. This Promissory Note shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Promissory Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Promissory Note. Terms used in this Promissory Note but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Issuance Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

21. NOTICES. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth on the signature page, or such other address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 21. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered, by email, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the address set forth on the signature pages attached hereto at or prior to 5:30 p.m. (eastern standard time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via email at the address set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (eastern standard time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.



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22. CERTAIN DEFINITIONS. For purposes of this Promissory Note, the following terms shall have the following meanings:

(a) **"Affiliate"** means, as applied to any person, (a) any other person directly or indirectly controlling, controlled by or under common control with that person, (b) any other person that owns or controls 10% or more of any class of equity securities (including any equity securities issuable upon the exercise of any option or convertible security) of that person or any of its Affiliates, or (c) any director, partner, officer, manager, agent, employee or relative of such person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by," and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through ownership of voting securities or by contract or otherwise.

(b) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in Dallas County, Texas are authorized or required by law to remain closed.

(c) **"Conversion Amount"** means the portion of the Full Note Amount to be converted or with respect to which any determination is being made under this Note.

(d) **"Conversion Price"** means the per-share price calculated by dividing the Conversion Numerator by the Conversion Denominator, as per Section 3.

(e) **"Interest Rate"** means ____% percent per month, compounded and capitalized annually according to the terms and conditions of Section 2, as may be adjusted from time to time in accordance with Section 2.

(f) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(g) **"SEC"** means the United States Securities and Exchange Commission or the successor thereto.

EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

PRIOR TO SIGNING THIS NOTE, MAKER REPRESENTS AND WARRANTS TO LENDER THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. MAKER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.



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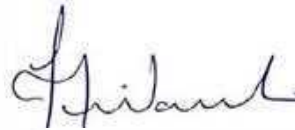
7

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IN WITNESS WHEREOF, the Company has caused this Promissory Note to be duly executed as of the Issuance Date set out above.

COMPANY:

GSM Eternal LLC



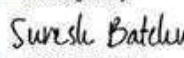
_Manivannan Shanmugam____, Manager

Address: 5850, Granite Parkway, Suite 210
Plano, TX 75024

LENDER:

Orion RE Capital LLC

8/1/2022

DocuSigned by:

8979C9B7A8F9A419

_Suresh Batchu____, Manager

Redacted

EXHIBIT I**CONVERSION NOTICE**

Reference is made to the Promissory Note (the “**Promissory Note**”) issued to the undersigned by **GSM Eternal LLC** (the “**Company**”). In accordance with and pursuant to the Promissory Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Promissory Note) of the Promissory Note indicated below into shares of limited liability company units, as of the date specified below. Capitalized terms not defined herein shall have their respective meanings as set forth in the Promissory Note.

Date of Conversion: _____

Aggregate Principal to be converted: \$_____.00

Aggregate accrued and unpaid Interest and accrued and unpaid late fees with respect to such portion of the aggregate Principal and such aggregate Interest to be converted: _____

TOTAL AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

Type and Number of shares of units to be issued: limited liability company units equal to ____% equity of such LLC.

Please issue the units into which the Promissory Note is being converted in the following name and to the following address:

Issue to:

Facsimile Number:

Holder:

By:

Title:

Dated:

Account Number:
(if electronic book entry transfer)

Transaction Code Number:
(if electronic book entry transfer)

Address:
(if delivery of share certificates)



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EXHIBIT II

**ADDITIONAL ASSETS AS COLLATERAL AND SUBJECT TO
SECURED INTEREST AND LIEN BY HOLDER**



09/28/2023

FOIA Conf Treatment Requested

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ORION 00000022
APP 00094

PROMISSORY NOTEIssuance Date: **Sep 8th**, 2022Original Principal Amount: **\$2,000,000.00**

FOR VALUE RECEIVED, GSM Eternal LLC (hereinafter both individually and collectively herein the **“Company”** or **“Maker”**), hereby promises to pay to the order of **ORION RE CAPITAL LLC** or its registered assigns (**“Holder”** or **“Lender”**) the amount set out above as the Original Principal Amount (as reduced, increased or otherwise adjusted pursuant to the terms hereof pursuant to conversion or otherwise, the **“Principal”**) when due upon the Maturity Date (as defined below), or otherwise (in each case in accordance with the terms hereof) and to pay interest (**“Interest”**) on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the **“Issuance Date”**) until the same becomes due and payable, whether upon the Maturity Date, acceleration, conversion or otherwise (in each case in accordance with the terms hereof).

1. **PAYMENTS OF PRINCIPAL AND INTEREST.** Within **Five (5)** year of the Issuance Date herein (the **“Maturity Date”**), the Company shall, unless otherwise extended by Holder, and except if elected otherwise by Holder pursuant to Section 3 upon the Maturity Date, pay to the Holder an amount in cash representing all the outstanding Principal, accrued and unpaid Interest and accrued and unpaid late charges on such Principal and Interest (collectively, the **“Full Note Amount”**). The Company may prepay any portion of the Promissory Note without the prior written consent of Holder.

2. **INTEREST; INTEREST RATE.** Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of **18%** per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Note Holder upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. **CONVERSION OF PROMISSORY NOTE.**

(a) This Promissory Note shall be convertible into validly issued, fully paid common units of Company equal to a _____ percent (___%) equity stake, at the sole discretion of Holder upon any event of default as provided in Section 4 herein.

(b) To convert into limited liability company units on any date (each, a “Conversion Date”), Holder shall deliver to Company, on such Conversion Date, a copy of an executed notice



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of conversion in the form attached hereto as Exhibit I (the "Conversion Notice") to the Company. Conversion hereunder shall have the effect of reducing the then-outstanding Full Note Amount by the applicable conversion amount.

4. EVENT OF DEFAULT.

(a) "**Event of Default**", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) any default in the payment of the Principal, or the Interest, as and when the same shall become due and payable, for which there will be no cure period;

(ii) Maker shall fail to observe or perform any obligation or shall breach any term or provision of this Promissory Note and such failure or breach shall not have been remedied within ten (10) Business Days after the date on which notice of such failure or breach shall have been delivered (other than those occurrences described in other provisions of this Section 4 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default);

(iii) Maker shall fail to observe or perform any of its material obligations owed to the Holder or any other material covenant, agreement, representation or warranty contained in, or otherwise commit any material breach hereunder or in any other transaction document executed in connection herewith, and such failure or breach shall not have been remedied within ten (10) Business Days after the date on which notice of such failure or breach shall have been delivered (other than those occurrences described in other provisions of this Section 4 for which a different grace or cure period is specified, or for which no cure period is specified and which constitute immediate Events of Default);

(iv) Maker shall commence, or there shall be commenced against the Maker, a case under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Maker commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Maker, or there is commenced against the Maker any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of sixty (60) days; or Maker is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or Maker suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty (60) days; or Maker makes a general assignment for the benefit of creditors; or Maker shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or Maker shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or Maker shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by Maker for the purpose of effecting any of the foregoing;



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(b) If any Event of Default occurs, the Full Note Amount shall become, at the election of the Holder, immediately due and payable in cash.

(c) The Holder need not provide, and Maker hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by the Holder at any time prior to payment hereunder. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

(d) The Company agrees that, if any Event of Default shall have occurred and be continuing, then, the Holder, in addition to any rights now or hereafter existing under applicable law, will have all rights as a secured creditor under the UCC in all relevant jurisdictions. Furthermore, the Holder shall have all rights to place a lien on any assets of Company to the extent necessary in accord with this Note. Company agrees to execute all documents that may be necessary to consummate and solidify the Holder's rights and interest as provided herein. For the avoidance of doubt, and in addition to the secured interests granted to Holder herein to Company assets, Holder shall have a first priority secured interest and lien against all items provided in the attached Exhibit II, which may be updated from time-to-time, and hereby incorporated by reference. Company hereby warrants and represents those items listed on Exhibit II, including any amendments thereof, are free and clear of any encumbrances or liabilities. Company shall execute all necessary documentation in order to consummate and solidify the terms of this Section 4(d).

5. COVENANTS. So long as any portion of the Full Note Amount remains outstanding, Maker will not directly or indirectly, without the consent of the Holder:

(a) fail to continue to engage in business of the same general type as now conducted by it and to preserve, renew and keep in full force and effect, its corporate existence and its assets, rights, privileges and franchises to the extent necessary or desirable in the normal conduct of business;

(b) fail to comply in all material respects with all applicable laws, ordinances, rules, regulations, decisions, orders and requirements of governmental authorities;

(c) fail to keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities.

6. NO WAIVER OF THE HOLDER'S RIGHTS. All payments of Principal and Interest shall be made without setoff, deduction or counterclaim. No delay or failure on the part of the Holder in exercising any of its options, powers or rights, nor any partial or single exercise of its options, powers or rights shall constitute a waiver thereof or of any other option, power or right, and no waiver on the part of the Holder of any of its options, powers or rights shall constitute a waiver of any other option, power or right. Maker hereby waives presentment of payment, protest, and all notices or demands in connection with the delivery, acceptance, performance, default or endorsement of this Note. Acceptance by the Holder of less than the full amount due and payable hereunder shall in no way limit the right of the Holder to require full payment of all sums due and payable hereunder in accordance with the terms hereof.



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7. REDEMPTION, PRE-PAYMENT. This Promissory Note is redeemable prior to the Maturity Date. The Company may pre-pay the Promissory Note without the prior written consent of the Holder.

8. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Promissory Note, except as required by law.

9. AMENDING THE TERMS OF THIS PROMISSORY NOTE. The prior written consent of the Holder shall be required for any change, modification or amendment to this Promissory Note. No consideration shall be offered or paid to the Holder to amend or consent to a waiver or modification of any provision of this Promissory Note unless the same consideration is also offered to all of the holders of the Promissory Notes. The Holder shall be entitled, at its option, to the benefit of any amendment to any of the Promissory Notes.

10. TRANSFER. Subject to compliance with applicable securities laws, this Promissory Note and any shares issued upon conversion of this Promissory Note may not be offered, sold, assigned or transferred by the Holder without the consent of the Company.

11. REISSUANCE OF THIS PROMISSORY NOTE.

(a) Transfer. If this Promissory Note is to be transferred, the Holder shall surrender this Promissory Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Promissory Note (in accordance herewith), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Promissory Note (in accordance herewith) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Promissory Note, acknowledge and agree that, by reason of the provisions herewith following conversion or redemption of any portion of this Promissory Note, the outstanding Principal represented by this Promissory Note may be less than the Principal stated on the face of this Promissory Note.

(b) Lost, Stolen or Mutilated Promissory Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Promissory Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Promissory Note, the Company shall execute and deliver to the Holder a new Promissory Note (in accordance with Section 11(c)) representing the outstanding Principal.

(c) Issuance of New Promissory Note. Whenever the Company is required to issue a new Promissory Note pursuant to the terms of this Promissory Note, such new Promissory Note (i) shall be of like tenor with this Promissory Note, (ii) shall represent, as indicated on the face of such new Promissory Note, the Principal remaining outstanding (or in the case of a new Promissory Note being issued pursuant to Section 11(a), the Principal designated by the Holder which, when added to the principal represented by the other new Promissory Note issued in connection with



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such issuance, does not exceed the Principal remaining outstanding under this Promissory Note immediately prior to such issuance of new Promissory Note), (iii) shall have an issuance date, as indicated on the face of such new Promissory Note, which is the same as the Issuance Date of this Promissory Note, (iv) shall have the same rights and conditions as this Promissory Note, and (v) shall represent accrued and unpaid Interest and late charges on the Principal and Interest of this Promissory Note, from the Issuance Date.

12. CUMULATIVE RIGHTS AND REMEDIES; USURY. The rights and remedies of the Holder expressed herein are cumulative and not exclusive of any rights and remedies otherwise available under this Promissory Note, or applicable law (including at equity). The election of the Holder to avail itself of any one or more remedies shall not be a bar to any other available remedies, which Maker agrees the Holder may take from time to time. If it shall be found that any Interest due hereunder shall violate applicable laws governing usury, the applicable Interest Rate due hereunder shall be reduced to the maximum permitted rate of interest under such laws.

13. GOVERNING LAW. All questions concerning the construction, validity, enforcement and interpretation of this Promissory Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas, without regard to the principles of conflicts of law thereof. Each of the Maker and the Holder agree that all legal proceedings concerning the interpretations, enforcement and defense of this Promissory Note shall be commenced in the state and federal courts sitting in Dallas County, Texas (the “**Texas Courts**”). Each of the Maker and the Holder hereby irrevocably submit to the exclusive jurisdiction of the Texas Courts for the adjudication of any dispute hereunder (including with respect to the enforcement of this Promissory Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper. Each of Maker and the Holder hereby irrevocably waive personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to the other at the address in effect for notices to it under this Promissory Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each of Maker and the Holder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Promissory Note or the transactions contemplated hereby.

