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If you're looking to start, scale, and grow your company, please fill the below information form and we will get back to you at the earliest.

First name *

Last name *

E-mail address *

Contact number *

LinkedIn profile

Country of HQ

Past raises?

☒ Yes

☐ No

If Yes, enter details

Relationship to the company *

☒ Founder

☐ Other

Briefly explain what your company solves, highlighting your competitive advantage

Industry *

Company URL *

Investment/Pitch Deck

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Secondaries

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Secondaries



SpaceX designs, manufactures, and launches the world's most advanced rockets and spacecraft. The company was founded by Elon Musk to revolutionize space transportation, with the ultimate goal of making life multi-planetary.

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EXHIBIT 35

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

48

FW-04440

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

EXHIBIT 36

CONVERTIBLE PROMISSORY NOTEIssuance Date: **10/04/2022**Original Principal Amount: **\$1,000,000**

FOR VALUE RECEIVED, **GSM Eternal LLC** (hereinafter both individually and collectively herein the “**Company**” or “**Maker**”), hereby promises to pay to the order of **Nanban Ventures Intangible Assets LLC** or its registered assigns (“**Lender**” or “**Holder**”) 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 (defined below under Section 22) 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 of this convertible note (“**Promissory Note**”).

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, pay to the Holder an amount in cash representing all the outstanding Principal, applied and unpaid Interest and applied 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 be applied on the unpaid principal balance of this Promissory Note at a simple rate of **18%** per annum calculated on an semi-annual basis as captured by the Interest Payment Date (as defined below) until the full amount of principal has been paid. All interest applied but not paid when due hereunder shall be compounded to principal on each applicable Interest Payment 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 Promissory Note shall entitle the 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 Maker be obligated to pay interest in excess of such rate.

3. **CONVERSION OF PROMISSORY NOTE.**
 - (a) Upon the closing of a Qualified Financing, the Full Note Amount shall be converted, at the Holder’s sole discretion, into equity securities issued by the Company in a Qualified Financing for new cash investment. In the event of such conversion, this Promissory Note shall be converted into that number of the applicable equity securities determined by dividing the Full Note Amount by the Conversion Price.

SEC-GSME-E-0000142

- (b) In addition to the occurrence of the Qualified Financing, this Promissory Note may also be convertible into validly issued, fully paid common units of Company equal to a__ percent (__%) equity stake, at the sole discretion of Holder upon, Qualified Financing or any event of default as provided in Section 4 herein.
- (c) 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 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

SEC-GSME-E-0000142

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;

- (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 Promissory 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;

SEC-GSME-E-0000142

- (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 Promissory 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.
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. The Holder shall be entitled, at its option, to the benefit of any amendment to the Promissory Note.
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

SEC-GSME-E-0000142

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 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 applied 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

SEC-GSME-E-0000142

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 PROMISSORY 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 PROMISSORY NOTE.
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 Promissory 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 Promissory 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,

SEC-GSME-E-0000142

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.

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 Promissory 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 Payment Date”** means the dates on which the applied and unpaid Interest and applied and unpaid late charges on such Principal and Interest is due and payable, and unless stated otherwise in Section 2, will be deemed to mean June 30th and December 31st of each year that this Promissory Note is in effect.

SEC-GSME-E-0000142

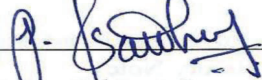
- (f) **"Interest Rate"** means 18% per annum, compounded and capitalized semi-annually according to the terms and conditions of Section 2, as may be adjusted from time to time in accordance with Section 2.
- (g) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.
- (h) **"Qualified Financing"** means the next transaction (or series of related transactions) after the Issuance Date and before the Maturity Date in which the Company issues and sells shares of its preferred stock in exchange for aggregate gross proceeds of at least \$5,000,000 (excluding amounts deemed received upon conversion of the Promissory Note and any other indebtedness or similar convertible securities), with the principal purpose of raising capital.
- (i) **"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.

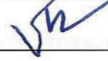
PRIOR TO SIGNING THIS PROMISSORY NOTE, MAKER REPRESENTS AND WARRANTS TO LENDER THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE PROMISSORY NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. MAKER AGREES TO THE TERMS OF THE PROMISSORY NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE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

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

GSM Eternal LLC


 Saktivel Palani Gounder, Manager
 5850, Granite Parkway, Suite 210
 Plano, TX 75024

Nanban Ventures Intangible Assets LLC


 Kutraleeshwaran Veerabadran, Manager
 5850, Granite Parkway, Suite 210
 Plano, TX 75024

SEC-GSME-E-0000142

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 applied and unpaid Interest and applied 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:

SEC-GSME-E-0000142

(if electronic book entry transfer)

Address:
(if delivery of share certificates)

EXHIBIT II

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

EXHIBIT 37

SEC-CFT-E-0000071

CONVERTIBLE PROMISSORY NOTEIssuance Date: **02/23/2022**Original Principal Amount: **\$587,636.00**

FOR VALUE RECEIVED, Centum Fintech LLC (hereinafter both individually and collectively herein the “**Company**” or “**Maker**”), hereby promises to pay to the order of Nanban Ventures Intangible Assets LLC or its registered assigns (“**Lender**” or “**Holder**”) 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 (defined below under Section 22) 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 of this convertible note (“**Promissory Note**”).

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, pay to the Holder an amount in cash representing all the outstanding Principal, applied and unpaid Interest and applied 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 be applied on the unpaid principal balance of this Promissory Note at a simple rate of **18%** per annum calculated on an semi-annual basis as captured by the Interest Payment Date (as defined below) until the full amount of principal has been paid. All interest applied but not paid when due hereunder shall be compounded to principal on each applicable Interest Payment 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 Promissory Note shall entitle the 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 Maker be obligated to pay interest in excess of such rate.

3. **CONVERSION OF PROMISSORY NOTE.**
 - (a) Upon the closing of a Qualified Financing, the Full Note Amount shall be converted, at the Holder’s sole discretion, into equity securities issued by the Company in a Qualified Financing for new cash investment. In the event of such conversion, this Promissory Note shall be converted into that number of the applicable equity securities determined by dividing the Full Note Amount by the Conversion Price.

SEC-CFT-E-0000071

- (b) In addition to the occurrence of the Qualified Financing, this Promissory Note may also be convertible into validly issued, fully paid common units of Company equal to a ___ percent (___%) equity stake, at the sole discretion of Holder upon, Qualified Financing or any event of default as provided in Section 4 herein.
- (c) 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 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

SEC-CFT-E-0000071

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;

- (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 Promissory 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;

SEC-CFT-E-0000071

- (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 Promissory 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.
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. The Holder shall be entitled, at its option, to the benefit of any amendment to the Promissory Note.
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

SEC-CFT-E-0000071

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 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 applied 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

SEC-CFT-E-0000071

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 PROMISSORY 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 PROMISSORY NOTE.
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 Promissory 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 Promissory 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.

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 Promissory 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 Payment Date”** means the dates on which the applied and unpaid Interest and applied and unpaid late charges on such Principal and Interest is due and payable, and unless stated otherwise in Section 2, will be deemed to mean June 30th and December 31st of each year that this Promissory Note is in effect.

SEC-CFT-E-0000071

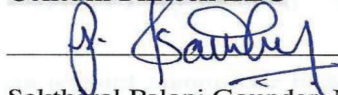
- (f) **"Interest Rate"** means 18% per annum, compounded and capitalized semi-annually according to the terms and conditions of Section 2, as may be adjusted from time to time in accordance with Section 2.
- (g) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.
- (h) **"Qualified Financing"** means the next transaction (or series of related transactions) after the Issuance Date and before the Maturity Date in which the Company issues and sells shares of its preferred stock in exchange for aggregate gross proceeds of at least \$5,000,000 (excluding amounts deemed received upon conversion of the Promissory Note and any other indebtedness or similar convertible securities), with the principal purpose of raising capital.
- (i) **"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 PROMISSORY NOTE, MAKER REPRESENTS AND WARRANTS TO LENDER THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THE PROMISSORY NOTE, INCLUDING THE LATE PAYMENT PROVISIONS. MAKER AGREES TO THE TERMS OF THE PROMISSORY NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE PROMISSORY NOTE.

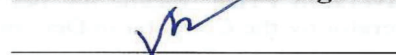
IN WITNESS WHEREOF, the Company has caused this Promissory Note to be duly executed as of the Issuance Date set out above.

Centum Fintech LLC



Sakthivel Palani Gounder, Manager
5850, Granite Parkway, Suite 210
Plano, TX 75024

Nanban Ventures Intangible Assets LLC



Kutraleeshwaran Veerabadrn, Manager
5850, Granite Parkway, Suite 210
Plano, TX 75024

SEC-CFT-E-0000071

EXHIBIT I**CONVERSION NOTICE**

Reference is made to the Promissory Note (the “**Promissory Note**”) issued to the undersigned by **Centum Fintech 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 applied and unpaid Interest and applied 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)

SEC-CFT-E-0000071

Transaction Code Number:
(if electronic book entry transfer)

Address:
(if delivery of share certificates)

EXHIBIT II

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

EXHIBIT 38

Vistra-Nanban0018658

Message

From: Maria Scofield [maria.scofield@vistra.com]
on behalf of Maria Scofield <maria.scofield@vistra.com> [maria.scofield@vistra.com]
Sent: 4/4/2023 5:11:21 PM
To: GK [gk@nanbanenterprise.com]; Sakthi [sakthi@nanbanenterprise.com]
Subject: RE: Nanban / Vistra - Introductions and global expansion discussion

Hi GK and Sakthi,

Thank you for your time today. We are very excited to learn about your growth plans and I'll be here helping you connect across Vistra as needed. I'll start with Singapore, Dubai and India and I'll be back in touch again in the next day or so helping to make the connections for you.

Shakthi, I think I heard you call my name as I was hanging up. Apologies, I tried to rejoin but you had already closed the line. Do you want to speak with me about something? Happy to have a call with you at your convenience. Please let me know what works for you.

Kind regards,
Maria

Maria Scofield
Vistra | Director Relationship Management

Mobile: 646-457-7856



SERVING FUND, CORPORATE, CAPITAL MARKET AND PRIVATE WEALTH CLIENTS

From: Maria Scofield
Sent: Tuesday, April 4, 2023 11:56 AM
To: GK <gk@nanbanenterprise.com>; Sakthi <sakthi@nanbanenterprise.com>
Subject: RE: Nanban / Vistra - Introductions and global expansion discussion

Hi GK and Sakthi,

I hope you are doing well. Ahead of our call today, I wanted to let you know that Onno Bouwmeister will not be able to join us. He is out of the office on an extended personal leave with no set return date. We thought he would be back by today, but his return to the office has been further delayed.

I know you want to have a call with one of our senior leaders and in Onno's absence, I have asked Scott Kraemer to join us. As you know, Scott is the managing director and head of the Americas for Alternative Investments. Once we learn more about your future growth plans, Scott and I will be happy to connect you with Vistra's senior management as needed across the globe.

Vistra-Nanban0018658

For the second half of our call, I have asked Marlyn Ramirez to join. Marlyn is our US Director of Real Estate Fund Operations – she is a peer to Gulsey (US Director of Private Equity). She was formerly with Yardi and will be able to speak to our real estate offering (globally) as well as show you a demo of Yardi.

Looking forward to speaking with you today.

Kind regards
Maria

Maria Scofield

Vistra | Director Relationship Management

Mobile: 646-457-7856



SERVING FUND, CORPORATE, CAPITAL MARKET AND PRIVATE WEALTH CLIENTS

-----Original Appointment-----

From: Maria Scofield

Sent: Wednesday, March 1, 2023 11:48 AM

To: Maria Scofield; GK; Sakthi; Onno Bouwmeister; Scott Kraemer

Cc: execadmin nanban; Marlyn Ramirez

Subject: Nanban / Vistra - Introductions and global expansion discussion

When: Tuesday, April 4, 2023 12:30 PM-1:30 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Microsoft Teams Meeting

Microsoft Teams meeting

Join on your computer, mobile app or room device

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Meeting ID: 394 999 304 704

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Phone Conference ID: 316 084 800#

Vistra-Nanban0018658

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EXHIBIT 39

Vistra-Nanban0003646

Message

From: Srinivas Addanki [Srinivas.Addanki@nanbanventures.com]
on behalf of Srinivas Addanki <Srinivas.Addanki@nanbanventures.com> [Srinivas.Addanki@nanbanventures.com]
Sent: 3/15/2023 4:48:05 PM
To: Holly Beron [Holly.Beron@vistra.com]
CC: Gary Wilcox [Gary.Wilcox@nanbanenterprise.com]
Subject: RE: International Investors for one of your funds

Hi Holly,

Can you please get back to me on this?

Thank you so much,
Srinivas Addanki, MBA, MS
Vice President Operations
Nanban Ventures LLC
Tel: +1 608 572 3412

From: Srinivas Addanki
Sent: Wednesday, March 8, 2023 1:58 PM
To: Holly Beron <Holly.Beron@vistra.com>
Cc: Gary Wilcox <Gary.Wilcox@nanbanenterprise.com>
Subject: International Investors for one of your funds

Hi Holly,

Fund managers of Abundance Fund are working on Capital raise from Sovereign Wealth Funds located in Oman, UAE, and Saudi Arabia. By the way this fund is not live yet.

So that we are better prepared when investors wants to come onboard, would you please share Vistra list of requirements for Capital raise & Investors onboarding process steps for Oman, UAE, and Saudi Arabia countries?

Thank you so much,
Srinivas Addanki, MBA, MS
Vice President Operations
Nanban Ventures LLC
Tel: +1 608 572 3412

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EXHIBIT 40

From: russ@freemanlovell.com
To: [Braun, Jason](#)
Cc: [Baum, Mary \(Contractor\)](#); danzellje@sec.gov; [Martin, Samantha S.](#); [Bennett, Laura K. \(FWRO\)](#); [Ashley, Clemon](#); [Singleton, Matilda](#)
Subject: RE: smail Nanban; FW-4440 - Outstanding Document Production Issues
Date: Thursday, August 24, 2023 6:01:38 PM
Attachments: [Ventures Investor Notification 8.8.23\[55\].docx.pdf](#)

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This message was sent securely using Zix®

Jason,

As a supplement to Nanban Ventures' responses to the SEC's request for communications with investors, please see the attached disclosure letter that was sent to Nanban Ventures investors earlier this month. An identical letter was sent out to all Nanban Ventures investors. If you would like a copy of each letter that has been signed and returned to Nanban, please let me know, and Nanban will provide them.

Thanks,

Russell A. Nevers

--- Originally sent by braunj@sec.gov on Jun 8, 2023 1:14 PM ---

This message was sent securely using Zix®

Hello Russ,

As a follow-up and example regarding the Nanban Ventures emails, we ran a search and have found **no** emails produced by Nanban Ventures which were sent from the Howdy Ventures email address and which we understand to be the main form of investor communications with the entity. Please let us know the reason for the delay in producing the emails and also provide an update on when the emails will be produced.

Regards,

Jason

From: Braun, Jason
Sent: Thursday, June 8, 2023 11:50 AM
To: Russ Nevers <russ@freemanlovell.com>
Cc: Ashley, Clemon <AshleyC@SEC.GOV>; Singleton, Matilda <SINGLETONM@SEC.GOV>; Bennett, Laura K. (FWRO) <BennettLau@SEC.GOV>; Martin, Samantha S. <MartinS@SEC.GOV>; Baum, Mary (Contractor) <BaumM@SEC.GOV>; Danzell, Jeremy <DanzellJe@SEC.GOV>

APP 00502

Subject: RE: smail Nanban; FW-4440 - Outstanding Document Production Issues

Hello Russ,

I am following-up on the outstanding documents referenced in my original email below that are still owed in response to the numerous subpoenas and the Nanban Hub document request. We are still missing a substantial amount of documents from the various parties, including GSM, Himalayan and Centum. Among other things, we do not appear to have received GSM, Himalayan, or Centum investor lists and communications with investors. We are also still waiting on Nanban Ventures and others to produce all responsive emails.

I also wanted to follow-up on the documents we are still waiting for and which were discussed on the record at the end of Mr. Krishnan's testimony. In particular, we haven't received:

1. A detailed chart(s) of all entity ownership. Mr. Krishnan stated Sudha had such a chart.
2. All letters and communications any Nanban entity or representative had with any banks regarding the alleged account closures.
3. All loan agreements Nanban Ventures Intangible entered into with GSM, Himalayan, Centum, or any other entities, as well as any other loan agreements related to any of the Nanban Ventures Funds.
4. All statement of investments Nanban Ventures showed to investors as part of any investor updates. We only have the statement for the last half of 2022. We are missing the statement of investments for the second half of 2021 and first half of 2022.
5. The PowerPoint deck that was provided / shown to investors or potential investors at the pre-investment webinar meetings.
6. All recordings of any webinars and conversations with investors.

Finally, you were going to update us about Nanban's deletion of audio and video recordings of investor presentations and meetings.

Regards,

Jason

From: russ@freemanlovell.com <russ@freemanlovell.com>

Sent: Friday, May 26, 2023 12:54 PM

To: Braun, Jason <braunj@SEC.GOV>

Cc: Ashley, Clemon <AshleyC@SEC.GOV>; Singleton, Matilda <SINGLETONM@SEC.GOV>; Bennett, Laura K. (FWRO) <BennettLau@SEC.GOV>; Martin, Samantha S. <MartinS@SEC.GOV>; Baum, Mary

(Contractor) <BaumM@SEC.GOV>

Subject: RE: smail Nanban; FW-4440 - Outstanding Document Production Issues

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This message was sent securely using Zix[®]

Jason,

Thank you for your follow-up email. Yes, we will be producing documents this afternoon, as outlined in your May 9 email. The documents we produce today will include some HUB and Foundation documents, but Nanban is going to need additional time to complete that production. The Ventures production has taken quite a bit of their time over the past few weeks. I will continue to push them on HUB and Foundation.

Thanks,

Russ

--- Originally sent by braunj@sec.gov on May 25, 2023 12:05 PM ---

This message was sent securely using Zix[®]

Hello Russ,

I am following-up on the email below. When we spoke last week, you indicated you had discussed the outstanding discovery with your clients and would be emailing a response with a schedule / update on when the documents would be produced. We haven't received the email yet so I wanted to check back with you.

Are you producing the documents tomorrow as we requested in the email? We also wanted to check on the status of the subpoena to the Nanban Foundation and the document request to Nanban Ventures HUB LLC.

We can also carve out time after Mr. Krishnan's testimony on Tuesday to discuss all the issues

APP 00504

below in detail.

Regards,

Jason

From: Braun, Jason

Sent: Tuesday, May 9, 2023 4:34 PM

To: Russ Nevers <russ@freemanlovell.com>

Cc: Martin, Samantha S. <MartinS@SEC.GOV>; Ashley, Clemon <AshleyC@SEC.GOV>;

Bennett, Laura K. (FWRO) <BennettLau@SEC.GOV>; Baum, Mary (Contractor)

<BaumM@SEC.GOV>; Singleton, Matilda <SINGLETONM@SEC.GOV>

Subject: smail Nanban; FW-4440 - Outstanding Document Production Issues

Good afternoon Russ,

We are following-up on our call from yesterday morning. As we discussed, we don't believe the various Nanban entities have completed their production in response to the previous SEC subpoenas served on January 13, 2023. Among other things, we are missing several categories of documents which are responsive to previous requests. Below, we have set out the numbers of the applicable document requests from the January 13th subpoenas followed by the responsive categories of documents still missing from the production and which are responsive to those requests. The term "Nanban Ventures" should be given the meanings as set forth in each of the January 13th subpoenas.

(1) Request Nos. 11 and 12:

- a. All emails and texts sent to, received by, or exchanged between Sudha Periasamy (or her company) and Nanban Ventures. Among other things, responsive documents would encompass emails and texts exchanged between Sudha or her company and the various GPs, Investment Committees, Management Companies, GK, Mani, Gounder, and anyone else acting on behalf of Nanban Ventures, and also include the underlying documentation.
- b. All emails and texts sent to, received by, or exchanged between Nanban Ventures and Vistra. Among other things, responsive documents also include emails and texts exchanged between company representatives of Nanban Ventures that reference or relate to the Vistra emails and texts, along with their respective underlying documents, and documents expanding on the investment trails.

- c. All emails and texts sent to, received by, or exchanged between the various GPs, Investment Committees, Management Companies, Sudha, GK, Mani, Gounder, and anyone else acting on behalf of Nanban Ventures, and that reference or relate to the Nanban Ventures' investments, all investment decisions, and related topics.
- d. All Telegram messages from the many Nanban groups as outlined in the attached Friday, April 7, 2023 email.

(2) Request Nos. 2, 5 and 8:

- a. All loan documentation between or related to Nanban Ventures and any special purpose vehicles (including GSM Eternal, Nanban Ventures HUB, Himalayan Fintech, and Centum Fintech).

(3) Request Nos. 4, 7 and 9:

- a. Documents reflecting Nanban Ventures' financial management, income and expenses, bank account tracking and reconciliation, and accounts receivable and accounts payable management. Among other things, responsive documents would encompass production of a copy of the Quickbooks database used by Nanban Ventures' accounting teams, which possesses documentation reflecting the aforementioned financial records. We have also attached the February 24, 2023 email with further clarification we discussed regarding the financial records.
- b. Documents identifying real estate transactions concerning Nanban Ventures. Among other things, this would encompass real estate closing documents, mortgage, deeds, settlement statements, loan applications, promissory notes associated with all real estate bought and sold.
- c. Documents and emails identifying / discussing all options trading or investments related to GK Strategies that are included in earnings or investment returns (or losses) for Nanban Ventures (these would also be responsive to, among other things, Request Nos. 7, 9, and 12 from the GSM Eternal, Himalayan Fintech, and Centum Fintech subpoenas).
- d. All Nanban Ventures' profit summaries and related and supporting documentation. As of today, we have received the 7/1/22-12/31/22 summary without the backup, and we have not received the 7/1/21-12/31/21 or the 1/1/22-6/30/22 summaries or backup. These documents were discussed when we took Sudha's testimony.

(4) Request Nos. 4 and 14:

- a. Documents, emails, and texts that reference or relate to Nanban Ventures' Investment Committees, investment decisions, and due diligence materials regarding any investments. Among other things, this would encompass documents identifying who sits on the Investment Committees for Nanban Ventures, all of their investment recommendations, and records reflecting the use of investment funds.

We request that Nanban Ventures produce the above documents **by May 26, 2023** .

Finally, we are attaching as a convenience our recent Nanban Ventures HUB LLC document request which we discussed and sent to you on May 2, 2023. We are doing so simply to keep various outstanding discovery issues together for future reference as needed.

Please let us know if there are any questions about the above. We appreciate your efforts to continue gathering and producing documents that we need to proceed with this investigation in a thorough and efficient manner.

Regards,

Jason A. Braun
Enforcement Attorney
United States Securities & Exchange Commission

801 Cherry St., 19th Floor

Fort Worth, Texas 76102

Phone: (817) 978-1419
Fax: (817) 978-2700
Braunj@sec.gov

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EXHIBIT 41

SEC-NANBAN-E-0061859

From: R Chaudhari <Redacted>
Sent: Wednesday, October 13, 2021 8:00 AM
To: Howdy Investments
Subject: Explanation for lower returns

Categories: Tracked To Dynamics 365

I attended meeting few days ago. I was disappointed to see negative return. We were promised 55 % return. What happened to that. There were no explanation and no questions and answers were allowed. Can all nanbans get more explanation regarding this and insight on future returns. We all have invested our hard earned money and we don't want to loose it.

Thanks.

EXHIBIT 42

SEC-RubinM-E-0000003

Redacted

----- Forwarded message -----

From: **Howdy Ventures** <howdy@nanbanventures.com>

Date: Wed, May 24, 2023 at 10:04 AM

Subject: Nanban VCF1 Fund - First Notice: Upcoming Ventures Fund Distribution Decision

To: Howdy Ventures <howdy@nanbanventures.com>

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

SEC-RubinM-E-0000003

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 43

Page 1

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. FW-04440-A
5 NANBAN INVESTMENTS, LLC, ET AL.) Amended: 9/29/2022
6
7 WITNESS: **Gopala Krishnan**
8 PAGES: 1 through 102
9 PLACE: Securities and Exchange Commission
10 801 Cherry Street, Suite 1900
11 Fort Worth, Texas 76102
12 DATE: **Wednesday, December 15, 2021**
13
14 The above-entitled matter came on for hearing,
15 Via WebEx, pursuant to notice, at 2:00 p.m.
16
17
18
19
20
21
22
23
24 Diversified Reporting Services, Inc.
25 (202) 467-9200

Page 2

1 APPEARANCES:
2
3 On behalf of the Securities and Exchange Commission:
4 AKITA ADKINS, Senior Attorney
5 JASON ROSE, ESQ.
6 LAURA BENNETT, Forensic Accountant
7 DAVID REECE, Assistant Regional Director
8 Securities and Exchange Commission
9 Division of Enforcement
10 801 Cherry Street
11 Suite 1900, Unit 18
12 Fort Worth, Texas 76102
13
14 On behalf of the Witness:
15 RUSSELL NEVERS, ESQ.
16 JEREMY GREEN, ESQ.
17 Freeman Lovell, PLLC
18 16165 N. 83rd Avenue
19 Suite 250
20 Peoria, Arizona 85382
21 (385) 497-6504
22
23
24
25

Page 3

1 C O N T E N T S
2 WITNESSES
3 Gopala Krishnan
4
5 EXHIBITS
6 EXHIBITS: DESCRIPTION IDENTIFIED
7 17 Video 82
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Page 4

1 P R O C E E D I N G S
2 MS. ADKINS: We are on the record at
3 2:09 p.m.
4 Dr. Krishnan, do you swear or affirm to
5 tell the truth, the whole truth and nothing but the
6 truth?
7 DR. KRISHNAN: Yes.
8 Whereupon,
9 GOPALA KRISHNAN
10 was called as a witness and, having been first duly
11 sworn, was examined and testified as follows:
12 EXAMINATION
13 BY MS. ADKINS:
14 Q Great, and can you please state your full
15 name and swear your name for the record?
16 A Gopala Krishnan, G-o-p-a-l-a,
17 K-r-l-s-h-n-a-n.
18 Q Okay, and Mr. Krishnan, this is an
19 investigation by the United States Securities and
20 Exchange Commission in the matter of Nanban
21 Investments, LLC, Et Al, Investigation No. FW-04440.
22 This investigation is to determine whether there have
23 been violations of provisions of the federal
24 securities laws. However, the facts developed in the
25 investigation might constitute violations of other

Page 9

1 A Is that like a number of years or all the
2 questions for the last three years? So, the last
3 three years is just Gopala Krishnan.
4 Q Did you previously go by another name
5 outside of the last three years?
6 A When I was in India before I became a U.S.
7 citizen, it was Gopala Selvaraj.
8 Q Can you spell that for us please?
9 A First name is same, G-o-p-a-l-a. Last
10 name, S-e-l-v-a-r-a-j.
11 Q And Mr. Krishnan, where did you attend
12 school?
13 A I did, most of my schooling was in India
14 and then I did Master is Business Administration in
15 the State of Kansas, U.S.A.
16 Q Okay, what's the name of the school?
17 A Washburn University.
18 Q And do you hold any professional licenses?
19 A Only FINRA Series 65.
20 Q And do you hold any, are you registered,
21 have a registration?
22 A Not as, as exempted investment advisor the
23 Series 65, that's the only registration I have. I
24 have a CID number.
25 Q Okay, got it. And, Mr. Krishnan, who is

Page 10

1 your current employer?
2 A Nanban, N-a-n-b-a-n, Nanban.
3 Q And what is your position at Nanban?
4 A I am the Chairman and CEO of Nanban.
5 Q I want to go through some of the different
6 Nanban entities later, but when you saw Nanban, is
7 there a specific Nanban entity that you're referring
8 to?
9 A Yeah, Nanban Investments, Nanban
10 Enterprise.
11 Q And we'll go through sort of the entity
12 structure a little bit later. When did you start
13 your position at Nanban?
14 A February of 2020.
15 Q And what do you do at Nanban?
16 A So, I lead all the business segments and
17 also the fund manager.
18 Q Do you provide advice about securities?
19 A No.
20 Q Is there someone else at Nanban that does
21 that?
22 A No.
23 Q Do you provide advice about, for example,
24 the advantages of investing in security versus other
25 types of instruments?

Page 11

1 A No.
2 Q Or other investments?
3 A No.
4 Q And prior to working at Nanban, where were
5 you employed?
6 A I was with Hewlett Packard, HP, in a
7 technology executive role.
8 Q And what dates were you employed by HP?
9 A From 1997 until 2018.
10 Q Okay, and what was your position or job
11 responsibilities at HP?
12 A So, I started as entry level technology
13 engineer. Then I made by way as the senior
14 vice-president of HP and I was also on the board
15 before I retired in 2018.
16 Q And what, if anything, did you do
17 employment-wise from 2018 to the time that you came
18 to Nanban in 2020?
19 A I just carried on my mission of providing
20 top class financial knowledge, sharing my knowledge
21 with friends and family, and doing –
22 Q And how did you, I'm sorry.
23 A And also conducting a lot of charity work.
24 Q I didn't hear that last part. Conducting a
25 lot of what type of work?

Page 12

1 A Charity work projects.
2 Q And how did you go about carrying out,
3 during that time period, how did you go about
4 carrying out your mission with regards to friends and
5 family?
6 A So, from the year 2001 itself, I was really
7 fascinated by the financial world even though I was a
8 technology person. My background was in computer
9 science, engineering, statistics and mathematics. So
10 based on my own success and failure from '97 to 2001
11 I figured out a framework which is now known as GK
12 Strategies. My friends fondly named it that way.
13 So, that framework is what I was sharing
14 with my friends and family who wanted to learn
15 without any strings attached or without any financial
16 aspects of it. Because I believed in helping people
17 by teaching them how to fish instead of giving them
18 the fish. That's how this whole grass root movement
19 got started and now it has become quite big.
20 Q And you said that that was known as GK
21 Strategies, your framework, if you will, is that
22 right?
23 A Yes, that is correct.
24 Q And can you explain to me what that
25 framework is?

Page 37

1 A That is right.

2 Q Do you know on average how many people

3 attend those webinars?

4 A Nowadays it's about five to 6,000. That's

5 what I'm saying. It's become very popular; people

6 from India, Australia, UK, from many countries people

7 are attending now.

8 Q When Nanban Foundation was formed in 2000

9 and the webinars started, how many people were

10 attending, approximately how many people were

11 attending an individual webinar at that point?

12 A When we started it was about 100 people

13 maybe, and then as people started talking to others

14 when they learned the concept, a lot of people

15 implemented it in their own way, then as people got

16 the benefit they started talking to many people all

17 around the world.

18 So, that's how this grass root movement

19 called Nanban which means a true friend who always

20 helps others without expecting anything in return.

21 That's the definition of Nanban. It's a word from

22 south India where we all come from. So, our name

23 truly displays what we are meant to do in this world.

24 Q And so, you said the webinars are hosted by

25 Nanban Foundation. Are the materials that are

Page 38

1 presented at the webinar created by Nanban

2 Foundation?

3 A Yeah.

4 Q So, can you tell me how that works? If the

5 strategy was originally the concept, GK Strategies

6 was originally your concept, how did the other

7 people, how do people at Nanban Foundation generate

8 those documents?

9 A So, as I said, since 2001 I have taught my

10 concept to a lot of people. So, when they came to

11 know that there is a non-profit organization which is

12 teaching they came back and now they want to

13 contribute and take this grass root movement to a

14 different level.

15 So, they became volunteers. They're not

16 part of Nanban Foundation, they're volunteers, and

17 based on their own experience they have created the

18 material to explain the concept.

19 Q Okay, going back to Nanban Investment, when

20 was Nanban Investment established?

21 A February of 2020.

22 Q And what business, what is the business of

23 Nanban Investment?

24 A So, originally Nanban Investment, see, we

25 created the, as I was explaining GP entity and

Page 39

1 management entities. Originally Nanban Investment was

2 the entity that was the management for the first

3 fund, the June 2020 fund that we created. So, we

4 first created our own company; three partners came

5 together. They did an investment LLC.

6 Q And so, at that, and when was that?

7 A That was February of 2020.

8 Q And who were, and in February of 2020 when

9 Nanban Investment was first established, who were the

10 managers of Nanban Investment?

11 A The three partners; myself, Mani and

12 Shakthi.

13 Q And what was your role at that time in

14 February 2020? What was your role with Nanban

15 Investment?

16 A The CEO.

17 Q And what did you do as CEO of Nanban

18 Investment?

19 A Trying to figure out how to launch the

20 first fund. There was a lot of learning curve, we

21 had no idea about funds, we had to learn working with

22 our legal counsel our terminology, so it took us a

23 few months because we had a lot of friends and

24 families who were chomping at the bit to invest but

25 we were not ready.

Page 40

1 Q And when --

2 A Yeah, during that time, I also studied for

3 Series 65, to pass that exam.

4 Q And what prompted you to take the Series 65

5 exam?

6 A So, that we can collect management fee.

7 Q Is there anyone else, are any of the other

8 partners of Kanban Investments, do any of them hold a

9 Series 65?

10 A No.

11 Q And can you tell me when Nanban, so let me

12 make sure I understand, Nanban was initially the

13 manager on the first fund, the June 2020 Fund, is

14 that right?

15 A That is correct.

16 Q And is Nanban Investment still the manager

17 for that fund?

18 A Yes, I believe so. I have to double-check.

19 Again, entity related portion, I'm a little light on,

20 but we can get out verification. Jeremy and his

21 team, they are fully aware of it.

22 Q And is Nanban Investment a registered

23 investment advisor?

24 A Exempted advisor, ERA.

25 Q Okay, and do you have an understanding of

Page 49

1 know, us doing it or having money with other wealth
2 managers or financial advisors, why don't we do this?
3 Then it took us a few months to figure out how to do
4 it after that.

5 Q So, are you saying that the investors in
6 the 2020 June fund were all people you had helped in
7 the past?

8 A Helped in the past, and their friends and
9 my neighbors, who they were all talking to each
10 other. It's like --

11 Q Okay.

12 A Yeah, only help with the technology, not
13 the advice.

14 BY MS. ADKINS:

15 Q I'm sorry, can you repeat that? I didn't
16 hear that.

17 A What I'm saying is even in the past, I
18 never gave advice, financial advice to people. I
19 only taught the framework. It's the knowledge that I
20 believe in setting with people.

21 Q Okay, and so we're going to take a look at
22 this document that's on the screen which is the
23 private placement memoranda for June 2020 fund.

24 MS. BENNETT: Akita?

25 MS. ADKINS: Yes?

Page 50

1 MS. BENNETT: Would this be a good time to
2 take that break that they'd like before you get into
3 this document?

4 MS. ADKINS: Actually, yes, that's a great
5 idea.

6 MR. REECE: Thank you.

7 MS. ADKINS: We're going off the record at
8 3:27 p.m.

9 (Off the record.)

10 BY MS. ADKINS:

11 Q Before we discuss the current exhibit, I
12 want to go back to the entity structure and look at a
13 document labeled as Exhibit 6. This document is
14 Bates No. NANBAN_00391. Mr. Krishnan, are you
15 familiar with this document?

16 A This document, yes, we saw that --

17 Q I'm sorry, how are you familiar with this
18 document?

19 A This was in the packet that we received
20 from you.

21 Q I'm sorry, I don't understand.

22 A Jeremy, I think this is the one that you
23 share with us, right?

24 MR. GREEN: Yes, I think this is something
25 that we provided to the SEC that I created, Akita,

Page 51

1 based on the e-mail they sent me over as far as the
2 companies and, you know, the ownership and things
3 like that. So, that's what it is. I just put that
4 together in one document so that, you know, to make
5 it easier if you're kind of looking at both of it.

6 BY MS. ADKINS:

7 Q Okay, Mr. Krishnan, are you familiar with
8 the information contained on this document? And if
9 you need a second to review it, that's fine.

10 A No, I am familiar.

11 Q And so, it shows that, this document shows
12 you as 50 percent owner of Nanban Enterprises and
13 Nanban Investment, is that right?

14 A Yes.

15 Q And some of the other entities listed here
16 are the management entities for some of the private
17 funds that we discussed and the GP, the General
18 Partner of those funds, is that right?

19 A Yes.

20 Q Okay, and then the other entity that's
21 listed here is Nanban Foundation. Had you ever held
22 an ownership in Nanban Foundation?

23 A Not ownership interest, no. We created it
24 but when we launched Enterprise, we came out of it.

25 Q Okay, do you have a role at Nanban, with

Page 52

1 Nanban Foundation at any point?

2 A Not at all. No, that is not --

3 MR. GREEN: Akita, this is Jeremy. Can I
4 chime in for verification since I put this document
5 together? Is it okay?

6 MS. ADKINS: I'm sorry?

7 MR. GREEN: I say, can I chime in since I
8 put this document together on the clarification,
9 because I had set up with the ownership interest
10 percentages there?

11 MS. ADKINS: Okay, go ahead.

12 MR. GREEN: Yes, the Nanban Enterprises,
13 when it says 50 percent, that is, you know, that 50
14 percent doesn't apply across the board to all those
15 entities below it. Nanban Enterprise is 50 percent
16 ownership along with the other two partners, Nanban
17 Enterprise is 100 percent owner of Nanban Investment.
18 So, it's not a 50/50, so I just wanted to kind of
19 throw that out there as a clarification.

20 MS. ADKINS: Okay, thank you, I appreciate
21 the clarification.

22 BY MS. ADKINS:

23 Q So, Mr. Krishnan, with regard to Nanban
24 Foundation, I see references to level one versus
25 level two GK strategies. Are you familiar with those

Page 53

1 levels?

2 A Yes, I am.

3 Q And can you explain to me what those levels
4 represent and the differences between them?

5 A Yeah, level one focuses on when you have
6 the asset and you can compare cash flow. Level two
7 focuses on how to acquire the asset first and still
8 generate cash flow.

9 Q And how many levels are there?

10 A Yeah, those are the concepts as part of the
11 framework of GK strategies.

12 Q And how many levels are there?

13 A GK Strategies has five levels, all are
14 focused on enhancing the cash flow. So, level one,
15 level two is, those two things work together. And
16 level three, four, and five work together.

17 Q And what is level three?

18 A It's also same cash flow strategy at an
19 enhanced level. And level one, level two also
20 focuses on teaching market basics that many people
21 have no idea because it's part of the education, it's
22 all about basics of it, it increases, the level
23 increases with, as part of teaching to, for example,
24 options and then futures, those kinds of things. So,
25 the various level of complexity.

Page 54

1 Q And that education aspect with regard to
2 the market, that takes place in level one and level
3 two, is that right?

4 A The basics, market basics, asset basics,
5 options basics, yes.

6 Q And level one and level two teach the basis
7 of other markets as well, for example, the real
8 estate market?

9 A No, see the thing is, we, when we say
10 assets, we sometimes just use some examples. It
11 could be anything. We focus on as part as giving
12 examples various types of assets in the financial
13 markets. It could be gold, it could be silver, it
14 could be indexes, anything. Anybody can use any
15 asset that they want. Our focus is on markets. When
16 we use examples, it's not an advice, because we are
17 listing the trade, the concept using something.

18 Q When you say gold and silver, are you
19 referring between commodities markets?

20 A No, there are ETFs for gold also.

21 Q Okay, we're still talking about ETFs.
22 Okay, and then level three, level three is cash flow
23 strategies at an enhanced level so, is that right?

24 A Yes.

25 Q And what's level four?

Page 55

1 A Same thing. Level three, level four, level
2 five all work together to generate enhanced cash
3 flow.

4 Q How is level three different from level
5 four in the way that it, and how they enhance cash
6 flow?

7 A For example, we utilize different strike
8 prices or, and then different strike prices to wide
9 enhanced premium, so it's based on that.

10 Q I'm sorry, I didn't hear that last part.

11 Did you say enhanced premiums?

12 A Yes, that is the cash flow that comes from
13 derivatives.

14 Q And can you explain to me what you mean by
15 that, how the, how premiums relate to cash flow from
16 derivatives?

17 A For example, when, when we teach the basics
18 of options and derivatives we teach or share the
19 knowledge about when volatility is high in the
20 market, the premium, the cash flow that comes --

21 Q Oh, okay.

22 A -- like prices is different, so we just
23 tell people that, hey, don't be afraid when things
24 are highly volatile, it's actually better to generate
25 more cash flow.

Page 56

1 Q Okay, understood, thank you. And now we're
2 going to go back to Exhibit 8, please. Okay, so
3 we're looking at Exhibit 8 on the screen again, which
4 would be the PPM for the Nanban Investments 2022
5 Fund. And before we go into greater detail, I just
6 want to talk about how investors who are identified
7 for the other private fund offerings, so this is the
8 June offering, how are investors identified for the
9 September offering?

10 A So, we see for June, June got started
11 because we had about I think 40 to 50 people who were
12 very, very interested but there were, they had
13 friends and extended friends who all were interested
14 but they did not have the cash sitting to invest.
15 So, they all, even though they expressed interest, we
16 said hey, no, we want to launch June to get
17 experience, fund, the fund launch, all those things,
18 and three months later, because we have different
19 asset classes that we can apply a concept to, so
20 that's how the September fund was launched later on,
21 because we had quite a bit of people who were still
22 asking us.

23 Q Okay, and so, just so I understand, there
24 were people that were already interested or had
25 expressed some interest even before the June

Page 65

1 classes to invest in?

2 A That we use in our fund document, yes.

3 They, here it is market indexes, so we apply the cash
4 flow strategy concept in a different way, but it --

5 Q How do you apply it, how do you apply the
6 cash flow strategy by investing in an index fund?

7 A Okay, so here, index is your asset and we
8 have a proprietary way of determining which strike
9 price to sell our call option to generate cash.

10 Because there are some optimum strike prices where
11 market has for some reason given more premium than
12 the other, so that is, that comes with years of
13 experience that we use to do that.

14 Q I guess I'm just asking, what exactly is
15 the strategy by which you're able to determine the
16 appropriate strike price? How exactly do you
17 determine that?

18 A Okay, I look at what is the volatility,
19 implied volatility for certain strike prices. If it
20 is high and I think that is outside of the normal,
21 then we use that.

22 Q And just, I know, I think I know what
23 you're saying, but just so the record is clear, what
24 do you, how are you measuring volatility?

25 A There is, in the trading fund there is an

Page 66

1 indicator called VIX that gives you the value of that
2 volatility in the market and that value is used in
3 the Black and Scholey formula to calculate the
4 premium. So, that is over, over a long period of
5 time by looking at that, we have developed an edge to
6 utilize a particular VIX, which is available on
7 Chicago Board of Exchange, anybody can access.

8 Q How do you document internally the
9 application of your trading strategy on a given, for
10 a particular fund or a particular investment in a
11 fund?

12 A So, because it is our intellectual
13 property, we still have to protect it, so me and my
14 partners, we do it together. They know how to trade,
15 so we don't put it in writing.

16 Q Okay, do you have a meeting to discuss it?

17 A Yeah, oh, yeah, every day we have a
18 meeting.

19 Q How many people are at this meeting?

20 A Just three of us.

21 MR. REECE: Okay, sorry, Akita, thank you.

22 MS. ADKINS: No problem.

23 BY MS. ADKINS:

24 Q And looking at the sentence right after
25 that, it says "in the absence of such an investment

Page 67

1 vehicle, an investor may not ordinarily be able to

2 access the same investment and lending opportunities,"
3 do you see that there?

4 A Uh-huh, yeah.

5 Q What is the investment that's referred to
6 there?

7 A Market index and the, and the proprietary
8 strategy.

9 Q Okay.

10 A It's a combination. Your asset could be
11 anything and in this case for this fund, the asset is
12 the market index. In India, we apply our own
13 advanced proprietary strategy to generate cash flow.

14 BY MR. REECE:

15 Q And I'm sorry, I think I may have missed
16 this, but are you saying that in this fund, if you're
17 investing in indexes funds, index funds, are you also
18 saying that you buy and sell options related to those
19 funds or are you just investing in the fund, in the
20 index fund itself?

21 A Okay, so here, the, the exact asset is SBY,
22 which is the S&P 500 ETF, the S&P 500 market.

23 Q So, you invest, you take, the investor's
24 money comes in and they invest it, you invest it for
25 them in the S&P 500 index fund?

Page 68

1 A Correct, so that is our asset. Then, then
2 every week, we apply as I told you, depending on
3 implied volatility, we select a strike price to sell
4 a call to generate cash flow. And then we take a
5 certain percentage, again, that is our propriety IP,
6 to buy a protection, again using production on that
7 index. So, at any point, our risk is mitigated.

8 Q Okay.

9 BY MS. ADKINS:

10 Q And let me try and understand that. So,
11 you're hedging the risk associated with the
12 investment in the, of the ETF, the standard buy,
13 you're hedging them, is that right?