14. NO ORAL AGREEMENTS. THIS NOTE CONSTITUTES A “WRITTEN LOAN AGREEMENT” PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

15. TRUTH IN LENDING. THE TRUTH IN LENDING ACT DOES NOT APPLY TO THIS NOTE.



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16. REQUIRED NOTICE TO THE HOLDER. The Holder is to be notified by Maker, within three (3) Business Days of the existence or occurrence, of any Event of Default.

17. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Promissory Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Promissory Note or to enforce the provisions of this Promissory Note, or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Promissory Note, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

18. CAPACITY AND AUTHORITY OF MAKER. Maker represents that it has full power, capacity and authority to execute, deliver, and perform this Note without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties.

19. NO RELIANCE. Maker represents that it has not relied on any statement or representation of Lender in entering into this Note

20. CONSTRUCTION; HEADINGS. This Promissory Note shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Promissory Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Promissory Note. Terms used in this Promissory Note but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Issuance Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

21. NOTICES. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered, by electronic mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth on the signature page, or such other address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 21. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered, by email, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the address set forth on the signature pages attached hereto at or prior to 5:30 p.m. (eastern standard time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via email at the address set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (eastern standard time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.



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22. CERTAIN DEFINITIONS. For purposes of this Promissory Note, the following terms shall have the following meanings:

(a) **"Affiliate"** means, as applied to any person, (a) any other person directly or indirectly controlling, controlled by or under common control with that person, (b) any other person that owns or controls 10% or more of any class of equity securities (including any equity securities issuable upon the exercise of any option or convertible security) of that person or any of its Affiliates, or (c) any director, partner, officer, manager, agent, employee or relative of such person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by," and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through ownership of voting securities or by contract or otherwise.

(b) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in Dallas County, Texas are authorized or required by law to remain closed.

(c) **"Conversion Amount"** means the portion of the Full Note Amount to be converted or with respect to which any determination is being made under this Note.

(d) **"Conversion Price"** means the per-share price calculated by dividing the Conversion Numerator by the Conversion Denominator, as per Section 3.

(e) **"Interest Rate"** means ____% percent per month, compounded and capitalized annually according to the terms and conditions of Section 2, as may be adjusted from time to time in accordance with Section 2.

(f) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(g) **"SEC"** means the United States Securities and Exchange Commission or the successor thereto.

EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

PRIOR TO SIGNING THIS NOTE, MAKER REPRESENTS AND WARRANTS TO LENDER THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. MAKER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.



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IN WITNESS WHEREOF, the Company has caused this Promissory Note to be duly executed as of the Issuance Date set out above.

COMPANY:

GSM Eternal LLC

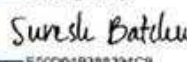


Manivannan Shanmugam, Manager

Address: 5850 Granite Parkway, Suite 210
Plano, TX 75024

LENDER:

Orion RE Capital LLC

DocuSigned by:


_Suresh Batchu_____, Manager

Redacted

EXHIBIT I**CONVERSION NOTICE**

Reference is made to the Promissory Note (the “**Promissory Note**”) issued to the undersigned by **GSM Eternal LLC** (the “**Company**”). In accordance with and pursuant to the Promissory Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Promissory Note) of the Promissory Note indicated below into shares of limited liability company units, as of the date specified below. Capitalized terms not defined herein shall have their respective meanings as set forth in the Promissory Note.

Date of Conversion: _____

Aggregate Principal to be converted: \$ _____ .00

Aggregate accrued and unpaid Interest and accrued and unpaid late fees with respect to such portion of the aggregate Principal and such aggregate Interest to be converted: _____

TOTAL AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

Type and Number of shares of units to be issued: limited liability company units equal to ____% equity of such LLC.

Please issue the units into which the Promissory Note is being converted in the following name and to the following address:

Issue to:

Facsimile Number:

Holder:

By:

Title:

Dated:

Account Number:
(if electronic book entry transfer)

Transaction Code Number:
(if electronic book entry transfer)

Address:
(if delivery of share certificates)



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EXHIBIT II

**ADDITIONAL ASSETS AS COLLATERAL AND SUBJECT TO
SECURED INTEREST AND LIEN BY HOLDER**



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FOIA Conf Treatment Requested

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ORION 00000032
APP 00104

EXHIBIT B



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PROMISSORY NOTE

As of April 16th, 2021 ("Effective Date")

1. BORROWER'S PROMISE TO PAY

This is a loan (the "Loan") of purchase money to be used by **GSM Eternal LLC**, a Texas limited liability company (the "Borrower") for software development and company growth. In return for the Loan that Borrower has received, and which is evidenced by this Note, Borrower promises (as of the Effective Date above) to pay \$3,000,000.00 (this amount is called "Principal"), plus interest, to the order of **Nanban Realty Fund 2021-1 LLC** ("Lender").

2. INTEREST

Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of 18.00% per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Lender upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. PAYMENTS

Borrower will pay principal and interest by making (i) an interest payment on each of the dates listed in Schedule 1 (or the first business day thereafter) (each, a "Payment Date") prior to the Maturity Date; and (ii) one payment equal to the outstanding Principal of this Note, together with all accrued but unpaid interest and all additional amounts payable under this Note, on or before the Maturity Date.

Borrower will make its quarterly payment on the first Payment Date after Effective Date ("Payment Commencement Date"). Borrower will make these payments on each Payment Date until Borrower has paid all of the Principal and interest and any other amounts payable under this Note. Each payment will be applied as of its scheduled due date and will be applied, first, to late payment fees and other fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of this Note; second, to the payment of any interest accrued hereunder; and third, to the payment of the Principal. The "Maturity Date" as used herein is the date that is sixty months from the Effective Date of this Note. The Note will become fully due and payable, and Borrower will pay the Principal and any interest due in full on the Maturity Date.



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Borrower will make all payments under this Note via ACH or wire transfer to the bank and account of Lender's choosing, unless otherwise instructed in writing by the Lender. Borrower will abide by all Lender instructions delivered to Borrower in writing, and make all arrangements necessary thereto, with respect to making payments under this Note.

4. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge or penalties.

If Borrower makes a partial Prepayment, there will be no change in the due date or in the amount of the payment required under Section 3 unless the Lender agrees in writing to such change. Should the Lender agree in writing to such change, the payments thereafter will be payable in substantially equal successive quarterly installments.

5. BORROWER'S DEFAULT

(A) Late Charge for Overdue Payments. If the Lender has not received the full amount of any quarterly payment by the end of ten (10) calendar days after the date such payment was due, Borrower will pay a late charge to the Lender. The amount of the charge will be equal to 1.00 percent (%) of the delinquent payment (subject to the maximum charge, maximum interest, and other terms of this Note). Borrower will pay this late charge promptly without demand from Lender.

(B) Default. Borrower will be in default if any of the following events (each, an "Event of Default") occurs: (i) Borrower fails to pay in full any monetary obligation of Borrower under this Note; (ii) Borrower breaches any of Borrower's obligations under this Note; or (iii) Borrower (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator, of all or a substantial part of its property, (b) makes a general assignment for the benefit of creditors, (c) commences a voluntary case under the United States Bankruptcy Code, (d) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, or (e) fails to oppose within sixty (60) calendar days, or acquiesces in writing to, any petition filed against Borrower in an involuntary case under the United States Bankruptcy Code. Upon the occurrence of an Event of Default, the Lender is entitled to require Borrower to pay immediately all outstanding amounts for which Borrower is obligated under this Note, including, without limitation, the outstanding Principal, all accrued and unpaid interest, and all other amounts for which Borrower is obligated under this Note.

(C) Default Interest Rate. In the event of any default by Borrower under this Note, the amounts due from Borrower and remaining unpaid will bear interest at the lesser of: (a) an interest rate of 1.00% (computed on a daily basis, based on the actual number of days elapsed, using a 30-day month); and (b) the maximum rate of interest allowed by applicable law (the "Default Interest Rate").

(D) No Waiver By Lender. Even if, at a time when Borrower is in default, the Lender does not require Borrower to pay immediately in full as described above, the Lender will still have the right to do so as long as Borrower remains in default and in the event that Borrower is in default at any later time.



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6. GIVING OF NOTICES. Unless applicable law requires a different method, any notice that must be given to Borrower or Lender under this Note will be given by (i) hand delivery; (ii) reputable overnight courier; (iii) registered or certified mail, postage prepaid, or (iv) email correspondence (provided that such email transmission is followed the next business day by another acceptable form of delivery), and addressed as set forth below:

Lender:

Nanban Realty Fund 2021-1 LLC

Attn: Shivesh Gowda

Email: Shivesh.Gowda@nanbanrealty.com

Borrower:

GSM Eternal LLC

Suite 210, Granite Park Four 5850

Granite Parkway

Plano, TX 75024

Attn: Manivannan Shanmugam

Email: mani@nanbanenterprise.com

Lender may change the addresses to which notices are to be addressed by giving Borrower notice of the same in the manner set forth in this Section 6.

7. APPLICABLE LAW. This Note shall be governed by the law of Texas and any applicable federal law. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

8. NO ORAL AGREEMENTS. THIS NOTE CONSTITUTES A "WRITTEN LOAN AGREEMENT" PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9. TRUTH IN LENDING. THE TRUTH IN LENDING ACT DOES NOT APPLY TO THIS NOTE.

10. CAPACITY AND AUTHORITY OF BORROWER. Each Borrower represents that it has full power, capacity and authority to execute, deliver, and perform this Note without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties.

11. NO RELIANCE. Each Borrower represents that it has not relied on any statement or representation of Lender in entering into this Note.



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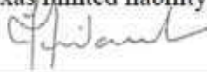
EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

PRIOR TO SIGNING THIS NOTE, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT BORROWER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

IN WITNESS WHEREOF, the Borrower has executed this Note to be effective as of the date first set forth hereinabove.

BORROWER:

GSM Eternal LLC
A Texas limited liability company



Manivannan Shanmugam, Manager

LENDER:

Nanban Realty Fund 2021-1 LLC

Shivesh Gowda

Shivesh Gowda, Manager

PROMISSORY NOTE

As of May 3rd, 2021 ("Effective Date")

1. BORROWER'S PROMISE TO PAY

This is a loan (the "Loan") of purchase money to be used by **GSM Eternal LLC**, a Texas limited liability company (the "Borrower") for software development and company growth. In return for the Loan that Borrower has received, and which is evidenced by this Note, Borrower promises (as of the Effective Date above) to pay \$2,000,000.00 (this amount is called "Principal"), plus interest, to the order of **Nanban Realty Fund 2021-1 LLC** ("Lender").

2. INTEREST

Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of 18.00% per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Lender upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. PAYMENTS

Borrower will pay principal and interest by making (i) an interest payment on each of the dates listed in Schedule 1 (or the first business day thereafter) (each, a "Payment Date") prior to the Maturity Date; and (ii) one payment equal to the outstanding Principal of this Note, together with all accrued but unpaid interest and all additional amounts payable under this Note, on or before the Maturity Date.

Borrower will make its quarterly payment on the first Payment Date after Effective Date ("Payment Commencement Date"). Borrower will make these payments on each Payment Date until Borrower has paid all of the Principal and interest and any other amounts payable under this Note. Each payment will be applied as of its scheduled due date and will be applied, first, to late payment fees and other fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of this Note; second, to the payment of any interest accrued hereunder; and third, to the payment of the Principal. The "Maturity Date" as used herein is the date that is sixty months from the Effective Date of this Note. The Note will become fully due and payable, and Borrower will pay the Principal and any interest due in full on the Maturity Date.



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Borrower will make all payments under this Note via ACH or wire transfer to the bank and account of Lender's choosing, unless otherwise instructed in writing by the Lender. Borrower will abide by all Lender instructions delivered to Borrower in writing, and make all arrangements necessary thereto, with respect to making payments under this Note.

4. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge or penalties.

If Borrower makes a partial Prepayment, there will be no change in the due date or in the amount of the payment required under Section 3 unless the Lender agrees in writing to such change. Should the Lender agree in writing to such change, the payments thereafter will be payable in substantially equal successive quarterly installments.

5. BORROWER'S DEFAULT

(A) Late Charge for Overdue Payments. If the Lender has not received the full amount of any quarterly payment by the end of ten (10) calendar days after the date such payment was due, Borrower will pay a late charge to the Lender. The amount of the charge will be equal to 1.00 percent (%) of the delinquent payment (subject to the maximum charge, maximum interest, and other terms of this Note). Borrower will pay this late charge promptly without demand from Lender.