14 A Correct.

15 BY MR. REECE:

16 Q And so, just so I'm clear, if I look
17 through the brokerage records for the trading in this
18 fund, I will see purchases of call options, sells of
19 call options, purchases and sells of put options and
20 that sort of thing?

21 A Yeah, exactly.

22 Q Okay, and then that's how you, and that is
23 by the profits that you make through that, that gives
24 you cash generation for the investors?

25 A That is correct.

Page 81

1 Q And what is the profit sharing percentage,
2 how does that work?

3 A After they have made 15 percent, there is a
4 table, the next five percent is the catch-up that
5 comes to general partners and after that, it is 50/50
6 or 60/40, favorable to limited partners.

7 Q Okay, thank you.

8 A Yeah, we just have to confirm the exact
9 numbers. I'm just going by my memory.

10 Q So, that's fine. Yes, that's fine, thank
11 you. Do you recall participating in an interview
12 with Caleb Guilliams of Better Wealth?

13 A Yes,

14 Q Okay, and when was that interview?

15 A Maybe it was the end of last year or early
16 part of this year, I don't know exactly when.

17 Q Okay.

18 A Or maybe --

19 Q We're going to -- I'm sorry, go ahead.

20 A Yeah, maybe it was towards, I don't know
21 the exact date, somewhere, it's been a long time.

22 Q Okay, we're going to show on the screen a
23 video that has been marked as Exhibit 17. But I
24 would like, we're going to put the video on screen
25 without playing it, that's right for right now. I'd

Page 82

1 like to not have to play the video if we can avoid
2 it, just the technology issues, but let me start by
3 asking some questions about it and we'll see if we
4 need to play the video. And there's no Bates number
5 for this video right now.

6 (SEC Exhibit No. 17 was marked
7 for identification.)

8 MS. BENNETT: Yes, this might take me a
9 second, Akita, I'll put it up as soon as I --

10 BY MS. ADKINS:

11 Q You're familiar with the video, correct?

12 A Yes, yes.

13 Q And you recall participating in that
14 interview, correct?

15 A Yes.

16 Q Okay, do you know how someone that wanted
17 to watch the video, how they would access it?

18 A I think they would go to YouTube, maybe
19 Caleb Guilliams' podcast.

20 Q Okay.

21 A Yeah, it was a podcast and, I mean, he just
22 invited me as a guest speaker when he came to know
23 about how we were teaching this concept of GK
24 strategies. He invites a lot of guests.

25 Q Okay, and during the interview, what did

Page 83

1 you discuss during the interview?

2 A I think he was asking how we helped, what
3 is the strategies, I think he asked me about
4 different levels of GK strategies and, if I remember
5 correctly, there was an illustration of how cash flow
6 from, cash flow from the strategies, if people
7 utilized the strategies in general and then they,
8 let's say, invest in the life insurance policies that
9 he has, how it can field wealth on two different
10 tracks, things like that. It was a discussion about
11 cash flow, how, that's what I remember, he asked me
12 about GK strategies and how we are helping people.

13 Q Okay, so during the interview, you all
14 discussed among other things Nanban Enterprises and
15 Nanban Foundation and Nanban Investment, correct, is
16 that right?

17 A No, I don't remember discussing about, I
18 might have said that a foundation is non-profit and
19 if he had asked me about something else, I generally
20 don't answer much about it, the fund side.

21 Q Okay, do you recall at the beginning of the
22 interview Mr. Caleb Guilliams, the CEO of Better
23 Wealth, who was interviewing you, it looked like he's
24 referring to a piece of paper, do you recall that?

25 A A piece of paper?

Page 84

1 Q Yes, it looks like he's reading from a
2 piece of paper. Do you recall that?

3 A Oh, my bio, maybe my bio.

4 Q Okay, is that something that you provided
5 him?

6 A Yes, some portion about my background, yes.

7 Q Okay, and during the interview, in the
8 course of the interview, you state that you have over
9 \$950 million in your personal fund. Do you know what
10 fund that's specifically referring to?

11 A Okay, I think that is, that is related to,
12 you know, how I told you we had a lot of friends and
13 family who wanted to invest money, this was at that
14 time June or September timeframe there. We had huge
15 soft commitments coming into our fund, then we
16 realized that if we exceed \$150 million, we had to go
17 and do full registration, so we did not allow our
18 fund to exceed that number, even though we probably
19 had soft commitment of \$950 million and \$2.5 billion.
20 I mean, a lot of big investors were coming, but we
21 were not ready to take them.

22 Q Okay, so the statement in the video that
23 you have over \$950 million in your personal fund, the
24 term person fund there was referring to the fund
25 managed by Nanban Investment, is that right, the

Page 85

1 private funds?

2 A Yeah, the private, the private funds, yes.

3 Q But you're saying the statement, that
4 statement that the private funds had over \$950
5 million, it's not accurate?

6 MR. NEVERS: Ms. Adkins, I'm a little
7 uncomfortable with him talking about, and maybe we
8 need to play portions of the video just, you know,
9 based on his memory, what may have been said.

10 MS. ADKINS: That's fine, you can play the
11 video.

12 MR. NEVERS: I mean, I don't think we need
13 to play the whole thing, I'm just saying, I mean, you
14 know, you're asking about what he may or may not have
15 said, you know, a year ago, and pinning him down on,
16 you know, what you were saying, he said or what he
17 thinks he said --

18 THE WITNESS: Yeah, I mean --

19 MR. NEVERS: We know --

20 THE WITNESS: Yeah, right, we never managed
21 \$950 million, right? We never collected the fund.

22 BY MS. ADKINS:

23 Q I'm sorry, I didn't hear that last part.

24 A What I'm saying is, we never managed \$950
25 million fund.

Page 86

1 Q Okay.

2 A So --

3 MS. ADKINS: Do I have the ability to
4 control the video, Laura?

5 MS. BENNETT: I don't think so. You'd have
6 to, you'll have to share it.

7 MS. ADKINS: But you can control it?

8 MS. BENNETT: Yes.

9 MS. ADKINS: Okay, can we go to the two
10 minute and 15 second mark?

11 MS. BENNETT: Hold on one sec.

12 THE WITNESS: I'm not able to hear, Russ;
13 how about you?

14 MR. NEVERS: It's really choppy, I'm just
15 kind of getting bits and pieces. I think she's
16 trying to find the correct spot.

17 MS. BENNETT: Hi, can you all hear me?
18 We're having, I'm having problems displaying this
19 video.

20 THE WITNESS: I cannot hear anybody.

21 MS. ADKINS: I'm sorry, why don't we go off
22 the record for a bit, we're going off the record at
23 4:46 p.m.

24 (Off the record.)

25 BY MS. ADKINS:

Page 87

1 Q We're back on the record at 4:48 p.m.

2 So, Mr. Krishnan, during your interview
3 with Mr. Caleb Guilliams, one of the things you
4 described as the level three, four, and five
5 investment and you state that we consistently make
6 more than 100 percent at the level three, four, and
7 five. Do you know what you meant by that?

8 A Consistently depends on the, I think during
9 that time when there was this entry was very, very
10 high, so I was referring to that time period that we
11 are consistently generating not in the fund. I think
12 this discussion was more towards my personal side,
13 not for the, any private fund where we are raising
14 the money. So, I don't know how that came out, but
15 it was all related to my personal side that I'd been
16 doing for several years. So, if I referred to level
17 three, four, and five, that's what I meant, based on
18 that prevailing volatility condition back in March
19 and April of last year. I mean, our cash flow was 10
20 percent a month.

21 Q When you say cash flow was 10 percent a
22 month, can you explain that to me?

23 A Okay, so when the, the way that these
24 options work is when VIX, V-I-X is high, when there's
25 so much uncertainty in the market, it was COVID

Page 88

1 related uncertainty, market, even though market was
2 dropping, but the VIX went up to all-time high, I
3 think 80 or 90, and when the VIX is between 10 to 20
4 in value, you can generate cash flow, not profit,
5 cash flow, about two percent a month.

6 But if the VIX is very high, than you can
7 generate 10 to 20 percent a month cash flow. So,
8 that's what probably I was referring at that time,
9 because we probably came out of the high volatility
10 or still in high volatility condition but that
11 doesn't last all the time. The normal is that, that
12 would be the cash flow, but not 100 percent is,
13 definitely not all the time.

14 Q Are there other interviews that you
15 provided within the last year, I mean, since January
16 1, 2020, during which you discussed the private fund?

17 A Yeah, the other day when I got a call from
18 Mr. David and you, I thought you were referring to
19 DotCom Magazine interview on YouTube, that's when,
20 you know, I referred you to Jeremy, who's our legal
21 counsel. But that interview was released on news
22 wires on that day when you called me.

23 Q Okay.

24 A Yes, DotCom magazine.

25 Q Okay, that was pretty much my question.

Page 89

1 So, just to be clear, you're referring to an entity
2 by DotCom Magazine?

3 A Yes.

4 Q And what did you discuss during that
5 interview?

6 A I mean, somehow he came to know about the
7 concept and all the paper work that we are doing in
8 the charitable projects around the world, so he
9 wanted to highlight that, so he did ask me about
10 level one, level two concept, which, you know, one
11 year later, as a fund manager, I was very careful. I
12 said I don't want to discuss anything about the fund,
13 but level one, level two, I explained the same thing,
14 that you have an asset, you have cash flow and you
15 protect your asset. The whole concept, the
16 knowledge, that's what I focused on.

17 Q And again, level one, level two, those are
18 level, striving for those levels are disseminated by
19 Nanban Foundation, is that right?

20 A Correct.

21 Q Okay, are there any other interviews that
22 you've given since January 1, 2020, with regard to
23 the private funds?

24 A I've never given interview regarding the
25 Nanban Investment private funds, no.

Page 90

1 Q And any interviews where you discussed the
2 Nanban Investment private funds?

3 A No.

4 Q Have you given any interviews where you
5 discussed the investment strategy of the Nanban
6 private funds?

7 A No.

8 Q If there are media inquiries regarding the
9 Nanban private funds, who handles those?

10 A It comes to three of us, the vendor
11 partners.

12 Q Okay, and then who decides, and then what
13 happens after that in terms of responding to
14 requests?

15 A So far, when DotCom reached out to us, they
16 wanted to highlight all the great work we are doing
17 around the world, so we decided, yes, we will go and
18 discuss and so that our mission of -- class knowledge
19 continues to grow. Because we are a grass root
20 movement, we just want to share the knowledge. The
21 more and more people come to know about it, it is
22 better, so that they can manage their own belt on
23 their own, in their own brokerage account, using our
24 concept. This way, we are impacting the world in a
25 very positive way.

Page 91

1 BY MR. REECE:

2 Q I guess I'm confused. A quick follow-up on
3 that, because I'm trying to follow. Like, I thought
4 the whole point of investing in, for example, the
5 June, the 2020 June fund, was that you're able to
6 apply, you know, your complex trading strategy to
7 time the buying and selling of options to make, you
8 know, to give, to generate income. And that's why
9 they invested with you, so how would they ever know
10 that, you see what I'm saying?

11 A Sorry, I'm not able to understand your
12 question.

13 Q Okay, you said that your goal was to get
14 where other people can manage their own wealth and
15 their own portfolios and I was asking who would they
16 get there if the reason, you know, that you're able
17 to, you know, generate income for them is because of
18 your proprietary trading strategy?

19 A Okay, so see, the concept is the same.
20 They can generate some cash flow absolutely because
21 when you select this strike price or that strike
22 price, we don't teach all those things, we don't give
23 any advice, we just, it's a concept that we teach and
24 people go and do it themselves. Because not
25 everybody has minimum \$100,000, not everybody is

Page 92

1 qualified client. So, we, we want to share our
2 knowledge with the entire world, right?

3 So, people who reached out to us, they are
4 not the ones who are -- between us, first of all,
5 these are all very rich people nowadays. Initially,
6 it was friends and family, they just knew us and they
7 invested. Now, people are, it's word of mouth and
8 only through word of mouth and people get to know,
9 the other thing is, I'm sure you probably know, I
10 told earlier also that our demographics, people from
11 India, we have over 4.8 million people in U.S., and
12 many of them are aggregated investors or above.

13 So, they are talking to each other. This
14 is a community where everybody is talking to each
15 other and they're coming to know about us. So,
16 people who invest, we have our proprietary
17 methodology of applying strike price, that is a
18 proprietary. What that does is it enhances the cash
19 flow, but everybody can use this concept and generate
20 cash flow. That's the difference, enhance cash flow
21 versus cash flow all the time.

22 Q I'm sorry, so do you know what the payouts
23 have been, disbursements to investors in aggregate
24 have been on the June fund?

25 A Yeah, June fund, we, you mean what, what is

Page 97

1 without quarterly meetings, is that right?
 2 A That is correct.
 3 Q And the quarterly meeting, where is that?
 4 How are they held, are they held via webinar?
 5 A They are held via webinar.
 6 Q And are there, what's discussed during
 7 those quarterly meetings?
 8 A We explain what was the ending value of the
 9 previous quarter, how were strategies met, how much
 10 cash flow, what is the return. Because we are always
 11 market neutral, we only focus on cash flow, so there
 12 is no, any discussion about anything else. These are
 13 only current investors who are in that fund, they are
 14 only --
 15 Q Are those quarterly meetings recorded, are
 16 there any notes, official notes from those quarterly
 17 meetings?
 18 A No, we don't record, but the report is
 19 posted to the investor portal, so they see what we
 20 present.
 21 MS. ADKINS: Okay, I don't have any further
 22 questions for you today.
 23 Does anyone else have any questions that
 24 they'd like to ask at this time?
 25 MR. REECE: Akita, why don't we go off the

Page 98

1 record and then let's speak offline.
 2 MS. ADKINS: Okay, off the record at 5:07.
 3 (Off the record.)
 4 BY MS. ADKINS:
 5 Q We are back on the record at 5:16 p.m.
 6 Mr. Krishnan, with regard to the bank
 7 accounts of Nanban Investment and Nanban Enterprises,
 8 do you have, can you tell me the current amounts of
 9 funds on hand at this moment, approximately?
 10 A Do you mean in the bank accounts?
 11 Q In bank of which accounts?
 12 A Okay, in the June fund, we have about three
 13 point within bank and brokerage, this is all
 14 approximate because it was distributed to investors,
 15 \$3.8 million for June fund. September is around \$13
 16 million. Again, these are not exact numbers, we have
 17 to look it up, just going off of the top of my head.
 18 Then October fund is \$54 million, five-four, and
 19 perpetual is \$46 million.
 20 Q I'm sorry, can you say that again, for
 21 perpetual?
 22 A Four-six, 46.
 23 Q And how much have you or your partners
 24 personally withdrawn from any of those accounts, for
 25 the account from Nanban Investments or Enterprises?

Page 99

1 A Personally withdrawn, we have not withdrawn
 2 anything, it's all sitting in Nanban Investment.
 3 BY MR. REECE:
 4 Q So, you have not transferred money out to
 5 any other accounts that you are affiliated with?
 6 A No, not yet, not the June fund because it
 7 is still active, there are some investors who want to
 8 exit at the end of the year, we had to extend it by a
 9 few months.
 10 Q And what about the other funds?
 11 BY MS. ADKINS:
 12 Q Did you or your partners withdraw funds
 13 from like enterprises for the management fees or, how
 14 does that work?
 15 A Yeah, management fee that we collect at the
 16 beginning of the fund, yes, that goes to the
 17 enterprise and we use it for our own expenses for
 18 running the fund. That is different.
 19 Q And then do you personally also, and your
 20 partners, personally take funds out of that for, you
 21 know, salary or for operating the funds?
 22 A The, no, not the, not, it is not coming out
 23 of operational, we don't pay for our salary.
 24 Management fees separate, and when we get paid our GP
 25 carried interest, that will come to us.

Page 100

1 Q I think you might have broken up on my end
 2 in there, I'm sorry, can you repeat that?
 3 A No salary, it's only expenses related to
 4 the fund.
 5 Q All right.
 6 A We will get paid our GP interest when we
 7 close the June fund. Even though we know what we are
 8 going to make, we have calculated, it is in the bank
 9 account, but we would move with the final fund,
 10 closure.
 11 MS. ADKINS: Mr. Krishnan, thank you for
 12 taking the time to speak with us today. We really
 13 appreciate it and it's been immensely helpful.
 14 Obviously, we are still in the process of receiving
 15 documents and there's, given that it's highly likely
 16 that we will want to speak with you again, but we
 17 really appreciate your taking the time today and
 18 speaking with us.
 19 THE WITNESS: You're welcome, thank you.
 20 MS. ADKINS: Okay, we are off the record at
 21 5:20 p.m.
 22 (Whereupon, at 5:20 p.m., the examination
 23 was concluded.)
 24 * * * * *
 25

Page 101

PROOFREADER'S CERTIFICATE

1
2
3 In the Matter of: NANBAN INVESTMENTS, LLC, ET AL.
4 Witness: Gopala Krishnan
5 File Number: FW-04440-A
6 Date: Wednesday, December 15, 2021
7 Location: Fort Worth, Texas 76102
8

9 This is to certify that I, Donna S. Raya,
10 (the undersigned), do hereby certify that the
11 foregoing transcript is a complete, true and accurate
12 transcription of all matters contained on the
13 recorded proceedings of the investigative testimony.
14

15 _____
16 (Proofreader's Name) (Date)

Page 102

REPORTER'S CERTIFICATE

1
2
3 I, Andy Kreczko, reporter, hereby certify that
4 the foregoing transcript of 100 pages is a complete,
5 true and accurate transcript of the testimony
6 indicated, held on December 15, 2021, at Fort Worth,
7 Texas, in the matter of:
8 Nanban Investments, LLC, Et Al
9

10 I further certify that this proceeding was
11 recorded by me, and that the foregoing transcript has
12 been prepared under my direction.
13

14 Date: December 28, 2021
15

16 _____
17 OFFICIAL REPORTER
18 Diversified Reporting Services, Inc.
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PROOFREADER'S CERTIFICATE

In the Matter of: NANBAN INVESTMENTS, LLC, ET AL.
Witness: Gopala Krishnan
File Number: FW-04440-A
Date: Wednesday, December 15, 2021
Location: Fort Worth, Texas 76102

This is to certify that I, Donna S. Raya,
(the undersigned), do hereby certify that the
foregoing transcript is a complete, true and accurate
transcription of all matters contained on the
recorded proceedings of the investigative testimony.


(Proofreader's Name)


(Date)

REPORTER'S CERTIFICATE

1

2

3 I, Andy Kredo reporter, hereby certify that the

4 foregoing transcript of 100 pages is a complete, true

5 and accurate transcript of the testimony indicated, held

6 on 12.15.21 at Ft. Worth, TX in the matter of:

7 NANBAIN

8

9 I further certify that this proceeding was recorded by

10 me, and that the foregoing transcript has been prepared

11 under my direction.

12

13

14

Date: 12.15.21

15

Official Reporter: [Signature]

16

Diversified Reporting Services, Inc.

17

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EXHIBIT 44

Page 1

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. FW-04440-A
5 NANBAN INVESTMENTS, LLC)
6
7 WITNESS: **Gopala Krishnan**
8 PAGES: 1 through 239
9 PLACE: The Securities and Exchange Commission
10 Fort Worth Regional Office
11 Burnett Plaza
12 801 Cherry Street
13 Suite 1900
14 Fort Worth, Texas 76102
15 DATE: **Tuesday, May 30, 2023**
16
17 The above-entitled matter came on for hearing,
18 pursuant to notice, at 9:50 a.m.
19
20
21
22
23
24 Diversified Reporting Services, Inc.
25 (202)467-9200

Page 2

1 APPEARANCES:
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23 Also Present:
24 Laura Bennett -- SEC Accountant
25

Page 3

1 C O N T E N T S
2
3 WITNESS EXAMINATION
4 Gopala Krishnan 4
5
6
7 EXHIBITS DESCRIPTION IDENTIFIED
8 1 Form 1662 5
9 30 Nanban Informational Documents 63
10 to Investors
11 35 Private Placement Memorandum, 77
12 AAA Fund with Attached Documents
13 48 Presentation Documents for 129
14 Webinar
15 49 Assumed Name Certificate 136
16 50 Assumed Name Certificate 137
17 117 Subpoena 6
18 118 Questionnaire 8
19 119 E-Mail Correspondence 69
20 120 E-Mail Correspondence 75
21 121 "Know Your Customer" Form for 166
22 TD Ameritrade Account Ending 5232
23 122 "Know Your Customer" Form for 166
24 TD Ameritrade Account Ending 6387
25

Page 4

1 P R O C E E D I N G S
2 MR. BRAUN: We are on the record at 9:50 a.m.
3 on May 30th, 2023.
4 Would you please raise your right hand? Do
5 you swear to tell the truth, the whole truth, and nothing
6 but the truth?
7 THE WITNESS: Yes.
8 Whereupon,
9 GOPALA KRISHNAN
10 was called as a witness and, having been first duly sworn,
11 was examined and testified as follows:
12 EXAMINATION
13 BY MR. BRAUN:
14 Q Do you understand that you will remain under oath
15 throughout these proceedings today?
16 A Yes.
17 Q And you can put your hand down.
18 Would you please state and spell your full
19 name for the record.
20 A Gopala Krishnan. G-o-p-a-l-a, K-r-i-s-h-n-a-n.
21 Q And Mr. Krishnan, do you have a middle name?
22 A No.
23 Q Good morning, Mr. Krishnan. My name is Jason
24 Braun. Also attending this testimony are Accountant Laura
25 Bennett and Assistant Director Samantha Martin. We are

Page 29

1 A Correct.
 2 Q What about Nanban Ventures?
 3 A Now -- you have to add Nanban Ventures now.
 4 Q Okay. What else are we adding?
 5 A The other entities --
 6 Q Okay.
 7 A -- Centum, Himalayan.
 8 Q So GSM, Centum, Himalayan?
 9 A Hub.
 10 Q Hub? Okay.
 11 A I don't remember all the list, but, yeah, there
 12 are others, also.
 13 Q Okay. We've got -- we've got -- we've got about
 14 seven more hours, so take your time and let's -- I want to
 15 come up with as comprehensive a list as you can think of.
 16 What privately-held companies are you currently an owner
 17 indirectly or direc- -- indirectly or directly beneficial
 18 owner of? So we've got --
 19 A So Nanban Ventures.
 20 Q Yeah.
 21 A The first Capital Fund.
 22 Q Okay. Let me help you with that. Capital Fund,
 23 AAA Fund, Abundance Fund, Ganga Fund, Nile Fund?
 24 A Correct.
 25 Q All those. Okay. What else?

Page 30

1 A Hub.
 2 Q We've got the Hub.
 3 A Unicorn.
 4 Q Okay. Solid --
 5 A Intangible.
 6 Q Intangible and --
 7 A Solid.
 8 Q -- Solid. Okay.
 9 A That's all I can remember.
 10 Q If you think any of others today or during a
 11 break, come back and let us know. Okay?
 12 A Definitely.
 13 Q (BY MS. MARTIN) Before you go on, Mr. Krishnan,
 14 is there -- why did you leave off original companies from
 15 your list when you originally filled out your background
 16 questionnaire on December 8th, 2021?
 17 A My understanding was that this was related to
 18 Nanban Investments. Anything Nanban, I put it there at
 19 that time.
 20 Q And why didn't you list anything related to
 21 Nanban Ventures?
 22 A Maybe Nanban Ventures didn't exist at that time.
 23 Q Well, can you think? Because I want you to think
 24 whether Nanban Ventures did exist as of December 8th,
 25 2021?

Page 31

1 MR. NEVERS: I think that's in the documents
 2 we provided.
 3 A Yeah. I cannot remember.
 4 Q (BY MS. MARTIN) And if it did exist,
 5 Mr. Krishnan, why wouldn't you have -- would you have put
 6 it on there? If you knew that they existed at the time,
 7 would you have put them on your questionnaire?
 8 A Yes, yes.
 9 Q And what about -- what about GSM? When was GSM
 10 formed?
 11 A Maybe 2022, earlier or mid or --
 12 MR. NEVERS: Again, I think that you have
 13 that information. He doesn't have that in front of him.
 14 MS. MARTIN: Okay. Mr. Nevers, I'm going to
 15 remind you that in SEC investigative testimony, the only
 16 appropriate objections are for attorney/client privilege.
 17 I'm interested in his knowledge, so I will be asking
 18 questions about his knowledge. I'm sure that answers can
 19 be found elsewhere, but I'm just asking Mr. Krishnan what
 20 he remembers.
 21 Q (BY MS. MARTIN) So Mr. Krishnan, if you don't
 22 remember something, that's a perfectly fine response to a
 23 question.
 24 So going back to my original question: Was
 25 GSM formed as of December 8th, 2021?

Page 32

1 A I don't remember.
 2 Q If it had been formed, would you have included it
 3 on your background questionnaire?
 4 A Yes, if -- if I was aware of it. And I think my
 5 -- when -- if I remember, at that point, when I filled
 6 this one, I was only thinking about anything related to
 7 Nanban.
 8 Q When you came to testify on December 8th, 2021,
 9 were you trying to hide the fact that you had started the
 10 Nanban Ventures, LLC business?
 11 A No.
 12 MS. MARTIN: Okay.
 13 Q (BY MR. BRAUN) The ownership that you have in
 14 GSM, Centum, Himalayan, explain that ownership. You're
 15 not a -- are you a direct owner?
 16 A I am. Yes, I am the owner, direct owner.
 17 Q So you are one of the mem- -- you are one of the
 18 members of the LLC?
 19 A Yes.
 20 Q So there's no -- there's no -- there's no
 21 indirect interest. It's not that you own a company that
 22 is a member of GSM. It's that you actually, Gopala
 23 Krishnan, you are a member of GSM?
 24 A Well, I'm not sure about it. Because we have our
 25 own structure for companies that Sudha would know.

Page 33

1 Q Okay.
 2 A She handles all those things for me.
 3 Q And for the Hub LLC, are you a member of the Hub?
 4 A When you say, "You," you're asking individually?
 5 Q Yes. Gopala Krishnan.
 6 A I think that is Sudha again. I don't remember
 7 all those intricate details about company structure,
 8 because she has the entire chart of company, who owns
 9 what, all the intricacies.
 10 Q So you know you're an owner. You're just not
 11 sure exactly how that ownership structure --
 12 A Indirect or direct, I don't know.
 13 Q Okay. And the other -- the other two founders
 14 that you're typically associated with, Mr. Shanmugam and
 15 Mr. Gounder, they also were owners of all these entities.
 16 Is that correct?
 17 A Directly or indirectly, yes.
 18 Q Let's go on to page -- Bates ending 6 on the
 19 background questionnaire. Question No. 17 for securities
 20 accounts, you list four personal accounts with TD
 21 Ameritrade, one personal account with IR- --
 22 A IBKR.
 23 Q -- IBKR -- sorry -- and no foreign accounts.
 24 And then, under 18, for all other securities
 25 accounts which you had an indirect or direct beneficial

Page 34

1 interest, you say none other than -- I think it's other
 2 than the ones in 17 or above. Is that correct?
 3 A Correct.
 4 Q Okay. The personal accounts at TD Ameritrade
 5 that you're referring to, those are Gopala Krishnan
 6 accounts?
 7 A Gopala Krishnan, Hema Krishnan, and my IRA
 8 accounts.
 9 Q Okay. So an individual account in your name --
 10 A And my wife.
 11 Q -- and an individ- -- individual account in your
 12 wife's name?
 13 A Yes.
 14 Q And then you have two IRA accounts?
 15 A Correct.
 16 Q And then you said you had a -- one personal
 17 account at IBKR. That's a Gopala Krishnan account.
 18 Correct?
 19 A Correct.
 20 Q Okay. What other accounts do you have a
 21 beneficial interest in at TD Ameritrade right now?
 22 A No other accounts.
 23 Q What about the GSM Eternal accounts?
 24 A That's not personal. That's the entity.
 25 Q Yes. But you are -- you --

Page 35

1 A Yes.
 2 Q You are a beneficial owner. Correct?
 3 A Correct.
 4 Q Okay. So -- and those are how many accounts for
 5 GSM Eternal?
 6 A Two.
 7 Q Okay. Any other accounts that you have a
 8 beneficial interest of indirect or direct, either/or?
 9 So we've got the four personal accounts, two accounts over
 10 at GSM. What other accounts are we talking about?
 11 A No. That's all I remember, yeah.
 12 Q Centum have any accounts anywhere?
 13 A It goes to GSM.
 14 Q What do you mean it goes to GSM?
 15 A Centum is tied -- basically if we are trading
 16 Centum's money, that is GSM Eternal account. We only open
 17 so many brokerage accounts. So Centum, Himalayan, 1
 18 million from here and 1 million from here, 2 million goes
 19 to Eternal.
 20 Q Even if it's -- even if it's still -- we're going
 21 to get into the loans and stuff like that later. But what
 22 I'm hearing you tell me is that if Centum has a million
 23 dollars that they want to trade, they can give it to GSM
 24 Eternal --
 25 A Correct.

Page 36

1 Q -- and GSM Eternal will trade it and will then
 2 send the profits or the money back to Himalayan or Centum?
 3 A Correct.
 4 Q Even -- and you're not talking about loans.
 5 You're talking about it's just Centum or Himalayan's money
 6 and they want to trade it and they're using GSM to trade
 7 it. Is that correct?
 8 A No. But that -- there is a mechanism. There's a
 9 note that is written to give that money.
 10 Q Okay. So you are talking about the loans?
 11 A Yeah.
 12 Q Okay.
 13 A What I'm saying is, there's only two trading
 14 accounts where actual money making occurs.
 15 Q Okay. We'll get to that. I thought you were
 16 saying something else.
 17 Other than the GSM Eternal two accounts and
 18 the four personal accounts at TD Ameritrade and the one
 19 account at IBKR, any other accounts that you have a
 20 beneficial interest in indirectly or directly at all?
 21 A No. That's all I remember.
 22 Q Do any of venture capital funds -- Capital Fund
 23 I, AAA, Abundance, Ganga, or Nile -- do they have their
 24 own securities accounts anywhere?
 25 A No.

Page 57

1 10:52. Off the record.
 2 (Recess taken.)
 3 Q (BY MR. BRAUN) Let's go back on the record at
 4 11:03 a.m. Mr. Krishnan, we just took a brief break. Do
 5 you understand you're still under oath?
 6 A Yes.
 7 Q I want to backtrack and just talk a couple of
 8 big-picture things. So when the Foundation first was set
 9 up, the -- after the Foundation was set up, the decision
 10 was made to open up the original hedge fund. Right? This
 11 is the June Fund?
 12 A Correct.
 13 Q And from there, there were three more hedge funds
 14 opened up -- the June Fund, September Fund, October, and
 15 Perpetual?
 16 A Correct.
 17 Q And the first two funds, the June and September,
 18 they did fairly well. Is that fair?
 19 A Yes.
 20 Q What were -- give me the ballpark, the returns
 21 that they had for the investors.
 22 A First one, more than 30 percent.
 23 Q Okay.
 24 A Second one, more than 17 percent.
 25 Q Okay. And then, what about with the October and

Page 58

1 the Perpetual funds?
 2 A Both were in single-digit positive return.
 3 Q Single digit being what?
 4 A One was less than 5 percent. The other one was
 5 more than 5 percent.
 6 Q Did either of those funds ever have any quarterly
 7 negative returns?
 8 A Yes.
 9 Q Which one?
 10 A I don't remember.
 11 Q And why were those funds closed?
 12 A Because of the way we designed them quarterly,
 13 that is not enough for us to generate cash flow to make it
 14 positive.
 15 Q What do you mean by that?
 16 A The trading that we do, we use market indexes and
 17 sell derivatives to generate cash flow. So the asset
 18 which is our EDF can go up or down due to market
 19 fluctuation, because we never predict anything from
 20 happening because we don't know anything what's going to
 21 happen in the market. We only focus on generating cash
 22 flow by selling derivatives, and that comes with 100
 23 percent consistency. So every time we sell, money comes
 24 in. That adds up. So if you have more time than --
 25 because S&P 500 doesn't move like biotech stocks, it is

Page 59

1 very steady up and down due to macro conditions, the cash
 2 flow comes. And if we have more time, more volatility,
 3 more cash flow comes. Less time, less volatility, less
 4 cash flow comes. So maybe in one of those quarters, the
 5 asset went down, the cash flow was not enough. For
 6 example, asset went down by 6 percent but cash flow only
 7 filled up --
 8 Q Okay.
 9 A -- 5 percent. So we had a 1 percent negative.
 10 Q And so, with the September -- and I think we
 11 talked about this when we had the meeting here the other
 12 day. Do you remember that?
 13 A Yes.
 14 Q And one of the things you said was that the --
 15 there was a difference between the June and the September
 16 Fund and the October and the Perpetual. I think what you
 17 said was that the June and the September, they were paying
 18 annual returns, and then you switched it for the October
 19 and the Perpetual to quarterly returns --
 20 A Correct.
 21 Q -- to be paid?
 22 A Correct.
 23 Q Okay. And I think my recollection is that that
 24 is what you said was the problem that led to there being
 25 poor returns for October and Perpetual. Is that correct?

Page 60

1 A Correct.
 2 Q And any other reasons?
 3 A Market volatility was less, so we made less cash
 4 flow.
 5 Q Anything else?
 6 A That's all.
 7 Q And the -- what was the reason that you switched
 8 from an annual returns being paid to the quarterly being
 9 paid into -- for the October and the Perpetual funds?
 10 A For us, everything is driven by investor demand,
 11 because we launched our funds to help our friends and
 12 family. So the retirement fund -- I mean the October
 13 Fund, you will see that there were a lot of people who
 14 were aged 65 or more, so they were relying on more
 15 frequent cash flow. That's why we designed that quarterly
 16 so that they can enjoy cash flow every quarter.
 17 Q Okay. So I know you had made the comment that
 18 you think the SEC had something to do with your banks
 19 closing or something like that. But that's -- the SEC had
 20 nothing to do with the hedge funds doing poor or not doing
 21 well for October and the Perpetual. Correct?
 22 A Yeah, that is correct.
 23 Q Okay. Were there any -- were there any
 24 complaints about the Perpetual and the October funds from
 25 investors?

Page 61

1 A When we did the webinar, some people were not
 2 happy with the returns.
 3 Q The webinar for what?
 4 A For the Perpetual or October --
 5 Q Okay.
 6 A -- or even -- even the September Fund.
 7 Q So there were investors that were angry. Is that
 8 fair?
 9 A Not angry. They were just -- they had questions
 10 in the webinar. After webinar, there's a Q&A.
 11 Q Okay.
 12 A They had questions.
 13 Q (BY MS. MARTIN) Speaking of those webinars, I've
 14 seen references in e-mail communications that Nanban has
 15 produced, Mr. Krishnan, to sending recordings of those
 16 webinars to investors. So did -- did Nanban record those
 17 quarterly updates?
 18 A Only for probably a week or two.
 19 Q And what did you do with them after a week or
 20 two?
 21 A They -- they were deleted.
 22 Q And are you still doing quarterly updates for the
 23 Nanban Ventures funds?
 24 A Every six months.
 25 Q Every six months?

Page 62

1 And are you still recording those every --
 2 are you still recording those and sending them to
 3 investors that can't attend?
 4 A I don't know, but I'll check with our investor
 5 relations team.
 6 Q Sitting here today, you don't know whether those
 7 have been recorded?
 8 A Correct.
 9 Q And what about the ones that were recorded --
 10 were any hedge fund quarterly updates recorded after you
 11 received the SEC's first subpoena?
 12 A I don't -- I don't remember. I don't know. For
 13 sure, I don't know.
 14 Q Did you tell anyone to stop deleting recordings
 15 of investors after receiving the SEC's first subpoena?
 16 A No.
 17 Q Why not?
 18 A Why would we delete? That is our practice to not
 19 keep so many recordings in our storage.
 20 Q So after receiving the SEC's subpoena that asked
 21 for all commun- -- that asked for communications with
 22 investors, you did not direct anyone to stop deleting your
 23 updates which were communications between you and
 24 investors?
 25 A Correct.

Page 63

1 MS. MARTIN: Okay. Thanks.
 2 Q (BY MR. BRAUN) I mean, you said that there were
 3 investors that had questions about the returns?
 4 A Correct.
 5 Q But going back to my -- were investors upset with
 6 the returns for the Perpetual and October Fund?
 7 A Yeah. You can -- you can see in their voice,
 8 yes.
 9 Q Did any investors ask for their money back
 10 because they were unhappy?
 11 A That, I don't know. They have to send an e-mail,
 12 so it would be in our Howdy box.
 13 Q Is one of the reasons that the October and
 14 September funds were closed because of investor
 15 complaints -- sorry -- October and Perpetual accounts
 16 being close because of the investor complaints?
 17 A No.
 18 (Exhibit No. 30 identified.)
 19 Q (BY MR. BRAUN) Let me show you what's been
 20 previously marked as Exhibit 30. Do you recognize these
 21 documents?
 22 A Yes.
 23 Q And I know we went through this. But how do you
 24 recognize these documents? What are they?
 25 A These are the information that we put together as

Page 64

1 a statement for our reporting to our investors.
 2 Q Do investors in the venture capital -- you know,
 3 the AAA, the Capital Fund, Abundance, Ganga, Nile -- do
 4 they get statements like this?
 5 A They -- yes. In the webinar, there is a
 6 statement.
 7 Q No, not in the webinar. Do they receive paper
 8 copies of -- like this?
 9 A That, I don't know. I'll ask -- check with our
 10 IR team.
 11 Q Let me have you go to -- it looks like these are
 12 not Bates labeled. There they are. Never mind. They're
 13 on the top. The Bates labels are on the top. See it?
 14 A Yeah.
 15 Q Okay. Let's go to Bates label on Exhibit 30,
 16 Bates label ending in 2467, 2467.
 17 A Yeah.
 18 Q Okay. Now, you see this chart with "Nanban
 19 Enterprise" at the top, and then, underneath it, you've
 20 got the founda- -- Nanban Foundation, Nanban Capital,
 21 Nanban Realty, and Nanban Ventures. Do you see that?
 22 A Yes.
 23 Q Okay. Now, for purposes of kind of completing
 24 that for today, under Nanban Ventures, that's where you
 25 will find the Capital Fund, AAA Fund, Abundance Fund,

Page 69

1 recordings a week or two after?
 2 A It's automatically archived. Archived means
 3 deleted from the system.
 4 Q Does somebody have to push a button --
 5 A No.
 6 Q -- or does it just go through?
 7 A Our retrieval and the storage, probably there is
 8 a rule. I don't know for sure. There's a rule for it
 9 that anything older than this kind of too much large space
 10 is deleted.
 11 MS. MARTIN: Okay. Thank you.
 12 (Exhibit No. 119 identified.)
 13 Q (BY MR. BRAUN) I show you what's been marked as
 14 Exhibit 119. Kathryn Vecchione, she's one of the investor
 15 relations officers at Nanban Enterprise. Correct?
 16 A Correct.
 17 Q (BY MS. MARTIN) Does she still work there?
 18 A Yes.
 19 Q (BY MR. BRAUN) In this first e-mail on top,
 20 you'll -- you see she's speaking with a person by the name
 21 of Vaidya (phonetic). Do you see that? It looks like --
 22 the previous e-mail, it looks like the name is -- full
 23 name is Vaidya Subramanian (phonetic). Do you see that?
 24 A Yes.
 25 Q Do you know who Vaidya Subramanian is?

Page 70

1 A I don't know.
 2 Q Okay. And you'll see that in the e-mail,
 3 Ms. Vecchione is talking about the performance fund
 4 review, and she has a section on the hedge fund. Do you
 5 see that?
 6 A Yes.
 7 Q She says, "As a previous HF -- hedge fund --
 8 investor, we would like to communicate to you that while
 9 we were under an SEC review, we did not fully deploy
 10 Nanban's trading strategies to protect intellectual
 11 property. To minimize the impact to investors, we
 12 provided an early exit option, which the majority of
 13 existing investors choose. All investor capital was fully
 14 returned and a large number of hedge fund investors have
 15 since invested through Nanban Ventures."
 16 Do you see that?
 17 A Yes.
 18 Q What was the SEC review that was going on that
 19 caused Nanban to not be able to fully deploy their trading
 20 strategies to protect intellectual property?
 21 A I don't know.
 22 Q There wasn't any. Correct?
 23 A There is none.
 24 Q (BY MS. MARTIN) Did you provide Ms. Vecchione
 25 with that information?

Page 71

1 A Not with that information, but we told our staff
 2 that we are under active investigation, yes.
 3 Q (BY MR. BRAUN) But the SEC -- anything having to
 4 do with the SEC, that wasn't why the October and the
 5 Perpetual Fund had problems?
 6 A That is correct.
 7 Q So why is Ms. Vecchione telling this investor
 8 that while there was an SEC review going on, it interfered
 9 with Nanban's ability to fully deploy their tra -- excuse
 10 me -- their trading strategies?
 11 A See, I cannot speculate. The only thing is, we
 12 -- no, just to SEC investigation is going on, that's all
 13 probably we said. And I don't know who was testifying at
 14 that time. Maybe it was stress or whatever it is.
 15 Q So this is false. Correct?
 16 A It didn't impact the trading strategy.
 17 Q (BY MS. MARTIN) Mr. Krishnan, is it your
 18 understanding that Ms. Vecchione wrote this statement
 19 under No. 1 hedge fund, or did she copy and paste it from
 20 somewhere else?
 21 A I don't know.
 22 Q Did you personally, in an investor update, tell
 23 investors that the October -- that the September -- that
 24 the October and Perpetual funds underperformed because you
 25 were unable to deploy Nanban trading strategies to protect

Page 72

1 intellectual property?
 2 A Again, I said we are -- we share with our
 3 investors that we are under review. Yeah, that's all.
 4 Q Okay. So the record is clean, you never, in an
 5 investor update, told the investors that the October and
 6 Perpetual funds underperformed because you were unable to
 7 fully deploy Nanban's trading strategies to protect
 8 intellectual property?
 9 A Correct.
 10 Q And did you ever make such a statement one-on-one
 11 to an investor?
 12 A No.
 13 Q Did you ever hear any of your oth- -- any of the
 14 other founders make such a statement to investors?
 15 A I have not heard.
 16 Q Did you ever hear one of your investor relations
 17 people make such a statement to investors?
 18 A Verbally? No, I have not heard.
 19 Q What about in writing? Do you or any of the
 20 other founders review communications with investors before
 21 they're sent?
 22 A No.
 23 Q So you have no way of knowing what your investor
 24 relations team is communicating to investors?
 25 A No way of knowing what they're communicating?

Page 77

1 Q Were there any regulatory restrictions that were
2 restricting GK Strategies from being applied to the
3 October IRA fund?

4 A Other than what I have said, that it is just our
5 ability to focus on that.

6 Q Were investors told that the October -- well,
7 back that up.

8 Were investors told that the poor returns in
9 the October or the Perpetual Fund were due to this issue
10 of the quarterly versus annual returns?

11 A Yes.

12 Q And what were they told about those poor returns?

13 A We explained that we made a mistake of launching
14 a quarterly distribution fund. Because of the volatility
15 and the way the strategy works, the longer duration is
16 better, so we are going to close these funds.

17 Q And this recording that's referred to below, the
18 one Wednesday, October 10th, 2021, do you see that?

19 A Yes.

20 Q It says, "Please find the recording below"?

21 A Yes.

22 Q That recording is now gone. Correct? That's
23 your testimony?

24 A I believe so.

25 (Exhibit No. 35 identified.)

Page 78

1 Q (BY MR. BRAUN) We'll start with Exhibit 35 and
2 then we'll probably take a lunch break, I think, would be
3 -- make sense after we get done with all of this.

4 Mr. Krishnan, I'm showing you what's
5 previously been marked as Exhibit 35. Go ahead and look
6 through this document. Again, this has been already
7 admitted. But do you recognize -- do you recognize these
8 documents?

9 A Yes.

10 Q This is the -- these are -- this is the -- the
11 top of -- the top of the Exhibit 35, that's the -- that's
12 the private placement memorandum for AAA Fund. Correct?

13 A Correct.

14 Q Now, each of the -- each of the venture capital
15 funds -- and, again, we're talking about Capital Fund I,
16 AAA Fund, Abundance, Ganga, and Nile. All five of them
17 have the same general purpose -- correct? -- in terms of
18 the type of investments they're going to make, the type
19 of -- you know, basically the purpose of the fund. Is
20 that correct?

21 A Correct, yeah.

22 Q And the reason that there's five different funds
23 isn't because they're all doing different types of
24 investments. It's because there was the need to -- I
25 think your previous statement was to comply with SEC rules

Page 79

1 about how many investors can be in a fund. Correct?

2 A Correct.

3 Q And can you explain that, please?

4 A So we were working from the very beginning, we
5 made sure since we never had any fund management
6 experience, we made sure we had the right legal team to
7 guide us based on our requirements that we had from our
8 friends, family, and their network. And we also wanted to
9 be very private. That means we did a 3(c)(1), 506(b) to
10 have exemptions from some rules. And for 506(b) -- no --
11 3(c)(1) fund, we are only allowed to take 99 accredited
12 investors.

13 Q And what was the reason for wanting to be, I
14 think you said, more private?

15 A Private means we didn't want to advertise on
16 Facebook, Twitter to our investors because this was for
17 our friends and family and their friends and family. So
18 that's why when you -- 506(b) also allows us to have
19 self-accredited investors versus asking them for all kinds
20 of personal information.

21 Q So that -- so you don't have to go through the
22 typical extreme due diligence, for example. You can just
23 -- you're allowed to rely upon their representation about
24 being an accredited investor. Is that your statement?

25 A Correct.

Page 80

1 Q Okay.

2 A 506(c), we have to go through. So we want to
3 keep our expenses down.

4 Q Okay. And you talk about friends and family. I
5 mean, what -- tell us how do you get the investors? I
6 mean, you've been -- I think it would be a fair statement
7 that you've been exceptionally successful in bringing in
8 investors and raising capital for your funds, whether it's
9 the hedge funds or the venture capital funds. Would you
10 agree with that?

11 A I am going to reframe that thing --

12 Q Okay.

13 A -- because we never wanted to raise funds. We
14 never had a goal. This was opened as a mechanism for our
15 friends and family to make consistent income. That was
16 the whole idea.

17 Where we live in Frisco, Texas, it's a gated
18 community with 1,800 houses. Ninety-eight percent are
19 from India in that community --

20 Q Uh-huh.

21 A -- and I would say 90 percent of them are high
22 net worth individuals. So when they came to know and we
23 launched our first fund, June Fund, to help few friends
24 and family, more and more people came to know as they
25 started talking to each other. I -- I remember Ganesh.

Page 81

1 He's from the same community.

2 So when first fund we closed subscriptions,
3 because then more and more people started asking us. And
4 since we were 506(b), we said don't call us. If you want,
5 send an e-mail to Howdy. Otherwise, no action will be
6 taken. So every investor how are they came to know about
7 us, they have to send an e-mail to Howdy@(inaudible)
8 HedgeFund. Now it is Howdy@Ventures com. At that time,
9 it was Investments.com.

10 So they had to send an e-mail saying they are
11 reaching out to us, so that took care of the solicitation
12 issue that we had. So then, like that, more and more
13 friends and family came to know and we -- in order to keep
14 track with the demand, we had to launch more funds.

15 Q And there are investors also that come through
16 way of the Nanban Foundation. Correct? They go to the
17 webinar training. They learn about GK Strategies.
18 They're only taught 1 and 2. They're told that level 3,
19 4, and 5, you have to -- that has to be something you go
20 through a fund. You can't -- you can't get taught that
21 kind of a thing. And that if they want questions or they
22 would be interested in something like that, they have to
23 reach out to one of the Howdy e-mails. Correct?

24 A If questions came during the webinar, they were
25 answered in that way that we will not take those questions

Page 82

1 here.

2 Q All right.

3 A This is -- this is not for that. If you have any
4 questions, you reach out to Howdy.

5 Q And the Howdy Foundation -- the foundation
6 itself, it has -- it has been successful in also steering
7 investors over to the various funds, has it not?

8 A No.

9 Q No?

10 A They -- I mean, that is not the statement. If
11 questions were asked, we give them a direction where they
12 can get the answer.

13 Q Okay. So I had a chance to look at some various
14 interviews and things that you've done before, and I want
15 to read to you. This is -- this was an interview that you
16 did with DotCom Magazine back on November 5th of 2021. Do
17 you remember doing that interview?

18 A Yes.

19 Q And you said, "We donate quite a bit of our
20 profits to our foundation, and in that in a way, we didn't
21 realize, but this goodwill gesture is bringing so many
22 big, big investors to us. Because from their perspective,
23 they are thinking investing in Nanban. Not only are they
24 getting double-digit, positive returns with principal
25 protection, which you know for high net worth, that is

Page 83

1 music to their ears, and that at the same time they get
2 the satisfaction that the company is donating quite a bit
3 of their profits to foundation to do charitable work which
4 gives double satisfaction to people. You know they get
5 this feeling of some fulfillment in their life. But even
6 though they are not boots on the ground, but their money
7 invariably is going and doing a lot of charity work. So
8 that has been the reason for -- I believe that is the
9 reason for our growth, that we have thousands of people on
10 our waiting list to get into our funds, because we have
11 hedge fund, we have real estate fund, and then we have
12 venture capital fund. So we have different offerings for
13 different kinds of high net worth individuals due to their
14 suitability requirements."

15 A Uh-huh.

16 Q Do you think that the -- that the foundation and
17 its relationship with the Nanban Ventures, Nanban
18 Investments, that that is a driver of investors wanting to
19 be a part of the Nanban Ventures and Nanban Investments
20 funds?

21 A From sentiment perspective, probably they get
22 these satisfactions. I mean, this is what people have
23 told me.

24 Q What have they told you?

25 A That, you know, we love what Nanban is, what

Page 84

1 Nanbanism is, your desire to help people unconditionally.
2 We have several programs going on in the Nanban
3 Foundation, 35 mega projects going on. And so, Nanban
4 Foundation never seeks donations. They don't go and ask
5 for donation because a lot of charitable organizations
6 fail because they rely on donations. We wanted to help
7 people unconditionally by way of funding it. When we came
8 out of Nanban Foundation, we still wanted their
9 philanthropic work to continue. So from our GP profits --
10 not from fund profits -- from GP profits, we owners, we do
11 donate to Nanban Foundation. We are now platinum donors.
12 We are known as platinum donors for Nanban Foundation so
13 that they can carry out their philanthropic activities.
14 And this really helps some people. You know, they feel
15 good about it.

16 Q (BY MS. MARTIN) Mr. Krishnan, when was the --
17 when did you first start raising money for the June Fund?

18 A Around that May-June time frame.

19 Q Around May-June 2020.

20 And with did you first Nanban Foundation?

21 A In October of 2019.

22 Q Thanks.

23 A In that last quarter. I'm not sure.

24 Q (BY MR. BRAUN) Now, looking at Exhibit 35,
25 talking -- let's look at the AAA Fund. When I say, "PPM,"

Page 85

1 can we agree I'm talking about private placement
 2 memorandum?
 3 A Yes.
 4 Q Okay. Let's look at the PPM. So at the bottom
 5 of the first page of the AAA Fund PPM, you'll see it says,
 6 "For information, contact Nanban Ventures AAA GP, LLC."
 7 Do you see that?
 8 A Yes.
 9 Q And in each of the -- each of the five venture
 10 capital funds, there's a G- -- they have the same
 11 structure. Correct?
 12 A Correct.
 13 Q Walk through that structure.
 14 A So every fund -- again, the expert is Sudha, but
 15 I'm going to tell --
 16 Q Uh-huh, sure.
 17 A -- from my recollection, and also Jeremy from a
 18 legal counsel. We have team for everything.
 19 Q Okay.
 20 A So every fund has a fund LLC, a general partner
 21 LLC, and a management LLC -- three LLCs.
 22 Q And what does the GP entity do? What's its role?
 23 A It is -- the whole structure, as far as I
 24 remember, is for protecting ourselves, liabilities and
 25 assets and all those things. These are all limited

Page 86

1 liability company. So the operational fee that is
 2 collected goes to one entity so that it is protected from
 3 lawsuits. And then you have GP entity, which is the
 4 performance fee. Once we make money for investors, we
 5 have either 60-40 rule or 70-30 rule depending on which
 6 PPM it is. So first 70 percent of the return goes to
 7 investors. Thirty percent of the return goes to GP, so
 8 that money goes into that entity.
 9 Q So the operational expenses, that's handled and
 10 taken in by the management entity, the manager. Correct?
 11 A Correct.
 12 Q And the performance fee, the money that the
 13 founders, ventures, whatever you want to call it, the
 14 money -- the performance fee they --
 15 A Correct.
 16 Q -- they earn, that goes through the GP entity?
 17 A Correct.
 18 Q And we've talked about three entities so far.
 19 We've talked about the actual fund itself?
 20 A Uh-huh.
 21 Q Right?
 22 A Yes.
 23 Q We've talked about the GP entity?
 24 A Yes.
 25 Q And we've talked about the manager entity?

Page 87

1 A Yes.
 2 Q There's also -- there's also an investment
 3 committee that sort of oversees and decides what type of
 4 investments are going to be done. Correct?
 5 A Correct.
 6 Q Explain to me a little bit about that investor
 7 committee, who is on it, how it works, what entity it
 8 works for. You know, just walk us through that.
 9 A The investment committee is for the entire Nanban
 10 Ventures. It's not for the individual fund. Mr. Ramesh,
 11 myself, Mr. Shanmugam, and Mr. Gounder are in the
 12 investment committee.
 13 Q And it's called "the investment committee"?
 14 A Yes.
 15 Q Is it called "the Nanban Ventures investment
 16 committee" or just "the investment committee"?
 17 A We use "investment committee."
 18 Q Is there a formal charter or some type of formal
 19 document that spells out the particulars about this
 20 investment committee, what it does, who its members are,
 21 what procedures it follows?
 22 A No, I -- I don't think so.
 23 Q This is just something that you -- that you and
 24 Mr. Ramesh and Mr. Shanmugam and Mr. Gounder, you just --
 25 this is something that you do and you've -- you've

Page 88

1 referred to this process that you use and you call it "the
 2 investment committee." Fair?
 3 A Correct.
 4 Q Okay. Go ahead.
 5 A And we have our rules in that committee where I
 6 focus more on cash flow generation, Mr. Shanmugam focuses
 7 on real estate, land, real estate, and Mr. Ramesh, he has
 8 his own Unicorn-related stuff. And then, Mr. Gounder is
 9 all over the place, because he's our chief investment
 10 officer, so he -- he works with all three of us.
 11 Q And can that also be maybe more sort of
 12 summarized as that you handle or oversee GK Strategies or
 13 investment trading, like for TD Ameritrade, that kind of
 14 stuff?
 15 A Yes.
 16 Q And --
 17 A And bond trading.
 18 Q And bond trading? You handle the trading side of
 19 things?
 20 A Correct.
 21 Q Okay. And the -- and Mr. Shanmugam handles real
 22 estate investing?
 23 A Correct.
 24 Q The due diligence, the decisions on whether or
 25 not this is a good piece of property to buy or not, that's

Page 93

1 A That is correct, yeah.
 2 Q Okay. So we're talking -- and so, go ahead. I'm
 3 sorry.
 4 A So that's why I'm not that familiar with the
 5 structure. So, yes, most of the deals are on the start-up
 6 side. Hundreds and hundreds of deals come that this team
 7 looks at it. Whenever they're ready to talk to the other
 8 three partners, a meeting is scheduled --
 9 Q Okay.
 10 A -- or a phone call or an e-mail. In multiple
 11 ways we communicate, but that's how things happen.
 12 Q Are there any investment committee meetings to go
 13 over the securities trading -- the bonds and the GK
 14 Strategies, the options? Are there any investment
 15 committee meetings for that, where you -- where that
 16 information is shared and explained and discussed and
 17 people have an opportunity to make suggestions on what
 18 kind of trading is done or how it's done? Has that ever
 19 happened?
 20 A Yes. Krishnan, Mr. Gounder, and Shanmugam, we
 21 sometimes meet, but it's not all the time because it's
 22 very, very straightforward what we do, the strategies are
 23 applied.
 24 Q How often do you meet to talk about the
 25 securities trading side of things?

Page 94

1 A Since we are all in the same office, it can be
 2 just walk over to Mr. Shanmugam. It could happen maybe
 3 once a week, three times a month, things like that.
 4 Q Are there any -- are there ever any actual
 5 official meetings that are scheduled and everybody has to
 6 show up?
 7 A No. On the start-up side sometimes, yes.
 8 Q And what's the pro- --
 9 So with the investment committee, when --
 10 let's focus on the securities side of things, the bond
 11 trading and the GK Strategies trading, the options trading
 12 stuff. Do you have to get approval for how you're
 13 allocating those type of trades or do you just do it?
 14 A It's not all four have to approve. As long as
 15 three of us or two of us, we do it. We trust each other's
 16 ability. There's no consensus needed.
 17 Q And who has the ability to do the trading at
 18 the -- well, let me back up.
 19 So let's talk about how the money from the
 20 investors, the money in the venture capital funds, those
 21 five funds, how that ultimately gets deployed into the GK
 22 Strategies. Okay? Are you with me?
 23 A Yes.
 24 Q So the five venture capital funds, they don't
 25 have their own individual trading accounts. Correct?

Page 95

1 A Correct.
 2 Q Their money is sent to the Hub first. Correct?
 3 A Correct.
 4 Q And from the Hub, the money goes from the Hub to
 5 either Unicorn, Intangible, or Solid. Right?
 6 A Correct.
 7 Q And then, if -- for the GK Strategies, the
 8 securities trading stuff that happens with GK Strategies,
 9 that comes from Intangibles. Correct?
 10 A Intangibles.
 11 Q Intangibles gives money to either Centum, GSM
 12 Eternal, or Himalayan. Correct?
 13 A Correct.
 14 Q And the money that goes from Intangibles to one
 15 of those entities, that is -- that money is loaned. Is
 16 that correct?
 17 A Correct. So, again, Sudha is the expert on our
 18 team, legal team. But after those three -- Intangibles,
 19 Unicorn, and Solid -- they are in the ecosystem of
 20 ventures. After that, it is not Nanba- -- it's not
 21 ventures entities. Those are all, as you said,
 22 beneficial -- beneficial interests that I have,
 23 Mr. Gounder has, Mr. Shanmugam has. Those are all
 24 separate. Because, again, we want to protect our IP. So
 25 this Intangible -- yeah, and GK Strategy -- Intangible

Page 96

1 loans the money to the other entity so that our IP can be
 2 applied.
 3 Q Okay.
 4 A So it's not part of the Nanban Ventures
 5 ecosystem.
 6 Q I thought from when we've met -- when we met
 7 previously here at our offices and this was in
 8 testimony -- remember we had the meeting --
 9 A Yes.
 10 Q -- with you and Mr. Shanmugam and Mr. Gounder and
 11 Sudha was here and your counsel was here.
 12 A Yeah.
 13 Q Do you remember that?
 14 A Yes.
 15 Q My recollection of that was that levels 1, 2,
 16 and -- levels 1 and 2 of GK Strategies, there was no
 17 difference between 1 and 2 and 3, 4, and 5. It was just a
 18 matter of how much money you needed to be able to deploy
 19 3, 4, and 5. But you couldn't actually do 3, 4, and 5
 20 unless you had enough money pulled together. Correct?
 21 A Correct.
 22 Q And levels 1 and 2 were taught to --
 23 A Everybody.
 24 Q Everybody?
 25 So what IP is there to protect about 3, 4,

Page 97

1 and 5?

2 A Oh, first of all, the input to the strategy has

3 to be millions of dollars, so that's the first thing. The

4 capital that is needed.

5 Q Sure.

6 A The second is the duration of the contracts, how

7 many contracts, which date. All those things is the IP

8 knowledge. That cannot be just taught. We cannot give it

9 away. It's worth billions of dollars now.

10 Q (BY MS. MARTIN) And since it's worth billions of

11 dollars in your estimation, have you protected that IP in

12 any way?

13 A Yes. GK Strategies, we have a trademark on it

14 from U.S. -- I don't know what office is that.

15 Q Have you filed a patent?

16 A No. Patent means everybody would know.

17 Q And to be clear, when you deploy GK Strategies 3,

18 4, and 5, are you using an algorithm?

19 A No.

20 Q Are you using a computer program?

21 A No.

22 Q Are you using any AI technology?

23 A No.

24 Q So when you say that it's proprietary, worth

25 billions of dollars, you keep that all in your head?

Page 98

1 A Mr. Shanmugam, Mr. Gounder, and myself. Because

2 once it is returned down, it's known, it's known. And

3 from me, it will go to my family, it will go to our family

4 trust, so that's how things will happen.

5 Q (BY MR. BRAUN) Well, what will go to the family

6 trust?

7 A This IP knowledge. At some point, I'm going to

8 write it down for my kids so that it is owned by the

9 family trust.

10 Q And you said it's trademarked. What do you mean

11 by "trademarked"?

12 A That nobody can use the word "GK Strategies."

13 Q Okay. So the word GK -- the term "GK Strategies"

14 is trademarked? That's it?

15 A That's it.

16 Q Okay. Anything else that has been done to

17 protect the IP besides trademarking the term "GK

18 Strategies"?

19 A It's never recorded, never told to anybody else,

20 never written.

21 Q Okay.

22 A That's how we protect.

23 Q Sure. But nothing else? This isn't -- there's

24 nothing that's been done besides, I mean, the official

25 protection. Is that correct?

Page 99

1 A Correct.

2 Q Okay. The only thing that's been done is that

3 you've trademarked the term "GK Strategies." That's it?

4 A Correct.

5 Q And I just want to make sure that we -- my

6 apologies for asking multiple times, but I just want to

7 make sure I'm clear. When you say, "Protect the IP," the

8 only official step you've taken to protect this IP is to

9 trademark the term "GK Strategies." That's it?

10 A That is correct so far.

11 Q There's been no patent filed?

12 A No patent filed.

13 Q No copyright done?

14 A Correct.

15 Q And this -- this intellectual --

16 A Copyright on the strategies we have not done, but

17 copyright on the name we have done.

18 Q Is it a copyright or a trademark --

19 A Oh --

20 Q -- or are you using those interchangeably?

21 A Sorry. We use interchangeably.

22 Q Okay. All you're saying is that the term "GK

23 Strategies," that's -- is that the actual term that's been

24 protected?

25 A Correct.

Page 100

1 Q Not GK Strategies --

2 A No steps, nothing.

3 Q Right. But I mean, it's -- it's -- is it "GK

4 Strategies System"? Is it "GK Strategies Deployment,"

5 "Process"? Is it just "GK Strategies"?

6 A Just "GK Strategies."

7 Q And something was filed? Actually like a legal

8 document was filed to protect that?

9 A Correct.

10 Q Okay. And this -- and I'm sorry. You said how

11 much was -- do you estimate -- your estimate, how much is

12 GK Strategies, this process, this IP that you use, how

13 much is it worth?

14 A The last time I talked to an investment bank,

15 it's more than 5 billion.

16 Q More than 5 billion?

17 Okay. What investment bank did you talk to?

18 A It's from Swiss --

19 Q Swiss --

20 A -- Switzerland, Swiss Bank.

21 Q Swiss Bank? That's -- Swiss Bank investment

22 bankers?

23 A Correct.

24 Q Okay. Who was the contact at Swiss Bank that you

25 spoke with?

Page 105

1 to your account. Some tenant paid you. But during that
 2 one month, if the value of the apartment complex went down
 3 from 40,000 to 38,000, now the way I look at things and
 4 the way we share the information is, you still own the
 5 apartment. I don't care what has happened in the market,
 6 because you are not here to sell it tomorrow. This
 7 apartment complex is going to be with you for years.
 8 Focus on what it has already generated from the cash flow.
 9 Are you not making 2 percent on 40,000 means \$800. Take
 10 that \$800. Move it to a bank account. Next month, this
 11 is done. Do it again. Take another 2 percent average,
 12 I'm saying, move another maybe \$760 this time to bank
 13 account.

14 So what is happening is, the value of the
 15 asset from 40,000, it may go to 35, may go to 38, may go
 16 to 44. This is fluctuating like a pump. Whereas here,
 17 this bank account is always going up because you're
 18 putting money every time. So what happens is, let's say
 19 at given point of time you want to know how much did I
 20 make. What you need to do is add this value plus this
 21 value. If it is more than 40,000, you made profit. But
 22 if it is not and asset value is at 35,000 but your account
 23 is at 39,000, you made \$4,000 in cash flow. This is the
 24 difference, because you still own the property.

25 Q Now, if you look at the Bates label ending in

Page 106

1 2686, 2686, under the management team, there's a short bio
 2 for you. Do you see that?

3 A Yes.

4 Q And it says that "GK has been --"

5 "GK" is referring to you. Correct?

6 A Correct.

7 Q "GK has been very successful in developing
 8 investment strategies to generate consistent above-market
 9 returns from the U.S. financial market; that GK has been
 10 using GK Strategies to generate consistent returns from
 11 U.S. financial market for himself and for his friends and
 12 family members, and that GK is managing the private equity
 13 funds --"

14 Are those the hedge funds?

15 A Yes.

16 Q Okay. "-- to generate returns that will
 17 consistently overperform the S&P 500 Index."

18 But the returns were not consistent. They
 19 were inconsistent, were they not?

20 A From my perspective, they are consistent.

21 Q Okay. How are they --

22 A You are making positive return and you are making
 23 more money than the S&P 500.

24 Q But the -- oh, I'm sorry. But GK Strategies, it
 25 wasn't always outperforming the S&P 500. Correct?

Page 107

1 A Always.

2 Q Always?

3 A Always.

4 Q Your testimony today is that GK Strategies was
 5 always outperforming the S&P 500?

6 A Correct.

7 Q Okay. Always every quarter?

8 A No, not every quarter.

9 Q Okay.

10 A You are to give one-year time frame.

11 Q Okay. So your testimony today is that GK
 12 Strategies has always, like every single year, it's beaten
 13 the S&P 500?

14 A Yes. From cash flow perspective only. Again, I
 15 just want to -- it make a big difference.

16 Q Sure. But that's -- well, that might be a big
 17 difference to you, but that's not what it says here. Here
 18 it talks about returns.

19 A Okay. Yeah. That's -- yeah. In my mind,
 20 returns is different than cash flow.

21 Q Yeah. Okay. And so, it's --

22 A So, yeah, profits is different. Cash flow is
 23 different.

24 Q GK Strategies, the returns from GK Strategies
 25 have not always beaten the S&P 500. Correct?

Page 108

1 A If you see returns as profits, then correct. But
 2 as cash flow, incorrect.

3 Q And even with your -- even with your cash flow --

4 A Yeah.

5 Q -- analysis you're talking about, it hasn't
 6 always beaten the S&P 500 every quarter, has it?

7 A Not every quarter.

8 Q Okay.

9 A Oh, sorry. Every quarter cash flow-wise, yes,
 10 because we always get the cash flow.

11 Q Those -- those -- what about the quarter where it
 12 was a negative and people were unhappy? Remember that?

13 A Negative profit, not negative cash flow. Because
 14 hedge fund, we cannot just give cash flow. We have to
 15 give profits. So if you invested 5 million, if my account
 16 value is more than 5 million, then we are making returns
 17 or profits.

18 Q So what -- is what you're saying that this should
 19 not --

20 Okay. In Bates label ending in 2686, should
 21 this not say "returns"? Should it instead say "cash
 22 flow"?

23 A Here, what I'm saying is, "returns" is generic
 24 word. If you say "profit," that is different. "Cash
 25 flow," that is different. This particular word, I think,

Page 109

1 is using -- is very generic. It should be "cash flow."

2 Q That's what I'm saying. So this --

3 A The meaning of this in this sentence is cash
4 flow --

5 Q Okay.

6 A -- not profit.

7 Q (BY MS. MARTIN) And how would an investor
8 reading the PPM know that the -- that the meaning of
9 returns is cash flow?

10 A Yeah. That's -- yeah, I don't know. One way for
11 them to know is once they have sent the e-mail to
12 Howdy@NanbanInvestments.com, there is a webinar that I
13 explain all those things.

14 Q (BY MR. BRAUN) The webinars that are now gone.
15 Right?

16 A I mean, those were never recorded. This is
17 before the -- not after they become investors in fund. I
18 mean, none of those recordings are kept for so long. But
19 this particular one, when they have expressed interest,
20 they want to know about all these things, then there is a
21 pre-investor webinar where I explain all those things,
22 whatever is in the PPM, what they should read, what page
23 they should read.

24 MR. BRAUN: Let's go off the record at
25 12:13 p.m.

Page 110

1 (Recess taken.)

2 Q (BY MR. BRAUN) Back on the record at 12:15 p.m.
3 We just took a very brief break. Do you understand you're
4 still under oath?

5 A Yes.

6 Q (BY MS. MARTIN) So Mr. Krishnan, I wanted to ask
7 you: Are any of the Nanban entities registered as
8 investment advisors?

9 A Exempted investment advisors. Nanban Investments
10 was, but that has ended. Now we're in the process of
11 doing for it for Ventures.

12 Q Okay.

13 A ERA, exempted recording advisor.

14 Q Do you consider Nanban Investments an investment
15 advisor? Nanban Investments, LLC, do you consider it an
16 investment advisor?

17 A Exempted, yeah. Yes. We had exemptions for
18 that.

19 Q Okay. So the registration is not complete, but
20 you consider Nanban Investments, LLC, an exempted --

21 A Yeah.

22 Q -- investment advisor?

23 So if we look back at Exhibit 35 at Nanban
24 02686, the Bates label --

25 A Yes.

Page 111

1 Q -- the manager of the company is listed as Nanban
2 Ventures AAA Management, LLC. Is Nanban Ventures AAA
3 Management, LLC, an investment advisor?

4 A No.

5 Q So because Nanban Inves- -- what I'm getting at
6 is Nanban Investments, LLC, is not listed anywhere in the
7 fund documentation that I saw -- well, as it relates to
8 being an investment advisor for the funds. So --

9 A Nanban Investments is not an advisor for venture
10 capital. Nanban Ventures, which we are going through the
11 process now to register us as --

12 Jeremy would know about all the Form B's that
13 we have filed. I don't know.

14 Q So let me ask it another way: Who is the
15 investment advisor for the AAA Fund?

16 A Nanban Ventures, LLC --

17 Q Nanban Venture, LLC?

18 A -- LLC for all.

19 Q For all the funds --

20 A Yeah.

21 Q -- is the investment advisor?

22 A Yeah.

23 Q So why is the manager for -- for the AAA Fund
24 listed as Nanban Ventures AAA Management, LLC, instead of
25 Nanban Ventures, LLC?

Page 112

1 A Because it's not an investment advisor. It's a
2 management to collect the operational fee only.

3 Q Okay. So the entity that you consider that
4 provides the investment advice, then, you consider that
5 entity to be Nanban Ventures, LLC?

6 A Correct.

7 Q And who gets --

8 So does Nanban Ventures, LLC, get any profit
9 from the funds -- I mean not profit -- any percentage of
10 the assets under management?

11 A No. Zero percent.

12 Q Zero percent?

13 A There is no management fee. Only operational fee
14 to run the fund.

15 Q Right. The 2 percent?

16 A Yes.

17 Q And that 2 percent goes to Nanban Ventures AAA
18 Management, LLC?

19 A Correct.

20 Q But the investment advisor of AAA Fund and all
21 the venture capital funds is Nanban Ventures, LL- --

22 A -- Ventures, LLC. That's -- that's the best of
23 my knowledge, but we can confirm that.

24 Q On the Nanban Ventures website, you're listed as
25 a portfolio manager. What do you -- what do you -- which

Page 113

1 entity are you a portfolio manager of?

2 A For everything under the Nanban ecosystem.

3 Q So would you consider yourself a portfolio
4 manager for Nanban Ventures, LLC?

5 A Yes.

6 Q And how are the different -- how are the funds
7 different?

8 A The funds are different because based on the
9 guidance we have received from our team, legal team, that
10 once one fund is full with -- once we close accepting
11 money from investors, we have to wait for 45 days or 60
12 days before launching another fund, so we follow that
13 rule. And then because each of those funds is investing
14 in some different start-ups, it's like different companies
15 that we are investing in. It's not going to the same
16 company. So that's how we distinguish. The first thing
17 is 99 different investors and the time lag that we have
18 given before launching another fund.

19 Q Is the investment thesis the same for all of the
20 investment funds?

21 A See, real estate is very generic because it's all
22 about what property you're buying, so there's a lot of
23 different investment thesis.

24 Q And I --

25 A So for GK Strategies --

Page 114

1 Q I'm sorry. I think you misunderstood me. What I
2 mean is, is the investment thesis different per fund? You
3 know, is there only one venture fund that's doing real
4 estate and only one that's doing GK Strategies, or are
5 they all investing in a -- in a similar thing --

6 A In a similar thing but different properties or
7 different companies.

8 Q Understood.

9 A That's why we have the Hub in between.

10 Q And -- yeah. So on -- if we go to Nanban
11 02674 --

12 A 02674.

13 Q -- the general purpose and authority of the
14 company, and I'm reading the third full paragraph under
15 that -- under that section where it says that "The purpose
16 is to engage in private equity and/or venture capital
17 investments and start-ups, pre-IPO companies, including
18 debt financing via convertible notes, co-investments in
19 portfolio companies directly, indirectly via special
20 purpose vehicles with (inaudible) partners or general
21 partners of companies and operating companies and primary
22 and secondary investments for financing in private equity
23 and infrastructure or any other class of assets of general
24 partner's discretion."

25 So is this the same -- this investment

Page 115

1 strategy as described on Exhibit 35, at Nanban 02674, is
2 this the same investment strategy for all the funds?

3 A I'll have to look at all the PPMs. But, yes, at
4 a high level, yes.

5 Q And do you use GK Strategies to invest money
6 belonging to the AAA Fund?

7 A A certain portion of that, yes.

8 Q And where in the AAA Fund PPM does it indicate
9 that you will be using GK Strategies?

10 A It doesn't indicate because we are investing in
11 other portfolio companies, other companies through SPV.
12 This was the structure that we worked with our legal team
13 because we told them we want to protect our IP. We wanted
14 to do the trading, so how can we do it. So that's how the
15 structure was created through Hub and through various SPVs
16 so that we can loan the money to the other portfolio
17 company at arm's length and those companies can be owned
18 by GPs, can be owned by LPs. Our whole investment thesis
19 is to generate income for our people.

20 Q Okay.

21 A That's how I think portfolio company takes care
22 of it. We don't explain GK Strategies in that one.

23 Q So do the investors know that the portfolio
24 companies are owned by the founders?

25 A Yes.

Page 116

1 Q They do know that?

2 A They do know that.

3 Q And do they know that one of the things the
4 portfolio company -- portfolio company does is invest
5 using GK Strategies?

6 A They know that.

7 Q Okay. And how do they know? Well, let's -- how
8 do they know that the portfolio companies are owned by the
9 founders?

10 A I disclose it in the webinar.

11 Q Okay. Is there -- is it disclosed in a document?

12 A No. It is there in the statement of the cash
13 flow returns that (inaudible) and in that one, we list all
14 the companies, GSM, whatever it is. It is -- it is
15 written there.

16 Q And do you disclose that those portfolio
17 companies are generating income using GK Strategies?

18 A Yes.

19 Q And where is that in the -- in the documents
20 given to investors?

21 A That's -- I don't know whether the investment of
22 account, or something like that, where we -- when we go
23 through what companies we have invested in, how those
24 companies are making money, it is listed there.

25 Q It is listed that those companies are making

Page 117

1 money --

2 A That GSM uses GK Strategies to make money.

3 Q All right. Okay.

4 A I explain all those things.

5 MS. MARTIN: Okay. We can go off unless

6 there are other questions from my team.

7 MR. BRAUN: Let's go off the record at 12:24.

8 (Recess taken.)

9 Q (BY MR. BRAUN) We are back on the record at
10 1:13 p.m. Mr. Krishnan, we just took a brief lunch break.
11 Do you understand you're still under oath?

12 A Yes.

13 Q Let's go back to Exhibit 35. And before we get
14 started, I do want to introduce -- we have another person
15 who has joined the testimony. He's on the phone. His
16 name is Keefe, K-e-e-f-e, Bernstein, B-e-r-n-s-t-e-i-n.
17 He is an attorney with the SEC, and he is an officer for
18 purposes of this proceeding.

19 Okay. Looking at Exhibit 35, the AAA Fund
20 PPM, who all reviewed the PPM for the AAA Fund before it
21 was finalized and ultimately provided to investors?

22 A Other than our legal team, myself -- Krishnan --
23 Mr. Gounder, and Mr. Shanmugam.

24 Q Okay. And what about Mr. Ramesh?

25 A Oh, yeah. Mr. Ramesh, also.

Page 118

1 Q So you, Mr. Shanmugam, Mr. Gounder, and
2 Mr. Ramesh, and the legal team, of course. I'm not really
3 too concerned about them. Anybody else besides the four
4 of you outside of the legal team?

5 A No.

6 Q And each of you reviewing the PPM for the AAA
7 Fund had the ability to make changes to the document if
8 you had any concerns or problems with it. Correct?

9 A Yes.

10 Q And that is the -- that is the -- that's true
11 with regard to all of the venture capital funds -- for the
12 Capital PPM, the Abundance PPM, the Ganga PPM, as well as
13 the Nile PPM. Correct?

14 A Correct.

15 Q Did you have any -- well, let me back up.

16 What specifically did you contribute to with
17 the PPMs for any of the venture capital funds?

18 A The meetings that we had with our legal team, we
19 gave our input about investment thesis and when they had
20 questions about us, things like that. But I don't
21 remember everything that -- but we had meetings.

22 Q Now, the -- the section on Bates label page
23 ending in 2686, these are the bios for management. Do you
24 see that?

25 A Yes.

Page 119

1 Q Are you responsible for the excerpt there for

2 Gopala Krishnan?

3 A Yes.

4 Q You drafted that?

5 A Yes.

6 Q Okay. And you reviewed this before it was

7 finalized and included in the PPMs to investors?

8 A Yes.

9 Q What about any other parts of the PPM? Do you
10 recall any other specific parts of the PPM that you
11 specifically drafted? And feel free to look through it if
12 you see any.

13 A I mean, I don't remember now.

14 Q Okay.

15 A I have gone through the document but not specific
16 sections.

17 Q And walk me through the process of how this
18 document was -- was finalized. So, for example, this
19 section that you drafted on the bio of Gopala Krishnan on
20 Bates label ending 2686, and again, we're on Exhibit 35,
21 did -- did you draft that bio and send it to your counsel?

22 You know, did you -- how did that work?

23 A Yeah. Correct. We -- when we had a meeting
24 about the creation of the PPM, the legal team had their
25 template, and then as they asked questions, we provided

Page 120

1 the content.

2 Q Okay.

3 A Different people provided content.

4 Q And you say, "Different people provided content."

5 You're talking about you. Correct?

6 A Myself, Mr. Ramesh, Mr. Shanmugam, and
7 Mr. Gounder.

8 Q And then, after that initial process of the
9 template document, you received a new, and Mr. Shanmugam
10 and Mr. Gounder and Mr. Ramesh made some changes and made
11 some -- some edits to the document. Correct?

12 A Correct.

13 Q And then, after that process works itself
14 through, when you end up coming with a final document
15 version of the PPMs for each of the funds. Correct?

16 A Correct.

17 Q And then you and Mr. Shanmugam and Mr. Gounder
18 and Mr. Ramesh do one final review of the, quote/unquote,
19 final PPM for each of the funds and you had to sign off
20 and say this is good to go to the investors before it
21 actually went. Correct?

22 A I wouldn't say we had that kind of formal
23 process. We had the template. We gave our input. After
24 that, it was all assembled by our team, legal team.

25 Q But you looked -- but you and -- and let's just

Page 129

1 investment committee's decision-making authority as to
 2 what happens to that money there after that, it doesn't
 3 exist. Correct?
 4 A Yeah, it does not exist.
 5 Q Because once it leaves Intangibles, it's going to
 6 companies that the Nanban Ventures funds have no ownership
 7 indirect or direct. Correct?
 8 A Correct.
 9 (Exhibit No. 48 identified.)
 10 Q (BY MR. BRAUN) Let me show you what's been
 11 marked as Exhibit 48 previously. Do you recognize this
 12 document --
 13 A Yes.
 14 Q -- Mr. Krishnan?
 15 And we've previously admitted this exhibit.
 16 But how do you recognize this document?
 17 A This is the one that we prepare and show it to
 18 our investors every six months, when we have investor
 19 webinar.
 20 Q And are the investors given a copy of this
 21 document?
 22 A Yes.
 23 Q So it's -- it's -- when you have a webinar,
 24 there's -- this is like a Zoom call. Right?
 25 A Yes.

Page 130

1 Q And during that Zoom call, Exhibit 48 --
 2 A I mean, it could be Zoom or something else, also.
 3 Yeah.
 4 Q Some form of electronic, you know --
 5 A Correct.
 6 Q It's a --
 7 Okay. And Exhibit 48 is shown on the screen
 8 during that webinar. Correct?
 9 A Correct.
 10 Q Do the investors separately get sent a copy -- a
 11 copy of Exhibit 48 so that they can -- they have a copy
 12 that they can print out that they can keep as a PDF
 13 document in their own files?
 14 A Yes.
 15 Q They do?
 16 A Yes.
 17 Q And how are they sent that document?
 18 A They are uploaded to their own investor accounts
 19 in the Investor Management Portal. Every investor has
 20 their own personal login, and they can log in and see all
 21 the statements that we have given so far.
 22 Q And is that the system that's managed by Vistra
 23 or is that a system that's managed by Nanban Ventures?
 24 A Now it is Vistra.
 25 Q At some point, it was through Nanban Ventures or

Page 131

1 Nanban Enterprise? Which --
 2 A No. The portal is provided by Vistra after we
 3 hired them. Before that, there was another provider
 4 called RealPage is the name of that company. Investor
 5 Management Portal is the software.
 6 Q Okay.
 7 A So that's where they have PPM, all the documents
 8 they have signed, plus all these regular communications.
 9 Q Okay. Now, looking at the statement of
 10 investments, I think the first page -- or let's make it
 11 easier. The second page is the start-up companies, the
 12 moonshots, the investments that Mr. Ramesh is largely
 13 responsible for. Correct?
 14 A That is correct.
 15 Q I think one of the -- with one exception, I think
 16 Parker Ventures -- was Parker, was that something that you
 17 were involved in as well, this crypto?
 18 A Yes, making decision whether to invest there or
 19 not, yes. I gave my yes.
 20 Q And did Mr. Gounder and Mr. Shanmugam have input
 21 into that decision as well?
 22 A That, I don't know.
 23 Q Okay. Were you involved in the decision-making
 24 process for any of these other investments on Page 2 of
 25 Exhibit 48?

Page 132

1 A JOGO Health, Grin Gaming, and J-u-g-l, Jugl.
 2 Q You said JOGO Health, Jugl, and what was the
 3 other one?
 4 A Grin Gaming. First one, Grin Gaming.
 5 Q So Grin Gaming, JOGO Health, Jugl, and also you
 6 said Parker Ventures. Correct?
 7 A Parker Ventures.
 8 Q Okay. Anything else?
 9 A That's all I remember.
 10 Q Okay. What is Grin Gaming?
 11 A Grin Gaming is a company that monetizes user
 12 interaction while the game is going on through crypto
 13 tokens based on how people are providing feedback. They
 14 earn. So that is a way for advertisers to go to
 15 customers.
 16 Q And why were you involved in the Grin Gaming
 17 decision?
 18 A Okay. So this is where the investment
 19 committee --
 20 Q Uh-huh.
 21 A -- Mr. Ramesh, after their team did the due
 22 diligence, brought it to the meeting and they present it,
 23 and I give my okay. Other than that, no other input.
 24 Q But why were you involved in Grin Gaming or -- or
 25 -- and not CoreStack or Amalgam or Bold Metrics, for

Page 133

1 example?
 2 A Probably I was traveling and I was not available.
 3 Q Okay. So were Mr. Shanmugam and Mr. Gounder also
 4 involved in Grin Gaming, for example?
 5 A Probably, but I'm not sure.
 6 Q When you say you were involved, is it that each
 7 one of these investments, that Mr. Ramesh brought them to
 8 the investment committee before the ultimate investment
 9 was made?
 10 A Correct.
 11 Q And whoever was available of the founders to
 12 attend that investment committee meeting would have been
 13 able to do like a thumbs up or a thumbs down?
 14 A Correct.
 15 Q Has there ever been an investment that Mr. Ramesh
 16 brought to the investment committee that was rejected?
 17 A Yes.
 18 Q Which investments?
 19 A Oh, I don't know.
 20 Q How many investments?
 21 A A handful. Not more -- not in double digits.
 22 Q Okay. Why were -- why were those investments
 23 rejected?
 24 A One was -- I remember it was related to cancer
 25 therapy. That field is inundated with so many start-ups.

Page 134

1 And the capital requirement, you're to always pumping
 2 money, money, money. So I said no. We are not going to
 3 wait for this many years and not knowing how this is going
 4 to come out. Let the big players play that game. That's
 5 my way of thinking.
 6 Q Any other examples?
 7 A Particularly in the medical field, that's all I
 8 remember.
 9 Q What about JOGO Health? Why were you involved in
 10 that decision?
 11 A Because I was present.
 12 Q And Jugl?
 13 A I was present.
 14 Q And then Parker Ventures?
 15 A The same thing. I was present.
 16 Q Do you know any -- do you know any employees or
 17 owners or executives over at JOGO Health?
 18 A Now I know.
 19 Q Before the decision to invest?
 20 A No.
 21 Q What about Jugl?
 22 A Jugl, probably I knew, yes. He's also in the
 23 same -- I mean, he's in Dallas.
 24 Q How did you know him?
 25 A Through our Indian community events.

Page 135

1 Q And who is this person you knew?
 2 A A-r-u-n, Arun, K-u-m-a-r, Kumar.
 3 Q And how do you know Mr. Kumar?
 4 A In gatherings. That's all. I don't know him
 5 personally.
 6 Q What was his role at Jugl?
 7 A I think he is the founder.
 8 Q And did he come and ask you to consider an
 9 investment in the company?
 10 A No.
 11 Q How did Jugl come to the attention of the
 12 investment committee?
 13 A Probably they approached, they sent an e-mail to
 14 Nanban Ventures. Anybody can go to our website called
 15 NanbanVentures.com and if they are an entrepreneur or
 16 somebody, there is a section for them to send their
 17 company information and basic information. If we like it,
 18 we'll schedule a meeting.
 19 Q And Parker Ventures, did you know anybody at
 20 Parker Ventures?
 21 A No.
 22 Q And Grin Gaming, did you know anybody at Grin
 23 Gaming?
 24 A No.
 25 Q Do you know anybody over at any of these

Page 136

1 companies? CoreStack?
 2 A No.
 3 Q SpaceX Multi Venture?
 4 A No.
 5 Q Amalgam?
 6 A No.
 7 Q What about Bold Metrics?
 8 A No.
 9 Q Okay. And Interlock Partners?
 10 A Interlock Partners? No.
 11 Q Let's go to the first page, the statement of
 12 investments of Ex- -- again, we're on Exhibit 48. It
 13 looks like -- let's focus on the fintech companies. It
 14 says Northstars Fintech received -- it looks like twenty-
 15 nine million six hundred and fifteen thousand and change.
 16 Correct?
 17 A Correct.
 18 (Exhibit No. 49 identified.)
 19 Q (BY MR. BRAUN) And I'm going to show you what's
 20 been previously marked as Exhibit 49.
 21 Northstars Fintech is actually GSM Eternal.
 22 Correct?
 23 A Correct.
 24 Q And Exhibit 49, it's an assumed name certificate
 25 showing that, in fact, Northstars Fintech is GSM Eternal.

Page 137

1 Correct?

2 A Correct.

3 (Exhibit No. 50 identified.)

4 Q (BY MR. BRAUN) And then, I'm going to show you

5 what's been marked as Exhibit 50. This is an assumed name

6 certificate showing that Sunshines Fintech, another one of

7 these companies on Page 1, that that, in fact, is Centum

8 Fintech. Correct?

9 A Correct.

10 Q And again, GSM/Northstars Fintech, that is owned

11 by you and Mr. Gounder and Mr. Shanmugam?

12 A Correct.

13 Q Himalayan Fintech received almost \$5 million.

14 That's owned by you and Mr. Shanmugam and Mr. Gounder.

15 Correct?

16 A Correct.

17 Q And Sunshines Fintech received twenty- -- almost

18 22 million, and that's owned by you and Mr. Shanmugam and

19 Mr. Gounder. Correct?

20 A Correct.

21 Q Why -- why is GSM not listed on here instead of

22 Northstars Fintech?

23 A Because that is the doing-business-as name, dba.

24 Q But why is there a dba for GSM?

25 A It's our personal choice. We didn't want GSM to

Page 138

1 be out there.

2 Q And why is that?

3 A Protection.

4 Q Protection of what?

5 A From vultures who are out there trying to come

6 after us.

7 Q (BY MS. MARTIN) I don't understand what you

8 mean. Can you expound on that?

9 A I mean, there are so many people who are trying

10 to bring us down, so we are doing everything to keep it

11 away but still disclose it to our investors in our private

12 setting that this is what it is. And we know that anybody

13 can go search and find out. Just we're making it harder

14 for anybody to search. GSM is very well known now in the

15 community, so we just wanted to protect it.

16 Q So --

17 A Otherwise, from the beginning, we would have

18 created Northstar.

19 Q So the purpose of using the doing business name

20 is to conceal that Northstar is really GSM?