(B) Default. Borrower will be in default if any of the following events (each, an "Event of Default") occurs: (i) Borrower fails to pay in full any monetary obligation of Borrower under this Note; (ii) Borrower breaches any of Borrower's obligations under this Note; or (iii) Borrower (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator, of all or a substantial part of its property, (b) makes a general assignment for the benefit of creditors, (c) commences a voluntary case under the United States Bankruptcy Code, (d) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, or (e) fails to oppose within sixty (60) calendar days, or acquiesces in writing to, any petition filed against Borrower in an involuntary case under the United States Bankruptcy Code. Upon the occurrence of an Event of Default, the Lender is entitled to require Borrower to pay immediately all outstanding amounts for which Borrower is obligated under this Note, including, without limitation, the outstanding Principal, all accrued and unpaid interest, and all other amounts for which Borrower is obligated under this Note.

(C) Default Interest Rate. In the event of any default by Borrower under this Note, the amounts due from Borrower and remaining unpaid will bear interest at the lesser of: (a) an interest rate of 1.00% (computed on a daily basis, based on the actual number of days elapsed, using a 30-day month); and (b) the maximum rate of interest allowed by applicable law (the "Default Interest Rate").

(D) No Waiver By Lender. Even if, at a time when Borrower is in default, the Lender does not require Borrower to pay immediately in full as described above, the Lender will still have the right to do so as long as Borrower remains in default and in the event that Borrower is in default at any later time.



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6. GIVING OF NOTICES. Unless applicable law requires a different method, any notice that must be given to Borrower or Lender under this Note will be given by (i) hand delivery; (ii) reputable overnight courier; (iii) registered or certified mail, postage prepaid, or (iv) email correspondence (provided that such email transmission is followed the next business day by another acceptable form of delivery), and addressed as set forth below:

Lender:

Nanban Realty Fund 2021-1 LLC

Attn: Shivesh Gowda

Email: Shivesh.Gowda@nanbanrealty.com

Borrower:

GSM Eternal LLC

Suite 210, Granite Park Four 5850

Granite Parkway

Plano, TX 75024

Attn: Manivannan Shanmugam

Email: mani@nanbanenterprise.com

Lender may change the addresses to which notices are to be addressed by giving Borrower notice of the same in the manner set forth in this Section 6.

7. APPLICABLE LAW. This Note shall be governed by the law of Texas and any applicable federal law. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

8. NO ORAL AGREEMENTS. THIS NOTE CONSTITUTES A "WRITTEN LOAN AGREEMENT" PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9. TRUTH IN LENDING. THE TRUTH IN LENDING ACT DOES NOT APPLY TO THIS NOTE.

10. CAPACITY AND AUTHORITY OF BORROWER. Each Borrower represents that it has full power, capacity and authority to execute, deliver, and perform this Note without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties.

11. NO RELIANCE. Each Borrower represents that it has not relied on any statement or representation of Lender in entering into this Note.



09/28/2023

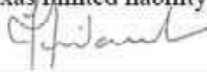
EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

PRIOR TO SIGNING THIS NOTE, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT BORROWER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

IN WITNESS WHEREOF, the Borrower has executed this Note to be effective as of the date first set forth hereinabove.

BORROWER:

GSM Eternal LLC
A Texas limited liability company



Manivannan Shanmugam, Manager

LENDER:

Nanban Realty Fund 2021-1 LLC

Shivesh Gowda

Shivesh Gowda, Manager

PROMISSORY NOTE

As of September 8th, 2021 ("Effective Date")

1. BORROWER'S PROMISE TO PAY

This is a loan (the "Loan") of purchase money to be used by **GSM Eternal LLC**, a Texas limited liability company (the "Borrower") for software development and company growth. In return for the Loan that Borrower has received, and which is evidenced by this Note, Borrower promises (as of the Effective Date above) to pay \$2,000,000.00 (this amount is called "Principal"), plus interest, to the order of **Nanban Realty Fund 2021-1 LLC** ("Lender").

2. INTEREST

Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of 18.00% per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Lender upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. PAYMENTS

Borrower will pay principal and interest by making (i) an interest payment on each of the dates listed in Schedule 1 (or the first business day thereafter) (each, a "Payment Date") prior to the Maturity Date; and (ii) one payment equal to the outstanding Principal of this Note, together with all accrued but unpaid interest and all additional amounts payable under this Note, on or before the Maturity Date.

Borrower will make its quarterly payment on the first Payment Date after Effective Date ("Payment Commencement Date"). Borrower will make these payments on each Payment Date until Borrower has paid all of the Principal and interest and any other amounts payable under this Note. Each payment will be applied as of its scheduled due date and will be applied, first, to late payment fees and other fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of this Note; second, to the payment of any interest accrued hereunder; and third, to the payment of the Principal. The "Maturity Date" as used herein is the date that is sixty months from the Effective Date of this Note. The Note will become fully due and payable, and Borrower will pay the Principal and any interest due in full on the Maturity Date.



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Borrower will make all payments under this Note via ACH or wire transfer to the bank and account of Lender's choosing, unless otherwise instructed in writing by the Lender. Borrower will abide by all Lender instructions delivered to Borrower in writing, and make all arrangements necessary thereto, with respect to making payments under this Note.

4. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge or penalties.

If Borrower makes a partial Prepayment, there will be no change in the due date or in the amount of the payment required under Section 3 unless the Lender agrees in writing to such change. Should the Lender agree in writing to such change, the payments thereafter will be payable in substantially equal successive quarterly installments.

5. BORROWER'S DEFAULT

(A) Late Charge for Overdue Payments. If the Lender has not received the full amount of any quarterly payment by the end of ten (10) calendar days after the date such payment was due, Borrower will pay a late charge to the Lender. The amount of the charge will be equal to 1.00 percent (%) of the delinquent payment (subject to the maximum charge, maximum interest, and other terms of this Note). Borrower will pay this late charge promptly without demand from Lender.

(B) Default. Borrower will be in default if any of the following events (each, an "Event of Default") occurs: (i) Borrower fails to pay in full any monetary obligation of Borrower under this Note; (ii) Borrower breaches any of Borrower's obligations under this Note; or (iii) Borrower (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator, of all or a substantial part of its property, (b) makes a general assignment for the benefit of creditors, (c) commences a voluntary case under the United States Bankruptcy Code, (d) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, or (e) fails to oppose within sixty (60) calendar days, or acquiesces in writing to, any petition filed against Borrower in an involuntary case under the United States Bankruptcy Code. Upon the occurrence of an Event of Default, the Lender is entitled to require Borrower to pay immediately all outstanding amounts for which Borrower is obligated under this Note, including, without limitation, the outstanding Principal, all accrued and unpaid interest, and all other amounts for which Borrower is obligated under this Note.

(C) Default Interest Rate. In the event of any default by Borrower under this Note, the amounts due from Borrower and remaining unpaid will bear interest at the lesser of: (a) an interest rate of 1.00% (computed on a daily basis, based on the actual number of days elapsed, using a 30-day month); and (b) the maximum rate of interest allowed by applicable law (the "Default Interest Rate").

(D) No Waiver By Lender. Even if, at a time when Borrower is in default, the Lender does not require Borrower to pay immediately in full as described above, the Lender will still have the right to do so as long as Borrower remains in default and in the event that Borrower is in default at any later time.



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6. GIVING OF NOTICES. Unless applicable law requires a different method, any notice that must be given to Borrower or Lender under this Note will be given by (i) hand delivery; (ii) reputable overnight courier; (iii) registered or certified mail, postage prepaid, or (iv) email correspondence (provided that such email transmission is followed the next business day by another acceptable form of delivery), and addressed as set forth below:

Lender:

Nanban Realty Fund 2021-1 LLC

Attn: Shivesh Gowda

Email: Shivesh.Gowda@nanbanrealty.com

Borrower:

GSM Eternal LLC

Suite 210, Granite Park Four 5850

Granite Parkway

Plano, TX 75024

Attn: Manivannan Shanmugam

Email: mani@nanbanenterprise.com

Lender may change the addresses to which notices are to be addressed by giving Borrower notice of the same in the manner set forth in this Section 6.

7. APPLICABLE LAW. This Note shall be governed by the law of Texas and any applicable federal law. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

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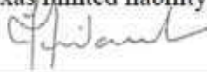
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IN WITNESS WHEREOF, the Borrower has executed this Note to be effective as of the date first set forth hereinabove.

BORROWER:

GSM Eternal LLC
A Texas limited liability company



Manivannan Shanmugam, Manager

LENDER:

Nanban Realty Fund 2021-1 LLC

Shivesh Gowda

Shivesh Gowda, Manager

PROMISSORY NOTE

As of September 29th, 2021 ("Effective Date")

1. BORROWER'S PROMISE TO PAY

This is a loan (the "Loan") of purchase money to be used by **GSM Eternal LLC**, a Texas limited liability company (the "Borrower") for software development and company growth. In return for the Loan that Borrower has received, and which is evidenced by this Note, Borrower promises (as of the Effective Date above) to pay \$2,000,000.00 (this amount is called "Principal"), plus interest, to the order of **Nanban Realty Fund 2021-1 LLC** ("Lender").

2. INTEREST

Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of 18.00% per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Lender upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. PAYMENTS

Borrower will pay principal and interest by making (i) an interest payment on each of the dates listed in Schedule 1 (or the first business day thereafter) (each, a "Payment Date") prior to the Maturity Date; and (ii) one payment equal to the outstanding Principal of this Note, together with all accrued but unpaid interest and all additional amounts payable under this Note, on or before the Maturity Date.

Borrower will make its quarterly payment on the first Payment Date after Effective Date ("Payment Commencement Date"). Borrower will make these payments on each Payment Date until Borrower has paid all of the Principal and interest and any other amounts payable under this Note. Each payment will be applied as of its scheduled due date and will be applied, first, to late payment fees and other fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of this Note; second, to the payment of any interest accrued hereunder; and third, to the payment of the Principal. The "Maturity Date" as used herein is the date that is sixty months from the Effective Date of this Note. The Note will become fully due and payable, and Borrower will pay the Principal and any interest due in full on the Maturity Date.



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Borrower will make all payments under this Note via ACH or wire transfer to the bank and account of Lender's choosing, unless otherwise instructed in writing by the Lender. Borrower will abide by all Lender instructions delivered to Borrower in writing, and make all arrangements necessary thereto, with respect to making payments under this Note.

4. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge or penalties.

If Borrower makes a partial Prepayment, there will be no change in the due date or in the amount of the payment required under Section 3 unless the Lender agrees in writing to such change. Should the Lender agree in writing to such change, the payments thereafter will be payable in substantially equal successive quarterly installments.

5. BORROWER'S DEFAULT

(A) Late Charge for Overdue Payments. If the Lender has not received the full amount of any quarterly payment by the end of ten (10) calendar days after the date such payment was due, Borrower will pay a late charge to the Lender. The amount of the charge will be equal to 1.00 percent (%) of the delinquent payment (subject to the maximum charge, maximum interest, and other terms of this Note). Borrower will pay this late charge promptly without demand from Lender.

(B) Default. Borrower will be in default if any of the following events (each, an "Event of Default") occurs: (i) Borrower fails to pay in full any monetary obligation of Borrower under this Note; (ii) Borrower breaches any of Borrower's obligations under this Note; or (iii) Borrower (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator, of all or a substantial part of its property, (b) makes a general assignment for the benefit of creditors, (c) commences a voluntary case under the United States Bankruptcy Code, (d) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, or (e) fails to oppose within sixty (60) calendar days, or acquiesces in writing to, any petition filed against Borrower in an involuntary case under the United States Bankruptcy Code. Upon the occurrence of an Event of Default, the Lender is entitled to require Borrower to pay immediately all outstanding amounts for which Borrower is obligated under this Note, including, without limitation, the outstanding Principal, all accrued and unpaid interest, and all other amounts for which Borrower is obligated under this Note.

(C) Default Interest Rate. In the event of any default by Borrower under this Note, the amounts due from Borrower and remaining unpaid will bear interest at the lesser of: (a) an interest rate of 1.00% (computed on a daily basis, based on the actual number of days elapsed, using a 30-day month); and (b) the maximum rate of interest allowed by applicable law (the "Default Interest Rate").