21 A To not put GSM name out there.

22 Q Okay.

23 A Asset and -- asset protection and more privacy.

24 Q Okay. My question, though, was: Is the purpose

25 of using Northstar Fintech GSM's dba to make it harder for

Page 139

1 someone to figure out that Northstars Fintech is actually

2 GSM?

3 A Other than our investors, yes.

4 Q (BY MR. BRAUN) And investors were told -- well,

5 let me back up.

6 Your testimony today is that investors were

7 told -- investors in Nanban Ventures, so all -- AAA,

8 Abundance, Ganga -- the investors in the Nanban Ventures

9 funds were told that Northstars Fintech is actually GSM

10 Eternal, a company owned by you and Mr. Gounder and

11 Mr. Shanmugam?

12 A Not that way. Northstar Fintech is owned by

13 Mr. Gounder, Mr. Shanmugam, and Mr. Krishnan. Northstar

14 Fintech. We didn't go down to the GSM level.

15 Q And so, your testimony is that investors were

16 told that Northstars Fintech is owned by you and

17 Mr. Gounder and Mr. Shanmugam?

18 A Correct.

19 Q Do you have any written evidence that you

20 informed investors of that fact? Anything in writing?

21 A Well, this is in writing that we have disclosed

22 the name, first of all, to the investors. Second, you

23 should ask the investors. I mean, I don't have anything

24 on my side.

25 Q And if an investor tells us that they didn't know

Page 140

1 Northstars Fintech was owned by you and Mr. Gounder and

2 Mr. Shanmugam, that means they weren't told. Correct?

3 A Or they don't remember.

4 Q (BY MS. MARTIN) But do you remember?

5 A I -- I remember very well, because we had this

6 discussion with our legal team. They educated us on

7 arm's-length transaction and disclosure to the investors.

8 So I -- I know very well.

9 Q When did you disclose to the investors?

10 A When the -- whenever that name first appeared in

11 this statement.

12 Q So the very first quarterly update you had with

13 investors when Northstars Fintech was listed under the

14 statement of investments, that's when you told --

15 A Correct.

16 Q -- investors?

17 A Correct.

18 Q And the only --

19 A That's what I remember, yes.

20 Q And the only way for us to know that is to access

21 the recordings that you've since deleted? Is that the

22 proof? How else -- how else do we prove it?

23 A Otherwise, investors, some investors have to let

24 you know.

25 Q Do you tell them at every single update meeting,

Page 141

1 do you remind them that Northstars Fintech is owned by the
 2 founders?
 3 A That, I cannot confirm. I don't remember that
 4 every meeting we do that. But whenever this appeared
 5 first time, I did. And maybe second time, I did. Maybe
 6 third time, I didn't.
 7 Q (BY MR. BRAUN) Let me -- let me go back to my
 8 original question. There's nothing in writing that shows
 9 anybody from Nanban Ventures -- you, Mr. Gounder,
 10 Mr. Shanmugam, and Mr. Ramesh -- anybody telling investors
 11 in the Nanban Ventures funds that Northstars Fintech is
 12 owned by you and Mr. Gounder and Mr. Shanmugam. Correct?
 13 A That's what I remember unless some communication
 14 went. I have to check with our IR team.
 15 Q But sitting here today, you're not aware of
 16 anything. Right?
 17 A I'm not aware of anything.
 18 Q Your testimony is that you remember telling
 19 investors at a quarterly webinar. Is that --
 20 A Every six months webinar.
 21 Q Okay. Sorry. Six months.
 22 A Ventures is every six months.
 23 Q Okay. So you -- your testimony is that you
 24 remember telling investors that Northstars Fintech was --
 25 is owned by you and Mr. Gounder and Mr. Shanmugam at one

Page 142

1 of these six-months --
 2 A Correct.
 3 Q -- meetings?
 4 A Correct.
 5 Q And is it your testimony that the reason that you
 6 would have told investors that information is because it's
 7 important information for them to know?
 8 A Correct.
 9 Q Why is it important information for them to know.
 10 A Because it's considered as arm's-length
 11 transaction, and as for legal advice, we are to disclose
 12 it.
 13 Q (BY MS. MARTIN) Mr. Krishnan, was Mr. Ramesh at
 14 the investor update meeting where you disclosed that
 15 Northstars Fintech was owned by the founders?
 16 A See, yes, because he has to update -- he has to
 17 give update on the next page. So I go first and I do all
 18 those things what is on the first page. So he -- maybe he
 19 was on the call or he joined the call when his turn came.
 20 So I don't know. I cannot answer that question --
 21 Q Does --
 22 A -- when he came on --
 23 Q Does Mr. Ramesh --
 24 A -- or whether he was -- sorry -- he was paying
 25 attention or not, I don't know.

Page 143

1 Q Does Mr. Ramesh know that Northstars Fintech is
 2 GSM? Or let me it put another way. Does Mr. Ramesh know
 3 that the founders own Northstars Fintech?
 4 A I -- I think so, yeah. If he's aware of it
 5 because he knows that first capital goes to cash flow and
 6 then from there, real estate or start-up. So whether he
 7 remembers it or not, my expectation is he should know.
 8 Q And how would he know that Northstars Fintech is
 9 owned by the founders?
 10 A Because it's in the same call.
 11 Q I'm sorry?
 12 A They're all on the same call or we might have
 13 mentioned him in any of our meetings.
 14 Q You're all on the same call?
 15 So can you think of any reason why Mr. Ramesh
 16 would disavow knowledge that Northstars Fintech was -- was
 17 owned by the founders?
 18 A Oh, what do you mean by that?
 19 Q Is there any reason why Mr. Ramesh would claim
 20 that he didn't know?
 21 A Other than he doesn't remember the name or which
 22 entity it is. So maybe since -- I don't know.
 23 Q And same question about Sunshine Fintech. Did
 24 Mr. Ramesh know that Sunshine Fintech was owned by the
 25 founders?

Page 144

1 A My personal expectation is he should. But if he
 2 doesn't know, I don't know.
 3 Q And your expectation is based on the fact that
 4 you -- you claim that he was on investor update --
 5 A Calls.
 6 Q -- calls where you disclosed to investors that
 7 Sunshine Fintech was owned by the founders?
 8 A Correct. At what point he joined the call, I
 9 don't know all those things. So you should definitely
 10 check with him.
 11 Q (BY MS. BENNETT) When was the first time
 12 Northstars Fintech showed up on a statement of
 13 investments?
 14 A I don't know.
 15 Q There has only been three updates so far for all
 16 the venture funds. Correct?
 17 A Yeah, I think so.
 18 Q So this is -- this -- the one we're looking at
 19 here, Exhibit 48, is December of '22. Correct?
 20 A Yeah. It says Q4 2021. Oh, no. It says
 21 different -- different periods.
 22 Q So from this, it looks like Northstars Fintech
 23 first showed up in Q4 of 2022. Is that right? Am I
 24 reading --
 25 A Yeah.

Page 145

1 Q -- this --
 2 A Yeah.
 3 Q -- correctly?
 4 A Correct.
 5 Q And Himalayan Fintech showed up for the first
 6 time in Q4 2022?
 7 A Yes.
 8 Q And Sunshines Fintech showed up for the first
 9 time in Q4 2022?
 10 A Yes.
 11 Q So all of three of those, this would be this
 12 first statement of investment --
 13 A Probably --
 14 Q -- that --
 15 A -- or maybe second. Because three times we have
 16 done.
 17 Q Right. But -- okay. Let me back up. So you had
 18 stated earlier -- you had testified earlier that you
 19 notified investors that Northstars Fintech was owned by
 20 the three founders the first time Northstars Fintech
 21 showed up on the statement of investments. Correct?
 22 A Correct.
 23 Q And on the statement of investments, it says,
 24 "Period, Q4 2022." Does that mean that that is when the
 25 first investment happened or that's when you invested in

Page 146

1 Northstars Fintech is Q4 2022?
 2 A Yeah. As per this information, that is correct.
 3 Q So this statement of investments, this
 4 half-yearly meeting with the investors was the first time
 5 Northstars Fintech showed up on -- within that meeting?
 6 A Okay. Yeah.
 7 Q So are you saying now that in the December '22
 8 update to investors is when you told investors that
 9 Northstars Fintech was owned by the founders?
 10 A Correct. And I'll give you context why. Because
 11 we explained to them that these companies are the ones
 12 that uses GK Strategies to generate cash flow, and it is
 13 our IP, so we use these companies.
 14 Q (BY MR. BRAUN) And I'm not sure if we went over
 15 this or not, but you -- you did testify that this is
 16 information that the inve- -- you -- you agree that the
 17 investors in the Nanban Ventures funds, that they should
 18 know that Northstars Fintech and Sunshines Fintech and
 19 Himalayan Fintech are owned by Mr. Gounder and you and
 20 Mr. Shanmugam?
 21 A Correct. That's my expectation, yeah.
 22 Q Well, it's not your expectation. I mean, you
 23 agree that the investors, that's information they need to
 24 know?
 25 A No -- yeah, of course. Of course. Whether they

Page 147

1 remember it or not, that is different.
 2 Q And why didn't you disclose it to them when you
 3 actually made those investments; or when the money was
 4 loaned over and first put into GSM Eternal and Himalayan
 5 and Sunshines, why didn't you disclose it to investors at
 6 that time?
 7 A We only meet once in six months and that is the
 8 only way we communicate. We don't communicate after each
 9 and every investment that we make. We consolidate
 10 everything. Sometimes if we have to do a public release
 11 about one of the start-ups, we might do that. But all
 12 others are only disclosed in this private setting with our
 13 investors. Because 506(b), we are a private group.
 14 Q (BY MS. MARTIN) Before we move on, can we talk
 15 about the cash flow return column? For the 1.8 -- what
 16 I'll call 1.8 million related to Garonga Salina Hills
 17 (phonetic), what does the -- what was the 1.8 million in
 18 cash flow of returns?
 19 A That is a land that we had invested in, and due
 20 to tremendous real estate growth, when we realized we got
 21 an offer for a really good price, so we did the exit by
 22 selling it.
 23 Q So when was it sold?
 24 A I don't have the exact date. But as per this
 25 statement, this cash flow was realized in Q4 of 2021.

Page 148

1 Q Okay. So is that what that period means? That's
 2 when the cash flow is realized and not when the investment
 3 is made?
 4 A No. I think it's when the investment is made.
 5 Q Okay.
 6 A So whenever this statement came, we realized
 7 that --
 8 Q Okay.
 9 A -- we realized that cash.
 10 Q Now, what about the 4.3 million shown for
 11 Northstars Fintech? Where did that cash flow/returns come
 12 from?
 13 A That is from our portfolio companies, Northstar
 14 Fintech which does GK Strategy.
 15 Q Okay. So successful trading in GK Strategies is
 16 the -- is what the 4.3 million correlates to?
 17 A All kinds of trading. Not just S&P 500, but bond
 18 trading, any trading of securities, both public or
 19 private. Bonds are private.
 20 Q And do the investors know that you were trading
 21 in bonds?
 22 A Yeah. I mean, they are securities. We don't go
 23 down to the level of what assets we are trading.
 24 Q Can you trade using GK Strategies on bonds?
 25 A No. That's why it's portfolio companies and

Page 149

1 security trading. We keep it at generate level.
 2 Q Did you talk about any type of trading with
 3 investors other than GK Strategies?
 4 A Yes. I mean, they know that we deal with various
 5 types of securities.
 6 Q And how do they know that?
 7 A Through our investment discussions. People ask
 8 questions in the webinar. I also disclose it.
 9 Q So this is an oral disclosure?
 10 A Yes.
 11 Q Is it written anywhere that you will be trading
 12 -- doing any types of securities trading other than
 13 utilizing GK Strategies?
 14 A We have an investment memo that captures that
 15 internally. We have an investment memo that we draft
 16 whenever we do know.
 17 Q And what about the documents that go to
 18 investors? Is there any document that has gone to an
 19 investor to let them know you will be trading using any
 20 other method other than GK Strategies?
 21 A See, that's why in the PPM we did not mention GK
 22 Strategies. We said trading securities, other
 23 instruments. So we didn't put it so that we keep
 24 ourselves -- we give discretion to GPs to utilize the best
 25 method to generate best returns.

Page 150

1 Q Did that also include trading on margin?
 2 A No margin. We don't use margin.
 3 Q Okay. And what about Himalayan Fintech, the
 4 724,000 in cash flow/returns?
 5 A Same thing. Trading of securities.
 6 Q Okay. And as for the -- so for Northstars and
 7 Himalayan, were those tradings in securities through GSM's
 8 TD Ameritrade account?
 9 A Yeah.
 10 Q And then --
 11 A And bond trading is not through TD Ameritrade.
 12 Bond trading is a private contract between GSM and other
 13 company.
 14 Q Have you realized any profits on bond trading?
 15 A No.
 16 Q Okay. So any cash flow/returns would only be
 17 sourced to the trading in GSM's TD Ameritrade account?
 18 A Correct. Correct. Right, no.
 19 Q Okay. And the same question for Sunshines
 20 Fintech. With that 3.2 million of cash flow/returns, what
 21 -- what's the source of that?
 22 A The same thing. All those three companies are
 23 our portfolio companies that utilize trading in
 24 securities.
 25 Q And did the investors know that the cash flow/

Page 151

1 returns were all sourced back to trading in securities?
 2 A Yes. Because when they ask questions, I do tell
 3 them that this is our proprietary GK Strategies and bond
 4 trading, so we -- we do disclose it.
 5 Q What does the term "fintech" mean?
 6 A Fintech is a name that we chose just to have a
 7 cool name which means financial technology, where we are
 8 utilizing our knowledge, which for us is the technology,
 9 to generate returns. It's a cool name that we give our
 10 company.
 11 Q Now, does the term "fintech" have a recognized
 12 meaning?
 13 A I mean, again, it's a very loosely-used term in
 14 the industry. It could be an app. It could be a portal.
 15 It could be a lot of things.
 16 Q Okay. How is what you do, which is trading in
 17 securities, a fintech?
 18 A Because it's financial related.
 19 Q So --
 20 A You're using technology which is trading systems
 21 to generate income.
 22 Q So is anyone that trades out of their TD
 23 Ameritrade account using fintech?
 24 A That would be considered as fintech in my
 25 opinion.

Page 152

1 Q In your opinion?
 2 Have you ever seen that type of action
 3 described as fintech in any other source?
 4 A I don't know.
 5 Q Did you give these companies the name "fintech"
 6 to make them seem like they are companies that are doing
 7 something other than just you trading in TD Ameritrade
 8 accounts?
 9 A Yes, because of the bond trading. Tomorrow we
 10 may do crypto trading. If a situation, a real good
 11 scenario presents to do gold trading or -- you know, I
 12 don't know. Any kind of trading that we can do.
 13 Q Isn't calling these companies "fintech" when that
 14 has a meaning that one can Google and trace back to other
 15 companies, isn't that misleading?
 16 A In my opinion, "fintech" is a loosely-defined
 17 term in the industry.
 18 Q Have you ever Googled it --
 19 A So --
 20 Q -- to see how most people define "fintech"?
 21 A I don't have to. Because we chose the name
 22 "fintech" because it's trading related, securities
 23 related. We are applying our own IP on it. So that's the
 24 only reason. There is -- I mean, we didn't -- we kept it
 25 open so that in the future if we do decide to

Page 153

1 algorithmicize everything, make it automated so that it
2 becomes technology also later on.

3 Q Okay. So later on, these companies might be
4 fintech, but they're not fintech yet?

5 A They may be technology enabled later. Today we
6 do use technology. See, if you're familiar with trading,
7 there are many ways of doing trading. One, you can call
8 your broker and say please do this for me. That's called
9 manual trading.

10 Q Uh-huh.

11 A Or e-trades of the worlds, TD Ameritrades have
12 given the power to you. You can log in using the
13 technology and do the trading yourself. For me, that is
14 the technology evolution, so I call that as fintech.

15 Q So you're trading using TD Ameritrade's fintech.
16 Correct

17 A Correct.

18 Q (BY MS. BENNETT) I guess I'm a little confused.
19 Why -- if all three of these companies -- Northstars
20 Fintech, Himalayan Fintech, and Sunshines Fintech are all
21 trading through Northstar Fintech or GSM, why is it
22 divided into three entities?

23 A That is because we wanted to, first of all, not
24 keeping everything in one basket. So we have money coming
25 into different bank accounts so in case something happens

Page 154

1 to that bank account, at least we are protected at three
2 different bank level, not putting every money in one
3 place. So for internal diversification, we did that.

4 Q But didn't you say earlier that you transfer
5 money out of Himalayan Fintech to GSM?

6 A Correct.

7 Q So now Himalayan doesn't have any cash?

8 A No, not to GSM. What I told you is, there is
9 GSM, there is Himalayan, and there is Sunshine. All three
10 go through TD Ameritrade account named the GSM, not
11 company.

12 Q So the transfer of money goes from Himalayan
13 directly into TD Ameritrade and not into the GSM account?

14 A Not into GSM bank account. Correct.

15 Q I thought you testified earlier that Intangible
16 loans money to Northstars Fintech, Himalayan, and
17 Sunshine.

18 A Correct. Three buckets.

19 Q So are these cash flow returns that are
20 stipulated on Exhibit 48, are they the returns from -- are
21 these the actual returns from GK Strategies, are these a
22 reflection of interest income on the loans?

23 A That, I'm not sure. It could be interest income.

24 Q And has this interest income -- has Northstars
25 Fintech physically sent \$4.3 million in interest income to

Page 155

1 Intangibles?

2 A I don't know. I don't get to the accounting
3 level, so --

4 Q (BY MR. BRAUN) So GSM Eternal's business,
5 explain to me what the business is. You know, like a
6 grocery store sells groceries. A car dealership sells
7 cars. What does GSM Eternal do?

8 A Trading various securities, various kinds of
9 private and public securities.

10 Q So all GSM Eternal does is, they just make
11 decisions about how to trade securities? That's what they
12 do?

13 A To generate good returns, yes.

14 Q Okay. And now, you did say that you chose the
15 "fintech" name because it was a cool name. Right?

16 A Yes.

17 Q That makes sense to me.

18 Your testimony today is that you believe that
19 GSM Eternal, any other company that just trades
20 securities, that they're a fintech company? That's your
21 testimony?

22 A In my opinion, yes.

23 Q Now, what about going back to -- let's do
24 Himalayan. What is Himalayan's business?

25 A The same. Trading public and private securities

Page 156

1 and various other instruments that are available in the
2 market. Buying and selling.

3 Q And when you came to meet with us in person
4 several days ago, a week or two ago when it was, my
5 recollection is that you said that Himalayan and Sunshines
6 Fintech, or Centum Fintech -- they're the same thing --
7 that they tra- -- that the only trading they did was
8 bonds?

9 A No, no.

10 Q It's not --

11 A All, all, everything.

12 Q Do they do their own GK Strategies?

13 A Okay. So best way to explain is, there are three
14 boxes that money comes in. Okay? From Intangible, money
15 flows to for our own internal diversification, business
16 continuity, bank failures, all those problems, it goes to
17 three buckets. One is the Northstar Fintech, Himalayan
18 Fintech, and Sunshine Fintech.

19 Q Okay.

20 A From those three boxes, money goes to trading.
21 If it is GK Strategies, it goes to TD Ameritrade.

22 Q The GSM's account over at TD Ameritrade?

23 A Right. There are two accounts that I give the
24 number.

25 Q Okay.

Page 157

1 A It goes there and we do our strategy, detail
 2 strategy. The bond strategies directly happen from these
 3 three fintechs directly with other parties.
 4 Q And when you say the fintechs, they go from the
 5 three companies --
 6 A Yes.
 7 Q -- GSM Eternal, Himalayan, and --
 8 A Correct.
 9 Q -- Centum?
 10 A Correct.
 11 Q Okay. Anything else besides -- we've talked
 12 about the G- -- we're talking buckets. Okay? I like
 13 buckets. I'm with you on buckets. We've got the GK
 14 Strategies bucket and you've got the bond bucket. Any
 15 other bucket of trading that's going on in those three
 16 companies?
 17 A Not as of today, but we do have plans to do other
 18 instruments.
 19 Q So just as we sit here today --
 20 A Yeah, bond trading and GK Strategies.
 21 Q Okay. So Sunshines Fintech/Centum Fintech trades
 22 bonds?
 23 A Not only that.
 24 Q I'm not saying only that. It trades bonds?
 25 A Correct.

Page 158

1 Q What else does it trade?
 2 A That's all. Then the money goes to TD Ameritrade
 3 to do GK Strategies.
 4 Q Okay. So Centum, sitting here today, only trades
 5 bonds. That's what that actual company does. That's the
 6 only thing it does. Other than send money over to GSM to
 7 trade GK Strategies, Centum -- Centum's business --
 8 A Correct.
 9 Q -- is just trading bonds?
 10 A Correct --
 11 Q Okay.
 12 A -- as of today.
 13 Q As of today?
 14 Now let's go to Himalayan. Himalayan, it
 15 trades bonds. That's one thing it does. Yes?
 16 A Yes.
 17 Q It also sends money over to GSM Eternal so that
 18 GSM Eternal can do GK Strategies. Right?
 19 A When you say GSM Eternal, please qualify that
 20 with TD Ameritrade.
 21 Q Okay. It sends it over to the TD Ameritrade
 22 accounts that GSM controls?
 23 A That it is named as GSM, yes.
 24 Q Okay. And is there anything else that Himalayan
 25 does besides trade bonds on its own and send money over to

Page 159

1 the TD Ameritrade accounts for GK Strategies?
 2 A Not as of today.
 3 Q Okay. Now let's go to GSM. GSM does its own
 4 bond trading?
 5 A Yes.
 6 Q And GSM also does GK Strategies with its money
 7 through the TD Ameritrade accounts?
 8 A Correct.
 9 Q Anything else that GSM does with the money that
 10 it has in its -- that it -- its own money, what does GSM
 11 Eternal do with the money besides do GK Strategies and
 12 trade bonds?
 13 A No. That's -- that's what I recall.
 14 Q That's it?
 15 A Those two, yeah.
 16 Q Now, the money that GSM, Centum, and Himalayan
 17 get, it comes from Intangibles. Right?
 18 A Intangibles.
 19 Q So, correct?
 20 A Correct, correct.
 21 Q And the money that it gets from Intangibles,
 22 every time Intangibles gives any of -- either of those
 23 companies money or any of those companies money, it's
 24 loaned to those companies. Correct?
 25 A It's loaned.

Page 160

1 Q And every time it loans money, is there a loan
 2 document that accompanies that loan with terms of interest
 3 and how soon they have to pay the money back and things
 4 like that?
 5 A Yes.
 6 Q Does Himalayan -- it has money that it receives
 7 from Intangibles. Correct?
 8 A Correct.
 9 Q Does it receive money from any other source?
 10 A Yes.
 11 Q What other sources?
 12 A Other friends, family, people or other businesses
 13 who want to loan us money.
 14 Q (BY MS. MARTIN) And so, who specifically is
 15 loaning Himalayan money?
 16 A Who specifically?
 17 Q Yes.
 18 A I can find out the names.
 19 Q Is it family, friends, or businesses? Can you
 20 think of one family member that has loaned Himalayan
 21 money?
 22 A I mean, you can put Prasanna Kumar.
 23 Q Okay. Can you spell --
 24 A P-r-a-s-a-n-n-a.
 25 Q And is that Kumar, K- --

Page 161

1 A K-u-m-a-r.
 2 Q And how much money did Prasanna Kumar loan to
 3 Himalayan?
 4 A It's around 1 million.
 5 Q And why did Prasanna Kumar loan 1 million to
 6 Himalayan?
 7 A So that I can give him 18 percent interest.
 8 Q Okay. So is it really a loan or is it an
 9 investment?
 10 A It's a loan.
 11 Q Okay. And is there any documentation that you
 12 signed between you and Prasanna Kumar that guarantees the
 13 18 percent?
 14 A No guarantee, but the note says 18 percent.
 15 Q The note says that Himalayan will pay Prasanna
 16 Kumar 18 percent interest?
 17 A It could be Northstar or Himalayan or Sunshine.
 18 Q Okay.
 19 A I don't know exactly which one it is.
 20 Q Okay. But was it signed with one entity or
 21 multiple entities?
 22 A Multiple. So Sudha would definitely know that
 23 information.
 24 Q And how do you know Prasanna Kumar?
 25 A He is one of our network people --

Page 162

1 Q So --
 2 A -- community.
 3 Q -- when I ask for family, friend, or --
 4 A Friend --
 5 Q This is a friend?
 6 A -- who lives in the same community.
 7 Q And can you think of any other family or friends
 8 that have loaned Himalayan, Centum, or Northstar -- I'll
 9 use their doing business names -- that has loaned
 10 Sunshine, Himalayan, or Northstar money?
 11 A Yeah, I don't want to give you incorrect names.
 12 Q It's okay. I mean, I'm not going to hold you to
 13 it.
 14 A Yeah. Sudha -- Sudha knows --
 15 MR. NEVERS: Don't guess if you don't know.
 16 A Yeah, I don't know.
 17 Q (BY MS. MARTIN) Okay. So the only one you
 18 remember for sure is Prasanna Kumar?
 19 A Yes.
 20 Q And then, you also said businesses. Are there
 21 any businesses that have loaned money to Northstar
 22 Fintech, Himalayan Fintech, or Sunshines Fintech?
 23 A There are, but I don't know the exact names.
 24 Q How did you connect with those businesses?
 25 A They connected to us.

Page 163

1 Q And is it the same thing with those businesses in
 2 the sense that you have an agreement where one of the
 3 Nanban-related companies is going to pay them 18 percent?
 4 A Yes.
 5 Q And how much have those businesses loaned?
 6 A It's in few millions, but I don't know exact
 7 number.
 8 Q Why did they choose this way to loan money to
 9 Nanban entities versus just investing in Nanban Ventures,
 10 one of the funds?
 11 A Nanban Ventures is -- first of all, there is a
 12 lock-in of two years. Next is, in order to make really
 13 good money, they have to leave with us for six years, 10
 14 years. It's a long-term fund. That's when my strategies
 15 work very well. So some of the people, they want to give
 16 90 days' notice and take their money out or six months'
 17 notice and take their money out. So that's their
 18 flexibility which we allow them to do.
 19 Q How often do you owe these individuals 18
 20 percent?
 21 A Every year, or sometimes they don't take it.
 22 Q But the doc- -- the agreement you've signed
 23 allows them to get 18 percent interest annually?
 24 A Correct.
 25 Q And do the Nanban investors in the funds, any of

Page 164

1 the funds that we talked about, the Nanban Ventures funds,
 2 know about these loans?
 3 A I don't think so. They have no way of knowing.
 4 Q Any of the money that's listed as cash flow/
 5 returns on Exhibit 48, is any of this money sourced to
 6 those loans that Himalayan Fintech, Sunshine Fintech, or
 7 Northstars Fintech received from Prasanna Kumar and the
 8 other individuals and businesses that you can't remember?
 9 A Okay. The money that comes, I told you it goes
 10 to TD Ameritrade. From there, let's say we make 25
 11 percent in that six months. Investors who -- Nanban
 12 Ventures fund investors, they get their 18 percent.
 13 Others may not want it, so it remains there; or whoever
 14 wants it, they get their 18 percent. Whatever is the
 15 difference, we keep.
 16 Q Yeah. My question was: Any of the money that
 17 Prasanna Kumar loaned or the other friends and family
 18 business that loaned to Himalayan Fintech, Northstars
 19 Fintech, or Sunshines Fintech, all of that money went to
 20 the TD Ameritrade account?
 21 A Correct.
 22 Q None of that money flowed to any of the funds?
 23 A No.
 24 MS. MARTIN: Okay. Thanks.
 25 Q (BY MR. BRAUN) So your -- the TD Ameritrade --

Page 165

1 So stepping back, what -- how much -- what's
 2 the percentage interest that's owed on each of these
 3 loans?
 4 A Up to 18 percent.
 5 Q Up to 18 percent?
 6 Okay. And is it your testimony here today
 7 that GSM Eternal, those two TD Ameritrade accounts, that
 8 they have been making more than 18 percent or, you know,
 9 more than -- more than enough returns to pay the owed
 10 amount of loan interest every year?
 11 A Eighteen percent minimum, yes. We have more
 12 unrealized. Once that comes, it will be very huge.
 13 Q So in the TD Ameritrade accounts, doing an
 14 analysis of those accounts, for example, will show that GK
 15 Strategies, the trading that was done in those accounts
 16 made enough money that you were able to take the money
 17 from the TD Ameritrade accounts and liquidate it and give
 18 it back to Intangibles to cover the interest payments?
 19 That's --
 20 A Yeah.
 21 Q -- that's your testimony here today?
 22 A Yeah. The cash flow. We don't have to liquidate
 23 the account. Only cash flow is moved. We generate cash
 24 flow all the time. So you use the word "liquidate," which
 25 means you are to sell everything and give them the money.

Page 166

1 That's not what we do.
 2 Q Okay. You're talking about just the cash flow
 3 getting thrown off of the GSM Eternal accounts, the cash
 4 flow is sufficient by itself?
 5 A Correct.
 6 Q Not using any money from any other investors?
 7 A Correct.
 8 Q Just from the cash flow off of those accounts is
 9 enough to make all the interest payments?
 10 A Correct.
 11 Q And the only trading that's done to generate
 12 those re- -- those -- the cash flow is on the two GSM
 13 Eternal accounts that you've told us about?
 14 A Correct.
 15 MR. BRAUN: And give me a second here.
 16 Please don't look over that until I've introduced it,
 17 Russ.
 18 (Exhibit Nos. 121 and 122 identified.)
 19 Q (BY MR. BRAUN) Okay. I'm going to show you
 20 what's been previously marked as Exhibit 121 and Exhibit
 21 122. Now, let me explain these two exhibits. I want you
 22 to look over these and tell me if you recognize these two
 23 exhibits. But keep in mind that the first page you see
 24 that's hard to read, it's followed by another page that's
 25 easier to read, but it's not Bates labeled.

Page 167

1 A Okay.
 2 Q The Bates labeled versions that were produced,
 3 the -- the images that were Bates labeled weren't very
 4 well -- they weren't very clear. So the native versions
 5 were, though. So what we've done is we have a Bates
 6 labeled version of the first page followed by the native
 7 version that's easier to read.
 8 A Okay.
 9 Q And the second page that's hard to read that's
 10 Bates labeled followed by the second page again. So it's
 11 just page for page so you can look through it.
 12 A Okay.
 13 Q So look through those two documents and tell me
 14 if you recognize them. And you have to -- again, reading
 15 the second page, reading them -- yeah, exactly, the
 16 following page of each one, and you can see what they are
 17 and look at the tops.
 18 A (Examining exhibits.) Okay. I do recognize.
 19 Q Okay. Let's start with Exhibit 1- -- let me see
 20 those real quick. Okay. Let's start with Exhibit 121.
 21 How do you recognize that document?
 22 A This is the account number.
 23 Q For?
 24 A 121 is GSM Eternal.
 25 Q Do you recognize this as a "Know Your Customer

Page 168

1 Form" for the TD Ameritrade account for the -- for the
 2 account ending in --
 3 A Yeah.
 4 Q -- 5232?
 5 A Yes.
 6 Q And this is for one of the GSM Eternal accounts
 7 you've been talking about over at TD Ameritrade?
 8 A Yes.
 9 Q And let's look at Exhibit 122. Do you recognize
 10 that document?
 11 A Yes. GSM Eternal.
 12 Q Okay. You recognize this as the other "Know Your
 13 Customer Form" for --
 14 A Yes.
 15 Q -- the other GSM Eternal account ending in 6387?
 16 A Correct.
 17 Q Now, going back to Exhibit 121, on the second
 18 page of this document, after the first Bates labeled page,
 19 so this is the native version of Bates label 227. You'll
 20 see on the green at the top, this is the account -- the
 21 account name is GSM Eternal, LLC. Right?
 22 A Yes.
 23 Q And the primary owner is Manivannan Shanmugam?
 24 A Correct.
 25 Q And he is also a beneficial owner. Right?

Page 169

1 A Yes.
 2 Q You are, Gopala Krishnan, a beneficial owner?
 3 A Correct.
 4 Q And you're listed twice as the beneficial owner.
 5 Do you know why that is?
 6 A No.
 7 Q Okay. And then Mr. Gounder is listed as a
 8 beneficial owner?
 9 A Yes.
 10 Q And all -- whether it's Mr. Shanmugam,
 11 Mr. Gounder, or you, all three of you have authority to
 12 make trading decisions on this account?
 13 A Yes.
 14 Q And then there is a Hema Krishnan, trusted
 15 contact. Who is that?
 16 A My wife.
 17 Q And there's a -- my apologies if I butcher it --
 18 but Vida -- Vidhya Rasu (phonetic), trusted contact?
 19 A You got it, yeah.
 20 Q Okay. And who is -- who is Ms. Rasu (phonetic)?
 21 A She is wife of Mr. Gounder.
 22 Q Okay. Is there a reason that Mr. Shanmugam's
 23 wife isn't on here?
 24 A Oh, I don't know. Maybe there was not enough
 25 space for more.

Page 170

1 Q Maybe they were having a fight?
 2 A No. Or maybe it is there but it didn't come
 3 here.
 4 Q To your knowledge, is she a trusted contact on
 5 this account?
 6 A That, I don't know.
 7 Q Okay. Who typically handles the inputs, the
 8 actual mechanics of making trades and doing activity on
 9 this account that's reflected on Exhibit 121, the 5232
 10 account?
 11 A All three of us, but I generally give direction.
 12 Q Okay. So whether it's you or one of the other
 13 two individuals -- Mr. Gounder, Mr. Shanmugam -- it's
 14 really your direction. You're the one who's making the
 15 decisions?
 16 A Correct. And they're learning in the process,
 17 yes.
 18 Q Is there any protections in place to protect you
 19 from Mr. Gounder and Mr. Shanmugam taking the IP and going
 20 off and doing their own thing with it?
 21 A No.
 22 Q There's no -- there's no nondisclosure agreement
 23 in place?
 24 A No, except for Nanbanism. That's all. I mean,
 25 we trust each other.

Page 171

1 Q And I mean, I know the answer, but for the
 2 record, why don't you explain briefly Nanbanism.
 3 A Nanbanism is the philosophy that we go by.
 4 That's why we created our foundation. That's why we do
 5 business to help others unconditionally. We have a skill
 6 set that we utilize to help others, and we trust each
 7 other.
 8 Q Do you think that the concept of Nanbanism is one
 9 of the reasons that the investors trust you and Nanban
 10 Ventures with their money?
 11 A I believe so. They like our philanthropic work.
 12 Q Looking at Exhibit 122, I just want to go over
 13 the same, just confirming that the account structure is
 14 the same. Correct?
 15 A Correct.
 16 Q So that you and Mr. Shanmugam and Mr. Gounder are
 17 the beneficial owners and Mr. Shanmugam is the primary
 18 owner and then your wife and Mr. Gounder's wives are
 19 trusted contacts. Correct?
 20 A Correct.
 21 Q What does a trusted contact mean?
 22 A Oh, if they are not able to reach us, then that
 23 is available.
 24 Q Are -- is your wife able to make trading
 25 decisions on the account?

Page 172

1 A No.
 2 Q Is she able to enter trades, log in, in her own
 3 account and enter trades in the account?
 4 A No.
 5 Q Why is Mr. Shanmugam the primary owner of these
 6 two accounts reflected on Exhibits 121 and 122?
 7 A Because he's the chief operating officer, so one
 8 of us have to do this work of doing the documentation.
 9 And so, he generally takes care of it. He's the primary
 10 contact.
 11 I hope TD doesn't close our accounts now.
 12 MS. MARTIN: Sure, let's go off the record.
 13 MR. BRAUN: Off the record at 2:32 p.m.
 14 (Recess taken.)
 15 Q (BY MR. BRAUN) Let's go back on the record at
 16 2:46 p.m. Mr. Krishnan, we just took a brief break. Do
 17 you understand you're still under oath?
 18 A Yes.
 19 Q Let me -- I want to go over some of the loans
 20 again, too, but I also want to go over documents that were
 21 provided to the investors for the Nanban Ventures funds
 22 before they invested. Okay?
 23 A Before they invested?
 24 Q Before they invested. So, you know, you're --
 25 you're -- just put yourselves in the shoes of a potential

Page 177

1 They have access to your presenta- -- like, you give a
 2 presentation. There's also the PPM and all of its
 3 attachments?
 4 A Correct.
 5 Q Anything else or is that the --
 6 A That's all.
 7 Q That's the universe?
 8 A That's all.
 9 Q That's all they have to -- to -- that's what
 10 they base their investment --
 11 A That's all I know, yeah.
 12 Q That's what they base their investment decision
 13 off of? That's -- from terms of what you guys provide to
 14 them, that's it. Yes?
 15 A Correct.
 16 Q Okay.
 17 A We don't know what they are doing it on their
 18 side, who they are --
 19 Q Sure.
 20 A -- consulting.
 21 Q Sure, sure. Okay. So let's go into -- I want to
 22 talk about the loans again. Going back to the loans that
 23 Intangibles makes to the various GSM, Himalayan, and
 24 Centum, are there any other loans that are made with
 25 Nanban Ventures investor funds other than the loans that

Page 178

1 Intangibles makes?
 2 A Not that I'm aware of.
 3 Q So, for example, the Unicorn investments, those
 4 aren't loans to those start-up companies. They're actual
 5 equity investments?
 6 A Correct.
 7 Q And the real estate investments, those aren't
 8 loans to various entities. Those are actual equity
 9 interests. Buying the land, for example. They're
 10 actually buying a piece of land or becoming an investor
 11 that buys a piece of land. Correct?
 12 A Correct.
 13 Q Okay. So the only loans that we're talking about
 14 are the loans that come -- that originate from Intangibles
 15 loaning money to various entities. Correct?
 16 A Correct.
 17 Q Okay.
 18 A To the best of my knowledge.
 19 Q Sure. So each -- in each of the loans that
 20 Intangibles makes, no matter how small or how large, every
 21 loan that they make is accompanied by loan documentation.
 22 Correct?
 23 A Correct.
 24 Q And the loan documentation includes all of the
 25 terms that you would expect to find in a promissory note.

Page 179

1 For example, there is an interest rate, there is a term of
 2 how long the loan is, when it has to be repaid. All of
 3 that's in there?
 4 A Yeah, yeah. Exactly.
 5 Q How many -- other than Centum, Himalayan, and
 6 GSM, any other entities that Intangibles has loaned money
 7 to?
 8 A Not that I'm aware of.
 9 Q So, like, there's this company, Orion RE
 10 Capital --
 11 MS. BENNETT: Go back to Exhibit 48, please.
 12 Q (BY MR. BRAUN) Sorry. Yeah, Exhibit 48.
 13 There's Orion RE Capital, for example.
 14 A Yeah.
 15 Q It got, it looks like, \$2 million. That's not a
 16 loan?
 17 A It's not a loan. It's investment into that SPV.
 18 Q Okay. Looking at this first page of the
 19 statement of investments, starting with Garonga Hills
 20 (phonetic), going all the way down, we've talked about
 21 North- -- so Northstars Fintech, that 29,615,000, all of
 22 that money was loaned to Northstars Fintech/GSM by
 23 Intangibles. Correct?
 24 A Correct.
 25 Q All of the money shown on here for Himalayan

Page 180

1 Fintech, the almost \$5 million, was loaned by Intangibles?
 2 A Correct.
 3 Q All of the money on this page from Sunshines
 4 Fintech/Centum, the 21 million -- almost \$22 million, all
 5 of that is a loan from Intangibles?
 6 A Correct.
 7 Q Okay. Any other investment on this first page
 8 that is a loan from Intangibles?
 9 A No.
 10 Q Who signs the loan documentation? The loan from
 11 Intangibles to whether it's GSM or Himalayan or Centum,
 12 who signs that document on behalf of Intangibles?
 13 A Myself, Mr. Gounder, and Shanmugam. Only on
 14 signature is needed. Any one of us.
 15 Q (BY MS. MARTIN) Has Mr. Ramesh ever signed them?
 16 A No.
 17 Q Does he even know they exist?
 18 A Probably, yes.
 19 Q Why do you think probably, yes, he knows that
 20 these --
 21 A Based on your previous statement, because you
 22 said he disavowed or something.
 23 Q No. I'm asking you --
 24 A I don't know whether he knows. My expectation is
 25 he should know.

Page 181

1 Q And did you tell him?
 2 A Probably. I don't remember.
 3 Q Okay. You don't have a specific recollection of
 4 telling the President of Nanban Ventures that you've
 5 signed loans between Intangibles and Northstars Fintech,
 6 Himalayan Fintech, or Sunshines Fintech?
 7 A All these documents are available in our
 8 repository.
 9 Q Okay. But that wasn't my exact question. My
 10 question was: Did you tell Mr. Ramesh?
 11 A I don't remember specifically.
 12 Q Okay. You have no specific memory of telling
 13 Mr. Ramesh about these loans?
 14 A Correct. But that is the process he should be
 15 aware of.
 16 Q (BY MR. BRAUN) And who is signing the
 17 documentation? Who is signing any loan document papers
 18 for GSM?
 19 A One of us three -- Shanmugam, Gounder, myself.
 20 Q Okay. Is it ever the same person? You know, you
 21 sign for Intangibles and you sign for GSM?
 22 A No. Intang- -- oh, you're asking once it goes
 23 down to GSM from there?
 24 Q Yeah.
 25 A From there, we are not loaning out.

Page 182

1 Q No. The loan doc- -- is there a countersignature
 2 or is it --
 3 So when Intangibles loans money to GSM, that
 4 loan document, is it two signatures? One from GSM and one
 5 from Intangibles?
 6 A I don't remember.
 7 Q And the money goes from Intangibles' bank account
 8 into the bank account of Himalayan or --
 9 A Yeah.
 10 Q -- Centum or GSM --
 11 A Yes.
 12 Q -- whoever is borrowing the money?
 13 A Yes. That is the process.
 14 Q (BY MS. MARTIN) Is there a reason why Mr. Ramesh
 15 isn't ever asked to sign on these loans?
 16 A Because he focuses on Unicorn side, so he signs
 17 all of those things. I don't sign any of the start-ups.
 18 Q (BY MR. BRAUN) And the way this -- the way the
 19 loans work, you could --
 20 What's the most you've made in a year using
 21 GK Strategies on an account? What's the most you've made
 22 off of it in your -- the cash flow, the returns,
 23 everything? What's the most you've made in one year? 20
 24 percent? 25?
 25 A Since 2001?

Page 183

1 Q Yeah, going all the way back. What's the most
 2 you've ever made?
 3 A 185 percent.
 4 Q So if you were to make 185 percent and the money
 5 comes from you, this -- this \$30 million coming to
 6 Northstars Fintech, you make 185 percent return. The
 7 investors in Nanban Ventures, they only get --
 8 A 18.
 9 Q -- at most, 18 percent. That's it?
 10 A Correct.
 11 Q The rest of this massive windfall just stays with
 12 GSM and your other investors?
 13 A Correct. No, not with other investors, also.
 14 They also only get 18 to 20 percent.
 15 Q Because all their -- all their investments are
 16 loans --
 17 A Yes.
 18 Q -- to GSM?
 19 A Yes.
 20 Q Okay. And -- and you've explained that -- that
 21 process that these loans have a fixed rate and no matter
 22 how much you make on GS- -- GK Strategies, that's all the
 23 money that is going to be seen by your Nanban Ventures
 24 investors?
 25 A Correct.