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Lender:

Nanban Realty Fund 2021-1 LLC

Attn: Shivesh Gowda

Email: Shivesh.Gowda@nanbanrealty.com

Borrower:

GSM Eternal LLC

Suite 210, Granite Park Four 5850

Granite Parkway

Plano, TX 75024

Attn: Manivannan Shanmugam

Email: mani@nanbanenterprise.com

Lender may change the addresses to which notices are to be addressed by giving Borrower notice of the same in the manner set forth in this Section 6.

7. APPLICABLE LAW. This Note shall be governed by the law of Texas and any applicable federal law. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

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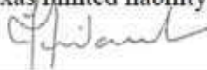
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PRIOR TO SIGNING THIS NOTE, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT BORROWER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

IN WITNESS WHEREOF, the Borrower has executed this Note to be effective as of the date first set forth hereinabove.

BORROWER:

GSM Eternal LLC
A Texas limited liability company



Manivannan Shanmugam, Manager

LENDER:

Nanban Realty Fund 2021-1 LLC

Shivesh Gowda

Shivesh Gowda, Manager

PROMISSORY NOTE

As of November 3rd, 2021 ("Effective Date")

1. BORROWER'S PROMISE TO PAY

This is a loan (the "Loan") of purchase money to be used by **GSM Eternal LLC**, a Texas limited liability company (the "Borrower") for software development and company growth. In return for the Loan that Borrower has received, and which is evidenced by this Note, Borrower promises (as of the Effective Date above) to pay \$2,000,000.00 (this amount is called "Principal"), plus interest, to the order of **Nanban Realty Fund 2021-1 LLC** ("Lender").

2. INTEREST

Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of 18.00% per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

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3. PAYMENTS

Borrower will pay principal and interest by making (i) an interest payment on each of the dates listed in Schedule 1 (or the first business day thereafter) (each, a "Payment Date") prior to the Maturity Date; and (ii) one payment equal to the outstanding Principal of this Note, together with all accrued but unpaid interest and all additional amounts payable under this Note, on or before the Maturity Date.

Borrower will make its quarterly payment on the first Payment Date after Effective Date ("Payment Commencement Date"). Borrower will make these payments on each Payment Date until Borrower has paid all of the Principal and interest and any other amounts payable under this Note. Each payment will be applied as of its scheduled due date and will be applied, first, to late payment fees and other fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of this Note; second, to the payment of any interest accrued hereunder; and third, to the payment of the Principal. The "Maturity Date" as used herein is the date that is sixty months from the Effective Date of this Note. The Note will become fully due and payable, and Borrower will pay the Principal and any interest due in full on the Maturity Date.



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Borrower will make all payments under this Note via ACH or wire transfer to the bank and account of Lender's choosing, unless otherwise instructed in writing by the Lender. Borrower will abide by all Lender instructions delivered to Borrower in writing, and make all arrangements necessary thereto, with respect to making payments under this Note.

4. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge or penalties.

If Borrower makes a partial Prepayment, there will be no change in the due date or in the amount of the payment required under Section 3 unless the Lender agrees in writing to such change. Should the Lender agree in writing to such change, the payments thereafter will be payable in substantially equal successive quarterly installments.

5. BORROWER'S DEFAULT

(A) Late Charge for Overdue Payments. If the Lender has not received the full amount of any quarterly payment by the end of ten (10) calendar days after the date such payment was due, Borrower will pay a late charge to the Lender. The amount of the charge will be equal to 1.00 percent (%) of the delinquent payment (subject to the maximum charge, maximum interest, and other terms of this Note). Borrower will pay this late charge promptly without demand from Lender.

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(C) Default Interest Rate. In the event of any default by Borrower under this Note, the amounts due from Borrower and remaining unpaid will bear interest at the lesser of: (a) an interest rate of 1.00% (computed on a daily basis, based on the actual number of days elapsed, using a 30-day month); and (b) the maximum rate of interest allowed by applicable law (the "Default Interest Rate").

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Attn: Shivesh Gowda

Email: Shivesh.Gowda@nanbanrealty.com

Borrower:

GSM Eternal LLC

Suite 210, Granite Park Four 5850

Granite Parkway

Plano, TX 75024

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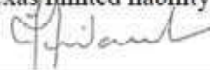
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BORROWER:

GSM Eternal LLC
A Texas limited liability company



Manivannan Shanmugam, Manager

LENDER:

Nanban Realty Fund 2021-1 LLC

Shivesh Gowda

Shivesh Gowda, Manager

DECLARATION OF MARK ANDREW WEISMAN

I, Mark Andrew Weisman, hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and further that this Declaration is made based on my personal knowledge and that I am competent to testify as to the matters stated herein:

1. My name is Mark Andrew Weisman.
2. I live in Eugene, Oregon, and I am 60 years old.
3. On or about January 13, 2022, I invested \$282,000 in the Nanban Ventures Ganga Fund, LLC (the "Ganga Fund").
4. I first learned of Gopala Krishnan ("GK") and his "Nanban" companies in 2021 after a YouTube.com segment of the Better Wealth show in which the host, Caleb Guilliams, interviewed GK. During the interview, GK talked about his charitable endeavors with the Nanban Foundation where he and the Nanban Foundation taught GK Strategies. GK Strategies is an options trading system that GK claimed in the YouTube.com video achieved significant returns for his investors while being a conservative investment strategy.
5. After watching the YouTube.com interview, my wife and I attended the free online GK Strategies training webinars taught by the Nanban Foundation. The classes were taught quarterly on Saturday and Sunday. I attended the Saturday lesson but not those on Sunday due to a conflict with church services. However, my wife was able to attend all Saturday and part of the Sunday webinar lessons.
6. During the webinars, I learned GK Strategies 1 and 2 encompassed basic options trading strategies like covered calls and related concepts. I also learned from the instructors that GK strategies consisted of five levels. But the Nanban Foundation only taught levels 1 and 2. I was told that levels 3, 4, and 5 were only available by investing in a Nanban-related fund. During the webinars, the Nanban Foundation instructors provided attendees with the contact information for Nanban Investments LLC ("Nanban Investments") should we want to inquire about investing in a fund using GK Strategies levels 3, 4, and 5.
7. Shortly after I attended the GK Strategies training webinars, I reviewed a website for Nanban Investments, Nanban Ventures LLC ("Nanban Ventures") or another Nanban-related entity. On that website, I learned that Nanban Investments had previous funds that used GK Strategies to obtain returns for investors.
8. On June 21, 2021, after I attended the GK Strategies training, I emailed Nanban Investments LLC at howdy@nanbaninvestments.com to inquire about investing a "significant amount with Nanban Enterprise." See June 21, 2021 e-mail string, attached hereto as **Exhibit A**. Later that day, Savitha Doraiswamy, the Chief Investor Relations Officer for Nanban Enterprise LLC, responded from the Nanban Investments email to connect me with Radhika Raja who would help guide me through their "investment products." *Id.*



9. On June 22, 2021, Radhika Raja emailed me from the Howdy Ventures email and stated that she would be happy to guide me through the "investment process of Nanban Ventures." See June 22, 2021 e-mail, attached hereto as **Exhibit B**.

10. After receiving the email from Ms. Raja, I communicated with Ms. Raja and other representatives for Nanban Investments and/or Nanban Ventures about the Ganga Fund. Other than Ms. Raja, I don't recall all the names for the various individuals which communicated with me about the Ganga Fund.

11. Ms. Raja and/or other Nanban Ventures representatives told me that the Ganga Fund would use GK Strategies to earn investment returns for the limited partners in the fund. Ms. Raja and/or other Nanban Ventures representatives also told me that the Ganga Fund would invest in startup companies (referred to by them as "moonshot" opportunities).

12. In deciding to invest, it was important to me that the Ganga Fund used GK Strategies because I believed GK when he said he had achieved high returns using his proprietary GK Strategies system in the YouTube.com videos. It was also important to me that GK claimed that his investment strategies were relatively low risk for an options strategy.

13. Based primarily on the information about GK's positive past success and returns achieved using GK Strategies, I decided to invest in the Ganga Fund.

14. Prior to my Ganga Fund investment, neither Ms. Raja nor anyone else told me any information that would cast doubt on the effectiveness and success of the GK Strategies system. For example, I was never told that two of the Nanban Investments' funds that used GK Strategies were closed due to poor performance. I was never told that fund investors complained about poor returns, requested the return of their capital, or that any of the funds failed to obtain returns better than the stock market or an index such as the S&P 500.

15. It would have been important for me to know if GK gave me false information about the returns from GK Strategies. I may not have invested in the Ganga Fund if I was aware that GK gave me false information about the past returns he made using GK Strategies.

16. It would have also been important for me to know if funds using GK Strategies were closed due, in any part, to poor returns, investor complaints, and/or investors requesting the return of their capital. I may not have invested in the Ganga Fund if I was aware of such facts.

17. As an investor in the Ganga Fund, I attended Nanban Ventures' investor update webinars where investors for the Ganga Fund and other Nanban Ventures funds were shown a statement of investments. I remember being shown a Statement of Investments like the one attached hereto as **Exhibit C**.

18. The Statement of Investments shows the Ganga Fund invested in NorthStars FinTech ("NorthStars FinTech"), Sunshines FinTech ("Sunshines FinTech"), and Himalayan Fintech LLC ("Himalayan FinTech"). Based on the presentation slides about the statement of



investments, as well as statements GK and other Nanban Ventures representatives made during webinars about the Nanban Ventures' funds, including the Ganga Fund, my understanding was that NorthStars FinTech, Sunshines FinTech, and Himalayan FinTech were third party fintech companies.

19. As discussed below, I have now learned that NorthStars FinTech, Sunshines FinTech, and Himalayan FinTech are owned or controlled by Nanban's founders, GK, Sakthivel Palani Gounder ("Gounder"), and Manivannan Shanmugam ("Shanmugam").

20. Before I invested in the Ganga Fund, I was never told that the Ganga Fund would invest in any companies owned or controlled by GK, Gounder, or Shanmugam. When I was provided the statement of investments, it was not disclosed that (a) NorthStars FinTech and Sunshines FinTech were actually assumed names for entities owned or controlled by GK, Gounder, and Shanmugam, or (b) Himalayan was owned or controlled by GK, Gounder, and Shanmugam.

21. It would have been important for me to know that NorthStars FinTech, Sunshines FinTech, and Himalayan FinTech were owned or controlled by GK, Gounder, and Shanmugam. If I would have known that over half of the funds (about \$50 million of \$80 million raised per Exhibit C) from Nanban Ventures' investors would not be invested in third-party investments but was instead going to be sent to companies controlled or owned by GK, Gounder, and Shanmugam, it may well have impacted my decision to invest in the Ganga Fund.

22. Because the returns from GK Strategies were important to my decision whether to invest in the Ganga Fund, it also would have been important for me to know if those returns were limited by the Ganga Fund's investment in NorthStars FinTech, Sunshines FinTech, and Himalayan FinTech. Before I invested in the Ganga Fund, I never knew that the investment returns paid from those companies to the Ganga Fund were capped by high-yield investment notes or that the "investments" in those companies were in the form of unsecured loans with fixed-rate returns.

23. On or about August 9, 2023, I received an email from Nanban Ventures via howdy@nanbanventures.com which informed me that I would be receiving a document which Nanban Ventures requested I sign that would be sharing "important information regarding the investment strategies used by Nanban Ventures." See August 9, 2023 e-mail, attached hereto as **Exhibit D**. The email stated that as "part of a formal compliance process, we want to ensure that all our investors have a clear understanding of how earnings are derived by this fund." *Id.*

24. Thereafter, I received a letter from Nanban Ventures in which the following information, which I did not know before I invested in the Ganga Fund, was disclosed to me: (1) certain Nanban Ventures portfolio companies such as Centum FinTech LLC, Himalayan FinTech LLC, and Sunshines FinTech are controlled or owned by GK, Gounder, and Shanmugam, and (2) Nanban Ventures funds such as the Ganga Fund loan money to those portfolio companies via high-yield investment notes. See Disclosure Letter, attached hereto as **Exhibit E**.



25. My understanding of the letter's purpose was to disclose the information contained in it to investors and make sure they understood, as stated in the August 9, 2023 email, how earnings are derived by the Ganga fund. As requested by Nanban Ventures, I signed the document after receiving it. However, by signing the letter, I did not intend to declare or acknowledge that Nanban Ventures had disclosed to me the information described in paragraph 24 above prior to my investments in the Ganga Fund.

26. I received semi-annual emails from Nanban Ventures noting that Ganga Fund distributions were available but offering me the choice to reinvest any returns. I chose to reinvest all such distributions except for the final distribution, which I received notice of on or about May 24, 2023. See May 24, 2023 e-mail, attached hereto as **Exhibit F**. In or around July 2023, I received payment of that distribution in the amount of \$30,521.34. See Distribution Notice, attached hereto as **Exhibit G**.

27. I do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is within my personal knowledge and is true and correct.

Executed on the 28 day of Sept., 2023.


Mark Andrew Weisman

EXHIBIT

A

To: Mark Weisman Redacted Radhika Raja[Radhika.Raja@nanbanenterprise.com]
Cc: kaitlinmuriel
From: Howdy Investments
Sent: Mon 6/21/2021 11:41:09 PM
Subject: Re: Discussing working with Nanban Investments
Received: Mon 6/21/2021 11:41:11 PM

Thanks for your email Mark and glad that you enjoyed the training.

I am copying Radhika here from our team who can help you guide through our investment products.

Thanks again,



Savitha Doraiswamy
Chief Investor Relations Officer
Nanban Enterprise LLC
savitha.doraiswamy@nanbanenterprise.com
M: +1 214 938 1414

From: Mark Weisman Redacted
Date: Monday, June 21, 2021 at 6:25 PM
To: howdy Investments <howdy@nanbaninvestments.com>
Cc: kaitlinmuriel <kaitlinmuriel@comcast.net>
Subject: Discussing working with Nanban Investments

Hello Nanban Investments,

My wife and I have gone through Levels 1 & 2 and your training was wonderful -- thank you! As we gain experience, we also want to inquire about investing a significant amount with Nanban Enterprise. Where do we start with this discussion?

My cell phone is Redacted

Best regards,
Mark & Kaitlin Weisman

Sent using Zoho Mail

SEC-Weisman M-E-000051

APP 00131

EXHIBIT

B

To: [Redacted]
Cc: Supriya Raghav[Supriya.Raghav@nanbanenterprise.com]; Bharathi Caldwell[Bharathi.Caldwell@nanbanenterprise.com]
From: Howdy Ventures
Sent: Tue 6/22/2021 8:08:20 AM
Subject: Overview of ventures
Received: Tue 6/22/2021 8:08:23 AM

Dear Mark,

I am so pleased to hear that you are enjoying the GK level 1&2 strategies. I would be happy to guide you through the investment process of Nanban Ventures. I will call you this afternoon to touch base and answer any questions that you may have, as well. I look forward to speaking with you.

Kind regards,

Radhika Raja
Investor Relations

SEC-WeismanM-E-000051

APP 00133

EXHIBIT C

STATEMENT OF INVESTMENTS

INVESTMENT	PERIOD	AMOUNT	FAIR MARKET VALUE / EXIT VALUE	CASH-FLOW / RETURNS	NEIGHBORHOOD COMPS (\$/SQFT)
Gauranga Celina Hills (23 Acres)	Q4 - 2021	\$1,000,000	\$2,880,478	\$1,880,478	
Gauranga Platinum Ranch (890 Acres)	Q3 - 2021	\$4,114,287	\$4,114,287		\$0.90 --> \$3.00
Kalachandji Ranch (1,100 Acres)	Q2 - 2021	\$3,013,004	\$3,013,004		\$0.18 --> \$0.35
NorthStars FinTech	Q4 - 2022	\$29,615,439	\$29,615,439	\$4,313,814	
Homz Global Holdings	Q3 - 2021	\$2,500,000	\$2,500,000		
Himalayan FinTech	Q4 - 2022	\$4,972,081	\$4,972,081	\$724,238	
Nanban GSR Development JV	Q4 - 2021	\$2,600,000	\$2,600,000		
Orion RE Capital	Q2 - 2022	\$2,000,000	\$2,000,000		
Sunshines FinTech	Q4 - 2022	\$21,816,669	\$21,816,669	\$3,177,838	
Real Estate Multi-Family	Q1 - 2022	\$3,350,000	\$3,350,000		
Henryetta Hills (1,315 Acres)	Q4 - 2022	\$1,166,280	\$1,166,280		

STATEMENT OF INVESTMENTS

INVESTMENT	PERIOD	AMOUNT	FAIR MARKET VALUE / EXIT VALUE	CASH-FLOW / RETURNS	NEIGHBORHOOD COMPS (\$/SQFT)
Grin Gaming	Q3 - 2021	\$700,000	\$700,000		
CoreStack	Q3 - 2021	\$250,000	\$275,000		
JOGO Health	Q4 - 2021	\$150,000	\$150,000		
SpaceX Multiventure	Q1 - 2022	\$505,000	\$505,000		
Amalgam	Q1 - 2022	\$250,000	\$300,000		
Amalgam	Q4 - 2022	\$755,000	\$755,000		
JUGL (Previously known as Joint)	Q1 - 2022	\$100,000	\$100,000		
Parkour Ventures	Q1 - 2022	\$500,000	\$400,000*		
Interlock Partners	Q4 2022	\$10,000	\$10,000		
Bold Metrics	Q1 - 2022	\$750,000	\$750,000		
(+) Bank Balance		\$527,820	\$ 527,820		
NANBAN VENTURES		\$80,645,580	\$82,501,058	\$10,096,369	

* On Parkour, our crypto Fund of Fund investment, they sent an update that considerable parts of their assets have been impacted by the FTX blowout and are stuck. We don't have a clear picture of the exact damage yet.

EXHIBIT

D

To: Howdy Ventures[howdy@nanbanventures.com]
From: Howdy Ventures
Sent: Wed 8/9/2023 4:22:29 PM
Subject: Please Read - Upcoming Important Nanban Ventures Notice
Received: Wed 8/9/2023 4:22:35 PM

Dear Nanban investor,

On Thursday, August 10th you will be receiving a DocuSign email from portal@nanbanenterprise.com that will share important information regarding the investment strategies used by Nanban Ventures. The subject line of the email will be "Nanban Ventures Fund - Written Disclosure".

As part of a formal compliance process, we want to ensure that all our investors have a clear understanding of how earnings are derived by this fund. To complete this process, we request that you sign the digital acknowledgment that will be contained in this email by end of day, Tuesday, August 15th. There is no further action required by you other than completing the acknowledgement step.

The Nanban Ventures Investor Relations team is standing by to answer any questions regarding this request. Thank you.



Nanban Investor Relations Team

Nanban Ventures | Nanban Group of Companies

E-mail: howdy@nanbanventures.com

Website: <https://nanbanventures.com/>

Investor Relations Service hours: M-F 8am-4pm CST
Please allow 48 hours for email reply

Confidentiality Notice: The information contained in this electronic mail message is confidential information intended only for the use of the individual or entity named above, and may be privileged. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us and delete the original IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used and cannot be used, for the purpose of (i) avoiding any tax penalty or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein

EXHIBIT

E

DocuSign Envelope ID: 1533C9EA-48F4-4A3E-A4AB-6C71AF42B4E4



Dear Nanban Ventures Investor,

We are formally communicating to our Ventures investor community details regarding how earnings are derived by the Nanban Ventures family of funds as outlined in the documented investment thesis established for these funds. Earnings are generated on a best effort basis using the below mentioned investment strategies. There is no guarantee of earnings as emphasized in every disclaimer provided by the fund managers.

The below information has been previously shared with investors through multiple communication channels including:

- The Nanban Ventures Private Placement Memorandum (PPM) as included in your investor subscription package
- Semi-annual performance webinars and other webinars
- Fund updates included in the Investor portal (Statement of Investment returns)
- Periodic investment news announcements and other fund related information

Nanban Ventures derives earnings through investments in a wide variety of asset classes including but not limited to:

- Portfolio companies that are controlled or owned by Gopala Krishnan, Manivannan Shanmugam and Sakthivel Palani Gounder. Nanban Ventures funds issue debt notes to portfolio companies to generate minimum interest/return of 18% per year on a best effort basis. Using proprietary cash flow strategies on market indices and bonds, Nanban Ventures invests through these companies (Centum FinTech LLC, Himalayan FinTech LLC and Sunshine FinTech LLC etc.) to provide semi-annual non-guaranteed earnings.
- Real estate assets and investments in real estate development companies. These investments are made via debt notes or by taking equity in the portfolio company. These investments are long-term investments.
- Venture capital equity investments in tech startups. These investments are made by taking equity in the portfolio companies. These investments are long-term investments.

As confirmation of your understanding of the investment strategies deployed by Nanban Ventures, please sign the acknowledgement statement below.

Fund Name: Nanban Ventures Ganga Fund LP

I, Mark Weisman, have a clear understanding of the investment strategies deployed by Nanban Ventures as previously explained in multiple interactions with me and as provided above in the form of formal written disclosure.

Date: 8/11/2023

Digital Signature

Digitally signed by:

 03B0AA7553704D0

Investment/Investor Name: Directed Trust Company FBO Mark Weisman IRA 3852

5850 Granite Parkway, Suite 210 Plano, TX, 75024.

howdy@nanbanventures.com

SEC-WeismanM-E-000077

APP 00140

EXHIBIT F

To: Howdy Ventures[howdy@nanbanventures.com]
From: Howdy Ventures
Sent: Wed 5/24/2023 12:59:46 PM
Subject: Nanban Ganga Fund - First Notice: Upcoming Ventures Fund Distribution Decision
Received: Wed 5/24/2023 12:59:50 PM

Dear Ventures Investor,

For your awareness, you will shortly receive an email from Vistra (Nanban.IS eleven@platformeleven.io) regarding the upcoming distribution/reinvest selection process. Here are some key details:

- Your distribution/reinvest decision will be made within the Vistra investor portal. Vistra will provide specific instructions regarding this change.
- If you do not make a selection, you will automatically be defaulted to reinvest as has been standard policy.

The semi-annual Ventures performance webinar is targeted for the week of July 17th. In that webinar, fund performance for the first half of 2023 will be reviewed.

One final note, if you have not yet set up your individual account in Vistra, please contact the Vistra Support Team at Nanban.IS@vistra.com.

The Nanban Ventures Investor Relations Team

Confidentiality Notice: The information contained in this electronic mail message is confidential information intended only for the use of the individual or entity named above, and may be privileged. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us and delete the original. IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used and cannot be used, for the purpose of (i) avoiding any tax penalty or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein

EXHIBIT G



Nanban Ventures Ganga Fund LP
Distribution Notice



To the Attention of: **Redacted**
Directed Trust Company FBO Mark Weisman IRA # 3852

Account Name: **Directed Trust Company FBO Mark Weisman IRA # 8852**
Account ID: **7704 Redacted**
Period: **January 1, 2023 to June 30, 2023**
Currency: **USD**

Nanban Ventures Ganga Fund LP (the "Fund") is making an Interim Distribution pursuant to Section 7 of the Limited Partnership Agreement ("Partnership Agreement"). Your portion of the distribution is:

Distribution amount **\$ 30,521.34**

Your portion of the Interim Distribution will be wired to the bank account details we have on file on or after July 11, 2023.

Should you have any questions or concerns please contact: Vistra Fund Services,
nanban.vsf@vistra.com

136 West 56th Street, 3rd Floor • New York, NY 10019 • Tel: 212.500.6190 • Fax: 212.500.6195 nanban.vsf@vistra.com

SEC-WeismanM-E-000076

APP 00144

DECLARATION OF NITHYANANDAN SINGARAVELU

I, Nithyanandan Singaravelu, hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and further that this Declaration is made based on my personal knowledge and that I am competent to testify as to the matters stated herein:

1. My name is Nithyanandan Singaravelu.
2. I live in Bothell, Washington.
3. Through a company I control, Aanandham, LLC, I invested four times in the Nanban Investments 2020 Oct Fund, LLC (the "October Fund") as follows:
 - a. 01/15/2021 - \$700,000
 - b. 04/01/2021 - \$33,193
 - c. 07/01/2021 - \$40,000
 - d. 10/01/2021 - \$42,124
4. I first learned of the Nanban Foundation in the fall of 2020 after a friend in India recommended it to me as a place where I could learn some free teachings about options trading. As noted below, I learned from one or more representatives of the Nanban Foundation about Nanban Investments, LLC ("Nanban Investments") and that it offered financial products.
5. In 2020, I attended the Nanban Foundation's GK strategies training course, which took place over Zoom one weekend. During the course, I learned GK Strategies 1 and 2 encompassed basic options trading strategies like covered calls, and related concepts. I learned that "GK" referred to "Gopala Krishnan." The Nanban Foundation instructors told me that Krishnan was a successful business executive who developed GK strategies. According to the Nanban Foundation instructors, Krishnan used GK strategies to trade in his personal account and consistently realized above market returns.
6. I also learned from the instructors that GK strategies consisted of five levels. But the Nanban Foundation only taught levels one and two.
7. After the weekend course, I attended a Nanban Foundation follow-up meeting via Zoom. During that meeting, one of the attendees asked about GK Strategies three, four, and five. The Nanban Foundation representative stated that those more detailed strategies were only available for qualified clients who invested with Nanban Investments, and that we would need to contact Nanban Investments if we wanted to know more.
8. After learning about Nanban Investments, I emailed the company at its address, howdy@nanbaninvestments.com to inquire about investing in products it offered and learned about the October Fund. I created an account on Nanban Investments' investor portal where I was able to access and download the private placement memorandum for the October Fund. I also spoke with multiple Nanban Investments representatives, including Manivannan Shanmugam. I was told by the Nanban Investments' representatives that with an investment in

Declaration of Nithyanandan Singaravelu – Page 1



SEC-SN-E-0000009

APP 00145

the October Fund, I would receive market-beating returns over the S&P 500 due to steady cash flow from the options trading system used by GK Strategies.