Page 184

1 Q And again, where was that disclosed?
 2 A In the loan documents. The loan that it is
 3 making, Intangibles is making to GSM. So 18 percent is
 4 there.
 5 Q Now, the loan documents, who has access to those?
 6 A We, general partners.
 7 Q Okay. The investors don't have access to those
 8 loan documents --
 9 A No.
 10 Q -- do they?
 11 A No.
 12 Q So how do the investors know about that loan --
 13 the loan percentage rates and everything else with those
 14 loans?
 15 A They don't know.
 16 Q (BY MS. MARTIN) Why didn't you tell them?
 17 A We didn't feel necessary to tell that information
 18 because we are making money and we say -- we give a
 19 guidance of in our ventures anywhere from 18 to 30 percent
 20 a year.
 21 Q So you tell investors in Nanban Ventures that
 22 they can expect to make 18 to 30 percent a year?
 23 A No. It's the -- when somebody asks what is the
 24 guidance, it's not guaranteed what is GK Strategies can
 25 make. So when that question comes, we do explain this is

Page 185

1 how we -- every month, 1.5 percent, 2 percent, 3 percent
 2 like that. Cash flow.
 3 Q So when somebody asks how much money GK
 4 Strategies can make, you tell them GK Strategies can make
 5 18 to 30 percent return or --
 6 A Cash flow.
 7 Q Cash flow?
 8 And then, do you follow up by telling them
 9 that investors in Nanban Ventures can only reap 18 percent
 10 of those profits because of these loans -- 18 percent of
 11 the cash flow --
 12 A No. We have not disclosed that.
 13 Q And again, you haven't disclosed it because don't
 14 think that that would be information an investor would
 15 want to know while you're telling them that the strategy
 16 you're using to trade is capable of producing cash flow
 17 through 18 percent to 30 percent?
 18 A Yeah.
 19 Q Okay. Did you under- -- I wanted to make sure --
 20 A Yeah, I understand what you're saying. We don't
 21 get down to that detail that what we are making from GK
 22 Strategies.
 23 Q Okay.
 24 A Because they know GK Strategies are applied
 25 because they are our friends. We tell them in our calls,

Page 186

1 but they don't know what the actual returns are that
 2 fintechs are making.
 3 Q And they don't know that their cash flows are
 4 capped at 18 percent because of the loan structure.
 5 Right?
 6 A Correct. Some of them may know. Some of them
 7 may not know. I don't know.
 8 Q How would they know?
 9 A If they had asked that question.
 10 Q Do you have a specific memory of telling anyone
 11 about --
 12 A In one of the webinars, I did mention.
 13 Q Which one?
 14 A Maybe the first one when fintechs were created.
 15 Again, it's -- I don't know for sure.
 16 Q How much has GSM paid Intangible in interest
 17 payments?
 18 A Intangibles?
 19 Q Yeah. How much has GSM paid Intangible in
 20 interest payments from the loans?
 21 A Sudha would know. I don't know the exact amount.
 22 Maybe 20 percent.
 23 Q So -- but do you have a ballpark figure?
 24 A Around 20 percent.
 25 Q Right, right. But in -- you know, 1 million? 2

Page 187

1 million? Like, do you have a ballpark amount of money
 2 that GSM has paid Intangible pursuant to these loan
 3 agreements?
 4 A Sorry. I don't recall. It's in millions.
 5 Q In the millions?
 6 More than 5 million?
 7 A Probably.
 8 Q More than 10 million?
 9 A I cannot confirm.
 10 Q Okay. And how much has G- -- how much in loan
 11 money has GSM received from the Intangible in capital,
 12 from Intangible?
 13 A Maybe 50, 60 million.
 14 Q And do investors know that 50 to 60 million of
 15 the fund's money have been loaned to a company controlled
 16 by the founders?
 17 A Yes.
 18 Q And how do they know that?
 19 A I disclosed it.
 20 Q Where?
 21 A In the webinar.
 22 Q Which one?
 23 A The investor webinar. I don't know which one,
 24 but in one of the webinars.
 25 Q And how can we verify that?

Page 188

1 A Only by talking to investors or if it is in our
 2 notes that we sent them. There is an e-mail summary also
 3 that we send. Other than this document, there's an e-mail
 4 summary, and those investors who missed the webinar, they
 5 read the e-mail summary.
 6 Q And do you draft those e-mail summaries?
 7 A No.
 8 Q Who drafts them?
 9 A Gary Wilcox, who is the investor relation head.
 10 Q (BY MR. BRAUN) Earlier, you testified about
 11 these webinar recordings. You said that they were
 12 deleted. How soon are they deleted after they are
 13 recorded?
 14 A From my memory, I'm recalling few weeks.
 15 Q A few weeks?
 16 And who -- who is the individual that handles
 17 all of the electronic recordings and the archiving and all
 18 that stuff? Who is that person?
 19 A Mr. Gounder.
 20 Q Mr. Gounder?
 21 A Because those rules were set in the very
 22 beginning. That's why.
 23 Q (BY MS. MARTIN) I should ask, because I guess we
 24 haven't clearly done it. To the extent it's not clear, we
 25 are requesting that no more deletions of investor --

Page 197

1 happens --

2 A If TD Ameritrade goes bankrupt.

3 Q Walk me through that.

4 A That's what I'm saying. TD Ameritrade, where my

5 money is, goes bankrupt. I lost everything.

6 Q Something -- something -- I mean, like, walk me

7 through a scenario where instead of GK Strategies making

8 15 percent over the S&P 500, that it actually in a year

9 makes 15 percent less than the S&P 500. Walk me through

10 that scenario. How does that happen?

11 A I cannot think of any scenario that comes in my
12 brain. There may be some other smart people can figure it
13 out. But as for me --

14 Q Uh-huh.

15 A -- because I'm always collecting cash, we don't
16 care about the asset value. Because it is S&P 500, it can
17 never go to zero. As long as S&P 500 doesn't go to zero,
18 my strategy will outperform S&P 500.

19 Q All the time?

20 A All the time.

21 Q And that's what you tell investors?

22 A That's what I'm telling you. So, yeah.

23 Q That's what you tell investors. Right?

24 A Investors, also.

25 MR. BRAUN: Okay.

Page 198

1 Q (BY MS. MARTIN) And you've told the Nanban
2 Ventures fund investors that your strategy works 100
3 percent of the time?

4 A From cash flow perspective, yes.

5 Q That it will beat the S&P 500 from cash flow
6 perspective 100 percent of the time?

7 A Correct.

8 Q And what years of experience are you basing that
9 statement on when you say it?

10 A From 1997 'til 2001, I was not successful. But
11 from 2001 onwards, I can tell you.

12 Q So you've looked at your brokerage accounts from
13 2001 to current and you've calculated that you beat the
14 market every year?

15 A No.

16 Q Then, how do you know?

17 A Because of what I just explained. In principle,
18 because I don't sell the assets, assets are always there,
19 I know when I click that button every time money is coming
20 into my account.

21 Q Okay.

22 A That's how I know.

23 Q Okay. So you haven't gone back to brokerage
24 accounts to actually verify?

25 A No. But here is the thing. Nanban -- Shanmugam

Page 199

1 and Mr. Gounder, before they agreed to join and create
2 fund, they did their backtesting and they have their own
3 results independently that they presented to me, and
4 that's how they became partners.

5 Q Did you give them your brokerage account records?

6 A No.

7 Q You're saying they traded using your strategies?

8 A They simulated.

9 Q And how did they simulate?

10 A They wrote program, technical program to collect
11 all the data that is available about S&P 500, options,
12 derivatives, and they simulated the GK Strategy for the
13 last 15 to 20 years, I think.

14 Q (BY MR. BRAUN) So they based this analysis off
15 of a simulation, not your actual trading results?

16 A Yeah. My trading results are private. I don't
17 share with them. And they also learned the strategy, so
18 probably they did it themselves or they may not have done
19 it.

20 Q (BY MS. MARTIN) And for the four hedge funds,
21 did you connect any analysis to see whether, for instance,
22 the June Fund made a higher return than the S&P 500 during
23 the same time that you -- the June Fund you were trading
24 using GK Strategies?

25 A No. From profit perspective, no. From cash

Page 200

1 flow, if you go back, yeah, we can do that. I've been --
2 we can do it.

3 Q You're just assuming that you made more?

4 And same question for --

5 A Correct.

6 Q -- the -- for the September Fund. Are you
7 assuming that you -- that you overperformed in the S&P 500
8 index?

9 A From cash flow perspective.

10 Q And I think I'm having a hard time wrapping my
11 head. What do you mean -- because your PPM says --

12 A The returns.

13 Q -- generate returns that will consistently
14 overperform the S&P 500. So the S&P 500 doesn't have cash
15 flows. So what do you mean cash flows will overperform
16 the S&P 500?

17 A My strategies. S&P 500 is just an asset that we
18 use to generate cash flow. Together, when you add them
19 up, yes, sometimes we generate profit, sometimes we don't.
20 But cash flow-wise, we are always ahead.

21 Q (BY MR. BRAUN) What percentage of your investors
22 are non-Indians?

23 A Very, very less.

24 Q Very little. Right?

25 A Very little.

Page 201

1 Q Like 95 percent are more of Indian -- Indian

2 descent? Is that --

3 A 98 or 99 percent.

4 Q Are all of Indian descent?

5 A Yeah.

6 Q So this -- I want to go back to -- way, way back
7 to when we first started testimony today. This issue
8 about the bank closing the accounts and you saying it's
9 going to cau- -- what was your -- what was your --

10 A We're going to close Ventures.

11 Q You're going to close Ventures because of --
12 And they're going to close your accounts June
13 15th?

14 A June 15th.

15 Q So in a couple of weeks?

16 A Yes.

17 Q And -- and that happens, you're going to do what?

18 A We have to notify our investors.

19 Q They haven't been notified yet?

20 A No. We have not had the webinar yet.

21 Q But what -- who car- --

22 A See, first --

23 Q Why wouldn't you contact them right away? I
24 don't understand this idea that, well, we haven't had the
25 webinar yet. The event has happened. You're telling me

Page 202

1 this was a big emergency --

2 A Yes.

3 Q -- and you're going to close the accounts. Why
4 wouldn't you be on, like, a phone with the investors,
5 talking to them now? Why are you waiting 'til the
6 webinar? I -- that's what I don't understand.

7 A So that we can explain to everybody. Until then,
8 I want to take the steps to prevent it from happening.
9 It's going to create chaos. You have no idea. Investors
10 are going to cry. They will send you e-mails. They will
11 contact you. Now you -- you mi- -- you -- there may be
12 some dirty apples in the bunch. If this happens and we
13 announce we close the Ventures, a lot of people will
14 complain and our name will be ruined.

15 Q What do you mean "dirty apples"? What do you
16 mean?

17 A See, the thing is, when we do business, you
18 cannot make everybody happy. Even though we said the same
19 thing to everybody, there are some people who came to our
20 fund only to learn level 3, 4, and 5, and we have done
21 everything not to tell them. And so, they are the ones
22 who create all these problems for us.

23 Q What problems?

24 A Reporting to somebody, talking about us in social
25 media, badmouthing behind the scene. Because rumors go

Page 203

1 on. They come and tell us.

2 Q So unhappy investors are "dirty apples"?

3 A Unhappy investors or people who could not get
4 into our fund.

5 Q Okay. So people who couldn't get into the fund
6 or they are unhappy investors --

7 A Yeah.

8 Q -- with the returns --

9 A Yeah.

10 Q -- they're "dirty apples"?

11 A Or for some reason.

12 Q Okay. Unhappy with the returns; unhappy for any
13 reason?

14 A Or they asked us level 3, 4, and 5 and we didn't
15 disclose.

16 Q Okay. And those are "dirty apples"?

17 A Yes. But most of them are very satisfied, they
18 are so happy. We meet them in regular gatherings. So you
19 can see the why. You know, they're so happy that they are
20 part of our journey.

21 Q So -- and you testified earlier that the accounts
22 had been closed before?

23 A First United Bank, yes.

24 Q And you were able to continue the business after
25 that happened?

Page 204

1 A We went to First Republic Bank.

2 Q Okay. So why, with these bank accounts being
3 close, why does it create this implosion event where
4 everything has to shut down? What's the reason for that?

5 A We have made the decision we cannot just move our
6 accounts.

7 Q Why?

8 A If you contact again some other bank, then they
9 will close it again.

10 Q So you're making the decision to close the
11 business not because -- not because you can't get other
12 bank accounts?

13 A Oh, no. We are not able to. I'm telling you we
14 have contacted five banks, and due to three bank failures,
15 everybody is saying it's going to take three months to
16 four months to open the accounts.

17 Q What banks have you contacted?

18 A Wells Fargo, Morgan Stanley, Encore. So, like
19 that, we are contacting every day. I have to change my
20 wedding plans that I was supposed to leave tomorrow. I
21 cancelled it because this is the emergency I have here.
22 All right? So it has a lot of issues for us.

23 And -- so, like First Republic, when we went

24 First United to First Republic, it was very quick. When
25 we opened the account, we thought maybe First United

Page 225

1 Q (BY MS. MARTIN) How could GSM get a loan for \$11
2 million that you wouldn't know about?

3 A Because I don't get into the weeds. My job is to
4 generate money using --

5 Q An \$11 million loan is the weeds?

6 A What I'm saying is, money is not a weed, but
7 transactions, what money is coming in. It could be
8 Mr. Shanmugam who would have signed it or Mr. Gounder. I
9 was not aware of it.

10 Q (BY MS. BENNETT) I believe we talked in our --
11 the meeting that we had and counsel, so I'd like to just
12 -- basically this is just a regurgitation to put it on the
13 record.

14 There was payments from GSM to the three
15 founders. What was the basis for those payments? Why
16 were those payments made? I believe in the meeting you'd
17 said you would look at it and look into it. We discussed
18 it a little bit.

19 MS. MARTIN: Could you refresh his memory by
20 giving him the --

21 THE WITNESS: Yeah.

22 MS. MARTIN: -- amounts and --

23 MS. BENNETT: Sure.

24 MS. MARTIN: -- transaction date?

25 Q (BY MS. BENNETT) In total, from July 29th, 2021

Page 226

1 through December 22, 2022 -- oh, there it is --

2 Well, let me back up. Let me put something
3 on the record first. What is HKGK, LLC?

4 A It's my family office.

5 Q And what is Preeti Mani, LLC?

6 A Mr. Shanmugam's family office.

7 Q And what is Visa Vel, LLC?

8 A Mr. Gounder's family office.

9 Q All right. So from July of 2021 through December
10 of 2022, Preeti Mani received \$858,990.34; Visa Vel, LLC
11 received the same amount of money. HKGK received
12 \$3,279,980.69. So, again, my question is: Do you know
13 what the basis for those payments are?

14 A I don't know the exact reason, but there was a
15 need for us to have cash flow for us.

16 Q So it's cash flow for your family businesses?

17 A Yeah. We don't work anywhere else. This is the
18 way we make money.

19 Q (BY MS. MARTIN) Well, and are -- but aren't
20 investors told -- in Nanban Ventures, investors told that
21 the way you make money is the 2 percent assets under
22 management and the money the GP gets, that's part of
23 the -- over the pre- --

24 A See, when it is Venture fund, that is what it is.

25 See, in my mind, the way we created this model, that thing

Page 227

1 ends with Intangibles, Solid, and Unicorn. After that,
2 our investors have no visibility to Himalayan and GSM and
3 all those things, because it's disconnected. It's a loan
4 that happens. So it is not owned by those companies. So
5 we created the structure for that reason for that. We
6 give 18 percent return. Anything more, we keep it. If we
7 make less, we'll use that to give them the money. Because
8 we are on the hook on both sides. Whether when we make
9 less, we still have to give them 18 percent. If we make
10 more, we give 18 percent, keep it for -- as a cushion. We
11 get paid on our hard work.

12 Q And when you make less than 18 percent, where
13 does that money come from?

14 A The excess that is sitting there.

15 Q Sitting where?

16 A In the TD Ameritrade.

17 Q So there's -- how much excess is sitting in the
18 TD Ameritrade?

19 A I don't know. But there is sometimes more that
20 that. So far it has not happened that we have made less
21 than 18 percent.

22 Q Okay. So the money that was paid to you from
23 GSM, what was the source of that money?

24 A It could be that money that has come from
25 investors. One of the investors is the Intangible, but

Page 228

1 there are other people who have invested that
2 (inaudible) --

3 Q Well, when we talked about those amounts of
4 money, you said they weren't investors. You said that
5 they were loans.

6 A I mean, that's what I mean. Investors can loan
7 the money or they can take equity. Investors come in both
8 ways.

9 Q So what I'm asking is, the amount -- the payments
10 that GSM made to you and the other founders, was all of
11 that cash flow from the TD Ameritrade account or was some
12 of that money, money from inves- -- you know, that flowed
13 from the investors in the Nanban Ventures fund and the
14 investors that loaned money to GSM?

15 A No. It's the cash flow. It's over that 18
16 percent.

17 Q It's 100 percent cash flow.

18 So if we go back and look at the bank
19 records, what we would see is money coming from the TD
20 Ameritrade account to GSM, the cash flow, and then that
21 amount going one thing -- some of the -- and that money
22 being used to go -- to make these payments that
23 Ms. Bennett has referenced. Is that right?

24 A Yes.

25 Q (BY MS. BENNETT) And just -- I just want to

Page 237

1 A Yes.
 2 MS. BENNETT: Okay. That's all I have.
 3 Q (BY MR. BRAUN) Mr. Krishnan, we have no further
 4 questions at this time. We may, however, call you again
 5 to testify in this investigation. Should this be
 6 necessary, we will contact you through your counsel.
 7 I've asked you a lot of questions here today.
 8 Is there anything you would like to add or state to make
 9 your testimony complete?
 10 A No.
 11 Q We are off the record --
 12 A Oh, sorry. Before --
 13 Q Yeah.
 14 A All the answers that I have given are based on my
 15 best knowledge and recollection, so please do not hold on
 16 -- hold me on to that.
 17 MS. MARTIN: And Mr. Nevers, is there any
 18 clarifying questions you'd like to ask?
 19 MR. NEVERS: No, thank you.
 20 MR. BRAUN: We are off the record at
 21 4:23 p.m. on May 30th, 2023.
 22 (Whereupon, at 4:23 p.m., the examination
 23 was concluded.)
 24 * * * * *
 25

Page 238

1 PROOFREADER'S CERTIFICATE
 2
 3 In the Matter of: NANBAN INVESTMENTS, LLC
 4 Witness: Gopala Krishnan
 5 File No.: FW-04440-A
 6 Date: Tuesday, May 30, 2023
 7 Location: Fort Worth, Texas
 8
 9 This is to certify that I, Christine Boyce,
 10 (the undersigned), do hereby certify that the foregoing
 11 transcript is a complete, true and accurate transcription
 12 of all matters contained on the recorded proceedings of
 13 the investigative testimony.
 14
 15
 16 _____
 17 (Proofreader's Name) 6-6-2023
 18
 19
 20
 21
 22
 23
 24
 25

Page 239

1 REPORTER'S CERTIFICATION
 2
 3 I, Chris W. Ferguson, Certified Shorthand Reporter
 4 in and for the State of Texas, hereby certify to the
 5 following:
 6 That the transcript of the interview of GOPALA
 7 KRISHNAN is a true record of the testimony given by the
 8 witness;
 9 I further certify that I am neither counsel for,
 10 related to, nor employed by any of the parties or
 11 attorneys in the action in which this proceeding was
 12 taken, and further that I am not financially or otherwise
 13 interested in the outcome of the action.
 14 Certified to by me this _____ day of _____,
 15 2023.
 16 CHRIS W. FERGUSON, TEXAS CSR 7041
 17 Expiration Date: 7-31-2023
 18 QUEST RECORDS AND REPORTING
 19 Firm Registration No. 564
 20 10100 N. Central Expressway
 21 Suite 150
 22 Dallas, Texas 75231
 23 (866) 415-8838 Phone
 24 (866) 415-8839 Fax
 25

KRISHNAN, GOPALA

May 30, 2023

1 taken, and further that I am not financially or otherwise
2 interested in the outcome of the action.

3 Certified to by me this _____ day of _____,
4 2023.



CHRIS W. FERGUSON, TEXAS CSR 7041

Expiration Date: 7-31-2023

QUEST RECORDS AND REPORTING

Firm Registration No. 564

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EXHIBIT 45

Page 1

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. FW-04440-A
5 NANBAN INVESTMENTS, LLC,)
6 ET AL)
7
8 WITNESS: Sakthivel Palani Gounder
9 PAGES: 1 through 244
10 PLACE: Securities and Exchange Commission
11 801 Cherry Street, Suite 1900
12 Fort Worth, Texas
13 DATE: Wednesday, October 19, 2022
14
15 The above-entitled matter came on for hearing,
16 pursuant to notice, at 9:33 a.m.
17
18
19
20
21
22
23
24 Diversified Reporting Services, Inc.
25 (202) 467-9200

Page 2

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19 Suite 200
20 Peoria, AZ 85382
21 (385) 497-6504
22
23
24
25

Page 3

1	C O N T E N T S	
2		
3	WITNESS	EXAMINATION
4	Sakthivel Palani Gounder	5
5		
6	EXHIBITS: DESCRIPTION IDENTIFIED	
7	10 PPM Nanban Investments 9/20	51
8	16 Subpoena 9/22/22	8
9	18 Background Questionnaire 10/14/22	11
10	19 Nanban Enterprise Offerings	129
11	20 Nanban Enterprise Offerings	148
12	26 Bank Statement	163
13	30 Nanban Investor Statements	206
14		
15		
16		
17		
18		
19		
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Page 4

1 P R O C E E D I N G S
2 MR. BRAUN: We are on the record at 9:33
3 a.m. on October the 19th, 2022.
4 Mr. Gounder, before we begin I want to go
5 over a few protocols and agreements with you and your
6 counsel. Just three simple ones.
7 Number one, you understand and agree that
8 the oath or affirmation to tell the truth will be
9 administered by audio visual means, rather than in
10 person, but will have the same effect as if
11 administered in person. Is that agreed?
12 MR. GOUNDER: Agreed.
13 MR. BRAUN: And Mr. Green?
14 MR. GREEN: Agreed.
15 MR. BRAUN: And you agree that neither of
16 you nor any other party under your control will make a
17 recording of the testimony, whether through the Webex
18 system or with a separate device. Agreed?
19 MR. GREEN: Agreed.
20 MR. BRAUN: And Mr. Gounder, I saw you shake
21 your head. Would you just say yes?
22 MR. GOUNDER: Yes, agree.
23 MR. BRAUN: And finally, you both agree that
24 you will not copy, print, save, screenshot, or
25 reproduce any portions of any exhibit. Is that

Page 29

1 any privately-held company, and you said yes. And you
 2 list Nanban Enterprise, LLC, correct?
 3 A Correct.
 4 Q And what is your ownership in Nanban
 5 Enterprise, LLC?
 6 A Do you mean percentage?
 7 Q Let's start with percentage, sure.
 8 A Twenty-five.
 9 Q Twenty-five percent?
 10 A Yes.
 11 Q Are there any other companies that you are a
 12 beneficial owner of, directly or indirectly?
 13 A Any other companies? Nanban Enterprise is
 14 the holding company, and I'm owner of that company.
 15 Q Okay. And you said --
 16 A Then my --
 17 Q -- it's a holding -- I'm sorry, go ahead.
 18 A No, I'm -- there are -- my family office is
 19 there. And then I'm owner of my family offices, also.
 20 Outside of --
 21 Q Okay, and what is your -- okay, and what is
 22 your family office?
 23 A You want the name?
 24 Q Correct, the full name.
 25 A Okay, Visa Vel, LLC.

Page 30

1 Q And you're going to have to definitely spell
 2 that, please, for the court reporter and for us.
 3 A V-i-s-a V-e-l L-L-C.
 4 Q Okay, I still didn't get the first -- so
 5 the -- what's the first word?
 6 A V. V, as in victory. V-i-s-a V-e-l L-L-C.
 7 Q I'll tell you what. It might be easier for
 8 me -- do you see on the bottom right of the screen
 9 that we're using right now? If you see on the bottom,
 10 there's a little chat bubble.
 11 A Yeah.
 12 Q Let's click that chat bubble, and just type
 13 in the spelling that you just gave us. Type in the
 14 name of that company, and hit enter, and we'll all be
 15 able to see it, including the court reporter.
 16 A I just did.
 17 Q Oh, there we go. There we go. Got it.
 18 Visa Vel, LLC. Okay.
 19 A Yeah.
 20 Q And what ownership do you have in Visa Vel,
 21 LLC?
 22 A I own -- I don't remember exactly. I own
 23 less than 10 percent. The rest are owned by the
 24 family.
 25 Q So you own 10 percent, and then your other

Page 31

1 various family members own the other 90 percent?
 2 A Right. Correct.
 3 Q Any other companies besides Nanban
 4 Enterprise, LLC and Visa Vel, LLC?
 5 A No.
 6 Q And you said Nanban Enterprise, LLC is a
 7 holding company. What are the companies that it
 8 holds?
 9 A Nanban Investments, LLC.
 10 Q Anything else?
 11 A No.
 12 Q Okay, I'm going to -- we will come back to
 13 that. I want to go on to question number 16 on SEC
 14 Exhibit No. 18.
 15 Now it's talking about whether you've ever
 16 been a manager or a member of any privately-held
 17 company, and you again list Nanban Enterprise, LLC.
 18 But are you one of the managers of that family office?
 19 A Family office? I'm not manager.
 20 Q What about Nanban Investments 2020 June
 21 Fund, LLC? Are you a manager there?
 22 A June Fund, LLC. I'm a managing member,
 23 correct.
 24 Q And Nanban Investments 2020 Sep Fund, LLC?
 25 A Correct, managing member.

Page 32

1 Q Okay. Nanban Investments 2020 Oct Fund,
 2 LLC?
 3 A That was managed by manager.
 4 Q Okay, and are you one of those managers?
 5 A Yes.
 6 Q And Nanban 2020 Perpetual Income Fund, LLC.
 7 Manager, correct?
 8 A Yes.
 9 Q Okay. What other Nanban funds are you a
 10 manager of?
 11 A Can you repeat the question?
 12 Q Sure. We just went over several of these
 13 different funds. What other funds are you a manager
 14 of, just --
 15 A That's it.
 16 Q -- other than the ones we just listed?
 17 A No, that's it.
 18 Q Your family office, does it use GK
 19 Strategies for its investments?
 20 A No.
 21 Q Why not?
 22 A I don't see a reason to use. My family
 23 decided not to use, so --
 24 Q You said the family decided not to use it?
 25 MR. GREEN: Jason --

Page 49

1 Q So your Nanban Enterprise on question number
 2 35 says that you worked there since 2020. When in
 3 2020 did you start working at Nanban?
 4 A June 2020.
 5 Q And it says that you -- it says Nanban
 6 Enterprise, LLC/self-employment. What does that
 7 self-employment mean?
 8 A Like, I am part of managing partner. So
 9 that's what I meant.
 10 Q But you list a supervisor as being Gopala
 11 Krishnan, who we refer to as GK, right?
 12 A Correct.
 13 Q And so GK is your supervisor at Nanban
 14 Enterprise?
 15 A Yes.
 16 Q And even though you're an actual owner of
 17 Nanban Enterprise, GK is still your supervisor?
 18 A For my role, chief investment officer, he is
 19 the chief executive officer. So I report to him.
 20 Q Before you went to work at Blucora, it says
 21 you worked at Santander Consumer USA. Do you see that
 22 on page 10 of --
 23 A Yeah.
 24 Q -- SEC Exhibit No. 18?
 25 A Yeah, Yeah.

Page 50

1 Q It's -- on the title, does that say ETL
 2 developer?
 3 A Yes.
 4 Q Okay, what's an ETL? What does that stand
 5 for?
 6 A Extract, transform, and load.
 7 Q Okay. And is that -- what did you do as an
 8 ETL developer?
 9 A So ETL has -- the developer has -- will have
 10 a tool, a software tool, that helps migrate data from
 11 one place to another. Like, it says extract. And if
 12 there is -- any transformation of their data is
 13 involved, transform and load it to another database.
 14 Q And then before that, you worked at
 15 Cognizant Technology Solutions as a senior associate
 16 from 2005 until 2014. Is that correct?
 17 A Correct.
 18 Q What did you do as a senior associate there?
 19 A I was working an ETL, as well.
 20 Q So kind of in data management, sort of.
 21 A Exactly.
 22 Q Right?
 23 A Correct.
 24 Q And what about Venture Power Systems in 2004
 25 to 2005? It says you were a trainee. A trainee of

Page 51

1 what?
 2 A Training -- I did electrical engineering.
 3 So this is six months, I think, or six to eight
 4 months' gig I did as a trainee in electrical
 5 engineering.
 6 MR. BRAUN: Okay, let's go off the record at
 7 10:40 a.m.
 8 (A brief recess was taken.)
 9 MR. BRAUN: All right. We are back on the
 10 record at 11:04 a.m.
 11 Mr. Gounder, we just took a brief break.
 12 You understand you're still under oath?
 13 THE WITNESS: Yes.
 14 (SEC Exhibit No. 10 was marked for
 15 identification.)
 16 BY MR. BRAUN:
 17 Q Okay. I -- we are putting up on the screen
 18 right now a document that has been marked as SEC
 19 Exhibit No. 10. I'd like you to -- we're just going
 20 to kind of scroll through this real quick and just, if
 21 you could look, at it, and let me know if you're
 22 familiar with this document.
 23 I'll represent to you that it is the private
 24 placement memorandum that was produced by Nanban as
 25 part of its production, and it's for the Nanban

Page 52

1 Investments 2020 Sept Fund, LLC. Do you -- tell me if
 2 you recognize that document.
 3 A Yes.
 4 Q And then how do you recognize that document?
 5 A By looking at the first page that you saw.
 6 It has --
 7 Q And --
 8 A -- the fund name, and it has the details
 9 based on that.
 10 Q Okay. And this is the private placement
 11 memorandum that was used as part of the offering for
 12 the Nanban Investments 2020 Sept Fund LLC, correct?
 13 A Yes.
 14 Q Just for ease of reference so I don't have
 15 to keep speaking that entire mouthful, can we agree
 16 that when I refer to the September Fund, I'm referring
 17 to the Nanban Investments 2020 Sept Fund, LLC?
 18 A Yes.
 19 Q And tell me in your own words what the
 20 September Fund was.
 21 A September Fund? We registered a September
 22 Fund for anybody who would like to invest with us, and
 23 we accept their money, and then invest in trading
 24 strategies. So this fund is hedge fund, and we invest
 25 in S&P 500.

Page 53

1 Q And this was a -- this was -- the September
2 Fund was a hedge fund for investors to invest in, and
3 that hedge fund would employ the GK Strategies that
4 we've been talking about, correct?

5 A Yes.

6 Q Let me have you -- I'm going to be referring
7 to the pages here. I'm probably going to be -- for
8 the record to be clearer, I'm going to refer to Bates
9 labels. Do you know what those are?

10 A No.

11 Q Okay. So Bates labels are a way that
12 lawyers -- how we keep track of documents when they're
13 either produced or we use them in testimony, things
14 like that.

15 So on the bottom right of that page,
16 underneath the SEC Exhibit No. 10 sticker, do you see
17 where it says Nanban_00115?

18 A Yes.

19 Q That is a Bates label. Those -- your
20 lawyers, when they produce documents, they put those
21 types of labels on them so that we always know how
22 many pages they produced. And if we ever have
23 questions, we can always refer right to the Bates
24 label document, and know where to go. Okay?

25 A Okay.

Page 54

1 Q So I'm going to refer to the Bates labels
2 when I'm talking about pages. So for example, I'll
3 say, "Let's go down to Bates 115," and we would be at
4 this page. Are you with me?

5 A Okay.

6 Q Okay. So I'm going to have us go to Bates
7 page number 121. And do you see -- on the bottom of
8 that page the topic is "Offering Overview." We'll get
9 to it in a second, hold on. Bates label 121 on the
10 bottom right.

11 (Pause.)

12 BY MR. BRAUN:

13 Q There we go.

14 A Yeah.

15 Q Do you see where it says "Offering
16 Overview"?

17 A Yes.

18 Q Okay. The second sentence on that section
19 says, "The company" -- and "the company" is referring
20 to the September Fund -- "is a limited liability
21 company governed by Delaware law, formed primarily to
22 invest in the stock market using defined risk
23 strategies." Do you see that?

24 A Yes.

25 Q What are defined risk strategies?

Page 55

1 A So in GK Strategies, that's what we use,
2 okay, and we always don't take a risk in investing.
3 Our risks are not exposed. And we have a protection
4 with -- if you understand derivatives and stock
5 market -- and we always have a put option which
6 protects the portfolio. It's like -- acts like an
7 insurance.

8 Q Okay. And I'm going to ask you, like we did
9 earlier, where you explained data architect, you know,
10 like you're talking to a high school class, I'm going
11 to want you to do that for this.

12 So when you say "defined risk strategies,"
13 and you said that that term means that there is
14 protection, is that fair?

15 A Yes.

16 Q Explain to me what that protection is.

17 A Okay. So let's say you are entering into a
18 market, okay? And then there is a potential of the
19 market to stay straight, or go up, or go down, okay?

20 And in any market condition -- let's say the
21 market goes down. When the market goes down, in
22 derivatives there is an instrument called put. We buy
23 a put, let's say, in a defined range. We buy a put,
24 and then that put will protect the portfolio by not
25 going down. Even the market goes down, your portfolio

Page 56

1 won't go down.

2 Q Okay. Buying a put in what?

3 A In S&P 500.

4 Q Okay. Are you buying a put in a specific --
5 in security? What -- when you say buying a put in the
6 S&P, what are you -- in what?

7 A SPY.

8 Q What?

9 A SPY, S&P 500. So let's say -- I'll explain
10 again, all right?

11 So you have an S&P 500. You buy that
12 instrument, okay? That's a stock. That's an ETF,
13 exchange traded fund.

14 Q Yes, let's -- and let me -- let's give it --
15 let's give some concrete examples so it works better.

16 So you're saying that -- okay, for -- let's
17 say the hedge fund, September Fund, it buys a S&P 500
18 ETF. So it's now -- let's say it's invested \$1,000 or
19 whatever into an S&P 500 ETF. Are you with me?

20 A Yes.

21 Q Okay. So now the September Fund has that
22 ETF as an investment. Yes?

23 A Yes.

24 Q Okay. Now the market -- we're starting off,
25 that's our base example. Explain to me with your

Page 77

1 BY MR. BRAUN:
 2 Q Is there any trading software that is used
 3 with GK Strategies?
 4 A No.
 5 Q Is there any type of application or
 6 anything, technology-wise, that is used to help with
 7 GK Strategies?
 8 A No.
 9 Q Does -- with GK Strategies, do you use any
 10 specific type of technology to monitor the market?
 11 A No.
 12 Q How do you know -- how do you keep track of
 13 what the market is trading at, and what its historical
 14 prices are? How do you follow all of that?
 15 A So we have a platform, right? Ours is very
 16 straightforward. Like I said, we don't look at
 17 market, or we don't track market. So ours is very
 18 straightforward. Any broker-dealer can take the
 19 commands and execute it.
 20 Q Yeah, I was -- you said you have a platform.
 21
 22 A Yes.
 23 Q Tell me again, what's the platform?
 24 A TD Ameritrade.
 25 Q TD Ameritrade? Okay, okay. And when you

Page 78

1 say "the platform," that's just -- that's the platform
 2 that is used to purchase and sell the index funds, the
 3 ETFs, and all these different options. It's all
 4 through TD Ameritrade?
 5 A That is correct.
 6 (Pause.)
 7 THE WITNESS: Jason. I think you are -- I
 8 couldn't hear you again.
 9 MR. GREEN: Yeah, Jason --
 10 MR. BRAUN: Can you hear me now?
 11 MR. GREEN: We can't hear your audio. It
 12 was -- it kind of like faded out. We can see your
 13 mouth moving, but the audio, it didn't come out that
 14 last time.
 15 MR. BRAUN: Okay, let me see if I can --
 16 hold on one second.
 17 THE WITNESS: Maybe it's a bandwidth issue.
 18 If you turn on the --
 19 MR. BRAUN: Let's go off the record at 11:42
 20 a.m.
 21 (A brief recess was taken.)
 22 MR. BRAUN: Okay, let's go back on the
 23 record at 11:53 a.m.
 24 Mr. Gounder, we just took a brief break for
 25 some tech issues. You understand that you're still

Page 79

1 under oath, correct?
 2 THE WITNESS: Yes.
 3 BY MR. BRAUN:
 4 Q Okay. We were just going over the -- some
 5 of the issues with GK Strategies, and the things that
 6 you claim makes it proprietary.
 7 Going back to Bates label 122 on SEC Exhibit
 8 No. 10, that first sentence again says, "Prospective
 9 investors, by investing with the company, will be
 10 investing in a company that uses proprietary advanced
 11 trading strategies (GK Strategies) to purchase and
 12 trade market index funds and other sophisticated
 13 investment strategies, which are defined as the
 14 services."
 15 What are the other sophisticated investment
 16 strategies that the September Fund employ?
 17 A We pretty much used GK Strategies.
 18 Q Is there any other sophisticated investment
 19 strategies that were used, other than GK Strategies?
 20 A No.
 21 Q This -- these steps that we've talked about
 22 that are used for GK Strategies, where are those
 23 written down?
 24 A It's not written down. But through our
 25 experience, we know in our heart.

Page 80

1 Q You know in your heart? Is that what you
 2 said?
 3 A You know, in your mind, like, you know, I
 4 don't need to refer to anything.
 5 Q Okay. So if somebody wanted to read about
 6 how GK Strategies works, in terms of the -- what makes
 7 it proprietary and advanced according to SEC Exhibit
 8 No. 10, where would one go and read about that?
 9 A There is nothing to read. What I explained
 10 is what we know, and we use it for trading. If
 11 anybody asks --
 12 Q And when you say --
 13 A -- like I told you, we can teach. If --
 14 your question was if anybody wants to read, right? Is
 15 that the question? Right. I'm telling, like, if
 16 anybody wants, they will ask, just like you asked, and
 17 then I will tell, just like I told you.
 18 Q And when you say how we -- when you say "we"
 19 using it, using the GK Strategies, who is "we" in
 20 connection with, for example, the September Fund?
 21 A The managing partners, Gopala Krishnan,
 22 which is GK, and myself, and Mani, Manivannan
 23 Shanmugam.
 24 Q So the three of you are the ones that use GK
 25 Strategies to make trading decisions, is that correct?

Page 81

1 A Correct.

2 Q And how do you decide to use any of those
3 trading strategies? Walk me -- what I mean by that is
4 walk me through the process of how you determine the
5 strike prices, the option -- you know, do you come --
6 do you all meet together? Do you sit down once a
7 month? I mean, walk me through how that all works.

8 A So, like I explained, we don't predict
9 anything or watch the market all the time. Okay? So
10 we get together, you know, either in person, or Zoom,
11 or over phone, based on where we are at, and then we
12 will go and trade. And we discuss --

13 Q How often do the three of you sit down for
14 meetings to discuss the trading?

15 A Every day. Every weekday, our trading day.

16 Q Do you all have an office that you share?

17 A Yes.

18 Q And where is that office?

19 A It's in Plano, Texas.

20 Q And what's the address for that company, the
21 actual physical address that you all go to?

22 A 5850 Granite Parkway, Suite 210, Plano,
23 Texas, 75024.

24 Q And do all three of you go into work every
25 day?

Page 82

1 A Yes. Like I said, if we could not go to
2 work, we connect through Zoom or phone, and we make
3 decisions, and we go for trading.

4 Q Are all of the trading decisions that were
5 made in, for example, the September Fund, were all of
6 those made jointly between the three of you?

7 A No, not --

8 Q Do each of you have --

9 A Sorry, go ahead.

10 Q Go ahead.

11 A No, no, finish your question.

12 Q Who has the authority to actually initiate a
13 trade?

14 A All three of us.

15 Q So any one of you could contact TD
16 Ameritrade, or log in, and actually do a trade without
17 the others having anything to do with it?

18 A That is correct.

19 Q And how do you actually initiate the trades?

20 A Just log in to the trade trading portal, and
21 then, you know, go to the portfolio, and then, you
22 know, choose the strike price, and analyze, and choose
23 a strike price, and go for trading.

24 Q And is that the same way that you -- is that
25 the same way you trade the options, as well?

Page 83

1 A Yes.

2 Q Do each of the three of you have separate
3 passwords to that TD Ameritrade account?

4 A Yes.

5 Q And so you said you meet every day. Is that
6 what -- I think earlier just -- you said you'd meet
7 every day to talk about the trading.

8 A Yes. Every -- trade days, not the weekends.

9 Q Sure, right. So you meet. And what are
10 your typical office hours there?

11 A Well, anywhere from, you can say, 9:30,
12 10:00, to 4:00.

13 Q And these offices that you have, do each of
14 the three of you have separate offices?

15 A What do you mean, like three different
16 suites?

17 Q Yeah, well, you walk into your offices. Is
18 it just one big room, or do each of you have separate
19 offices you can go into and close your doors?

20 A No, no, we have one big room.

21 Q Just one big room.

22 A Yes.

23 Q And are there dividers so that each -- even
24 though you're in one big room, each of you has your
25 own private space? Or is it just one big open

Page 84

1 communal area?

2 A It's open office.

3 Q And other than the three of you that we've
4 been talking about -- GK, Manivannan, and you -- who
5 else is at that office during the day?

6 A Some staffs come into our office.

7 Q Who?

8 A The staffs, staffs, admin. Admin will come
9 to our office, and some persons like investment
10 relations persons, someone -- we don't enforce people
11 to come to office and work, so it's up to them if they
12 come to office.

13 Q You said investor relations personnel.

14 What -- who are the investment relations personnel
15 that work at that office?

16 A At this office we would get two maximum from
17 investor relations, and -- come and work for us. I
18 think that's the list. We sent it to Jeremy, and I
19 think Jeremy will have it.

20 Q And what do those investment relations
21 personnel do?

22 A Investment personnel -- relations personnel
23 will do -- they will help if anybody wants to invest
24 with us, okay? They come to us and they send an email
25 saying, "Hey, I want some help," okay, you know,

Page 85

1 investing in the fund, so our investment personnel
2 will help them out, going through the process,
3 educating them on the process of investment, and
4 that's how they help them invest.

5 Q Do these investment relations personnel have
6 their own separate emails at Nanban?

7 A They use a common email called
8 Howdy@nanbaninvestments to communicate to our
9 investors.

10 Q But do they have their own separate email
11 addresses, as well, at the company?

12 A Correct.

13 Q Okay. So let's just say, for a
14 hypothetical, somebody named Allison works as an
15 investment relations personnel.

16 A Okay.

17 Q They have an Allison@nanban.com, or
18 something like that, their own separate email address
19 at the company, that's one thing they have, correct?

20 A Yes.

21 Q And then separately they also would be --
22 they will have access to and receive all the emails
23 coming in to that howdy email address, correct?

24 A Correct.

25 Q And when they're communicating with these

Page 86

1 investors, they're not communicating from the howdy.
2 That's what's coming in from investors. When they're
3 communicating back and forth, they're using their
4 personal email address there at the company, correct?

5 A No, they will use
6 howdy@nanbaninvestments.com to respond to that email.

7 Q What do they use their company email for?

8 A Internal communications.

9 Q And what type of internal communications
10 would take place with an investment relations
11 personnel?

12 A Like, let's say we want to train them on
13 certain things or, you know, we do a lot of
14 philanthropic activities. You know, messages about
15 them if they want to join. And we have our own
16 celebrations, you know, within the team, like
17 birthdays and, you know, anniversary. So all those
18 things like, you know, regular stuffs to communicate
19 within the internal teams.

20 Q And are those investment relations personnel
21 also part of that Telegram group that we talked about
22 earlier for Nanban Foundation?

23 A I don't know.

24 Q People -- one way that investors learn about
25 the September Fund, for example, is through some of

Page 87

1 the Nanban Foundation trainings that take place,
2 correct?

3 A No.

4 Q How do -- the investors for the September
5 Fund, how did they learn about the September Fund?

6 A So I just need to give a background of
7 our -- about our Indian communities. So we are like
8 4.8 million Indians in the United States, and it's
9 closely knitted community. And when we started the
10 fund, you know, they talked to each other, and then
11 they send the email, I think, through word of mouth,
12 they send it. They talk to each other. They send the
13 email to howdy. They exchange the emails.

14 And once we get the email to our howdy
15 inbox, we were -- we will be helping them, you know,
16 explaining about the fund, and then -- and guiding
17 them through the investment process, and helping them
18 invest. We never ask anyone to invest.

19 Q Okay, so -- okay, so walk me through that.
20 So let's use -- and you broke up a little bit, so my
21 apologies. Let's start -- let's use the September
22 Fund as an example.

23 How do investors that came into the
24 September Fund, how do they hear about the September
25 Fund? Walk -- let's start with the September Fund.

Page 88

1 A Okay. So going back in memory lane, right,
2 two years back, so when -- you know, you know that
3 there is a June fund, correct?

4 Q Where --

5 A We have one more fund before, the June fund.
6 So, you know, when June fund started, some friends,
7 you know, which is, like, close to us, you know,
8 requested to, you know, invest. And we allowed them
9 to invest. And then they talked to the -- their
10 friends. And we don't know, like, a lot of requests
11 came. And then that's when we decided to start the
12 September Fund.

13 So when -- there is no advertising or
14 anything. We didn't, like -- anything from our
15 religious temples, or any neighbor, or anything like
16 that. But, you know, they -- the investors in June
17 spoke to their friends, and they came forward and sent
18 the email. And then we decided to open the September
19 Fund, and then help them through the process.

20 Q And there was a reflection off of the glare,
21 Mr. Gounder. Who else is in the room with you?

22 A Just me.

23 Q Nobody else is in that room?

24 A No.

25 MR. BRAUN: Oh, okay. Maybe I -- maybe it

Page 133

1 A Three of us.
 2 Q All three of you together created this?
 3 A Yes.
 4 Q Anybody else?
 5 A No.
 6 Q And what was the reason that you created
 7 this presentation?
 8 A To explain more about the fund.
 9 Q And by "the fund" you mean whether it's the
 10 September Fund, the October, any of the funds,
 11 correct?
 12 A That is correct.
 13 Q When is the last time that one of these
 14 webinar presentations was given?
 15 A Well, in 2021. I'm thinking early 2021, Q1
 16 of 2021.
 17 Q Are these presentations sent to the
 18 investors?
 19 A No.
 20 Q On page -- the second page, which is going
 21 to be Bates labeled 2606, under the disclaimer it
 22 says, "You have been invited to this seminar as a
 23 response to the email that you sent." Do you see
 24 that?
 25 A That is correct.

Page 134

1 Q So what emails are you referring to in this
 2 sentence right here?
 3 A Remember I was talking about they send the
 4 interest to learn about our funds in
 5 howdy@nanbaninvestments.com?
 6 Q Okay.
 7 A That is the email.
 8 Q So are the investors -- every time an
 9 investor emails howdy, for example, are they
 10 automatically invited to a webinar that's going to be
 11 put on?
 12 A Like I said, you know, they are not
 13 necessarily, right? So they will be sent to the IMS,
 14 right?
 15 If they have questions and then, you know,
 16 they, you know, they keep asking IROs, then we will
 17 invite. Okay?
 18 So they -- for that they need to express interest in
 19 learning. That's the first criteria. And then they
 20 will send that in the email to us.
 21 Q The investment relations personnel, they
 22 interact, and they are supposed to try and educate
 23 investors about the different funds, correct?
 24 A Yeah.
 25 Q How were those investment relations

Page 135

1 personnel trained?
 2 A Three of us will sit together and explain
 3 them about the fund, and then that's how they get the
 4 knowledge of fund. And they answer any investor
 5 questions.
 6 Q How long are those training sessions?
 7 A I don't remember on top of my head. It's
 8 not just structured one day or one hour. Like, time
 9 to time, you know, they ask questions, and then we
 10 support with them with the answers.
 11 Q I mean, is it a one-day training?
 12 A It's very ad hoc basis. It's not, like,
 13 structured, like --
 14 Q What?
 15 A Ad hoc basis, ad hoc, ad hoc.
 16 Q Ad hoc.
 17 A Yeah. Two hours, maybe.
 18 Q Well, what's -- two hours?
 19 A Maybe, I'm saying.
 20 Q So is it correct that then the training that
 21 they need to receive to be able to answer these
 22 questions only takes a couple of hours, in general?
 23 A Well, like I said, it's very ad hoc. I'm
 24 saying, time to time, you know. Let's say whatever we
 25 trained them, they couldn't answer that question to

Page 136

1 investor, they will say, "We will come back to you,"
 2 okay? And then they will come to us, and then they'll
 3 ask the questions in the structured way, and then we
 4 will answer it, and then they will communicate to the
 5 investors.
 6 That's how -- it's a -- training is an
 7 ongoing process. It's not just like one time, two
 8 hours done, and they are on their own. It's not like
 9 that.
 10 Q Are they given any scripts to help them?
 11 A Scripts? You mean, what, you know,
 12 questions and answers? Q&A, something like that?
 13 Q Yeah, question-and-answers, or sort of --
 14 A No.
 15 Q -- you know, talking points, so they kind of
 16 have something to refer to when they're talking to the
 17 investors.
 18 A No, they take notes on their own, probably.
 19 We don't provide any anything on that shot.
 20 And then mostly, you know, we tell them, you
 21 know, "Go read the PPM," right? PPM has all the
 22 answers. And we always tell our investors, you know,
 23 investor relations officer, to read the PPM first, and
 24 then we encourage investors to read the PPM. And some
 25 investors don't want to read the PPM, and they will

Page 153

1 Q Okay. Then, if it's over 20 percent, the
 2 return on investment is over 20 percent, then they --
 3 the return that's over that amount gets split between
 4 the general partner, which would be Nanban
 5 Investments, correct?
 6 A That is correct.
 7 Q And the limited partners, which would be the
 8 investors, correct?
 9 A That is correct.
 10 Q Okay. So -- and help me understand how the
 11 clubs overlay with the different funds. So, for
 12 example, do these clubs only apply to the June Fund?
 13 A If I remember correct -- I'm going back in
 14 memory again -- you know, it's just the -- a
 15 representation of -- between the hedge funds, all
 16 hedge funds we had, all four funds that we are talking
 17 about here.
 18 And you know, time to time we explained in
 19 the PPM, you know, if you read the PPM, one or the
 20 other will be written, okay? And for the
 21 generalization purpose, we kept everything together
 22 here for investors to understand.
 23 Q When you say one or the other will be
 24 written, are you referring to the preferred rate of
 25 return?

Page 154

1 A Yes. You see, the first one is 18
 2 percent -- 15 percent (audio interference), correct?
 3 Q Correct.
 4 A That would be applicable in some funds. And
 5 remember, it is June and September. If you open the
 6 PPM, we will see. And the next two are the next two
 7 funds, which -- in different timeline. When they come
 8 in the first year, which is 2020 and '21, and then --
 9 2020 and 2021, basically.
 10 Q Okay, so those are for the October and the
 11 Perpetual Fund?
 12 A That is correct.
 13 Q Correct?
 14 A That is correct.
 15 Q Okay.
 16 A That's what I remember. I need to double
 17 check, but based on my memory, I'm explaining.
 18 Q Okay. And so what would that -- how would
 19 you refer to the general partners' share of that?
 20 A Sorry. What's the question, again?
 21 Q How would you refer to -- what would you
 22 call the general partners' share?
 23 A You mean class B shares?
 24 Q Is that what you refer to them as, the class
 25 B share of payment?

Page 155

1 A Well, it's called carried interest.
 2 Q Okay. Explain to me why it would be carried
 3 interest.
 4 A You know, you see the top with CI, 60
 5 percent split, CI?
 6 Q Mm-hmm.
 7 A That CI is called carried interest. And
 8 that's the general term that we learned in the fund
 9 world that they use. Anything after "pref," like
 10 preferential return, you know, the split is called
 11 carried interest, and then we split between GP and LP.
 12 Q Okay. And --
 13 (Audio malfunction.)
 14 MS. ADKINS: -- Nanban Investments, once the
 15 GP receives its share --
 16 MR. GREEN: Hey, I think your audio went out
 17 a little bit. Your audio went out a little bit,
 18 Akita.
 19 MS. ADKINS: Okay. Can you hear me now?
 20 MR. GREEN: Yeah, we missed the first part,
 21 when you first started talking, that sentence.
 22 BY MS. ADKINS:
 23 Q When the GP receives its portion of the
 24 carried interest, it goes -- that amount goes to a
 25 bank account of Nanban Investments, is that right?

Page 156

1 A Correct.
 2 Q Okay. And then do you get a percentage of
 3 a -- a payout of a percentage of those funds?
 4 A Personally, you are asking?
 5 Q Yes, correct.
 6 A Yes.
 7 Q Okay. And can you tell me -- if you don't
 8 know the exact number -- but can you -- it's fine, but
 9 can you give me an idea of how much you received as
 10 part of that amount for the June Fund?
 11 A I don't know, I need to check. You know, my
 12 profit percentage is 25 percent of the -- after paying
 13 all the expenses, whatever is remaining. That's my
 14 share, my family office share. I don't remember
 15 exactly how much it is.
 16 Q Okay. So your share, your personal share
 17 from the general partner split, would have been 25
 18 percent of whatever that amount was, is that right?
 19 A Correct.
 20 Q Okay. And what percentage did your other
 21 two partners receive?
 22 A So GK is 50 percent. And then Mani is 25
 23 percent.
 24 Q And were those percentages the same for each
 25 of the funds?

Page 165

1 A Like I said, initially I don't remember.
 2 But, like I said, I came out, we came out, and then
 3 they would have changed all that.
 4 But I never saw this before. So I'm, you
 5 know, seeing from -- screen from you. So I don't know
 6 this.
 7 Q Okay. So do you recall ever signing any
 8 documents for opening a bank account for Nanban Realty
 9 Fund or any other Nanban Realty entity?
 10 A I don't recall. I don't remember.
 11 Q Okay. What about Nanban Ventures? Can you
 12 tell me what that entity is?
 13 A Yes. That is a venture fund for Nanban.
 14 Q Okay. And what type of investments does
 15 Nanban Ventures make?
 16 A So Nanban Ventures invests in the portfolio
 17 companies. You know, mostly in tech, tech-enabled
 18 companies.
 19 Q And what is your involvement with Nanban
 20 Ventures?
 21 A I'm involved as a GP and a general partner,
 22 yeah.
 23 Q And are you involved with any of the
 24 offerings of Nanban Ventures?
 25 A Yes.

Page 166

1 Q Okay. And how many offerings has Nanban
 2 Ventures had?
 3 A I think two. I need to double check, but
 4 it's -- I'm sure it's two or three.
 5 Q Okay. Can you tell me the names of those
 6 offerings?
 7 A On top of my head I cannot tell you exactly,
 8 but I have to check.
 9 Q Okay. What was your involvement with the
 10 offerings of Nanban Ventures?
 11 A So in Nanban Ventures, I -- my involvement
 12 is like a GP, right, general partner.
 13 Q Okay. Are you the chief investment officer
 14 for Nanban Ventures?
 15 A Yes.
 16 Q Okay. And can you -- as the chief
 17 investment officer of Nanban Ventures, can you tell me
 18 what fund offerings Nanban Ventures has?
 19 A I have to check and give you an answer for
 20 that. On top of my head I cannot do the exact name.
 21 I can do a few names, but I don't want to give you a
 22 wrong lead. Like, I can say Abundance Fund is one,
 23 and --
 24 Q Okay.
 25 A -- is one, Triple A is another. But I don't

Page 167

1 know the exact names.
 2 Q Okay, you said Abundant Fund is one.
 3 A Yes, yes.
 4 Q Is that right?
 5 A Yes.
 6 Q Would that be --
 7 A The --
 8 Q Okay, Nanban Ventures Abundance Fund. Does
 9 that sound familiar?
 10 A Yes.
 11 Q Okay. What about Nanban Ventures AAA funds,
 12 are you familiar with that fund?
 13 A Yes.
 14 Q And what about Nanban Ventures Capital Fund
 15 I? Are you familiar with that fund?
 16 A Yes.
 17 Q And what about Nanban Ventures -- I'm going
 18 to butcher this name, but Ganga Fund. Does that sound
 19 familiar?
 20 A Yes, I remember. Yes.
 21 Q Okay. And in connection with -- first of
 22 all, was Nanban Ventures the manager of all of those
 23 funds?
 24 A Mm hmm.
 25 Q Sorry, you have to say yes.

Page 168

1 A No, I couldn't hear you. Did I lose you?
 2 Q Was Nanban Ventures the manager of all those
 3 four funds that we just mentioned?
 4 A Are you asking that -- am I the manager?
 5 Q Is Nanban Ventures the manager of the four
 6 funds we just mentioned, the AAA Fund, the Capital
 7 Fund, the Abundance Fund, and the Ganga Fund?
 8 A Oh, no.
 9 Q Okay. Who is the manager of each of those
 10 funds?
 11 A There is another manager. I think, if you
 12 look at AAA Fund, for example, we will have Nanban
 13 Ventures AAA Management, LLC. That's the manager.
 14 Q Okay. And Nanban Ventures AAA -- you said
 15 Management, LLC or --
 16 A Yeah, I don't remember on top of my head. I
 17 can look at it up and, you know, send those entity
 18 names.
 19 Q Yes. Are those -- are the managers of those
 20 funds subsidiaries or -- of Nanban Ventures?
 21 A Like I said, manager is different, right?
 22 Nanban Ventures, AAA, XXX, whatever it is, and then
 23 there will be a management entity who manages the
 24 fund.
 25 Q Right. But is it -- is that -- the parent

Page 169

1 company of that management entity for each of the
 2 funds, is the parent company Nanban Ventures?
 3 A I don't know.
 4 Q And what I mean by that is are these funds
 5 set up the same -- in a similar way as the hedge funds
 6 are currently, in that there's a management entity and
 7 another entity that both roll up into Nanban
 8 Investments?
 9 A Not necessarily. It may have a different
 10 structure. I need to check.
 11 Q Okay. But for each of those funds, do you
 12 recall what the amount raised was for the AAA Fund?
 13 A No.
 14 Q Do you have a ballpark number?
 15 A I don't want to be wrong. I don't remember
 16 exactly how much. I can check, and then I will -- I
 17 can give the information.
 18 Q Okay. What about for Nanban Venture, for
 19 the venture capital fund, AAA Fund? Is it more than
 20 \$1 million?
 21 A More than a million, yes.
 22 Q Okay. More than five million?
 23 A I don't know. I have to check.
 24 Q Okay. And what about for the Nanban Venture
 25 Capital Fund I? How much was raised for that? Was it

Page 170

1 more than a million?
 2 A I think all are more than a million, but not
 3 exactly sure how much each one is.
 4 Q Okay. Were any of them more than five
 5 million, to your recollection?
 6 A I don't know the numbers.
 7 Q Okay. What about Nanban Ventures Abundance
 8 Fund? Have you guys already started raising --
 9 obtaining investor funds for that fund?
 10 A Yes.
 11 Q Okay. Do you know approximately how much
 12 has been raised so far?
 13 A They are small. We started and they are
 14 small. But I don't know the numbers, and I'm sure
 15 that is more than a million.
 16 Q It is more than a million?
 17 A Yes.
 18 Q Is that right?
 19 A Yes.
 20 Q Okay. And what about for Ganga Fund, is
 21 that more than a million?
 22 A Yes, must be.
 23 Q Of those four funds, are any of them still
 24 open to new investors?
 25 A So not all are open. I think all are -- we

Page 171

1 closed when we reached that 99 count. And I think
 2 right now, maybe one is open for investor --
 3 investments. I don't know which one.
 4 Q Are you compensated at all for your work as
 5 CIO of Nanban Ventures?
 6 A Well, I think earlier Mr. Jason asked the
 7 question "What's your salary?" I think that's the
 8 only salary I get for -- or, you know, even for
 9 Ventures, taking care of Ventures, too.
 10 Q Do you receive any other compensation, other
 11 than salary from Nanban Ventures, or in connection
 12 with Nanban Ventures?
 13 A No.
 14 Q So you don't receive any of the -- a portion
 15 of the general partner payout for Nanban Ventures?
 16 A Yeah, but, you know, not -- but that will be
 17 a performance fee later, when we exit the company.
 18 Q Okay. So are all four of those funds
 19 structured that way?
 20 A Yes.
 21 Q And is Nanban Ventures a registered
 22 investment advisor?
 23 A No.
 24 Q Do you know what exemption Nanban Ventures
 25 relies on?

Page 172

1 A I think it's an exempted adviser, 506b.
 2 Q Okay. So I am going to --
 3 A I think Jeremy will -- because they are the
 4 legal counsel --
 5 MR. GREEN: Hey, Akita, this is Jeremy. I
 6 just wanted to let you know that I can get you all
 7 those documents for each of those entities, and
 8 everything else. I just wanted to jump in and let you
 9 know that.
 10 MS. ADKINS: Okay. Thank you.
 11 THE WITNESS: Awesome. Jeremy, one more
 12 thing. It's been going for one-and-a-half hours. Can
 13 we take a break?
 14 MS. ADKINS: Yeah. I had one more question,
 15 and then it will be a good time to take a break. I
 16 have a question about one more entity.
 17 BY MS. ADKINS:
 18 Q Are you familiar with Nanban Capital X?
 19 A Nanban Capital X?
 20 Q Mm hmm.
 21 A So you mean the -- is that a company, or
 22 what is that?
 23 Q Yes, it's a company.
 24 A Yes.
 25 Q Okay. And do you have any role with regard

Page 193

1 that entity?

2 A Three of us: GK, Mani, and myself. And,
3 you know, this is just for personal investments
4 outside the fund.

5 Q When you say outside the fund, are you
6 saying outside of Nanban -- the funds of Nanban
7 Ventures, or --

8 A No --

9 Q -- out of the fund of Nanban Investments, or
10 both?

11 A Or any in this case, right? Ventures invest
12 in portfolio companies, you know, Nanban Investments
13 invest in stocks and ETFs. But those are, like, for
14 the fund. When three of us wants to invest in
15 something that is good, then we will use this entity
16 to invest.

17 Q Okay. So one of the examples you gave
18 hypothetically was investing in real estate. Has GSM
19 Eternal invested in any real estate, or purchased any
20 real estate?

21 A No.

22 Q Okay. Has Nanban -- have any of the other
23 Nanban entities -- and by that I mean Nanban
24 Enterprise, Nanban Investments, Nanban, or any
25 subsidiaries or parent or affiliate companies of

Page 194

1 them -- have they invested in any real estate?

2 A No.

3 Q Has Nanban --
4 (Pause.)

5 THE WITNESS: Are you saying something,
6 Akita?

7 MS. ADKINS: No, sorry.

8 BY MS. ADKINS:

9 Q Are you familiar with the entity Preeti
10 Mani, LLC?

11 A No.

12 Q Okay. And what about Visa Vel LLC?

13 A Yes.

14 Q Are you familiar with that entity?

15 A Yes.

16 Q Okay. Who is associated with that entity?

17 A Me and my family. I explained this
18 before --

19 Q Okay.

20 A -- to Mr. Jason.

21 Q Okay. Let me check here. So have all the
22 investors for the October Fund and the Perpetual Fund
23 been paid out?

24 A Yes.

25 Q Okay, so there are no more profits or

Page 195

1 returns to distribute to investors in either of those

2 funds, correct?

3 A Correct.

4 Q And do you know when the last payment to
5 investors was made? You don't have to give me the
6 specific date, but the last payment to investors in
7 the Perpetual Fund was made.

8 A I will have to check.

9 Q Was it this year?

10 A Yes.

11 Q In 2022?

12 A Yes.

13 Q Okay. Was it after July of 2022?

14 A Possibly.

15 Q Okay. And what about the October Fund?

16 When was the last payment to investors in that fund?

17 Was it in 2022?

18 A That's the same.

19 Q Okay. You said -- I'm sorry, can you repeat
20 that? I didn't understand.

21 A No, that's the same as Perpetual Fund.

22 That's what I meant.

23 Q Okay. Are you familiar with, or have you
24 seen any YouTube interviews of GK?

25 A Youtube interviews of GK?

Page 196

1 Q Yes.

2 A No.

3 Q Okay. Have you seen any other interviews of
4 GK done anywhere else?

5 A I've heard him speaking in some places,
6 like -- you know, but I don't remember exactly.

7 Q Okay. Where -- what places have you heard
8 him speak?

9 A I'm sorry?

10 Q What places have you heard him speak?

11 A Like some of the conferences. And, you
12 know, when we attend the conference together, you
13 know, the -- they will invite him as speaker, and he
14 will speak.

15 Q And what types of conferences are these?

16 A Some are like entrepreneurship conferences.
17 The -- mostly I've been to, you know, the -- you know,
18 a lot of existing entrepreneurs or aspiring
19 entrepreneurs conference is one I can remember of,
20 yeah.

21 Q I'm sorry, can you repeat that?

22 A No, I'm saying the entrepreneurs conference.

23 Q Okay. What about any interviews that GK has
24 given? Are you aware of any interviews that he's
25 given?

Page 201

1 you know, quarter ending cycle. So when we close that
2 cycle, like trading cycle, then we will return on
3 discretionary basis. I remember we accommodated a
4 few.

5 Q And what was your involvement in processing
6 or handling those requests?

7 A Listening to them and, you know, make sure
8 those are legitimate, and not just uproot them, and,
9 you know, so that they can get the returns at the end
10 of the quarter. I mean, the investments at the end --

11 Q And do those --

12 A -- of the quarter.

13 Q Do those requests have to be made in
14 writing?

15 A Yes.

16 Q And where do those written requests -- where
17 do they go?

18 A Howdy@nanbaninvestments.com.

19 Q Okay. And do you review those requests for
20 return of principal that goes to that email address?

21 A Our teams picks up.

22 Q I'm sorry, can you repeat that?

23 A The investor relation team picks up.

24 Q Okay. And then do you get involved at any
25 point in reading those messages, or handling and

Page 202

1 responding to those messages?

2 A No.

3 Q To your knowledge, has any investor ever
4 requested a return on principal? Have they ever made
5 a complaint about being disappointed about the
6 returns?

7 A So, you know, there are one or two investor,
8 they said, like, Perpetual Fund made a single-digit
9 return. That's the -- you know, that's the comment.
10 It's not a complaint, you know. We are proud that,
11 you know, we -- in a yearly return we never went
12 negative on a year to return basis. You know, we
13 accept that Perpetual Fund had made a single-digit
14 return.

15 Q So -- I'm sorry. So the return on the
16 Perpetual Fund was in the single digits, is that
17 correct?

18 A Single digit positive, yes. Annual return,
19 yes.

20 Q Okay, and what was the return? What was the
21 annual return on the Perpetual Fund?

22 A I don't remember exactly. I have to check.

23 Q It was somewhere between one and nine
24 percent, right, because --

25 A Yes.

Page 203

1 Q -- it was single digit?

2 A Yes.

3 Q Okay. Do you remember where between one
4 percent and nine percent the return was?

5 A No, I don't remember exactly. I would say
6 close to five or less than five, but I don't remember
7 exactly.

8 Q Okay. Why was the Perpetual Fund -- when
9 was the Perpetual Fund shut down?

10 A I will have to check. Like I said, it is in
11 the 2022 only, but -- this year only, and I have to
12 check the date.

13 Q Okay. And why was the Perpetual Fund shut
14 down?

15 A So, you know, there were, like, investors,
16 you know, who, you know, wants to withdraw the
17 capital, and the majority chose to withdraw the
18 capital.

19 And, you know, we also learned that, you
20 know, GK always -- we need life/work balance and, you
21 know, that every quarter, you know, returning the
22 fund, and, you know, going through that is vastly
23 complex situation because, you know, we wanted to, you
24 know, look at the investor base, and since they were
25 looking to exit, so we decided to come out of, you

Page 204

1 know, the -- all the funds. Like, you know, anyways,
2 June and September was closed, and Perpetual and
3 October was -- majority chose to exit at some point,
4 and then we decided to close.

5 And then also, you know, we also wanted to
6 focus our, you know, our time to the venture capital
7 side. We decided to come out of that four funds -- I
8 mean, technically, two funds was running.

9 Q So what was complex about making the
10 quarterly payouts on those funds? Can you explain
11 that to me?

12 A Well, there is nothing complex, but it's
13 just the work involved, time-consuming work involved.

14 Q Okay. And why -- what -- can you tell me
15 what's time-consuming about that work? Is it
16 calculating each investor's return? Can you just
17 explain that to me?

18 A Well, we have a tool for that. IMS does all
19 that. And, you know, looking back, if we open next
20 time, like, you know, in hedge fund, we will do yearly
21 return, rather than quarterly. Quarterly is time
22 consuming, and you need to prepare, I mean, go check
23 the numbers. You know, it is time consuming every
24 quarter where, you know, we decided to -- you know, if
25 we want to open fund next time, it will be yearly.

Page 205

1 Q Okay, and what else would you do differently
 2 for a hedge fund next time?
 3 A Other than -- think of other than this,
 4 everything was good. Just this, this is it. Yearly
 5 to -- I mean, quarterly to yearly.
 6 Q When the Perpetual Fund was shut down, did
 7 investors ask questions about why it was being shut
 8 down early?
 9 A Say again? What's the question?
 10 Q When the Perpetual Fund was shut down, did
 11 investors ask questions about why it was being shut
 12 down early?
 13 A Yes. Some investors, you know, they wanted
 14 to remain in the fund. And -- but, you know, we
 15 decided to close as GP, and, you know, there were
 16 investors -- many investors opted to exit, also. So
 17 we opted that, and we closed that, as well.
 18 Q How many investors were there in the
 19 Perpetual Fund?
 20 A I have to check. Not more than 99, for
 21 sure, but not exactly sure.
 22 Q Okay. Do you have an idea of how many
 23 investors had decided to withdraw from the Perpetual
 24 Fund before it was shut down?
 25 A I think more than 50 percent. I have to

Page 206

1 check. I'm not sure.
 2 Q Okay. And do you recall any of the reasons
 3 they gave for withdrawing their principal or capital
 4 at that point?
 5 A No.
 6 Q What message did the GP Nanban Investments
 7 tell or give to investors when the Perpetual Fund and
 8 October Fund -- when they told them they were shutting
 9 it down? Did they give them a reason why?
 10 A We don't ask any reason, but maybe I didn't
 11 understand your last question. Can you repeat,
 12 please?
 13 Q Yeah. Did Nanban Investments provide any
 14 reason to the investors as to why they were shutting
 15 down those funds early?
 16 A No.
 17 Q They just told them they were shutting down
 18 the funds, is that correct?
 19 A Yes.
 20 (SEC Exhibit No. 30 was marked for
 21 identification.)
 22 MS. ADKINS: Okay. I'm going to show you
 23 now what's been -- well, what we will mark as SEC
 24 Exhibit No. 30 --
 25 THE WITNESS: Okay.

Page 207

1 MS. ADKINS: -- after this testimony.
 2 (Pause.)
 3 BY MS. ADKINS:
 4 Q If you will -- it's a pretty long document.
 5 As you can see from the PDF number, it's 170 pages.
 6 But I will represent to you -- and we can scroll
 7 through so you can take a look, but I will represent
 8 to you that these are the investor statements that
 9 were provided to investors in the four hedge funds
 10 managed by Nanban Investments.
 11 Are you familiar with these investor
 12 updates, or statements?
 13 A Yes, yes.
 14 Q Okay. What was your involvement in drafting
 15 these statements?
 16 A My involvement? Could you scroll down? I
 17 wanted to check two pages.
 18 Yes, right here I -- there is a net asset
 19 value. So, you know, the numbers that I take from TD
 20 Ameritrade, and -- right here, yes.
 21 Q Okay. I'm sorry, so are you saying you
 22 provided the numbers that are on -- we're looking at
 23 page -- or 9 of the PDF, but it's Nanban_02421. Are
 24 you responsible for providing the numbers that are on
 25 this page?

Page 208

1 A Not just me, three of us, right? These are
 2 numbers pulled from TD Ameritrade from our trading
 3 accounts. Time to time either GK, Mani, or I will
 4 pull the number and add it here.
 5 Q Okay. And then put them in the investor
 6 statements or updates, correct?
 7 A Yes.
 8 Q Okay. Can we go to page 21 of the PDF,
 9 which I think is the investor statement for Q2 June
 10 2021 for the June Fund? Do you see that there?
 11 A Yes.
 12 Q Okay. So just looking at the next page, the
 13 second page of this particular update, do you know who
 14 was responsible for drafting this page?
 15 A I mean, three of us will do. Yeah.
 16 Q So just to back up, can you explain to me
 17 how the process of generating these investor updates
 18 worked? Did you guys all work together on each page?
 19 Did you each do different sections, and then compile
 20 them? How did that work?
 21 A No. Typically, we will give investors, you
 22 know, what's going on in Nanban Enterprise, right,
 23 what we do. And, you know, overall, we give an update
 24 about the company.
 25 So for them to understand what we are doing,

Page 225

1 to go with that strike price, and we choose the strike
2 price.

3 Q So in the hypothetical you were doing with
4 Jason, I think you said that the -- you were assuming
5 the volatility was at 30 percent. Was that right?

6 A Volatility is 30 VIX. There is an indicator
7 called VIX in the market.

8 Q Yes.

9 A If the VIX is at 30, then I will do some
10 steps --

11 Q Right. So if VIX is at 30, and your
12 underlying asset is \$100, what would your strike price
13 be?

14 A That -- I gave that as an example, okay?
15 You know, if VIX is high, like 30, we will go a strike
16 price a little wider, like five strikes, you know, out
17 of the market, for an example.

18 Q So your strike price would be 105?

19 A Yes.

20 Q Okay.

21 A As on the call side, yes.

22 Q And then on the other side, on the put side,
23 what would --

24 A It would be 95.

25 Q So is it always a magnitude of five percent?

Page 226

1 A Yeah, based on the VIX. If VIX is high,
2 then we will have different discussions and different
3 things. This example, that is correct.

4 Q So let -- just to make sure I understand,
5 let's just go through another example. Let's say the
6 VIX is at 20.

7 A Okay.

8 Q Then what is your strike price on the call
9 side?

10 A So which means market is mostly stable. And
11 then we will go with a closer strike price, like three
12 strikes above or below --

13 Q Okay.

14 A -- instead of five.

15 Q Thank you. Have you personally had written
16 communications with any investors?

17 A Written communications? Could you explain
18 what kind of written communications?

19 Q Sure. Any type: via email, Telegram, text
20 messages, WhatsApp. Have you communicated with
21 investors in any way using those mediums?

22 A Yes. They send it to
23 howdy@nanbaninvestments. I will -- you know, back
24 then, before we hired -- you know, I used to reply and
25 answer questions. Yes.

Page 227

1 Q What sort of questions did you answer?

2 A Like, they will ask about the fund. What is
3 the 00 you know, most people, you know -- like I said,
4 this is a close knit community, Indian community, and
5 they talk to each other. And, you know, they -- in
6 that communication process, they would have got a
7 different kind of information.

8 And they come up with questions like, you
9 know, mostly about the fund or, you know, a certain
10 portion in the PPM, you know, that they are not
11 understanding. You know, for example, what is
12 operational cost, what is used for, those kind of
13 questions, like, you know, will you guarantee returns,
14 and, you know, we always say no. And will you, you
15 know, protect my principal? We always say no. You
16 know, those kind of questions, general questions.

17 Q Okay. So if an investor had asked you
18 whether their principal was protected, your answer
19 would be no. Is that right?

20 A Yes. You know --

21 Q Okay --

22 A So, you know, the answer is, you know, you
23 must read the PPM, refer to the PPM. You know, by
24 definition in the PPM your investment is not
25 protected, both capital and returns.

Page 228

1 Q And did you also communicate with investors
2 over the phone?

3 A Yes, sometimes.

4 Q How often did you do that?

5 A Right now I -- but -- see, this is -- I'm
6 going back in time, right, thinking back in time, June
7 Fund and September Fund. I probably would have
8 answered calls like that. You know, same what I said
9 in, you know, explaining what in the PPM, you know,
10 all the investment risk, et cetera.

11 Q Okay. Earlier you said that there were --
12 you were unaware of any investor complaints. And by
13 "investors," I mean investors in the four funds. Is
14 that correct?

15 A Yes.

16 Q But you also said that an estimate of 50
17 percent of participants in the perpetual fund wanted
18 their money back. Right?

19 A Yes.

20 Q So none of the participants in the Perpetual
21 Fund that wanted their money back were complaining
22 about the fund's performance?

23 A So, like I said, right, the -- so that's
24 based on market volatility, right? And -- see, we
25 don't ask questions, ask any questions if investor

Page 229

1 want to exit, right? They send the email to
 2 howdy@nanbaninvestments. Our team handles it and let
 3 us -- you know, there is a process that they go
 4 through to sign the documents that they want exit.
 5 And then, you know, we don't ask any questions.
 6 Q Did any investor tell you that they wanted
 7 their money back because they were unhappy with the
 8 performance of the fund?
 9 A Like I said, in Perpetual Fund, we made a
 10 single-digit return. So, you know, if you look at the
 11 market volatility, right, so you have to look at the
 12 other fund that you perform in double digits, right?
 13 So, you know, some investors raised some of -- it's
 14 not a complaint, like I said before. It's a concern
 15 that, you know, why the Perpetual Fund is low, right?
 16 And we explained, you know, what -- you know about our
 17 investment thesis. You know, again, ours are not
 18 guaranteed, and that's based on market volatility and,
 19 you know, a lot of other things involved.
 20 So, you know, we don't ask any questions,
 21 and then we just let them exit the fund.
 22 Q Were the investor -- were any of the
 23 investors in the 4 funds told that they could expect
 24 returns of 18 percent or more?
 25 A Any investors expect, right?

Page 230

1 Q Were they --
 2 A No, not that I know of.
 3 Q But my question was were they told. Did you
 4 hear anybody associated with Nanban tell investors
 5 that they could expect returns of 18 percent or more?
 6 A I mean, we explain the waterfall. Like,
 7 what if I make 18 -- what if the fund make 18 percent?
 8 And, you know, how much is the profit sharing?
 9 But, you know, I don't, you know, get
 10 anything that is like, you know, minimum 18 percent is
 11 what we will provide.
 12 Q Did you ever hear GK tell investors that
 13 when he invested for himself he always made a profit
 14 of 18 percent or more?
 15 A So GK, as like a personal side, he never
 16 says that as this is something guaranteed, right?
 17 Returns are not guaranteed. You know, he might have
 18 said that, you know, our strategies are good and, you
 19 know, based on the market volatility. Other than
 20 that, I don't know.
 21 Q Did you hear him say to any investors that
 22 when he traded on his personal behalf in the past, he
 23 had made profits of 18 percent or more?
 24 A No.
 25 Q Okay. You never heard him say that?

Page 231

1 A No.
 2 Q Did you ever hear him say that at a meeting
 3 for the Nanban Foundation?
 4 A Nanban Foundation? He is not part of Nanban
 5 Foundation, either, right? He doesn't teach that
 6 anymore. So I don't know.
 7 Q Did he ever tell you personally anything
 8 about his trading history?
 9 A Personally about his strategies in his
 10 account, own account?
 11 Q About -- specifically about the profits that
 12 he made.
 13 A In his personal account you mean, right?
 14 Q Yes.
 15 A Yes. You know, when we started, you know,
 16 discussing about starting the fund, yes. You know, he
 17 always says he gets a double-digit return.
 18 Q So he told you that he always gets a
 19 double-digit return, but you never heard him tell
 20 anyone else that he gets a double-digit return?
 21 A No, not that I'm aware of.
 22 Q Did you ever hear him say a statement such
 23 as, "In the private fund we're able to give a 58
 24 percent return every year?"
 25 A No.

Page 232

1 Q Did you ever hear him claim that he -- that
 2 Nanban had raised over \$950 million?
 3 A No, not that I'm aware of.
 4 Q Are any of the Nanban companies that you're
 5 aware of, any affiliated with any of the three
 6 founders, are any of them currently raising money?
 7 A Individually or through the fund?
 8 Q Either.
 9 A Like through the fund? Yes. You know,
 10 Nanban Ventures, I told you before, you know, there is
 11 a fund open in Nanban Ventures that people can invest.
 12 Q What about any of the other funds, like any
 13 of the other companies? Like, I think you mentioned,
 14 like, a Nanban Capital X.
 15 A Capital X, I don't know.
 16 Q You're a GP in Capital X, but you don't know
 17 if they're raising money?
 18 A No, the entity is formed to raise capital,
 19 for sure. But I don't know whether it is up and
 20 running and ready for investment.
 21 Q Nanban Capital X, is -- are they advertising
 22 that they're going to use the GK Strategies?
 23 A I don't know. Not that I'm aware of.
 24 Q Are any companies that are related to you or
 25 the other two founders currently raising money

Page 233

1 claiming to be using GK Strategies trading?
 2 A No.
 3 Q What companies is Nanban Ventures invested
 4 in?
 5 A We have portfolio companies. Like, if you
 6 look at our website, you'll see Jogo Health is one,
 7 Grin Gaming is another. And right on top of my head I
 8 can't recall, too. We invest in, like, 8 to 10
 9 portfolio companies.
 10 Q Why are none of the companies currently
 11 using GK Strategies to trade?
 12 A Sorry?
 13 Q Why are none of the companies, the
 14 Nanban-related companies, currently using, you know,
 15 GK's strategy to invest, to make trades at the moment?
 16 A They are not hedge funds. And then the four
 17 funds that we had in hedge funds that used GK
 18 Strategies was closed. So we are not using that
 19 anymore.
 20 Q Did you stop using GK Strategies because it
 21 stopped making money?
 22 A Well, no. I mean, we made money in all the
 23 funds. We made a double-digit -- I mean, returns,
 24 positive returns, in all the funds. And we are
 25 focused on VC now, venture capital now.

Page 234

1 Q Why did you decide to switch from hedge
 2 funds to VC funds?
 3 A Well, see, what -- we started with these
 4 four funds. And like I said, the operations of that
 5 funds were so complex and, you know, there were a lot
 6 of demand also to invest with us in hedge fund. And,
 7 you know, since we decided with quarterly returns --
 8 not complex, but time-consuming, I would say -- and so
 9 we decided to, you know, since -- because of that
 10 market volatility and what we made, so then we decided
 11 to -- you know, a lot of people decided to exit, and
 12 then we closed the fund.
 13 And, you know, we took that as an
 14 opportunity to, you know, instead of, like, looking at
 15 time-consuming model, and we decided to move towards
 16 the venture capital side.
 17 Q Can you give me a ballpark figure for how
 18 much Nanban Capital was able to profit from the four
 19 hedge funds?
 20 A Nanban Capital?
 21 Q Yes.
 22 A Nanban Capital is an entity. Doesn't exist
 23 anymore.
 24 Q But can you -- the -- excuse me, what is the
 25 company that is affiliated with the four hedge funds?

Page 235

1 Nanban Enterprises, I'm sorry, I misspoke.
 2 How much total did Nanban Enterprise make, ballpark,
 3 from the four hedge funds?
 4 A I don't remember on top of my head, I don't
 5 know.
 6 Q You can't give me a ballpark? Like, more
 7 than \$1 million?
 8 A I don't know, honestly.
 9 Q Okay. You're an owner in this company, and
 10 you don't know whether the company has made over \$1
 11 million?
 12 A Yeah, I will have to check and give you the
 13 information.
 14 Q And I'm not asking for an exact number. I'm
 15 asking for a ballpark. You, sitting there today as an
 16 owner of the company, do not know if the company has
 17 made over \$1 million.
 18 A Let me think. I'm sure it would have made a
 19 million dollars or more, I'm sure, but I'm not sure
 20 the exact number.
 21 Q More than \$5 million?
 22 A No, I said above \$1 million.
 23 Q Above a million, yes.
 24 A Yes.
 25 Q I'm asking, above 5 million?

Page 236

1 A No, I don't know.
 2 Q So between 1 million and 5 million is your
 3 best guess?
 4 A I don't know, either. It's family and --
 5 you know, you are putting a number, and then you are
 6 asking between the numbers. So -- which I didn't
 7 give. So I don't know that. It's about a million. I
 8 cannot keep guessing that.
 9 (Pause.)
 10 THE WITNESS: I have to check the, you know,
 11 accounting team, how much we made.
 12 BY MS. MARTIN:
 13 Q How many of the participants in Nanban
 14 Foundation are also invested in another Nanban company
 15 like Nanban Ventures or Nanban Enterprises?
 16 A I don't know.
 17 Q Is -- are any of them?
 18 A Like I said, I don't know. You know, I
 19 don't keep track of that, how much -- how many people
 20 are joining in foundation site, and how many are
 21 investing. I don't keep track of that.
 22 MS. MARTIN: I'm also -- I don't have any
 23 follow-up questions.
 24 Let's go off the record at 4:53 p.m.
 25 (A brief recess was taken.)

Page 241

1 on that entity?
 2 THE WITNESS: No.
 3 MR. GREEN: Okay. In the past, with regards
 4 to Nanban Realty, did you, GK, and Mani initially were
 5 part of the Nanban Realty Fund in the GP capacity or
 6 otherwise, initially?
 7 THE WITNESS: Yes.
 8 MR. GREEN: Okay --
 9 THE WITNESS: Initially, we were part of it.
 10 MR. GREEN: Okay. After that point -- okay,
 11 okay. Initially, you're a part of it.
 12 About how long was it after that fund
 13 started, or those initial conversations that you all
 14 jump out of it?
 15 THE WITNESS: Yeah. So it's just the -- you
 16 know, the time that consumes for the real estate is
 17 something that we realize that's not our cup of tea.
 18 And then, you know, we decided to come out. And I'm
 19 not sure exactly when. I'm sure it is on the year
 20 2021, sometime early, I guess.
 21 MR. GREEN: Would you say that it was
 22 when -- in the early stages, from the time that Nanban
 23 Realty Fund was formed, or let's say within the first
 24 30 days --
 25 THE WITNESS: Yes.

Page 242

1 MR. GREEN: -- you all came out? Okay.
 2 THE WITNESS: I cannot say it is first 30
 3 days or so, but at some point we came out.
 4 MR. GREEN: Okay, thank you.
 5 That's pretty much it, Jason.
 6 MR. BRAUN: Okay. Well, if that's it, then,
 7 as we mentioned, Mr. Gounder, if we have any further
 8 questions, we will contact your counsel, and we may
 9 call you again to testify. But for now we don't have
 10 any more questions. Thank you very much.
 11 We are off the record at 5:05 p.m.
 12 (Whereupon, at 5:05 p.m., the examination
 13 was concluded.)
 14 * * * * *
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Page 243

1 PROOFREADER'S CERTIFICATE
 2
 3 In The Matter of: NANBAN INVESTMENTS, LLC
 4 Witness: Sakthivel Palani Gounder
 5 File Number: FW-04440-A
 6 Date: Wednesday, October 19, 2022
 7 Location: Fort Worth, TX
 8
 9 This is to certify that I, Maria E. Paulsen,
 10 (the undersigned), do hereby certify that the
 11 foregoing transcript is a complete, true and accurate
 12 transcription of all matters contained on the recorded
 13 proceedings of the investigative testimony.
 14
 15 _____
 16 (Proofreader's Name) (Date)
 17
 18
 19
 20
 21
 22
 23
 24
 25

Page 244

1 PROOFREADER'S CERTIFICATE
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 14
 15 _____
 16 (Proofreader's Name) (Date)
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REPORTER'S CERTIFICATE

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I, Kevin Carr, reporter, hereby certify that the foregoing transcript of 242 pages is a complete, true and accurate transcript of the testimony indicated, held on October 19, 2022 at Fort Worth, TX in the matter of: NANBAN INVESTMENTS, LLC.

I further certify that this proceeding was recorded by me, and that the foregoing transcript has been prepared under my direction.

Date: 11/1/2022

Official Reporter:

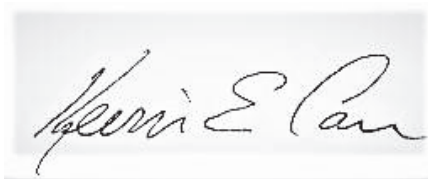
A rectangular box containing a handwritten signature in black ink. The signature appears to read "Kevin E. Carr" in a cursive script.

EXHIBIT 46

Page 1

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. FW-04440-A
5 NANBAN INVESTMENT, LLC)
6
7 WITNESS: **Manivannan Shanmugam**
8 PAGES: 1 through 199
9 PLACE: Securities and Exchange Commission
10 801 Cherry Street
11 Suite 1900
12 Fort Worth, Texas
13 DATE: **Friday, October 21, 2022**
14
15 The above-entitled matter came on for hearing, via
16 WebEx, pursuant to notice, at 9:34 a.m.
17
18
19
20
21
22
23
24 Diversified Reporting Services, Inc.
25 (202)467-9200

Page 2

1 APPEARANCES:
2
3 On behalf of the Securities and Exchange Commission:
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10 (817)978-3821
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12 On behalf of the Witness:
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16 Peoria, Arizona 85382
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25

Page 3

C O N T E N T S

1		
2		
3	WITNESS	EXAMINATION
4	Manivannan Shanmugam	5
5		
6	EXHIBITS: DESCRIPTION IDENTIFIED	
7	1 Form 1662	6
8	21 9/22/2022 Subpoena	8
9	22 Background Questionnaire	10
10	10 Confidential Private Placement	
11	Memorandum	59
12	31 Form D (Nanban Realty Fund LLC)	131
13	32 Orion and Nanban Website	137
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Page 4

P R O C E E D I N G S

1
2 MR. BRAUN: We are on the record at 9:34 a.m.
3 on October 21, 2022.
4 Mr. Shanmugam, before we begin I want to go
5 over a few agreements that we need to have in place with
6 you and your counsel for today's testimony.
7 You understand and agree that the oath or
8 affirmation to tell the truth will be administered by
9 audio visual means rather than in person, but will have
10 the same effect as if administered in person.
11 MR. SHANMUGAM: Yes.
12 MR. BRAUN: And Jeremy?
13 MR. GREEN: Yes.
14 MR. BRAUN: You agree that neither -- neither
15 of you nor any other party under your control will make
16 a recording of the testimony, whether through the WebEx
17 system or with a separate device.
18 MR. SHANMUGAM: Yes.
19 MR. GREEN: Agreed, yes.
20 MR. BRAUN: And you agree that you will not
21 copy, print, say, screenshot or reproduce any portions
22 of any exhibit.
23 MR. SHANMUGAM: Yes.
24 MR. GREEN: Yes, agreed.
25 MR. BRAUN: Would you please raise your right

Page 33

1 it then. I'll wait and just in case it comes up for any
 2 further clarity. Appreciate it.
 3 MR. BRAUN: Thank you.
 4 THE WITNESS: Thank you.
 5 BY MR. BRAUN:
 6 Q So what -- does Preeti Mani, LLC, does it have
 7 any investments in stocks?
 8 A No.
 9 Q Does it have any securities accounts?
 10 A No.
 11 Q What -- does it currently hold any assets?
 12 A No.
 13 Q Does it have any investments at all?
 14 A No.
 15 Q Does Preeti Mani, LLC have any ownership stake
 16 at all in any companies?
 17 A Nanban Enterprise.
 18 Q What is its ownership stake in Nanban
 19 Enterprise?
 20 A 25 percent.
 21 Q You said 23?
 22 A 25.
 23 Q 25, 25 percent?
 24 A Yes.
 25 Q Does Preeti Mani, LLC have any bank accounts?