9. The October Fund returns failed to match the statements by the representatives about market-beating returns. Rather, the returns were in the single digits – far from market-beating returns.

10. I asked Nanban representatives for an explanation for the low returns, and the reasons given didn't make sense. For example, I emailed Nanban Investments on October 12, 2021 about its low returns in response to a quarterly update in which the company stated that the "strategies are directly linked to volatility in the market and currently volatility is trending low. We will continue to make positive double digit returns in the low volatility market also . . ."

11. The statement in the quarterly update made no sense because the October Fund only made returns in the low single digits. But the quarterly update stated the October Fund would continue to make double digit returns. When I asked about this discrepancy, the response from Nanban Investments was simply that the October Fund made positive returns in the previous quarters and will make more in the low volatility market – which failed to address or answer the question.

12. Due to the low returns and Nanban Investments' failure to answer my questions or address my concerns, I emailed the company asking for a return of all investments. Based on the quarterly statements I received from Nanban Investments that showed the October Fund's holdings, and the offering documents, I expected that the October Fund would be returning my funds by liquidating some of its holdings and paying me from those funds. On or about February 2022, I received a return of the investments referenced in paragraph 3.

13. I understand that the statements made in this Declaration are made subject to the penalties for perjury under 18 U.S.C. § 1621 and for false statements under 18 U.S.C. § 1001.

14. I, Nithyanandan Singaravelu, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is within my personal knowledge and is true and correct.

Executed on the 13 day of FEB, 2023.


Nithyanandan Singaravelu

DECLARATION OF MEHULKUMAR B. PATEL

I, Mehulkumar B. Patel, hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and further that this Declaration is made based on my personal knowledge and that I am competent to testify as to the matters stated herein:

1. My name is Mehulkumar B. Patel.
2. I live in Southlake, Texas, and I am 47 years old.
3. I am the CEO of NewcrestImage Holding, LLC ("Newcrest"), a privately held family office investment firm based in Dallas, Texas. On or about May 19, 2021, Newcrest invested \$5,000,000 in GSM Eternal LLC ("GSM") pursuant to a promissory note. *See* Promissory Note, attached hereto as **Exhibit A**.
4. I first learned of Gopala Krishnan ("GK") in 2021 when a business acquaintance, Prasanna Kumar, recommended I meet GK. I met with GK several times, both via telephone calls and in-person meetings. When I met with GK, he talked about his GK Strategies trading system and the classes offered through the Nanban Foundation where the system was taught for free. GK conveyed to me that his system earned investors annual returns of 20 to 40 percent. GK also explained to me that Newcrest would need to invest in one of GK's funds as a retail investor if Newcrest wanted GK to trade on its behalf.
5. At first, GK discussed Newcrest investing in a venture capital fund with other retail investors. However, GK explained to me that Newcrest would need to pay various fees if it invested in a Nanban venture capital fund. Newcrest was unwilling to pay such fees. To avoid the fees, GK recommended that Newcrest invest directly into GSM – a company owned and/or controlled by GK, Manivannan Shanmugam ("Shanmugam") and Sakthi Gounder ("Gounder"). GK explained to me that GSM was the entity through which he made options trades using GK Strategies.
6. GK conveyed to me that GK Strategies consisted of five levels and that he and the Nanban Foundation taught levels 1 and 2 to the public. However, GK also conveyed to me that levels 3, 4, and 5 were not taught to the public but could be accessed through investments in companies controlled by him such as GSM, or Nanban-related hedge funds or venture capital funds. GK would not share any information about how GK Strategies 3, 4, and 5 worked and the type of investments made with the system. In fact, GK conveyed to me he would not "entertain" Newcrest conducting any due diligence prior to investing in GSM and that "mutual [t]rust is the only due diligence for Nanban organization." *See* email dated May 12, 2021, attached hereto as **Exhibit B**.



7. Based on the information I learned from GK about GK Strategies and his charity work, I approved Newcrest investing in GSM. I thought I could trust GK because GK conveyed to me that he ran the Nanban Foundation, which was a charity that helped people domestically obtain financial freedom by offering free training in GK Strategies and conducted charity work in India. Additionally, Newcrest also decided to invest in GSM to obtain the high investment returns GK explained to us we could expect from GK Strategies without the need to pay the significant fees associated with a venture capital fund.

8. Shanmugam sent us a promissory note for a \$5 million debt investment from Newcrest to GSM. The investment note included a 60-month maturity date and required GSM to pay Newcrest a 24% annual interest rate. Newcrest sought legal counsel regarding the promissory note and Shanmugam revised the document to lower the interest rate in compliance with usury laws to an 18% annual interest rate. Thereafter, Mital Patel, Newcrest's Managing Partner, signed the investment note on behalf of Newcrest while Shanmugam signed as Manager for GSM.

9. GK, Shanmugam, and Gounder conveyed to me that GSM would use Newcrest's \$5 million debt investment to make options trades using GK Strategies and that GSM would pay the interest payments owed by the promissory note from the profits earned by GK's trading using his GK Strategies system. It would have been important to me to know if the source of the interest payments was anything other than profits from trading in GK Strategies.

10. Prior to Newcrest's investment, neither GK, Shanmugam, nor Gounder conveyed any information to me that would cast doubt on the effectiveness and success of the GK Strategies system. For example, they never conveyed to me that any Nanban Investments LLC-related hedge funds that used GK Strategies had been closed due to poor performance, investor complaints, or investor redemptions. They also never conveyed to me that investors in any Nanban Investments LLC-related hedge funds using GK Strategies complained about poor returns, requested the return of their capital, or that the hedge funds failed to obtain returns better than the stock market or an index such as the S&P 500.

11. It would have been important for me to know if GK gave me false information about the returns from GK Strategies. Newcrest would not have invested in GSM if I was aware that GK gave me false information about the returns from GK Strategies.

12. It would have also been important for me to know if hedge funds using GK Strategies were closed due, in any part, to poor returns, investor complaints, and/or investors requesting the return of their capital. Newcrest would not have invested in GSM if I was aware of such facts before the GSM investment.



13. On or about November 21, 2021, Newcrest requested the return of its entire \$5 million investment. Newcrest wanted its investment returned because GSM failed to provide any monthly or quarterly account statements. Newcrest also asked GK and Shanmugam for backup documents regarding the investments allegedly made using GK Strategies but were not given any such documents or information. GK and Shanmugam conveyed to us that GSM brokerage accounts were their personal accounts, and they do not share that information with investors. GK and Shanmugam stated that backup documents like we requested were only provided to investors in the Nanban Ventures funds.

14. On March 8, 2022, Newcrest received a wire transfer from GSM returning the entire \$5 million investment along with \$450,000 as an investment return.

15. I do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is within my personal knowledge and is true and correct.

Executed on the 27th day of September, 2023.


Mehulkumar B. Patel



EXHIBIT

“A”

A handwritten signature, possibly reading 'P', is enclosed within a hand-drawn circle in the bottom right corner of the page.

CP-000000126

PROMISSORY NOTEAs of May 19th, 2021 ("Effective Date")**1. BORROWER'S PROMISE TO PAY**

This is a loan (the "Loan") of purchase money to be used by **GSM Eternal LLC**, a Texas limited liability company (the "Borrower") for software development and company growth. In return for the Loan that Borrower has received, and which is evidenced by this Note, Borrower promises (as of the Effective Date above) to pay \$5,000,000.00 (this amount is called "Principal"), plus interest, to the order of **Newcrestimage Holding, LLC** ("Lender").

2. INTEREST

Simple interest shall accrue on the unpaid principal balance of this Note at a simple rate of 18.00% per annum calculated on an annual basis on each anniversary of the Effective Date until the full amount of principal has been paid. All interest accrued but not paid when due hereunder shall be compounded to principal on each applicable annual anniversary of the Effective Date.

Notwithstanding anything to the contrary herein, it is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law, including Texas usury laws. Nothing in this Note shall entitle the Lender upon any contingency or event whatsoever, including by reason of acceleration of the maturity or prepayment of the Loan, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal, and in no event shall Borrower be obligated to pay interest in excess of such rate.

3. PAYMENTS

Borrower will pay principal and interest by making (i) an interest payment on each of the dates listed in Schedule I (or the first business day thereafter) (each, a "Payment Date") prior to the Maturity Date; and (ii) one payment equal to the outstanding Principal of this Note, together with all accrued but unpaid interest and all additional amounts payable under this Note, on or before the Maturity Date.

Borrower will make its quarterly payment on the first Payment Date after Effective Date ("Payment Commencement Date"). Borrower will make these payments on each Payment Date until Borrower has paid all of the Principal and interest and any other amounts payable under this Note. Each payment will be applied as of its scheduled due date and will be applied, first, to late payment fees and other fees incurred by or payable to the Lender and for which the Borrower is obligated pursuant to the terms of this Note; second, to the payment of any interest accrued hereunder; and third, to the payment of the Principal. The "Maturity Date" as used herein is the date that is sixty months from the Effective Date of this Note. The Note will become fully due and payable, and Borrower will pay the Principal and any interest due in full on the Maturity Date.

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CP-000000126

Borrower will make all payments under this Note via ACH or wire transfer to the bank and account of Lender's choosing, unless otherwise instructed in writing by the Lender. Borrower will abide by all Lender instructions delivered to Borrower in writing, and make all arrangements necessary thereto, with respect to making payments under this Note.

4. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." Borrower may make a full Prepayment or partial Prepayments without paying a Prepayment charge or penalties.

If Borrower makes a partial Prepayment, there will be no change in the due date or in the amount of the payment required under Section 3 unless the Lender agrees in writing to such change. Should the Lender agree in writing to such change, the payments thereafter will be payable in substantially equal successive quarterly installments.

5. BORROWER'S DEFAULT

(A) Late Charge for Overdue Payments. If the Lender has not received the full amount of any quarterly payment by the end of ten (10) calendar days after the date such payment was due, Borrower will pay a late charge to the Lender. The amount of the charge will be equal to 1.00 percent (%) of the delinquent payment (subject to the maximum charge, maximum interest, and other terms of this Note). Borrower will pay this late charge promptly without demand from Lender.

(B) Default. Borrower will be in default if any of the following events (each, an "Event of Default") occurs: (i) Borrower fails to pay in full any monetary obligation of Borrower under this Note; (ii) Borrower breaches any of Borrower's obligations under this Note; or (iii) Borrower (a) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator, of all or a substantial part of its property, (b) makes a general assignment for the benefit of creditors, (c) commences a voluntary case under the United States Bankruptcy Code, (d) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, or (e) fails to oppose within sixty (60) calendar days, or acquiesces in writing to, any petition filed against Borrower in an involuntary case under the United States Bankruptcy Code. Upon the occurrence of an Event of Default, the Lender is entitled to require Borrower to pay immediately all outstanding amounts for which Borrower is obligated under this Note, including, without limitation, the outstanding Principal, all accrued and unpaid interest, and all other amounts for which Borrower is obligated under this Note.

(C) Default Interest Rate. In the event of any default by Borrower under this Note, the amounts due from Borrower and remaining unpaid will bear interest at the lesser of: (a) an interest rate of 1.00% (computed on a daily basis, based on the actual number of days elapsed, using a 30-day month); and (b) the maximum rate of interest allowed by applicable law (the "Default Interest Rate").

(D) No Waiver By Lender. Even if, at a time when Borrower is in default, the Lender does not require Borrower to pay immediately in full as described above, the Lender will still have the right to do so as long as Borrower remains in default and in the event that Borrower is in default at any later time.

6. GIVING OF NOTICES. Unless applicable law requires a different method, any notice that must be given to Borrower or Lender under this Note will be given by (i) hand delivery; (ii) reputable overnight

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courier; (iii) registered or certified mail, postage prepaid, or (iv) email correspondence (provided that such email transmission is followed the next business day by another acceptable form of delivery), and addressed as set forth below:

Lender:

Newcrestimage Holding, LLC
Attn: Mital Patel
Email: Mital.Patel@NewcrestImage.com

Borrower:

GSM Eternal LLC
Suite 210, Granite Park Four
5850 Granite Parkway
Plano, TX 75024
Attn: Manivannan Shanmugam
Email: mani@nanbanenterprise.com

Lender may change the addresses to which notices are to be addressed by giving Borrower notice of the same in the manner set forth in this Section 6.

7. APPLICABLE LAW. This Note shall be governed by the law of Texas and any applicable federal law. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

8. NO ORAL AGREEMENTS. THIS NOTE CONSTITUTES A "WRITTEN LOAN AGREEMENT" PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9. TRUTH IN LENDING. THE TRUTH IN LENDING ACT DOES NOT APPLY TO THIS NOTE.

10. CAPACITY AND AUTHORITY OF BORROWER. Each Borrower represents that it has full power, capacity and authority to execute, deliver, and perform this Note without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties.

11. NO RELIANCE. Each Borrower represents that it has not relied on any statement or representation of Lender in entering into this Note.

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NIH0007

APP 00153

CP-000000126

EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY. PRIOR TO SIGNING THIS NOTE, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT BORROWER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

IN WITNESS WHEREOF, the Borrower has executed this Note to be effective as of the date first set forth hereinabove.

BORROWER:

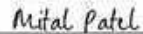
GSM Eternal LLC
A Texas limited liability company



Manivannan Shanmugam, Manager

LENDER:

Newcrestimage Holding, LLC



Mital Patel, Managing Partner

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NIH0008



APP 00154

EXHIBIT
“B”

A handwritten signature, possibly 'R' or 'v', enclosed within a hand-drawn circle.

CP-000000131

7/27/23, 1:16 PM

Re: Regarding your \$5M investment in our Private fund

Mehul Patel · **Redacted**

To: GK <gk@nanbanenterprise.com>

GK,

Thank you for email, and understand your feedback.

Thank you

MEHUL PATEL
MANAGING PARTNER, CEO

Redacted



From: GK Krishna <gk@nanbanenterprise.com>

Date: Wednesday, May 12, 2021 at 12:15 PM

To: Mehul Patel <**Redacted**>

Subject: Regarding your \$5M investment in our Private fund

WARNING: This email message originated outside of NewcrestImage.

Be cautious before opening links or attachments and ensure you trust the senders email address. Send suspicious messages to itsupport@newcrestimage.com

Dear Mike,

Upon your insistence When Mani and I agreed to take you and your partners investment of \$5M into our Private Fund, that was the final decision from our side. After than Mani sent the "note" document to your team. Now, I am hearing that your team wants to do some due diligence before investing. I am not going to entertain that.

I have been very clear that the best way for you all is to learn GK strategies Level-1 and Level-2 in June and then invest or you can invest \$5M through "Nanban Ventures" which is open to all Nanbans. This is the reason we do not take people in our private fund who are not part of our close family and friends.



CP-000000131

7/27/23, 1:16 PM

Having mutual Trust is the only due diligence for Nanban organization.

Thanks



Gopala Krishnan(GK)
Chairman and CEO
Nanban Group Of Companies
(Capital, Ventures, Realty and Hedge Fund)
GK@Nanbanenterprise.com
M: +1 785-383-0193
www.nanbanenterprise.com

<https://outlook.office.com/mail/AAMkADczZGNjOGFiLWMzMjMlNGFj...b00A1DLArQxAAx10CdaAAA%2F9IkyoYfzQb00A1DLArQxAAx7q4z4AAA%3D>

Page 2 of 2

NTH0011

APP 00157

DECLARATION OF MATTHEW B. RUBIN

I, Matthew B. Rubin, hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and further that this Declaration is made based on my personal knowledge and that I am competent to testify as to the matters stated herein:

1. My name is Matthew B. Rubin.
2. I live in San Rafael, California, and I am 52 years old.
3. On or about May 17, 2021, I invested \$324,000 from an individual retirement account in the Nanban Venture Capital Fund - I, LP (the "Capital Fund").
4. I first learned of Gopala Krishnan ("GK") and his "Nanban" companies in late 2020 after watching a YouTube segment of the Better Wealth show in which the host, Caleb Guilliams, interviewed GK. During the interview, GK talked about his GK Strategies trading system that resulted in high returns with little downside risk. He stated that his investors were making investment returns exceeding 50 percent. I also learned from watching the interview that GK created a charity called the Nanban Foundation which taught GK Strategies for free.
5. After watching the YouTube interview, I contacted the Nanban Foundation and attended some of the free online GK Strategies training. During the course, I learned GK Strategies 1 and 2 encompassed basic options trading strategies like covered calls, and related concepts. I also learned from the instructors that GK strategies consisted of five levels. But the Nanban Foundation only taught levels 1 and 2. I was told that levels 3, 4, and 5 were only available by investing in a Nanban hedge fund.
6. After attending the GK Strategies training, I emailed the Nanban Foundation to ask about investing in one of their hedge funds. A Nanban Foundation volunteer told me to contact Nanban Investments LLC ("Nanban Investments") about investing in a hedge fund. I then emailed Nanban Investments at howdy@nanbaninvestments.com to make a \$300,000 soft commitment for one of their funds. Savitha Doraiswamy, the Chief Investor Relations Officer for Nanban Enterprise LLC, responded from the Nanban Investments email to inform me that Nanban Investments' hedge funds were not available, as they were not accepting any funds.
7. As the hedge funds were unavailable, Ms. Doraiswamy recommended that Nanban Ventures was a "great vehicle" and provided the contact information for Nanban Ventures at howdy@nanbanventures.com.
8. I contacted Nanban Ventures LLC and learned about the Capital Fund. Before I invested, I attended one or more webinars regarding the Capital Fund in which GK stated that the Capital Fund's returns would be 20-45 percent per year. I was also told by GK and/or Nanban Ventures representatives speaking at the webinars that the Capital Fund would use GK Strategies to grow the money consistently and also use investor funds to invest in startup companies.

9. Based primarily on the large returns GK mentioned in the YouTube interview as well as the statements about GK Strategies, and the statements about returns by GK in the webinar(s), I decided to invest in the Capital Fund.

10. Prior to my Capital Fund investment, I was never told that two of the Nanban Investments' hedge funds that used GK Strategies were closed due to poor performance. I was never told that hedge fund investors complained about poor returns, requested the return of their capital, or that two of the hedge funds failed to obtain returns better than the stock market or an index such as the S&P 500.

11. I would have wanted to know that one or more Nanban Investments hedge funds using GK Strategies were closed due, in any part, to poor returns, investor complaints, and/or investors requesting the return of their investments. I would not have invested in the Capital Fund if I was aware that two prior Nanban Investments hedge funds using GK Strategies encountered such issues.

12. As an investor in the Capital Fund, I attended investor update webinars where investors were shown a statement of investments. In particular, I remember being shown the Statement of Investments attached hereto as **Exhibit 1**.

13. I was never told before or after I invested that NorthStars FinTech was actually a d/b/a for GSM Eternal LLC ("GSM Eternal") or that NorthStars FinTech was owned and/or controlled by GK, Sakthivel Palani Gounder ("Gounder"), and Manivannan Shanmugam ("Shanmugam").

14. I was likewise never told before or after I invested that Sunshines FinTech was actually a d/b/a for Centum FinTech LLC ("Centum") or that Sunshines FinTech was owned and/or controlled by GK, Gounder, and Shanmugam.

15. I was also never told that Himalayan FinTech was owned and/or controlled by GK, Gounder, and Shanmugam.

16. Based on statements made by Nanban Ventures representatives during webinars about the Nanban Ventures' funds, including the Capital Fund, my understanding was that NorthStars FinTech, Centum FinTech, and Himalayan FinTech were third party fintech companies in which the Capital Fund and the other Nanban Ventures funds were going to invest. I never understood and was never told that these were actually companies controlled by GK, Gounder, and Shanmugam, or that the business of those companies was to trade bonds and use GK Strategies to trade options.

17. I would have wanted to know that NorthStars FinTech, Sunshines FinTech, and Himalayan FinTech were owned and/or controlled by GK, Gounder, and Shanmugam. The knowledge that over half of the funds (approx.\$50 million of \$80 million raised per Exhibit 1) from Nanban Ventures' investors would not be invested in third-party investments but was instead going to be sent to companies controlled and/or owned by GK, Gounder, and



Shanmugam to engage in undisclosed trading activities would have impacted my decision to invest in the Capital Fund as well as my decision on whether to maintain that investment.

18. Because the returns from GK Strategies were important to my decision whether to invest, I also would have wanted to know if those returns were limited by the Capital Fund's investment in NorthStars FinTech, Sunshines FinTech, and Himalayan FinTech. I was never told that the investment returns paid from those companies to the Capital Fund were capped by loan agreements or that the "investments" in those companies were in the form of loans with fixed-rate returns, and not true equity investments. The knowledge that the investment returns paid to the Capital Fund from GK Strategies trading by NorthStars FinTech, Sunshine FinTech, and Himalayan FinTech, no matter how large, would be capped by loan agreements would have impacted my decision to invest in the Capital Fund as well as my decision on whether to maintain that investment.

19. On or about May 8, 2023, I sent an email to Nanban Ventures LLC via howdy@nanbanventures.com in which I requested the return of my entire investment. I wanted my investment returned because I began to have doubts about the validity of the investment. I have yet to receive the full return of my investment after the redemption request.

20. Prior to my redemption request, I had received semi-annual emails from Nanban Ventures noting that Capital Fund distributions were available but offering me the choice to reinvest any returns. I chose to reinvest all such distributions except for the final distribution which I received notice of on or about May 24, 2023. I requested payment of that distribution but have not yet received it.

21. I do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the foregoing is within my personal knowledge and is true and correct.

Executed on the 13 day of June, 2023.


Matthew B. Rubin

EXHIBIT 1

SEC-NANBANVEN-E-0027354

STATEMENT OF INVESTMENTS

INVESTMENT	PERIOD	AMOUNT	FAIR MARKET VALUE / EXIT VALUE	CASH-FLOW / RETURNS	NEIGHBORHOOD COMPS (\$/SQFT)
Gauranga Celina Hills (23 Acres)	Q4 - 2021	\$1,000,000	\$2,880,478	\$1,880,478	
Gauranga Platinum Ranch (890 Acres)	Q3 - 2021	\$4,114,287	\$4,114,287		\$0.90 --> \$3.00
Kalachandji Ranch (1,100 Acres)	Q2 - 2021	\$3,013,004	\$3,013,004		\$0.18 --> \$0.35
NorthStars FinTech	Q4 - 2022	\$29,615,439	\$29,615,439	\$4,313,814	
Homz Global Holdings	Q3 - 2021	\$2,500,000	\$2,500,000		
Himalayan FinTech	Q4 - 2022	\$4,972,081	\$4,972,081	\$724,238	
Nanban GSR Development JV	Q4 - 2021	\$2,600,000	\$2,600,000		
Orion RE Capital	Q2 - 2022	\$2,000,000	\$2,000,000		
Sunshines FinTech	Q4 - 2022	\$21,816,669	\$21,816,669	\$3,177,838	
Real Estate Multi-Family	Q1 - 2022	\$3,350,000	\$3,350,000		
Henryetta Hills (1,315 Acres)	Q4 - 2022	\$1,166,280	\$1,166,280		

SEC-NANBANVEN-E-0027354

EXHIBIT

1

APP 00161

SEC-NANBANVEN-E-0027354

STATEMENT OF INVESTMENTS

INVESTMENT	PERIOD	AMOUNT	FAIR MARKET VALUE / EXIT VALUE	CASH-FLOW / RETURNS	NEIGHBORHOOD COMPS (\$/SQFT)
Grin Gaming	Q3 - 2021	\$700,000	\$700,000		
CoreStack	Q3 - 2021	\$250,000	\$275,000		
JOGO Health	Q4 - 2021	\$150,000	\$150,000		
SpaceX Multiventure	Q1 - 2022	\$505,000	\$505,000		
Amalgam	Q1 - 2022	\$250,000	\$300,000		
Amalgam	Q4 - 2022	\$755,000	\$755,000		
JUGL (Previously known as Joiint)	Q1 - 2022	\$100,000	\$100,000		
Parkour Ventures	Q1 - 2022	\$500,000	\$400,000*		
Interlock Partners	Q4 - 2022	\$10,000	\$10,000		
Bold Metrics	Q1 - 2022	\$750,000	\$750,000		
(+) Bank Balance		\$527,820	\$ 527,820		
NANBAN VENTURES		\$80,645,580	\$82,501,058	\$10,096,369	

* On Parkour, our crypto Fund of Fund investment, they sent an update that considerable parts of their assets have been impacted by the FTX blowout and are stuck. We don't have a clear picture of the exact damage yet.