Page 34

1 A Yeah. Yes.
 2 Q How many -- how many bank accounts?
 3 A One bank account.
 4 Q And where is that bank account located?
 5 A First United Bank, First United Bank.
 6 Q Other than the 25 percent ownership stake in
 7 Nanban Enterprise does Preeti Mani, LLC have any
 8 ownership interest direct or indirect in any other
 9 entity?
 10 A No.
 11 Q Question number 16 asks if you've been a
 12 manager or member of any privately held company. Do you
 13 see that? And this is on Exhibit 22.
 14 A Yes.
 15 Q And you list Nanban Enterprise and your
 16 position as the Chief Operating Officer, correct?
 17 A Correct. That's correct, sir.
 18 Q But we're going to be getting into several of
 19 these funds that Nanban Investments set up. Like for
 20 example Nanban Investments 2020 Set Fund LLC, you're
 21 aware of that fund, correct?
 22 A Yeah.
 23 Q And then there was of course an October fund,
 24 and a June fund, and the Perpetual fund, correct?
 25 A Correct.

Page 35

1 Q Ad you were a manager in each of those funds,
 2 correct?
 3 A Yes.
 4 Q Are there any other -- so why didn't you list
 5 that here for question number 16?
 6 A Because this is like, what do you call --
 7 first of all you don't have enough space there to list
 8 all those. That's one of the things. And the second
 9 thing is this is like the -- you know, Nanban -- Nanban
 10 Investments is the GP entity for all these, right,
 11 manager and GP for all this.
 12 And then Nanban Enterprise owns Nanban
 13 Investments 100 percent. So I thought it would be good
 14 for me to put this. They're all under the Enterprise,
 15 so they all roll up to the Enterprise.
 16 Q Okay. So let's go ahead -- and I appreciate
 17 that there -- that it does not give a lot of room, so
 18 let's go ahead and make this as complete as possible.
 19 So tell me all of the entities that you are --
 20 in the last years that you served as a manager for any
 21 of them, any other entities that you don't have -- you
 22 don't have listed here and let's walk through each of
 23 those.
 24 A Yeah. So the Nanban Investment Funds, the
 25 four funds that you listed, right, and then Nanban

Page 36

1 Investments, LLC.
 2 Q Okay, one second. So Nanban Enterprise -- you
 3 said Nanban Enterprise, LLC?
 4 A Nanban Enterprise, LLC, Nanban Investments,
 5 LLC.
 6 Q Okay, one second. Nanban Investments, LLC.
 7 A And then --
 8 Q And then you mentioned -- you mentioned the
 9 funds, so let's just really quick get those out of the
 10 way. So the Nanban Investments 2020 Sep Fund, correct?
 11 A Yeah.
 12 Q Give me a second. The Nanban Investments 2020
 13 June Fund, LLC, correct?
 14 A Yes.
 15 Q The Nanban Investments 2020 Oct Fund, LLC,
 16 correct?
 17 A Yes.
 18 Q And then the Nanban 2020 Perpetual Income
 19 Fund, LLC, correct?
 20 A Yeah, right.
 21 Q And now go on, what other -- what other
 22 entities do you serve as a manager for?
 23 A Nanban Ventures, LLC.
 24 Q Nanban Ventures, LLC. Okay, what else?
 25 A That's it. Hello, are you talking or --

Page 61

1 will keep track of the documents that are produced so we
2 can always know how many documents were produced, what
3 pages they are, things like that.

4 So for purposes of our questions right now on
5 this document I will be referring to the document as
6 saying we're going to go to page 115, and it's going to
7 mean the Bates label at the bottom ending in 115. Okay?

8 A Okay.

9 Q Okay. So we're going to go to Exhibit 10, the
10 page ending in 121. And you'll see at the bottom of
11 that page there's a section titled "Offering Overview."
12 Are you with me?

13 A Yes.

14 Q And it's referring to the actual fund, Nanban
15 Investments 2020 Sep Fund, LLC.

16 A Yeah.

17 Q And in -- and by the way can we agree that if
18 I refer to the September Fund I'm referring to the
19 Nanban Investments 2020 Sep Fund, LLC?

20 A Yes.

21 Q Okay. So the next sentence it says, "The
22 company," meaning the September Fund, "is a limited
23 liability company governed by Delaware law, formed
24 primarily to invest in the stock market using defined
25 risk strategies." Do you see that?

Page 62

1 A Yes.

2 Q What -- what does it -- what are -- what are
3 defined risk strategies?

4 A So you know how much risk you are taking when
5 you go in, like you don't have an unlimited loss when
6 you go in and place a trade.

7 Q Say that again.

8 A It is that you don't have unlimited loss when
9 you went -- go in and trade. It is called GK strategies
10 for us.

11 Q Okay. So when -- when it says defined risk
12 strategies should I be -- should we be reading that as
13 that means GK strategies?

14 A Yes.

15 Q And describe for me --

16 A I mean, not, not necessarily. It's a
17 framework, right. Like, as long as you, you know, you
18 protect yourself you are fine, right. That's what
19 defined risk means. I'm not saying that's GK
20 strategies. It's -- it's basically protecting your
21 investment from losses, right, that's the pluses.

22 Q Well, and you mentioned GK strategies, and
23 we've talked about it. A little bit earlier you
24 mentioned GK strategies. So let's -- let's talk about
25 that. In your own words I'd like for you to describe

Page 63

1 for me what is GK strategies?

2 A Sure. So in GK strategies you own an asset,
3 right. The asset could be an ETF. And then you sell
4 calls on top of it to generate cashflow. And then you
5 buy a put for insurance so that if the market goes down
6 you have -- you know, you're protecting your portfolio.

7 Q Okay. Anything else?

8 A That's the core.

9 Q Okay.

10 A There are a few nuances to it, like for
11 example what stock -- what -- what, you know, asset to
12 select, right, and then how much strike base you choose,
13 you know, that kind of stuff. There are nuances to it,
14 but at a high level this is what the strategy is. And
15 we -- yeah.

16 Q Okay, let's go over to the next page. This is
17 Exhibit 10 ending in 122, and the top of the page says,
18 the first sentence that, "Prospective investors by
19 investing with the company will be investing in a
20 company that uses proprietary advanced trading
21 strategies," and then it has a parenthetical there, "(GK
22 strategies) to purchase and trade market index funds and
23 other sophisticated investment strategies," and that's
24 all defined at the services. Do you see that?

25 A Yes. I'm sorry, I keep yawning. I don't -- I

Page 64

1 hope -- I hope I don't put you all to sleep.

2 Q No, that's -- I'm often told that I'm very
3 boring. My wife tells me that all the time, so I'm not
4 -- I'm not surprised that you're yawning.

5 Let's -- let's go -- first question I want to
6 ask is where it says, "proprietary advanced trading
7 strategies," what proprietary advanced trading
8 strategies did the September Fund us?

9 A It's called GK strategies, the one I just
10 explained, yeah.

11 Q Okay. So GK strategies when this -- when this
12 Exhibit 10 refers to "proprietary advanced trading
13 strategies," that means GK strategies, right?

14 A Correct.

15 Q What -- what is proprietary about GK
16 strategies?

17 A First, we don't invest in individual stocks,
18 right, and then we invest in ETFs. And then the, you
19 know, the way we sell, you know, and then we -- and we
20 collect the cash, you know, when you sell a call, and
21 then you take a certain percentage of that. You're not
22 paying out of your pocket. You take a certain
23 percentage off the cash collected and then you go buy
24 your put insurance.

25 And you also see market volatility, where it

Page 69

1 simplicity, right. It is simple to do. You know, it
2 doesn't have to be a very complex thing where you need
3 an Army to put together.

4 Just like an I phone, right. I phone is --
5 you know, it looks so nice. You know, even a kid can
6 operate. My six year old knows how to play. But, you
7 know, that's the genius of the I phone is it's
8 simplicity of usage.

9 Q So it's -- so it's advanced because it's not
10 advanced, is that sort of -- I guess I'm trying to --
11 I'm struggling with that because I hear you say that
12 it's advanced but then I also hear you say it's very
13 simple, and it's very easy to do, and it's right there
14 in front of everybody.

15 So I keep thinking in my head the "Enter the
16 Dragon," the movie with Bruce Lee and the art of
17 fighting without fighting. You know, I'm not -- it's
18 not making sense to me. That's where I'm having a
19 struggle. Can you kind of walk me through that and
20 explain it to me?

21 A Yeah. So what it tells you, GK strategies, is
22 it tells you what not to do in the stock market, right.
23 It is just that one way of thinking that, you know, you
24 don't have to be a PhD to figure out, you know, what's
25 going to happen to the stock and this and that. There's

Page 70

1 a very -- it's a philosophy. GK strategies is a
2 philosophy where it is a very advanced way of thinking
3 to simplify things for you, you know, to manage your
4 portfolio, whether it's an individual portfolio or, you
5 know, a company portfolio.

6 Q Well, GK strategies has been taught to
7 thousands of people, right?

8 A Correct. To -- yeah.

9 Q And these are -- and GK strategies, that's one
10 of the things that Nanban Foundation does, correct, is
11 it just -- it teaches GK strategies to, you know, sort
12 of the thousands and thousands of people out there so
13 that they can also know how to do this, correct?

14 A Yes.

15 Q And these are not -- these are not -- these
16 aren't all people that have advanced degrees in wealth
17 management and things like that, correct?

18 A Correct.

19 Q A lot of these people are just, you know, mom
20 and pop people that just are -- you know, have normal
21 jobs. They could be bus drivers, they could be, you
22 know, anything. It just -- they are just regular
23 people, but GK strategies is so simplistic in its
24 elegance that you can just teach it to them, and they
25 can know how to do it. Is that fair?

Page 71

1 A Maybe. Again I don't know everybody who is
2 attending there, right. I -- it is open. My
3 understanding is it's open to everybody and, you know, a
4 number of volunteers and anybody who wants to know they
5 can, you know, learn it, right. It's -- they are doing
6 knowledge sharing and anybody -- it's for anybody to
7 learn it.

8 Q And these -- these GK strategies educational
9 seminars don't need to be taught by GK, correct?

10 A Correct.

11 Q There are --

12 A So volunteers.

13 Q -- thousands of volunteers --

14 A Yeah.

15 Q Sorry, go ahead.

16 A Yeah, it's done by volunteers.

17 Q So -- so GK teaches people GK strategies in
18 the very beginning, correct?

19 A In the very beginning, correct.

20 Q And those -- those people that learn GK
21 strategies would go on to become volunteers and they
22 would teach GK strategies to other people, correct?

23 A Correct. Maybe. Again, right, I don't know,
24 like -- it's not like those who learn from GK went on to
25 become volunteers. Because it's like -- say I teach you

Page 72

1 something, you go teach somebody else the same thing
2 because you like it, so it becomes -- we all share. And
3 then anybody can be a volunteer, right.

4 Q And you took GK strategies, or you learned GK
5 strategies directly from GK, correct?

6 A Yes, I did.

7 Q And so tell me how long is the GK strategies
8 training?

9 A For me it was I think four or five hours,
10 right. I learned it at a residence.

11 Q Okay. So -- so GK strategies is simplistic
12 enough that you -- in how it operates that he can teach
13 somebody how to do it and know what to do in four to
14 five hours; is that fair?

15 A Again you get the gist of it in four to five
16 hours, right, and then, you know, you slowly work with
17 VIX. It takes time. It's not like, you know, you have
18 -- you know, you become from a novice to a genius in,
19 you know, like switching a bulb on, right. But you get
20 to see what it is, how this philosophy works, and then
21 you spend -- apply your time.

22 You know, you -- you go -- I spend a lot of
23 follow up hours with GK understanding so many questions
24 I had. I chased him for months to understand what it is
25 and so forth. Then I, you know, I was doing -- then I

Page 73

1 started practicing it in my account.

2 Q And you said you practiced GK strategies in
3 your account?

4 A That's correct.

5 Q And earlier we went into your, your current
6 trading accounts and you were testifying that in your --
7 that you currently don't own any stocks, index funds,
8 anything, correct?

9 A Yes.

10 Q So you're -- when you refer -- when you are
11 saying how you use GK strategies in your personal
12 accounts you're referring to previous to when you got
13 rid of all of those, all of those index funds, exchange
14 traded funds, correct?

15 A Exactly. That was before, before, yeah. It's
16 like 2018, at that timeframe, 2018, 2019 when I -- when
17 I learned this.

18 Q The -- when you were doing those trades back
19 then where was the trading account that you had?

20 A The same thing, TD, TD Ameritrade.

21 Q Ameritrade. And how long did you use GK
22 strategies in your personal trading accounts?

23 A Maybe about 15 months, something like that,
24 15, 16 months. I don't remember exact timeframe, but it
25 was a good time.

Page 74

1 Q And how much -- how much money did you make
2 using GK strategies?

3 A I'm trying to recall. I don't remember off
4 the top of my head, but I was getting a cashflow, you
5 know, and I was enjoying that, right. So it's -- I can
6 see the money coming in. I don't remember the exact
7 amount that I made.

8 Q Can you give me -- so give me a ballpark. You
9 know, you started, you know, with whatever you started
10 with, it could have been \$10,000, \$15,000, whatever it
11 was you started with, and then you used GK strategies,
12 and you must have ended up with a number that was
13 different than what you started with.

14 So what percentage? Was it like 5 percent
15 that you made using GK strategies, 10 percent? Give me
16 a ballpark what you made using it.

17 A I'm not sure. I'd have to go back and check.

18 Q And how much money did you start with when you
19 began trading GK strategies, ballpark number?

20 A I think that's, well, my thing, because I
21 don't remember. It's been a while and, you know, I --
22 go and look at it now, like, and I don't have that
23 money. So I really can't go and say to tell you what
24 exactly. You know, I -- it could be in double digits,
25 but again I need to go and check what exactly it was.

Page 75

1 Q But you -- you have -- you have access to
2 those records, correct?

3 A Yeah, I will have them.

4 Q Okay. And these were just your -- the TD
5 Ameritrade account that you provided in your background
6 questionnaire, was the personal trading done in that
7 margin account?

8 A Yes.

9 Q Okay. You didn't have a --

10 A No, not a margin account, the IRA account. I
11 was playing with my IRA account.

12 Q Okay. So all of this GK strategies trading
13 that you're talking about was done in the IRA account
14 that you provided in your background questionnaire,
15 correct?

16 A Exactly, yeah.

17 Q But it was just done -- it was -- that trading
18 was done a few years ago when you still were -- actually
19 had active investments, correct?

20 A At that time, yeah, I was doing it.

21 Q Okay. Let's go to Exhibit 10, the page ending
22 or the page 128, ending in 128. It should be just two
23 pages. There's a section there on management.

24 A Okay.

25 Q If you scroll up just a little bit. Right

Page 76

1 there. Do you see the management section?

2 A Yes.

3 Q And it states that, "The company will be
4 managed by the manager who shall be responsible for
5 overseeing the day-to-day operations of the company."

6 A Correct.

7 Q And again who is the -- who was the manager of
8 the September Fund?

9 A Gopala Krishnan, Sakthi Palanigounder, and,
10 you know, again we were all -- Nanban Investments
11 technically was the manager, and we were the, you know,
12 principals.

13 Q But the three of you were the ones who were
14 the -- you were kind of -- you were the shot callers as
15 it were with regard to the investments that were made in
16 the September Fund, correct?

17 A You are right.

18 Q It states that, "The manager may appoint
19 officers of the company," and then it says, "including
20 without limitation president, treasurer," a few others.
21 And it says, "And may also employ or contract with other
22 persons to manage the company's activities." Do you see
23 all that?

24 A Yes.

25 Q Were there ever any other persons that were --

Page 81

1 A So everything that I -- that I explained is
2 done by IRO. They are the ones who receive the first
3 solicitation email from the investor at the Howdy box.
4 And, you know, then it goes through -- you know, they go
5 through this process, and they are the ones who review
6 this, you know, make sure that -- our IROs will ask,
7 hey, guys, have you read the PPM, do you guys have any
8 questions. If they have any questions they will address
9 them and so forth.

10 And then, you know, eventually everything --
11 once it is all lined up it comes to us too, one of us,
12 right, for countersignature, where we execute the --
13 basically the point where they fill in everything it
14 comes to us, and then we do the countersignature.

15 Q I'm sorry, let me make sure I understood what
16 you said. You said that that due diligence process on
17 the investors, that that was -- that that was -- that
18 was run by the investment relations professionals at the
19 company?

20 A Yeah, the initial interactions and everything.
21 But once the document is signed then, you know, then it
22 comes to us, where we would go through the document and
23 then, you know, we will -- we will decide whether to
24 take the person in or not.

25 Q And those -- and you referred to the other,

Page 82

1 the investment relations as IR people, correct?

2 A Correct, investment -- IRO, investor relations
3 officers we call them.

4 Q Okay, investor relations officers, okay.

5 A Yeah.

6 Q Tell me about the training that the investment
7 relations officers had to go through before they could
8 be an actual investment relations officer.

9 A Sure. We again -- periodically we conduct
10 trainings, you know, and ensure that they are up to date
11 on the knowledge about the fund and so forth, right.
12 And then what this offering is, what are the selling
13 features of the fund, and where they can locate them in
14 the PPM, you know, FAQs, right, what are all the things
15 that they can expect and so forth.

16 We want them to ensure that our investors read
17 the PPM, they know exactly, you know, what they -- you
18 know, we don't want them to -- we want to ensure that
19 investors read through the PPM. It's a big
20 documentation, right. So we basically ask them to help
21 find those sections, just like how you are doing to me,
22 like you're bringing those sections and stuff, right.
23 So like that.

24 So you should be familiar with the PPM so that
25 when they ask something you'll be able to, yeah, you

Page 83

1 know, come to this section with me and here's what is
2 written so that -- and then they -- you know, that's how
3 we -- that's the training that they go through.

4 Q Did the investment relations officers have to
5 take the GK strategies course?

6 A Well, again not necessarily, right. They are
7 -- they are investor relations officers. They just need
8 to know, you know, how to answer questions, right. May
9 -- they may have taken it, they may not have taken it, I
10 don't know, right.

11 Q Let's go to Exhibit 10, the Bates label ending
12 in 141, please.

13 A Okay. Would you mind if I take a bathroom
14 break?

15 MR. BRAUN: Yeah, let's take a break. Let's
16 -- it's 11:44. Let's come back in about six or seven
17 minutes. Does that give you enough time?

18 THE WITNESS: Yes.

19 MR. BRAUN: Okay, all right, let's take a
20 break. Let's come back in about seven or so minutes and
21 then we'll go into breakout session.

22 THE WITNESS: All right, thank you.

23 (A brief recess was taken.)

24 MR. BRAUN: Mr. Shanmugam, we just took a
25 brief break. You understand that you're still under

Page 84

1 oath?

2 THE WITNESS: Yes.

3 BY MR. BRAUN:

4 Q I want to go to Exhibit 10 still, the page
5 ending in Bates label 141.

6 A Okay.

7 Q This is the section on use of proceeds.

8 A Yeah.

9 Q As the Chief Operating Officer of the
10 September Fund give me a big picture overview of what
11 your job duties entailed.

12 A Well, again as the fund manager, you know,
13 primarily managing the operations, right, as well as
14 responsible for trading. We have three managers, Gopala
15 Krishnan, Sakthi Palanigounder, and myself, who are
16 responsible for managing the fund.

17 We meet in the morning, either through Zoom or
18 in person, and discuss strategies as to how to place
19 trades in the market today, where the market stands, and
20 all those things. And so we -- and then that's in the
21 morning.

22 And then again in the afternoon we have
23 another meeting where we will touch base and discuss,
24 and then one of us will place the trade. And the backup
25 manager, for example any one -- any one of us can place

Page 85

1 the trade, so it doesn't have to be that they need to be
 2 there. But we always collaborating, right. We
 3 brainstorm, discuss, and then do it.
 4 That is from the trading standpoint. And then
 5 from an operations standpoint, you know, again there may
 6 be just, you know, like as you saw earlier, like,
 7 getting the bank accounts opened and keeping the lights
 8 on kind of thing, right. Like, when you launch a fund
 9 there are a bunch of things that goes with it, working
 10 with Jeremy to get the PPM out and all those things,
 11 setting up all this stuff in IMS, coding that.
 12 When people, you know, when people, you know
 13 -- when people invest it's all -- you know, like when
 14 you login and punch your numbers, your information, it
 15 shows automatically. So coding those documents and all
 16 those things so that it's all working fine.
 17 And then everything, you know, from hiring
 18 also, right, hiring the IROs, talking to vendors about
 19 all these, you know, different agreements and so forth,
 20 any strategic partnerships. So, you know, just kind of,
 21 you know, just -- that's -- that's like in a day how
 22 things look.

23 Q And as the operations head would you be the
 24 one that would be handling the vendor discussions, and
 25 payments, and things like that?

Page 86

1 A Well, again as one of the -- as leader of
 2 operations as well as the, you know, principals, yeah, I
 3 do get involved, but it's not only me, right. Many
 4 meetings I'll have other partners also being involved in
 5 it. So we would do it together most of the time.

6 Q What about the accounting for the fund, who
 7 handles the accounting for the fund?

8 A Yeah. So for the accounting again we have a
 9 firm hired. You know, we have an accounting firm, a
 10 third party who takes care of that.

11 Q And are you the individual at the September
 12 Fund who was the primary point of contact for that
 13 accountant?

14 A Sakthi, Sakthi Palanigounder is the primary
 15 contact for that.

16 Q Who handled the payroll at the September Fund?

17 A Payroll again, you know, we have the
 18 accounting company. They just process the payroll,
 19 right.

20 Q Were you the point of contact at -- at Nanban
 21 for the payroll issues that would come up?

22 A Again Sakthi, you know, will look into it,
 23 right. Now right now -- again you need to understand
 24 that the payroll is not at the fund level, right. We're
 25 not doing it at the fund level, the fund level.

Page 87

1 Q Well, for the -- for the manager, Nanban
 2 Investments, who -- who handled the day-to-day things
 3 like writing checks for example?

4 A We didn't write checks at Nanban Investments
 5 Fund level, right, the manager.

6 Q Well, any time there was checks that needed to
 7 be signed for example --

8 A Oh, yeah. That one -- anyone of us, any one
 9 of us can do it, yeah. We all three are signatories.
 10 Any one of us can do it.

11 Q But who was the individual that was primarily
 12 tasked with handling those types of things?

13 A Again depending on, you know, what kind of
 14 thing it is we -- you know, we share again. We are a
 15 nimble company. We are a small fund, we are a nimble
 16 company. So we cannot have, like, you know, I can only
 17 do this, right. We have -- we have to wear all kinds of
 18 hats. We have to get coffee, we have to go and get
 19 coffee, you know. Like, clean, clean the floor, clean
 20 the floor. We have to do it yourself, you know.

21 Q When the accountants would need information
 22 and data to be able to do her job who was the individual
 23 at Nanban that would interface and get that information
 24 for her?

25 A Yeah. So it -- though it falls under, you

Page 88

1 know, the operations we collectively do it, GK, Gopala
 2 Krishnan, Sakthi Palanigounder and myself, we do it.
 3 Yeah, we are backup for each other. So, you know, like
 4 we -- this way a small company, so we backup each other
 5 so that, you know, we -- everybody helps and knows
 6 what's going on and stuff.

7 Q So if an -- when an investor -- with some of
 8 the funds investors wanted to get their money back,
 9 correct, and exit the funds?

10 A Yes, there were instances, yes.

11 Q And when that happened who took care of
 12 getting that money back to those investors?

13 A So we let the accountant know, let the
 14 accounting firm know that, hey, you know, this is what
 15 is going to happen, and then they will take care of it.

16 We will give the details to the accountant, accounting
 17 firm, right.

18 And when I say accountant I mean accounting
 19 firm here. They are the third party firm. So we will
 20 notify them that this investor is looking to withdraw
 21 money, and then they will take care of it.

22 Q And so, I'm sorry, maybe -- maybe I'm just
 23 having a hard time hearing. So the investor says they
 24 want their money back and they communicate that. Who at
 25 Nanban then handles that process?

Page 89

1 A So we will let the accounting firm know that,
2 hey, you know, this is some -- again it depends. Excuse
3 me. See, let's say you get a request, right. It comes
4 to IRO and then they -- they see this and they say, hey,
5 you know, we have a request, and then they contact us.

6 And then we review the request. The initial
7 email comes to Howdy box. That's how the IROs are
8 getting to know about it, right. And they will contact
9 us saying, hey, I have XYZ investor who wants to
10 withdraw the money.

11 As per the offering document and the PPM, you
12 know, the funds allowed -- the first two funds allowed
13 for one year.

14 Q Wait, hold on. All right, let me interrupt
15 you. So when -- when an investor -- so, okay. When --
16 when an investor decides they want their money back
17 their -- their first point of contact is going to be one
18 of the investor relations officers?

19 A That is correct, yeah. Everything -- all the
20 correspondence comes to Howdy@nanbaninvestments.

21 Q Okay. So once that investor -- once the Howdy
22 email comes in which one of the -- between you, and GK,
23 and Mr. Gounder, who is the individual who that -- that
24 investor redemption comes to? If somebody says, hey,
25 this person wants their money who gets told that first?

Page 90

1 A So they will -- they will let us know, right.
2 They will let us know, that, hey, this has come. It
3 comes to all three of us, right. They just copy us and
4 say --

5 Q How? How does that come to you? How -- is
6 there -- will the investor relations officer email you,
7 all three of you on an email and say, hey, there's --
8 this is what's going on? What -- walk me through that
9 process.

10 A That is correct, yeah. That is correct.
11 They'll email saying, hey, you know, I received such a
12 request, and then we internally discuss, and we ask some
13 questions, whether we should do it or not, and it's our
14 discretion to allow it. And then we will make the call
15 if we should allow it or not.

16 Q So after the email comes in saying to the
17 three of you that this person wants their money back,
18 you, and GK, and Gounder, you meet to talk about it?

19 A Correct.

20 Q Do you meet in person, or do you meet over a
21 phone call, do you email, do you set up a Zoom? How do
22 you meet?

23 A So, yeah, this is like -- because we are -- we
24 collaborate heavily, right. So it could be a phone
25 call, it could be an email. Think about this, we -- we

Page 91

1 want -- like, we, all of us have a laundry list of
2 things to discuss, right. Hey, you what about this,
3 what about that, what do we do here. So this would be
4 one of the items, right. Hey, we received such and such
5 a request, you know, and then what do we -- you know,
6 how do we go about it. So --

7 Q Is that the same process that's followed with
8 any investor complaints?

9 A Investor complaints, yeah. I mean, we have
10 not received much investor complaint. Like, I have not
11 received a complaint yet, right. But, yeah, we would do
12 very well the same, the same process.

13 Q Well, there have been -- there have been at
14 least a few complaints, correct?

15 A Not that I'm aware of.

16 Q You're not aware of any investor complaints at
17 all?

18 A No.

19 Q The people that wanted their money back, what
20 was the reason for wanting their money back?

21 A Well, some of them were unhappy about,
22 especially in the Perpetual Fund, where performance was,
23 you know, I think less than -- somewhere around 5
24 percent if I remember correctly. I don't remember the
25 exact number. So people were not too happy about it.

Page 92

1 And, see, the thing is our philosophy is when
2 anyone wants to invest, we don't go solicit anybody.
3 Anyone who wants to invest they send the email to Howdy.
4 We respond to them. And if they want to withdraw also
5 they send the email to Howdy, not questions asked, you
6 know. We don't want to -- everybody could -- you know,
7 they could have so many reasons for it. It could be a
8 personal issue, it could be something else, but they
9 don't want to continue in the fund. There could be so
10 many things.

11 We don't want to ask those questions, so we
12 just -- you know, sometimes they do explain, you know,
13 hey, this and that. I've seen that also, have a family
14 emergency situation, you know, so I would like to
15 withdraw. I said okay and, you know, okay.
16 Q Okay. Well, Mr. Shanmugam, if an investor is
17 unhappy with the returns, I mean I think it -- I mean,
18 that's a complaint. You don't -- you don't -- you don't
19 consider that a complaint?

20 A It is -- again this is something where -- it
21 is subjective I would think because we have other funds
22 where we delivered double digit returns, right. All the
23 three other funds had double digit returns, and
24 everybody understands that results are not guaranteed,
25 right, and it's all given there.

Page 93

1 So from the perspective, you know, they very
2 well know and, you know, this is all -- you know, they
3 just need to allow time to, you know, see how their
4 capital is working for them. But some of them, you
5 know, if they're not comfortable we are not going to ask
6 why you are not comfortable, you know, why didn't you
7 stay. You know, we don't ask any of those questions.

8 Q Why not?

9 A That's our philosophy. That's our philosophy
10 that, you know, like if anyone wants it is in their --
11 you know, they come and invest it. They leave, we don't
12 have -- you know, we cannot go and ask why you want to
13 leave.

14 Q So the philosophy is -- the philosophy is if
15 an investor is unhappy we don't want to know why they're
16 unhappy, is that what -- is that what I'm hearing?

17 A Well, that -- no, that's not the case. If
18 they have any -- if they voice complaints to us then,
19 yes, we will talk to them, right. But if they're not
20 voicing complaint, they just want money withdrawn, then
21 I will not ask why you are doing it.

22 Q Okay. I think -- okay, now where getting
23 somewhere. Okay. I don't want to know about -- I'm not
24 interested in the people that just said I want my money
25 back and nothing else. I want to talk about those

Page 94

1 people that complained, the ones that we're talking
2 about who were unhappy with the return. Are you with
3 me?

4 A Yeah. Yes, I'm with you.

5 Q So with -- okay. So I want -- how many of
6 those people were existing at Nanban? How many of those
7 investors were unhappy and told you and people at the
8 company they were unhappy with the return, how many?

9 A I don't know. I don't know. The only --
10 yeah, I can't remember any numbers. I don't know.

11 Q Was it -- was it more than 100?

12 A It cannot be more than 100 because the fund
13 was only 99, right, so --

14 Q Okay. So -- okay. So at least now we know
15 it's more than 100. Was it -- was it more than 50 of
16 the investors in the process?

17 A I don't know. I don't know because, you know,
18 I don't remember.

19 Q Where would we go to get the information on
20 all of the investors that were unhappy and wanted their
21 money back because of that reason?

22 A Yeah, that's the Howdy email box, right,
23 because everything lands there.

24 Q And you, and GK, and Mr. Gounder, when
25 investors were unhappy and wanted their money back you

Page 95

1 would talk about those investors, correct?

2 A Correct, yeah. That would be one topic to
3 talk.

4 Q Okay. Did all of the investors that were
5 unhappy get full redemptions?

6 A When you say -- yeah. Like, again, I -- I
7 don't know whether -- because, see, I could be unhappy,
8 but I might still stay in the fund. But I could be
9 happy, but I could be withdrawing funds. So I don't
10 know who is unhappy, who is happy, and who withdrew the
11 money versus who didn't withdraw the money. But nobody
12 lost money, right. That is the thing, yeah.

13 Q Let me clarify. Yeah, let me -- let me
14 clarify. Out of the people that were unhappy and asked
15 for their money back they were given full redemptions;
16 is that correct?

17 A Yes. Yeah. Nobody lost their money. We made
18 positive returns.

19 Q And what type of documentation did you, and
20 GK, and Mr. Gounder keep about those investors that left
21 the fund?

22 A So when -- again when they left it is on a
23 quarterly basis, right. So there will be -- like, we do
24 these funds on a quarterly basis, two of those. So they
25 can withdraw the money during the quarter, and it's all

Page 96

1 documented in IMS how much money that we returned. It's
2 a statement that will be there that's showing, you know,
3 how much money they received. And, you know, obviously
4 you can -- you'll also have -- because that goes to the
5 accountant, accounting firm, and they will be, like, you
6 know, doing all this actual money transfers, right, to
7 the bank accounts. So all the documents will be there.

8 Q Did you, and GK, and Mr. Gounder keep notes of
9 your meetings?

10 A No.

11 Q There's no minutes kept or anything at all?

12 A No.

13 Q So walk -- so walk me through the process of
14 how the returns or the redemptions are calculated. So
15 let's walk through an investor who says I'm unhappy.
16 Don't -- you know, I want my money back.

17 A Sure.

18 Q How do you -- walk me through that process of
19 calculating how much money they're going to get back,
20 how much is owed. Walk me through that process.

21 A Sure. So once somebody sends an email that,
22 hey, you know, I would like to withdraw my funds -- so
23 this fund was a quarterly fund, right. Every quarter
24 either people can invest, or people can withdraw, enter
25 and exit.

Page 117

1 he attended this session he had this background on back
2 testing and so forth. You know, he came from the
3 background. He was developing products for his company
4 and, you know, so he mentioned that, hey, you know, this
5 is something that we could try to automate. And I said,
6 okay.

7 And, you know, so we -- you know, I kind of
8 tagged along and just, you know, I used to sit with him
9 as to how he codes and everything. So predominantly it
10 is Sakthi who knew how to do it and I was just sitting
11 with him, learning how to do it kind of thing, right, in
12 terms of automation.

13 But in the process I've learned, you know,
14 quite, quite a bit as to how to automate not just, like,
15 in general, right. So it is a good learning thing for
16 me.

17 Q So -- okay. Did you develop and automate GK
18 strategies levels one and two?

19 A Yes, that's what we did. We both, Sakthi and
20 myself --

21 Q No, no, sorry, let me interrupt. I'm not
22 asking you about what you and Mr. Sakthi did, I want to
23 know what you did. Did you develop and automate GK
24 strategies one and two?

25 A Along with Sakthi. That's what I've written

Page 118

1 in my profile, right, along with Sakthi I did it, yes.

2 Q Okay. So I want you to tell me what you did
3 to develop and automate GK strategies one and two.

4 A Yeah, so again since I was -- I -- you know,
5 we all learned that GK strategies and I was also
6 learning. So we used to, you know, design scenarios
7 like, hey, you know, how do we do this, how do we
8 package it, how do we design these packages, how do we
9 code them, what are the reusable components for this,
10 and how do we test them.

11 Like, you know, that's where we bought data
12 from CBOE and then we were trying to test how these
13 things work and so forth. So, you know, the whole thing
14 of it, helping with validation of results, right, going
15 to the code. It's very much like with IT guys. We know
16 how to code and how to test the thing.

17 So it's as if some -- a business give a
18 requirement that this is what you need to do. So, you
19 know, like we -- we knew what we were looking to do.

20 Q How are GK strategies -- what's automated
21 about GK strategies level one and two?

22 A It is a system where -- again automation is
23 more like you keep track of where the positions are,
24 where the market is, and when to get in and get out, you
25 know. So those are some of the decisions that you make,

Page 119

1 right, when it comes to trading. So those are some kind
2 of things that you are trying to automate because these
3 are mechanical, yeah.

4 Q But that's not -- well, it doesn't say that
5 you developed and tried to automate, it says that you
6 developed and automated GK strategies levels one and
7 two. So --

8 A Correct.

9 Q -- how were they automated?

10 A Because then they -- you know, like once you
11 kick off the program it kind of runs on its own. It
12 looks for certain parameters, it puts a trade, and then
13 it, you know -- that's what it does. That's what you
14 think of automation about.

15 Q What -- what program?

16 A The program is called python.

17 Q So there is -- so GK strategies one and two
18 are automated through python?

19 A Again it was a program, right. We tried --
20 that's what we worked on. But it is not -- you know, I
21 would -- like for example this is -- the simple answer
22 is no because, you know, you cannot automate that fully,
23 right. There are certain sections where we -- we worked
24 on to see how we can make our life easier and -- but
25 again this in relation to a personal thing, right.

Page 120

1 This is -- this all me, and Sakthi working on

2 this during our evenings, you know. We had a day job,
3 you know, before, way before Nanban, right. This is not
4 part of Nanban, it's not part of any of the fund
5 management or anything like that. This is on the
6 personal side.

7 Q For any of the funds, the June Fund, the
8 September Fund, the October Fund, the Perpetual Fund,
9 was there any aspect of GK strategies that was automated
10 for any of those funds?

11 A No.

12 Q Everything was done manually; is that correct?

13 A Everything is manual, yeah.

14 Q Is there any -- what -- what guides or -- let
15 me back up. What documents exist that explain how GK
16 strategies works?

17 A No documentation. It's all in our head.

18 Q It also states that you will be playing backup
19 portfolio manager role as required per GK strategies
20 levels one through five. Do you see that?

21 A Correct.

22 Q What qualified you to serve as a backup
23 portfolio manager?

24 A Because I know GK strategies.

25 Q I'm sorry, what was it?

Page 137

1 (SEC Exhibit No. 32 was
2 marked for
3 identification.)
4 BY MS. ADKINS:
5 Q Okay. Can you see the -- this is the website
6 of -- website address for Orionandnanban.com.
7 A Okay.
8 Q And this is the home page of that website
9 address.
10 A Yeah.
11 Q In the top left there do you see where it says
12 Orion and Nanban Real Estate Investment?
13 A Correct.
14 Q Okay. So what Nanban entity is this that's
15 involved with Orion?
16 A We don't have any entity -- any involvement in
17 it.
18 Q Okay. But is this the same Orion that you
19 were referring to that was part of the joint venture?
20 A It could. I don't know. I don't know if it's
21 the same Orion or not.
22 Q Okay. Well, let's take a look. We're now
23 going to the tab that says about us and our team. So
24 one of the people that you mentioned that was involved
25 with the joint venture was Prasanna Kumar, right, that's

Page 138

1 the person you --
2 A Correct. Yeah, yeah, this is -- yeah,
3 correct.
4 Q Okay. And so here we can see that Prasanna
5 Kumar is the CEO and Co-Founder of Orion RE Capital and
6 Nanban Realty. Do you see that there?
7 A Uh-huh, yeah.
8 Q So does that refresh your recollection -- does
9 that make it clear to you that this is the same Orion
10 that we were previously speaking about?
11 A Correct.
12 Q All right. And so -- so this -- so this says
13 that Mr. Kumar is the CEO and Co-Founder of Orion RE
14 Capital and Nanban Realty. So does this refresh your
15 recollection about which Nanban entity had a
16 relationship with Orion in connection with real estate
17 investment?
18 A At that time, again as I said, you know, the
19 -- the entity that we may have used for the joint
20 venture to get into a relationship was Nanban
21 Enterprise, but then it didn't work out and we backed
22 off. And after that they're on their own.
23 And, you know, Nanban is a generic word and,
24 you know, we cannot prevent others from -- like Orion,
25 right. Orion could be anybody. So we cannot prevent

Page 139

1 others from using it.
2 Q Okay. But you're saying that despite, and
3 correct me if I'm wrong here, you're saying that despite
4 the fact that the title of this entity here is Orion and
5 Nanban Real Estate Investments, you're saying that no
6 one from your -- any of your Nanban entities, meaning
7 yourself, Sakthi, or GK had any part or in any way are
8 involved with this entity; is that correct?
9 A Correct.
10 Q Okay. And do yourself, or Sakthi, or GK
11 receive any compensation or any profits from this
12 entity?
13 A No.
14 Q Do the three of you, and by the three of you I
15 mean GK, Sakthi and yourself, do you have any
16 involvement with investors from this -- in connection
17 with this entity?
18 A No.
19 Q And do you have any -- do the three of you
20 have any involvement with any offerings of this entity?
21 A No.
22 Q And in connection with the Nanban Realty Fund
23 that we previously -- that we previously looked at the
24 Form D for, did you or any of your partners receive any
25 compensation associated with that offering?

Page 140

1 A No. It was a very short lived joint venture.
2 We -- you know, we quickly realized and then we got
3 out.
4 Q And do you or your partners currently maintain
5 any bank accounts for Nanban Realty?
6 A Bank accounts? Not that I know of. I don't
7 think we have any, no.
8 Q And what about Nanban Ventures, can you tell
9 me what that -- are you familiar with that entity?
10 A Yeah, Nanban Ventures is our venture capital
11 division and they're -- I gave the entities, and it's
12 one of the entities that's under Nanban Enterprise.
13 Q And what does Nanban Ventures do?
14 A It invests in portfolio companies, technology,
15 healthcare and so forth.
16 Q And has Nanban Ventures had any fund
17 offerings?
18 A Yeah, we did, yeah.
19 Q And how many offerings has it had?
20 A I can't remember off the top of my head. I
21 think we had like three or four funds.
22 Q Okay. And does the name, fund name Nanban
23 Ventures AAA Fund ring a bell for you?
24 A Yes, yeah. That's a AAA Fund, yeah.
25 Q And were you involved with --

Page 141

1 A Yeah.
 2 Q I'm sorry, go ahead.
 3 A Yes. They're long names, so I had to recall,
 4 yeah.
 5 Q Okay. What was your involvement in connection
 6 with the Nanban Ventures AAA Fund?
 7 A I'm one of the GPs.
 8 Q Okay. And as a GP what did you do in
 9 connection with that fund?
 10 A So as -- again as an advisor like we launched
 11 the fund and also we, you know, manage -- like, a lot of
 12 people who come and pitch with us, you know, sitting in
 13 those meetings. With respect to the setting up of the
 14 fund itself, the fund mechanics, and, you know, work
 15 with Jeremy to, you know, compile the documentation for
 16 it. And then, you know, negotiating contracts with fund
 17 administrators and, you know, setting up the whole
 18 processes and all those things, right.
 19 And then setting up, you know, branch down to,
 20 you know, set up the investment committee and, you know,
 21 then we -- we spend most of our time listening to the
 22 pitch from various entrepreneurs to see whether we
 23 should be investing in the funds and so forth.
 24 Q Okay. And when -- what was the time period of
 25 the offering for Nanban Ventures AAA Fund?

Page 142

1 A I can't recall it. Maybe it's sometime last
 2 year. Maybe like midyear. I don't -- again don't hold
 3 me onto that. I need to check the exact timeframe, but
 4 I -- but that is the range that I remember.
 5 Q Okay. And --
 6 A But I don't know, yeah.
 7 Q -- okay. Is that fund, the AAA Fund, Nanban
 8 Ventures AAA Fund, is that fund now closed?
 9 A I need to check. I don't know. I think we
 10 stopped accepting investors, but I -- I don't know off
 11 the top of my head.
 12 Q I'm sorry, can you repeat that last part? You
 13 think you --
 14 A I -- I don't know.
 15 Q Do you know whether the Nanban Ventures AAA
 16 Fund is still open to new investors?
 17 A No, no, I don't think so. I don't think so.
 18 Q And how much did the Nanban Ventures AAA Fund
 19 raise?
 20 A I need to look at it. I don't know off the
 21 top of my head. A few million dollars.
 22 Q Ballpark number?
 23 A Yeah, a few million dollars, but I don't know
 24 the exact amount.
 25 Q I'm sorry, did you say a few million dollars?

Page 143

1 A Yeah, a few million dollars, but I don't -- I
 2 don't remember the exact amount. Not --
 3 Q Okay. Was it less than \$10 million?
 4 A Could be, yeah.
 5 Q Was it less than \$10 million or greater than
 6 \$10 million?
 7 A Yes, it could be less than 10.
 8 Q Could it be more than 10?
 9 A Could be, yeah, because I don't know. I need
 10 to check that. You know, I don't have that data point
 11 with me.
 12 Q Okay. And was your role with regard to Nanban
 13 Ventures AAA Fund the same as it was in connection with
 14 the -- the hedge fund, the Nanban Investment?
 15 A Yeah. Again I was a general partner there, so
 16 the same thing here.
 17 Q Okay. Because I'm just trying to understand
 18 why you wouldn't have any idea of how much was raised
 19 for that fund.
 20 A I don't know the exact number. I think it's
 21 --
 22 Q Can you give me a ballpark number? That's
 23 fine.
 24 A It should be less than 10. See, I'm very,
 25 very careful because I'm under oath I know. I want to

Page 144

1 make sure that only if I remember correctly I want to
 2 tell. I don't want to speculate. I think, Akita, I
 3 mentioned that earlier also. I'm being very careful.
 4 Q Yes, and I understand that and appreciate
 5 that. You know, we obviously want you to be careful and
 6 conscientious about the statements that you make here
 7 today. But when I'm asking for a ballpark I just want a
 8 ballpark number. I'm not asking you exactly how many.
 9 If it turns out that it's 2 or 3 million more then
 10 that's fine, but obviously as someone that was directly
 11 involved with the fund I would expect you to have some
 12 knowledge of, some ballpark of the amount that was
 13 raised.
 14 A Yeah.
 15 Q So that's all I'm asking for. I'm not asking
 16 for --
 17 A Yeah, I'm comfortable in the 10 million, less
 18 than 10 million should be the ballpark.
 19 Q Okay. And was there another -- the -- another
 20 fund for Nanban Ventures? I think it's called Nanban
 21 Ventures Capital Fund I. Are you familiar with that
 22 fund?
 23 A Yes. Yeah.
 24 Q Okay. And do you know about how much that
 25 fund raised?