SEC-NANBANVEN-E-0027355

APP 00162

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GOPALA KRISHNAN, MANIVANNAN
SHANMUGAM, SAKTHIVEL PALANI
GOUNDER, NANBAN VENTURES LLC,
GSM ETERNAL LLC (A/K/A NORTHSTARS
FINTECH), HIMALAYAN FINTECH LLC,
and CENTUM FINTECH LLC (A/K/A
SUNSHINES FINTECH),

Defendants.

FILED UNDER SEAL

C.A. No.:

**DECLARATION OF CLEMON D. ASHLEY IN SUPPORT OF
PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S EMERGENCY
EX PARTE MOTION FOR TEMPORARY RESTRAINING ORDER, PRELIMINARY
INJUNCTION, ASSET FREEZE AND OTHER ANCILLARY EMERGENCY RELIEF**

I, Clemon D. Ashley, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify to the matters stated herein:

1. I am currently employed as a Staff Attorney with the United States Securities and Exchange Commission (the "SEC"), Division of Enforcement in its Fort Worth Regional Office in Fort Worth, Texas. I have been employed by the SEC since February 2023. I am an attorney licensed in Illinois.

2. My official duties with the SEC include participating in fact-finding inquiries and investigations to determine whether the federal securities laws have been violated and assisting

in the SEC's litigation of securities laws violations. This includes analyzing the law, interviewing and taking testimony from witnesses, and reviewing and analyzing financial and other records of various entities and individuals.

3. As part of my official duties, I have been a member of the SEC investigative team responsible for the investigation related to Defendants Gopala Krishnan ("Krishnan"), Manivannan Shanmugam ("Shanmugam"), Sakthivel Palani Gounder ("Gounder"), Nanban Ventures LLC ("Nanban Ventures") GSM Eternal LLC, a/k/a NorthStar FinTech ("GSM"), Himalayan Fintech LLC, ("Himalayan"), and Centum Fintech LLC, a/k/a Sunshines FinTech ("Centum") (collectively, "Defendants"). In that role, I investigated whether the Defendants violated the federal securities laws.

4. During the course of that investigation, I and other members of the investigative team collected a number of documents using public and government sources, voluntary requests, and subpoenas. I also obtained investigative testimony from several witness. Attached are (PII redacted) copies of certain records obtained during the course of the investigation, as follows:

5. Exhibit 1 is a true and correct copy of a Texas Secretary of State Certificate of Formation for Nanban Ventures LLC, showing the entity is owned and controlled by the family entities of the four principals.

6. Exhibit 2 is a true and correct copy of a Texas Secretary of State Certificate of Formation for Preeti Mani, LLC, showing the entity is owned and controlled by Manivannan Shanmugam.

7. Exhibit 3 is a true and correct copy of a Texas Secretary of State Certificate of Formation for HKGK, LLC, showing the entity is owned and controlled by Gopala Krishnan.

8. Exhibit 4 is a true and correct copy of a Texas Secretary of State Certificate of Formation for ViSa Vel, LLC, showing the entity is owned and controlled by Sakthivel Palani Gounder.

9. Exhibit 5 is a true and correct copy of a Texas Secretary of State Certificate of Formation for Centum FinTech LLC, showing the entity is owned and controlled by Krishnan, Gounder and Shanmagam through intermediary entities.

10. Exhibit 6 is a true and correct copy of a Texas Secretary of State Assumed Name Certificate, demonstrating Sunshines FinTech is an assumed name for Centum FinTech LLC.

11. Exhibit 7 is a true and correct copy of a Texas Secretary of State Certificate of Formation for GSM Eternal LLC, showing the entity is owned and controlled by Krishnan, Gounder and Shanmagam through intermediary entities.

12. Exhibit 8 is a true and correct copy of a Texas Secretary of State Assumed Name Certificate, demonstrating that NorthStars FinTech is an assumed name for GSM Eternal LLC.

13. Exhibit 9 is a true and correct copy of a Texas Secretary of State Certificate of Formation for Himalayan Fintech LLC, showing the entity is owned and controlled by Krishnan, Gounder and Shanmagam.

14. Exhibit 10 is a true and correct copy of Texas Secretary of State Certificate of Formation for the Nanban Foundation, showing the Krishan's, Gounder's, and Shanmugam's spouses manage and control the entity.

15. Exhibit 11 is a true and correct copy of a Private Placement Memorandum ("PPM") for the Nanban Ventures AAA Fund LP.

16. Exhibit 12 is a true and correct copy of the limited partnership agreement for Nanban Ventures AAA Fund LP.

17. Exhibit 13 is a true and correct copy of the PPM for Eco Harmony Fund LP.

18. Exhibit 14 is a true and correct copy of a transcript excerpt of an August 9, 2021 FunAsia Radio interview titled *Gopala Krishnan GK | Nanban Interview* that was posted on Facebook.

19. Exhibit 15 is a true and correct copy of an email, dated February 14, 2021, from a potential investor seeking to participate in GK Strategies who was sourced from Gopala Krishnan's ("Krishnan") appearance on a webinar with Caleb Guilliams.

20. Exhibit 16 is a true and correct copy of an email string, dated February 14 and 15, 2021, between a Nanban representative and potential investor titled "Re: Level 3 enquiry." Therein, the Nanban representative states "Level 3 to 5 strategies are copyrighted for Nanban Investments."

21. Exhibit 17 is a true and correct copy of an email string, dated October 18, 2021, through November 10, 2021, in which a Nanban hedge fund investor requests that Nanban "process his redemption right away."

22. Exhibit 18 is a true and correct copy of a transcript excerpt from a December 2, 2020 video titled *Making a Killing With Index, Options, and The Asset with CEO of Nanban Investments* that was posted and remains available on YouTube.

23. Exhibit 19 is a true and correct copy of a transcript excerpt from a December 21, 2022 video titled *Episode #79 GK's Way to Financial Freedom featuring Nanban GK* that was posted and remains available on YouTube.

24. Exhibit 20 is a true and correct copy of a transcript excerpt from a November 5, 2021 video titled *Gopala "GK" Krishnan, Chairman & CEO, Nanban Group of Companies, DotCom Magazine Exclusive Interview* that was posted and remains available on YouTube.

25. Exhibit 21 is a true and correct copy of a transcript excerpt from February 5, 2021 video titled *How GK financial strategy won more than 25,000 people's confidence?* that was posted and remains available on YouTube. Krishnan states that Nanban is “almost a \$1.2 billion company” in this video posted approximately a year after the Nanban financial organization came into existence.

26. Exhibit 22 is a true and correct copy of a transcript excerpt from a video that was posted and remains available on Investment Fund Secrets’ website. Krishnan states that Nanban has “gone from zero to \$2.5 billion in 17 months.”

27. Exhibit 23 is a true and correct copy of a transcript excerpt from an October 19, 2022 video of a IBC Tamil TV interview titled *Global Summit of Tamil Entrepreneurs & Professionals – Mr. Nanban GK Interview* that was posted and remains available on YouTube. Krishnan states that “all the six divisions that we have is worth INR 96,000 crores (\$11.5 billion), and that GK Strategies is “copyrighted and patented in U.S.”

28. Exhibit 24 is a true and correct copy of a transcript excerpt from a May 23, 2022 video titled *Financial Strategies and Investments for Creating Cash Flow with CEO of Nanban Enterprise* that was posted and remains available on YouTube.

29. Exhibit 25 is a true and correct copy a transcript excerpt of a January 31, 2023 Nanban Growth Fund Intro Webinar provided to potential investors. During the webinar, Krishnan claims that Nanban Ventures has delivered consistent double-digit returns for the last 18 months.

30. Exhibit 26 is a true and correct copy a transcript excerpt of a July 7, 2023 Nanban Ventures Fund Performance Review Webinar provided to potential investors. During the

webinar, Sudha Periasamy, the CFO of Nanban Ventures, states that the VC Funds had achieved profits of approximately \$10.3 million from January to June of 2023 from the “fintechs” alone.

31. Exhibit 27 is a true and correct copy of email from a potential investor, dated February 1, 2021, in which the potential investor is drawn to a hedge fund by the charitable claims of Nanban Foundation.

32. Exhibit 28 is a true and correct copy of an email chain from a hedge fund investor, dated from October 21, 2021 through November 11, 2021, in which the investor states he is “disenfranchised” by lower than expected returns and requests immediate redemption.

33. Exhibit 29 is a true and correct copy of a transcript excerpt from a May 1, 2023 call with a potential investor. A Nanban representative tells the potential investor that the “cash flow” allocation of the Nanban Growth Fund was “risk-free.”

34. Exhibit 30 is a true and correct copy of an excerpt of a transcript from a May 19, 2023 call with a potential investor.

35. Exhibit 31 is a true and correct copy of an email from Nanban Ventures to a hedge fund investor, dated January 6, 2023, stating “we did not fully deploy Nanban’s trading strategies to protect [our] intellectual property.”

36. Exhibit 32 is a true and correct copy of email string with a hedge fund investor signed by Krishnan, Gounder and Shanmugam, dated between October 1 and 4, 2021, stating “we had to work with various systems of brokerage and SEC to implement the full extent of GK Strategies....”

37. Exhibit 33 is a true and correct copy of Nanban Ventures Nile Fund Overview Flyer stating that Nanban Ventures intends to engage in trading using GK Strategies, invest in start-up companies, and make real estate investments.

38. Exhibit 34 is a true and correct copy of portions of the Nanban Ventures' website stating defendants engage in the business of providing investment advice about buying and selling securities.

39. Exhibit 35 is a true and correct copy of a Statement of Investments provided to investors that purportedly portrays the VC Funds' performance as of the second half of 2022.

40. Exhibit 36 is a true and correct copy of a related-party Convertible Promissory Note, dated October 4, 2022, with Gounder signing on behalf of GSM Eternal LLC and Veerabadran (a/k/a Ramesh) signing on behalf of Nanban Ventures Intangible Assets LLC,.

41. Exhibit 37 is a true and correct copy of a related-party Convertible Promissory Note, dated February 23, 2022, with Gounder signing on behalf of Centum Fintech LLC and Veerabadran (a/k/a Ramesh) signing on behalf of Nanban Ventures Intangible Assets LLC.

42. Exhibit 38 is a true and correct copy of an email from Nanban's fund administrator to Krishnan and Gounder, dated April 4, 2023, regarding Nanban's plans to expand globally and seek investors from India, Singapore and the Gulf region.

43. Exhibit 39 is a true and correct copy of an email from Nanban Ventures to the fund administrator, dated March 8, 2023, regarding the solicitation of new investors in the Gulf region.

44. Exhibit 40 is a true and correct copy of an email chain between the SEC's investigative counsel and Defendants' counsel during the pre-suit investigation regarding outstanding document production issues, dated from May 9, 2023 through August 24, 2023.

45. Exhibit 41 is a true and correct copy of an email from hedge fund investor, dated October 13, 2021, seeking an "[e]xplanation for lower return," and stating he "was disappointed to see negative returns" despite the promise of a 55% return.

46. Exhibit 42 is a true and correct copy of an email to investor Matt Rubin, a May 24, 2023, stating procedures to reinvest. By default, investors are automatically set to reinvest in the VC Funds unless they choose otherwise.

47. Exhibit 43 is a true and correct copy of excerpts of the December 15, 2021 investigative testimony of Gopala Krishnan.

48. Exhibit 44 is a true and correct copy of excerpts of the May 30, 2023 investigative testimony of Gopala Krishnan.

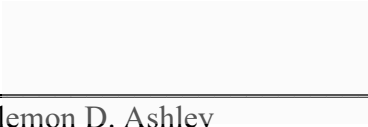
49. Exhibit 45 is a true and correct copy of excerpts of the October 19, 2022 investigative testimony of Sakthivel Gounder.

50. Exhibit 46 is a true and correct copy of excerpts of the October 21, 2022 investigative testimony of Manivannan Shanmugam.

51. Exhibit 47 is a true and correct copy of excerpts of the March 16, 2023 investigative testimony of Kutraleeshwaran Ramesh.

52. Exhibit 48 is a true and correct copy of excerpts of the May 4, 2023 investigative testimony of Sudha Periasamy.

Dated: October 2, 2023



Clemon D. Ashley

EXHIBIT 1