Page 149

1 regard to Nanban Capital X?

2 A Well, again we have -- we have a joint venture
3 capacity and we have not yet, you know, received
4 anything.

5 Q Okay. Is there a structure set up for you to
6 receive anything in connection with the activities of
7 Nanban Capital X?

8 A Can you repeat that question again?

9 Q Is there any arrangement or contract set up
10 under which you would receive any compensation in
11 connection with the activities of Nanban Capital X?

12 A Yeah. So we -- you know, our style is, you
13 know, we -- for our advisory services they may pay us,
14 you know, in the future, once they successfully launch,
15 and are doing well, and that kind of stuff.

16 Q And is the same true for your partners, GK and
17 Sakthi, will they also receive compensation in
18 association with the activities of Nanban Capital X?

19 A I think so, yeah, it should be.

20 Q And let me go back to Nanban Ventures. Do you
21 receive any compensation in connection with the
22 activities of Nanban Ventures?

23 A Yes.

24 Q And how much have you been paid in connection
25 with the activities of Nanban Ventures?

Page 150

1 A I need to check, yeah. I don't, I don't
2 remember off the top of my head.

3 Q Well, can you tell me how that compensation
4 works in connection with the activities of Nanban
5 Ventures?

6 A Sure. So basically there's a waterfall. With
7 those funds there's a waterfall there. You know, when
8 the distributions are given every six months and -- and
9 if there -- if there's money made and after the pref is
10 met whatever a GP gets paid and that will, you know,
11 come to us, right, based on the waterfall.

12 Q Okay, I'm just going to make sure I understand
13 the distribution of payment compensation for Nanban
14 Ventures and related entities is -- it's distributions
15 are every six months for those; is that right?

16 A Well, it is designed to give every six months.
17 So whenever the fund makes money, whenever we accept
18 portfolio companies, the waterfall is applied. And then
19 the -- then, you know, LPs get their money and then we
20 get our GP share.

21 Q Okay.

22 A So -- yeah, sorry, go ahead. Yeah, I didn't
23 mean to interrupt. Please go ahead.

24 Q No. Did I hear you say something about the
25 pref rate, is that right?

Page 151

1 A Correct.

2 Q Okay. And what is the pref rate?

3 A The 12 percent.

4 Q I'm sorry, can you repeat that?

5 A 12 percent.

6 Q 12 percent. And how is that -- what is the
7 pref rate? What is -- what does it represent?

8 A That is a preferred thing for the investors.

9 Again it -- it -- it changes from fund to fund. I won't
10 -- now I'm talking I remember a couple of funds may have
11 15 percent and a couple of funds may have 12 percent.

12 So let's say whenever we exit that we made money, and
13 then they get 12 percent, you know, annualized at a
14 turn. And on top of it whenever the money comes we'll
15 get a share.

16 Q Okay. Who sets what the pref rate is or what
17 the percentage is?

18 A It's -- it's us, GK, Gopala Krishnan, Sakthi
19 Palanigounder, and myself.

20 Q And what goes into determining or deciding
21 what the pref rate will be?

22 A What is that?

23 Q What goes into deciding what the pref rate
24 will be for a particular fund?

25 A I mean, we -- we look at what are the general,

Page 152

1 you know, pref rates. We do a peer-to-peer comparison
2 and so forth, and general trend in the market, and also
3 what is something that is safe to predict, okay, how
4 much it's going to be, you know, ballpark. And so a lot
5 of calculations like that, you know, goes into it to,
6 you know, see whether -- what should be the percentage
7 rate.

8 Q Are the factors that go into the calculation
9 of determining what the pref rate is going to be is --
10 are those written down anywhere?

11 A No.

12 Q Okay. So can you explain to me why have a
13 pref rate of 12 percent versus a pref rate of, I don't
14 know, 5 percent?

15 A Well, again it is based on what we are
16 comfortable with in terms of what we can offer to our
17 investors, right, and then that's what we go for.

18 Q And when you say comfortable with in terms of
19 what we can offer to our investors, what do you mean?

20 A Like in a sense when we -- let's say we, you
21 know, we're raising all this money, we're investing
22 portfolio companies, and how much safely we can say
23 that, hey, you know, they're comfortable offering this
24 as a pref and that is -- 12 percent is the -- our
25 comfort level. I think we are confident that when we

Page 153

1 exit our portfolio companies will be able to offer a 12
2 percent pref to our investors, but not always.
3 Q Okay. But I'm trying to understand why, you
4 know, you wouldn't use a 5 percent pref rate as opposed
5 to as 12 percent pref rate like we're talking about now.
6 If you -- like, what would be the determinative factor
7 between those two rates?

8 A I mean, those are things we discuss and, you
9 know, decide, right. Like, it's not my own decision.
10 There are, like -- it's a team that discusses why do you
11 have pref, you don't even need to have it, right. What
12 difference is having a pref, not having a pref. Those
13 are the conversations we will have and then see what
14 makes sense at that time and, you know, and see how --
15 what would be a good thing that we can go for.

16 So it's a collective decision, it's not like,
17 you know, it's just mine. There's no set criteria and
18 we discuss all these things through.

19 Q Well, that's a great point, and I'm going to
20 follow up on that. What -- why do you -- why have a
21 pref?

22 A It is also to indicate that we are confident
23 in the offering, right. That, hey, you know, this --
24 this fund will have good exits and, you know, investors
25 are able -- if you don't have a pref then it's -- to me

Page 154

1 it's not fiduciary at its best, right. You need to have
2 a pref so that the LPs make the first money, right.
3 And again we are not fund managers who, you
4 know, like venture into Wall Street and went to the
5 Wharton School and stuff. You know, so we are learning
6 this also. The thing is where these are all -- as part
7 of our fiduciary duty we want our LPs to make money
8 first, right, and then it should come to GPs. From the
9 perspective we felt like 12 percent per annum would be a
10 decent offering where it's -- you know, we are
11 comfortable and we also can confidently say that, you
12 know, we can deliver that based, you know, based on --

13 Q Do you -- do you think if you had a pref rate
14 of 5 percent would that attract -- be as attractive to
15 investors as a pref rate of 12 percent?

16 A It could be attractive too, absolutely. Why
17 not? 5 percent is, you know --

18 Q What --

19 A I don't know, like, you know. It all depends
20 on what -- what kind of offering you have.

21 Q And what has the Nanban -- the investors in
22 the funds of Nanban Ventures been -- have they been told
23 anything about the track record of the other funds that
24 Nanban has been the manager of?

25 A No.

Page 155

1 Q So none of the materials or presentations that
2 are provided to actual or potential investors in the
3 Venture and any of the Nanban Ventures Fund reference
4 Nanban's track record of the previous -- or that they've
5 previously managed other hedge funds; is that right?

6 A That's correct. There's no mention of that,
7 yeah.

8 Q And what about is the same true for Nanban
9 Capital and funds of Nanban Capital? I'm sorry, Nanban
10 Capital X?

11 A Correct. Yeah, no, there's no mention of
12 that, correct. Again everybody knows again if you look
13 at it, we launched our VC from scratch, so everybody
14 knows we are new and we don't have a track record.
15 They're going to make money all the time.

16 Q Are you familiar with someone by the name of
17 Velkanth Chinnasamy? I'm going to spell it for you, and
18 actually I'm going to spell it in the chat because --

19 A Velkanth Chinnasamy. Correct.

20 Q Okay. Are you familiar with this person?

21 A Velkanth Chinnasamy, that's the name of the
22 person?

23 Q Yes.

24 A Yeah. So again I don't know who is this
25 person. I can read it, yeah.

Page 156

1 Q Are you familiar with Nanban India?

2 A No.

3 Q Okay. Are you aware of any entity or any
4 operations associated with you and your two partners,
5 Sakthi and GK located in India?

6 A No.

7 Q Are you aware of any funds that re being
8 raised from individuals in connection with any -- with
9 you three in India?

10 A No.

11 Q And let's go -- so -- and I want to talk about
12 Nanban Foundation. Did you guys speak about Nanban
13 Foundation earlier?

14 A It's a question for me?

15 Q Yes. Have you -- have you guys already
16 discussed Nanban Foundation?

17 A Yes, there were some questions around that.

18 Q And what is your involvement -- what is your
19 involvement with Nanban Foundation?

20 A No involvement.

21 Q What is your -- you have no current
22 involvement with Nanban Foundation; is that right?

23 A Correct.

24 Q Okay. And what have -- what involvement have
25 you had with Nanban Foundation previously?

Page 161

1 Q Okay. And she is listed as a director of
 2 Nanban Foundation as well. Were you aware of that?
 3 A No.
 4 Q So the three directors of Nanban Foundation
 5 are your wife, GK's wife, and Sakthi's wife, and yet
 6 there's no connection between Nanban Foundation and any
 7 of the Nanban entities that you operate with regard to;
 8 is that correct?
 9 A That is correct, 100 percent.
 10 Q Okay. And why is it -- why is it important or
 11 is it important that there be no connection between
 12 Nanban Foundation and the Nanban entities that you
 13 operate with respect to?
 14 A They're just not connected. I mean, you know,
 15 this -- it doesn't -- you know, we are, we are connected
 16 in a sense. We are one of the donors, but we are more
 17 of a company, right. We are an enterprise, as a
 18 company, and that is a charitable organization involved
 19 in charitable projects. We support them in terms of
 20 donations, and we volunteer, you know, at certain events
 21 and sometimes, you know, like as I told you the homeless
 22 program and, you know, various initiatives, yeah,
 23 everybody participates. So that is the connection.
 24 Q Okay. So in terms of Nanban Investment and
 25 the four hedge funds of Nanban Investment, what

Page 162

1 compensation did you receive in connection with your
 2 work for Nanban Investment and those four funds?
 3 A I draw a salary of 180K and, you know, that's
 4 what it is, and GP profits, right.
 5 Q Okay. Can you repeat that last part please?
 6 I didn't hear you.
 7 A And then GP, any GP profits that comes in the
 8 funds.
 9 Q Has that been your salary the entire time --
 10 A Yeah.
 11 Q -- with regard to those funds?
 12 A Yes, correct.
 13 Q Okay.
 14 A We aren't a big fund, you know. I don't --
 15 ours is -- I mean, we're not big guys, we're small guys.
 16 That's all it is.
 17 Q Wait, I'm sorry, can you repeat that? I'm
 18 sorry.
 19 A We are not a big fund I said, right.
 20 Q Okay. And tell me how the GP profits for each
 21 of those funds worked.
 22 A Yeah. So if I remember the -- or if I recall
 23 correctly, I think the first 15 percent is the pref and
 24 then the next 5 percent is catchup, and then after that
 25 it is split between GPs -- LPs and GPs.

Page 163

1 Q And approximately how much did the GP -- were
 2 the GP profits for the June Fund?
 3 A I don't remember off the top of my head. It
 4 could be a few hundred Ks, but I don't remember. I
 5 don't know the exact name, exact number.
 6 Q Okay. And so when the GP profits come in from
 7 a fund do those -- what entities do those profits go to?
 8 A It goes to Nanban Investments. That's, you
 9 know, GP entity.
 10 Q Okay. And does it ultimately go to Nanban
 11 Enterprise or no?
 12 A Correct. From Investments it's going to
 13 Nanban Enterprise, correct.
 14 Q Okay. And how are the profits, the GP profits
 15 then split among you three, the three partners?
 16 A So from there 50 percent goes to GK, and then
 17 25 percent Sakthi, 25 percent myself.
 18 Q And so do you -- what was your 25 percent,
 19 just ballpark, from those four funds, either
 20 individually by fund or in totality?
 21 A I don't have it. I don't know off the top of
 22 my head.
 23 Q Did you claim the amount that you would have
 24 been paid from the GP profits on the four funds, did you
 25 claim those on your tax return?

Page 164

1 A I think so, but again I'd have to look at my
 2 tax statement. You know, I have -- I need to check with
 3 my CPA.
 4 Q But you would have reported the income from
 5 the 180K salary; is that correct?
 6 A Yes, yeah.
 7 Q Okay. Do you have a ballpark of how much you
 8 would have reported from the GP profits for your share
 9 of the GP profits?
 10 A I honestly don't know. I don't remember.
 11 Q Does Nanban have, Nanban or any of its related
 12 entities have plans to have any other hedge funds?
 13 A Maybe in the future, yeah. We don't -- we're
 14 not --
 15 Q But there are currently no other hedge funds
 16 being -- that are open, correct?
 17 A Correct, yeah.
 18 Q And if we wanted to figure out the
 19 compensation arrangement with regard to Nanban Capital X
 20 where would -- what documents would we need to find --
 21 where would we find that information?
 22 A I can check, I can check and then, you know,
 23 let you know.
 24 Q Okay. Is it -- is it a contract between the
 25 partner entity there and one of the Nanban entities for

Page 165

1 the contract?

2 A I don't remember off the top of my head, but
3 I'll -- I can -- like, this could be done with other
4 things that we can follow up and give you.

5 MS. ADKINS: Okay. All right, those are all
6 the questions that I have. Does anybody else have any
7 questions at the moment or --

8 THE WITNESS: I'm tired. Can I take a break?
9 I need a bathroom break.

10 MS. ADKINS: This is a good time to take a
11 break. So we can go off the record at 2:40 p.m.
12 (A brief recess was taken.)

13 MS. MARTIN: Well, let's go back on the record
14 at 2:53 p.m.

15 And Mani, you understand that you're still
16 under oath, correct?

17 THE WITNESS: Yes, I do.

18 BY MS. MARTIN:

19 Q So I was wondering do you -- do the investors
20 in the four hedge funds receive any types of updates
21 while the funds were open?

22 A What do you mean by that? Can you clarify?

23 Q Sure. Do they -- did they get any sort of
24 regular monthly statements to let them know if the fund
25 was making money or losing money, something like that?

Page 166

1 A Yeah, quarterly, we had quarterly statements.

2 Q And how were those quarterly statements given?

3 A We uploaded in the, on the, what do you call,
4 the IMS, where they can go and download, right.

5 Q And what type of information was in those
6 quarterly statements?

7 A It typically has got -- because we, again we
8 were -- we just started the company. We started, you
9 know, all these funds. and we talked about the fund
10 performance, how we -- how the fund is doing, how much
11 the money that we in took. I'm not using the right
12 tense. The money that we took in, and then where the
13 fund currently stands, and that kind of stuff, right.

14 And also we used to provide our data on, like,
15 what are some of the other activities going on in the
16 organization, like, hey, you know, we are looking to --
17 let's say, like, you know, as we were trying to launch
18 the realty fund we were like, hey, we are going to
19 launch a realty one, and then that fell off, right.

20 And then we are launching a venture one. and
21 then maybe some updates around -- at that time, you
22 know, for briefly we were very involved in the Nanban
23 Foundation before we came out. So there may be some
24 Foundation updates, you know, and that thing.

25 So basically all our -- you know, the company

Page 167

1 level updates, like what we are trying to do, and then
2 what is the starting value, ending value, and the
3 returns, you know, for the fund. That's the high level.

4 Q So I want to make sure I understand. Were
5 these updates written or was there, like, an investor
6 meeting that was held?

7 A This is written, right. Like so, like, it's a
8 -- it's a -- what do you mean by that? Can you repeat
9 that question?

10 Q Yes.

11 A I'm kind of --

12 Q Yeah, at some point I thought you said the
13 updates were oral, that's why I was a bit confused
14 whether we're talking about a document, or we might be
15 talking about a document that was presented at a meeting
16 perhaps.

17 A Yeah, yeah. Yeah, we had meetings where
18 people joined like, you know, investors would join and
19 we will go over this, and then we will upload that.
20 Because you -- your question more generally was how it
21 was delivered. The delivery was through the IMS where
22 we go upload the, you know, deck into the IMS.

23 And then, you know, before that, yeah, we did
24 have a webinar where people joined, and they listed to
25 it. And then like, you know -- and then we uploaded

Page 168

1 those documents to PDF -- to IMS.

2 Q Were you at those webinars?

3 A Yeah.

4 Q Did you attend -- did you attend every single
5 one of them?

6 A I don't know that every single one of them
7 but, you know, the majority of them maybe, right, like
8 -- yeah. There are a few that I would have missed
9 where, you know, GK and Sakthi covered for me, that kind
10 of stuff. Or GK would have missed or Sakthi missed. We
11 tried to attend it, you know.

12 Q Did you speak at those meetings?

13 A GK was the main person there and -- but we do
14 backup each other. We do back each other up on an as
15 needed basis, right. We'll -- me or Sakthi will chime
16 in.

17 Q Did the investors ask questions at those
18 meetings?

19 A Yes, they did. Yeah.

20 Q And were those meetings recorded?

21 A No.

22 Q Were any notes taken of those meetings?

23 A You mean notes by investors or notes by us?

24 Q Notes by you.

25 A No, because we had the thing, right. We

Page 181

1 don't know if you were in the call with Akita when I was
 2 talking. She was asking will you be launching a new
 3 fund. Like, yeah, you know, we could in the future.
 4 So it's not like, you know, we don't want to
 5 have a fund, but right now, you know, our focus is, you
 6 know, we see and, you know, there's a lot of traction
 7 that we are having in the venture capital space. A lot
 8 of beautiful, you know, offerings are coming in, so we
 9 want to focus on that.
 10 And you make business decisions based on, you
 11 know, business opportunities, right. Quarterly model
 12 was a pain. Operationally it was, it was very hectic.
 13 I mean, annual was much better. June and September was
 14 much better because you do distributions once and accept
 15 money -- accept their money only once rather than, you
 16 know, dealing with every quarter, you know, it was -- it
 17 was taking a lot of time for us.
 18 So we discussed and we said, okay, you know
 19 what, it's time to focus on the VC side.
 20 Q And why are you not currently trading even in
 21 your personal accounts using GK strategies?
 22 A I don't have money. My money is in the
 23 company, and I don't have money to trade right now,
 24 right. I'm drawing a salary all these are assets that
 25 we are investing. So as we -- as an asset comes I will

Page 182

1 do.
 2 Q Have you ever heard GK say that he was able to
 3 give 58 percent returns every year in private -- in
 4 private funds?
 5 A No.
 6 Q Have you ever heard him say that he has raised
 7 \$950 million?
 8 A Wow, I don't know. I wish he -- he had that
 9 kind of money he raised. Yeah, I -- yeah, I don't know,
 10 right.
 11 Q Tell me about GK. Is -- do you consider him
 12 kind of a salesman that might, you know, exaggerate a
 13 little bit about his past successes?
 14 A No, he -- I see GK as somebody -- this is --
 15 this is -- since we started Nanban. Nanban is somebody
 16 -- the name Nanban was derived from our original
 17 language where you do everything unconditionally, you
 18 know. As a friend you do things unconditionally for
 19 others.
 20 When I learned GK strategies at his home he
 21 was teaching me how to make money on my one account,
 22 right, as a friend. There's no free lunch in America.
 23 And I really liked -- we all loved his policy of no
 24 strings attached, and that was the true embodiment of
 25 GK, right. He -- he really wants to give

Page 183

1 unconditionally, and that's why we even kept the company
 2 name as Nanban, so that it -- we do things
 3 unconditionally. That's how I see him.
 4 Q Mani, I want to be really straight with you.
 5 I mean, I've seen on multiple videos, like YouTube, one
 6 that we showed to GK when he was here, him making --
 7 A Yeah.
 8 Q -- statements about his personal track record
 9 being so high and never making more than 20 -- never
 10 losing -- his ROI, the lowest ROI he ever had was, you
 11 know, in double digits. So it's a little surprising for
 12 me to hear you say with all the time you've spent with
 13 GK that you haven't heard him make these kind of
 14 statements.
 15 A Correct, yeah. He doesn't -- yeah, not in my
 16 -- that's where I -- I don't know where, you know, you
 17 heard this because in our sessions, you know, he just
 18 goes over the steps, these are the things that you do,
 19 and then you will experience by yourself. That's all he
 20 will say. You know, financial freedom is somebody you
 21 need to experience it.
 22 And again I don't -- I cannot ask for his
 23 personal track record, right. Can I ask -- like, can I
 24 come and ask someone how much you have in your bank
 25 account, how much you made it, how did you make it,

Page 184

1 right. That -- I cannot ask that question to, you know,
 2 anybody, right. That is their personal space. I have
 3 to respect that.
 4 So I never asked anything about that, right,
 5 what's his personal track record or how much money he --
 6 wealth he has got. That's -- that's not in my scope of,
 7 you know, conversations. And again I'm just being
 8 honest with you.
 9 Q Are the members of Nanban Foundation told
 10 about the investing opportunities in the Nanban
 11 companies?
 12 A Repeat your question, please.
 13 Q Yes. Are the numbers in Nanban Foundation
 14 told during Foundation meetings about the investment
 15 opportunities in Nanban Investments, like Nanban's
 16 companies, either the hedge funds, the VC funds, the
 17 realty fund, et cetera?
 18 A No. No way.
 19 Q And why are you so sure about that?
 20 A Because this is something they teach. Again
 21 the Foundation is done by volunteers and, you know,
 22 they're there to educate people, and that's what they
 23 are doing. They're just like what we started, you know,
 24 They are carrying the torch and moved on, right. We
 25 moved on from there, and if they had -- if they made

Page 185

1 such statements shame on them, right. You can ask them.
 2 You can -- you can -- you can bring the Foundation here
 3 and ask those questions.

4 Q Well, if I did that wouldn't I be talking to
 5 your wife?

6 A She's not one of the persons who is teaching,
 7 right. My wife -- my wife is passionate about, you
 8 know, helping people back home in India and she's
 9 involved in philanthropy projects. Please remember that
 10 there are a lot of projects going on in India.

11 I cannot go and tell my wife you don't
 12 volunteer in the Foundation, or you don't run a
 13 foundation, right. I cannot dictate those to her, you
 14 know. Feeding poor people I don't think is -- is a bad
 15 thing.

16 Q Is there a single person or a set of people
 17 who run Nanban Foundation?

18 A You know, there's a -- you know, my wife is
 19 one of the directors and then you also have a President.
 20 Uday Jadhav is the President, right.

21 Q Who is the President?

22 A Uday Jadhav.

23 Q Can you write that in the chat, please?

24 A Yeah.

25 Q And who is Uday Jadhav?

Page 186

1 A He's a volunteer.

2 Q How do you -- do you know him in any other
 3 capacity than the President of Nanban Foundation?

4 A No. No.

5 Q Have you ever met him in person?

6 A Yeah, I met him at events like, you know,
 7 where, you know, they -- there are events where -- for
 8 example the gala that you mentioned, you know, where you
 9 said FunAsia and Nanban Foundation did something
 10 together. If I had been there I would have met him,
 11 right. So like that.

12 Q Is he an investor in any of the Nanban
 13 companies?

14 A I don't know.

15 MS. MARTIN: Okay, let's go off the record at
 16 3:22 p.m.

17 (A brief recess was taken.)

18 MR. BRAUN: Back on the record at 3:28 p.m.
 19 We just took a brief break. Mr. Shanmugam, you
 20 understand that you're still under oath?

21 THE WITNESS: Yes, indeed.

22 MR. BRAUN: Ms. Bennett.

23 BY MS. BENNETT:

24 Q Yeha, hi. I'm the accountant that's working
 25 on this matter, so I just have a couple clarifying

Page 187

1 questions because I'm still a little confused about the
 2 payments that are paid to investors and how that is
 3 calculated.

4 I understand from your earlier testimony that
 5 if an investor wants their principal back you run it
 6 through the IMS and you can calculate, you know, how
 7 much principal they've put in, and you can calculate
 8 what the return is through IMS; is that correct?

9 A That is correct.

10 Q Okay. And I understand that you also stated
 11 that that's done at the end. So for instance in the
 12 June Fund nobody got paid out and people started to get
 13 paid out in, like, July, after the fund was a year old.
 14 And you ran it through IMS so you could figure out
 15 everyone's payout; is that correct?

16 A Correct.

17 Q And the October and the Perpetual Fund, those
 18 are ongoing, or they were ongoing funds, they were not a
 19 yearly fund; is that correct?

20 A They are quarterly funds.

21 Q So in the October Fund if -- let's say I was
 22 an investor and before --

23 A And also the --

24 Q -- first quarter --

25 A I'm sorry.

Page 188

1 Q Go ahead.

2 A Again the funds that all you're talking
 3 they're all closed now, right. I just wanted to make
 4 sure that --

5 Q Right.

6 A -- you know that, yeah.

7 Q Correct. So I'm an investor. Let's just --
 8 hypothetically I'm an investor in the October Fund, and
 9 it's a quarterly fund. I don't want my principal back,
 10 but I want my earnings in the first quarter. How is
 11 that calculated?

12 A That's again through IMS.

13 Q So IMS does have the capability of calculating
 14 what someone's quarterly payout would be every quarter?

15 A Not would be. Only when you want. I'll --

16 I'll give you an example, right. Let's say Jason is an
 17 investor and you are an investor, and Jason doesn't want
 18 a quarterly payout. He wants the funds to stay
 19 invested. Every quarter it gets reinvested and then it
 20 compounds.

21 Whereas you, Laura, you wanted the quarterly
 22 payout. So for Jason we will be running the waterfall
 23 in the system, right. For you we will run the waterfall
 24 in the system that quarter, so you will get that
 25 statement. So any time you run a waterfall you'll get a

Page 189

1 statement. That's to --

2 Q So but you couldn't -- so -- but could you
3 have run a waterfall for everyone regardless of whether
4 they wanted a payment or not?

5 A No, I cannot do that.

6 Q So you could run a waterfall for me because I
7 wanted my interest, but I'm still invested and my
8 principal is still there, so then the next quarter you
9 could run me a waterfall?

10 A Correct. Whenever you make distributions,
11 because the waterfall produces a NACHA file that goes
12 into accounting and the money gets sent out, right.

13 Q So once the waterfall is done in the IMS
14 system then a payment automatically goes out?

15 A No, it's not automatic. We verify that
16 everything is good and then it goes to the accounting
17 team. But there is this process where you cannot -- if
18 -- if we had a facility where we are able to generate
19 quarterly statements for every investor that's the ideal
20 state, right. We can nicely give, you know, a statement
21 that tells them what's the current value, but we
22 couldn't produce that in IMS. That's why we --

23 Q So let me see if I have this straight. I
24 think -- I think I understand you now. I think I
25 understand what's going on.

Page 190

1 A Yeah.

2 Q So if I wanted a quarterly payout of just my
3 interest then you would run the IMS and you -- I would
4 know, and you would know how much my quarterly payout
5 is.

6 And then as far as the IMS system is concerned
7 within the program it figures that I've taken out my
8 quarterly, so next time if I want my investment and my
9 return it knows I've already taken a payment out; is
10 that correct?

11 A Sorry, you're -- I couldn't focus. Can you
12 please -- yeah.

13 Q I'm trying to understand why you couldn't run
14 it every quarter for everyone. I'm trying to understand
15 that. Help -- what I'm asking you is does the IMS
16 system just figure once you've run a waterfall then does
17 an IMS system just automatically remove that money from
18 my portion of the account --

19 A Yes.

20 Q -- and --

21 A You're right.

22 Q And as far as IMS is concerned I don't have
23 that money any longer because you ran the waterfall?

24 A You nailed it, yes.

25 Q Okay, all right. So now the waterfall has

Page 191

1 been run and I want my payment, and you're going to pay
2 me, and who actually cuts that check to me? Who writes
3 me a check?

4 A So as part of the waterfall, you know, this
5 process, there is a file called NACHA file. It's in
6 NACHA format, like, you know, where you can wire it at
7 once, right, many people at once. That's the file.
8 That gets generated. Then we validate that file to make
9 sure that everything looks good and there is no goof up
10 in the system and that kind of stuff.

11 The NACHA file is used by banks to do bulk
12 wires, right. If you care to, you know, say -- let's
13 say you can have up to 99 investors potentially so, you
14 know, if you had to schedule wires one by one it's a
15 long process. So the NACHA file helps you format the
16 data in certain fashion, and then you can go upload to
17 your bank, like log into your bank account and upload.
18 Then all those transactions are scheduled at once
19 automatically.

20 Q Okay. Who verifies that batch payment file?

21 A The accounting firm.

22 Q The accounting firm. Does anyone at Nanban
23 verify that batch file, you, GK, Mr. Gounder?

24 A Yeah. Yes, Sakthi sits with the accounting
25 firm and reviews it, right. Sometimes I also -- I also

Page 192

1 join them, yeah. One of us will be there.

2 Q So one, one other clarifying question. You're
3 the Chief Operating Officer, correct?

4 A That's correct.

5 Q And in the PPM is states that you're
6 responsible for running the day-to-day of the
7 investments and -- of these hedge funds; is that
8 correct?

9 A Correct.

10 Q What is your day-to-day -- what was, I know
11 they're closed now, what was your -- what was a day-to-
12 day -- what were your responsibilities, what did you do
13 as Chief Operating Officer?

14 A Well, this is something that I explained
15 earlier to, you know, I think to Jason. So our day
16 starts with -- because at that time we were, you know,
17 like we have all these funds. We were in the process of
18 launching new funds and all those things were going on.

19 So, you know, you start your day with looking
20 at where the markets are. We have a morning meeting
21 where we come together and discuss what needs to be done
22 and so forth. And then one of us will do the trade, and
23 then again in the afternoon we have another meeting
24 where we again come back and discuss.

25 And we will keep an eye on the market to see

Page 193

1 if there is any opportunity for us to make additional
 2 money for the investors. So, you know, it's very
 3 collaborative, right, the way we work.

4 And then, you know, any other questions coming
 5 from anybody else, and since we are also in the process
 6 of launching funds and stuff, like working with Jeremy
 7 to compile PPMs, reviewing legal documents, opening bank
 8 accounts, and it just -- you know, just running regular
 9 stuff, right, regular operations of the company.

10 Q Great. I think I -- I remember you testifying
 11 that and I -- and I understand. I was thinking more
 12 along the lines of day-to-day operations. I mean, who
 13 -- obviously these funds have bank accounts that have to
 14 be managed. There's other expenses for, like, Nanban
 15 Investments or Nanban Enterprises.

16 A Yes.

17 Q You were mentioning earlier that there's a web
 18 -- your web host is, I believe it's Stellar Solutions?

19 A Correct.

20 Q Who -- who deals with Stellar Solutions? Who
 21 pays their -- who pays their bill? Who negotiates how
 22 much they're going to pay? Who does the day-to-day
 23 operations for Nanban?

24 A So again, right, see -- I see that as a one
 25 time deal, right. Negotiating a contract is a one time

Page 194

1 deal, and then the day-to-day things fall upon me, the
 2 day-to-day trading, right. Because you are running
 3 hedge funds day in and day out. We need to live in the
 4 market. We need to see where the markets are. You
 5 know, that -- that's the main, and everything else is
 6 like -- it's -- two funds are yearly funds, and our
 7 website does not change daily, right. It's like set it
 8 up once and be done with it, right. It's all very stale
 9 information if you see.

10 Q If one of your investment relations officers
 11 has a problem with another one and -- who -- who would
 12 deal with those issues?

13 A Oh, like between themselves?

14 Q Yeah. I mean, you know, so again I'm getting
 15 at --

16 A Yeah, yeah.

17 Q -- well, so when you worked at USAA --

18 A Yeah.

19 Q -- when you worked at USAA there was someone
 20 who paid your payroll, and there was someone who ran --
 21 who paid the bills of the business, and there was
 22 someone who ran the operations, the back office. Who is
 23 responsible for that at Nanban?

24 A Yeah. So again we are -- we are a small
 25 company. We are a nimble team so, you know, we wear

Page 195

1 multiple hats, right. We cannot afford to have, like,
 2 an army working for us, you know. So we wear multiple
 3 hats. If there's somebody who have an issue either they
 4 can talk to me, or Sakthi, or GK about it, right. Hey,
 5 you know, I need your help, and this is what the thing
 6 is going on with this person. We try to help them.

7 Q So basically then all three of you handle
 8 things. So if a check needs to be written it would be
 9 either one of the three of you?

10 A Yes.

11 MS. BENNETT: Okay. I don't have any further
 12 questions, Jason.

13 MR. BRAUN: Okay. Mr. Shanmugam, we have no
 14 further questions at this time. We may, however, call
 15 you again to testify in this investigation. Should this
 16 be necessary we will contact your counsel.

17 I've asked you a lot of questions here today.
 18 Is there anything you would like to add or state to make
 19 your testimony complete?

20 THE WITNESS: No, I don't have any.

21 MR. BRAUN: Mr. Green, do you have anything
 22 that you would like to add before we close out the
 23 testimony?

24 MR. GREEN: Yes, I do. I just want to clarify
 25 some things about the IMS that we were just talking

Page 196

1 about.

2 Mani, you still there? Can you hear me okay?

3 THE WITNESS: Yes, I can.

4 MR. GREEN: The IMS, as far as the generation
 5 of reports in the IMS system, do the investors have
 6 access to generate their own reports for their account?

7 THE WITNESS: They cannot generate on their
 8 own. Once the waterfall is run then a report is
 9 generated for them and it shows up in their account. So
 10 when they login they will be able to see it.

11 MR. GREEN: Okay, okay. Another thing that I
 12 wanted to get some clarification on, the -- earlier you
 13 were asked about your salary and how much you were paid.
 14 Do you recall that?

15 THE WITNESS: Yes.

16 MR. GREEN: What entity makes that salary
 17 payout to you?

18 THE WITNESS: Nanban Enterprise.

19 MR. GREEN: Okay. The last thing that I want
 20 to touch on, the -- you were asked earlier about a
 21 couple of websites, Nanban.com and Nanban Enterprise,
 22 and you testified that you had involvement in the
 23 content and basically oversight of I believe it was
 24 Steller that was doing that; is that correct?

25 THE WITNESS: That is correct, yeah.

Page 197

1 MR. GREEN: Is there any other websites, such
 2 as Nanban Foundation or any other websites that you
 3 provided or was in that process, involved with that
 4 process?
 5 THE WITNESS: No.
 6 MR. GREEN: Okay. Let me see. Last thing is
 7 you were asked about your -- your input into the
 8 development of an automation for GK strategies L1 and
 9 L2, meaning level one and level two. Did you actually
 10 -- you've testified that you created or helped develop
 11 that in conjunction with others; is that correct?
 12 THE WITNESS: That is correct.
 13 MR. GREEN: The automation, was that also done
 14 for level three, level four, level five of GK strategies
 15 as well?
 16 THE WITNESS: No.
 17 MR. GREEN: Okay. Okay. All right, that's
 18 it.
 19 MR. BRAUN: Okay. We are off the record at
 20 3:42 p.m.
 21 (Whereupon, at 3:42 p.m., the examination was
 22 concluded.)
 23 * * * * *
 24
 25

Page 198

1 PROOFREADER'S CERTIFICATE
 2
 3 In the Matter of: NANBAN INVESTMENTS LLC
 4 Witness: Manivannan Shanmugam
 5 File No. FW-04440-A
 6 Date: Friday, October 21, 2022
 7 Location: Fort Worth, Texas
 8
 9 This is to certify that I, Christine Boyce,
 10 (the undersigned), do hereby certify that the foregoing
 11 transcript is a complete, true and accurate
 12 transcription of all matters contained on the recorded
 13 proceedings of the investigative testimony.
 14
 15
 16 _____
 17 (Proofreader's Name) 10-27-2022
 18
 19
 20
 21
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 23
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Page 199

1 REPORTER'S CERTIFICATE
 2
 3 I, Jemima Brannan, reporter, hereby certify that the
 4 foregoing transcript is a complete, true and accurate
 5 transcript of the testimony indicated, held on 10/21/22,
 6 at Fort Worth, Texas, in the matter of:
 7 NANBAN INVESTMENTS, LLC.
 8
 9 I further certify that this proceeding was recorded by
 10 me, and that the foregoing transcript has been prepared
 11 under my direction.
 12 10/27/2022
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REPORTER'S CERTIFICATE

I, Jemima Brannan, reporter, hereby certify that the foregoing transcript is a complete, true and accurate transcript of the testimony indicated, held on 10/21/22, at Fort Worth, Texas, in the matter of:
NANBAN INVESTMENTS, LLC.

I further certify that this proceeding was recorded by me, and that the foregoing transcript has been prepared under my direction.

10/27/2022

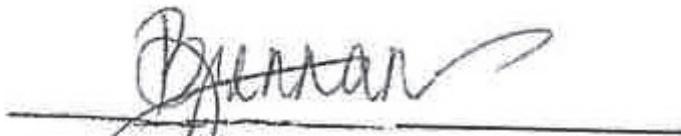


EXHIBIT 47

Page 1

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. FW-04440-A
5 NANBAN INVESTMENTS, LLC, ET AL.)
6)
7
8 WITNESS: **Kutraleeshwaran Veerabadran Ramesh**
9 PAGES: 1 Through 250
10 PLACE: Securities and Exchange Commission
11 Fort Worth Regional Office
12 801 Cherry Street, Suite 1900
13 Fort Worth, Texas 76102
14 DATE: **Thursday, March 16, 2023**
15
16
17 The above-entitled matter came on for hearing,
18 pursuant to notice, at 9:42 a.m.
19
20
21
22
23
24 Diversified Reporting Services, Inc.
25 (202) 467-9200

Page 2

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Page 3

1 C O N T E N T S
2
3 WITNESS EXAMINATION
4 Kutraleeshwaran Veerabadran Ramesh 6
5
6 EXHIBITS: DESCRIPTION IDENTIFIED
7 1 SEC Form 1662 8
8 33 Subpoena dated 1/13/23 10
9 34 Background Questionnaire dated 1/20/23 15
10 35 Series of Nanban Private Placement
11 Memorandums 46
12 36 PPM for Nanban Ventures Abundance Fund 103
13 37 PPM for Nanban CapitalX King Fund 104
14 38 PPM for Nanban CapitalX Lakshmi
15 Fund LLC 121
16 39 PPM for Nanban Ventures Ganga Fund LP 127
17 40 PPM for Nanban Ventures Nile Fund LP 129
18 41 PPM for Nanban Venture Capital
19 Fund – I LP 129
20 48 Statement of Investments 133
21 49 Assumed Named Certificate for
22 NorthStars FinTech/GSM Eternal 174
23 50 Assumed Named Certificate for Sunshines
24 FinTech/Centum FinTech 198
25 51 Distribution Document dated 12/31/22 204

Page 4

1 C O N T E N T S (CONT.)
2
3 71 E-mail from Zoom to Howdy Investments
4 dated 6/21/21 215
5 72 E-mail from Zoom to Howdy Investments
6 dated 4/21/21 219
7 74 Nanban Foundation Weekly Market Insights
8 Brochure 216
9 76 Document subpoena dated 1/23/23 236
10 80 E-mail from Howdy Investments to Viji Rao
11 dated 4/15/21 221
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page 17

1 Q What is Nanban Sports Foundation?
 2 A So that is a charitable organization which
 3 helps underprivileged kids with a high sports talent to
 4 continue with their sports and that is based in India.
 5 Q It's based in India you said?
 6 A Yes.
 7 Q And what is your role at Nanban Sports
 8 Foundation?
 9 A So I founded it, and I used to be an athlete
 10 myself. So this has been my vision for the last 15-plus
 11 years to give something back to the sports community.
 12 And I run the entire Nanban Sports Foundation in
 13 identifying the talent and supporting them in the best
 14 capabilities of the children you can.
 15 Q And saying that you were an athlete before, it
 16 leaves a little bit of an understatement. Didn't you
 17 swim the English Channel or something along those lines?
 18 A Yes. I did. I swam across the English
 19 Channel when I was 12 years old.
 20 Q The Guinness Book of World Records, right?
 21 A Yes. I am in the Guinness Book of World
 22 Records. Yes.
 23 Q And let me -- so Nanbanventures.com. What is
 24 the Nanbanventures.com website? Let's -- explain it to
 25 me a little bit.

Page 18

1 Q So it pretty much talks about what kind of
 2 companies we invest in as a venture capital fund. And
 3 it talks a bit about our investment thesis. And it
 4 talks about our portfolio advisors. And it also talks
 5 about the companies we invested in.
 6 Q And when was Nanbanventures.com -- when was
 7 that website created?
 8 A I should say sometime in mid-2021 when we
 9 launched Nanban Ventures.
 10 Q And were you -- who was involved with the
 11 actual initial content that was included on the website?
 12 A Myself. In terms of other venture capital-
 13 related information, it was myself.
 14 Q Okay. And who else helped create that
 15 website? I -- obviously, you have Stellar Solutions on
 16 the tech side. But who as the Nanban family of
 17 companies, at Nanban, who worked together to kind of
 18 come up with the content that was going to be on there,
 19 the initial look of the website? All of that, who did
 20 that at Nanban?
 21 A All the partners in Nanban Ventures.
 22 Q And you say all the partners. Tell me who
 23 those people are.
 24 A The four GPs which includes, as we discussed,
 25 before, GK, Sakthi, Mani, and myself.

Page 19

1 Q So for Nanbansventures.com, the creation of
 2 it, the initial content that was included on it, that
 3 was a sort of a byproduct of work that you did with
 4 Mani, with Mr. Gounder, and with GK, correct?
 5 A That is correct. Yes.
 6 Q Anybody else?
 7 A No. And, of course, Stellar Solutions because
 8 they are the tech behind the whole thing, the UI/UX, and
 9 you know, things like that.
 10 Q And describe for me the sort of -- the
 11 allocation of work for that. So there is the four of
 12 you working together. Who was responsible for what with
 13 the website?
 14 A We didn't have a very strict kind of a
 15 boundary per se. Because I come from the venture
 16 CapitalX/investing corporate finance background. I
 17 contributed a lot towards how a VC fund website should
 18 look like and the different facets of it.
 19 And, of course, other partners kind of shared
 20 ideas of what can be kind of pronounced and how we kind
 21 of like design that website. But there was no kind of a
 22 clear demarcation as you suggested.
 23 Q And taking a step back, how did you meet -- I
 24 am going to call -- I am going to say all of them
 25 together. If I refer to the founders, can we agree that

Page 20

1 when I say the founders, I am referring to GK, Mani, and
 2 Mr. Gounder? Can we agree to that?
 3 A That is correct. Great. Yes.
 4 Q Okay. Tell me how did you initially meet the
 5 founders or one of them? Just how did you first hear
 6 about and get involved with Nanban?
 7 A So that was through a common contact. Before
 8 joining Nanban, I was, again, in the startup world,
 9 based in Canada. And we were funding startups and other
 10 kinds of startup companies. And that has been one of a
 11 common friends. Put me in touch with Sakthi because
 12 Nanban was a startup back then. So that's the source
 13 through which we initially met.
 14 Q So you -- the first interaction you had with
 15 Nanban was through Mr. Gounder.
 16 A Yes. That is correct.
 17 Q And how -- and I know there is probably a lot
 18 more to this story, but just give me a -- walk me
 19 through a big picture of how do you go from that first
 20 meeting, to ultimately becoming the head of Nanban
 21 Ventures.
 22 A Sure. So the first meeting again, I told you
 23 the context in which we first met. But when you talk to
 24 someone, you immediately kind of like what do I say,
 25 become very comfortable.

Page 49

1 Q All right.

2 A Yeah. And this is the more difficult part of

3 the testimony is that naturally, I am saying --

4 Q That's right.

5 A Yes.

6 Q So the first page, it says that for more

7 information, please contact Nanban Ventures, AAA, or AAA

8 GP, LLC. Do you see that? It's at the bottom of the

9 page.

10 A I am trying to. Do you want to highlight the

11 language?

12 Q Yeah. If you can scroll down just a little

13 bit if we could. Right there.

14 A Yes.

15 Q Now scroll up a little bit.

16 Do you see that for more information, please

17 contact Nanban Ventures AAA GP, LLC?

18 A Yes.

19 Q And what is Nanban Ventures AAA GP, LLC?

20 A So this, again, the structure for funds. So

21 every fund has a GP LLC and a management LLC. So this

22 is how the fund was structured, based on the advice of

23 our legal team. In all funds, you will see very similar

24 structures.

25 Q So you have got the actual fund itself which

Page 50

1 is the AAA Fund LP or limited partnership.

2 A Yes.

3 Q And then the manager of that limited

4 partnership or the general partner is Nanban Ventures

5 AAA GP, LLC. Is that correct?

6 A Yes. You are the fund. You are the GP

7 entity, and you are the management entity.

8 Q And explain the role of the GP entity. You

9 said there is three. You said there is the actual

10 partnership itself. Then you said there is a GP entity

11 and then a management entity. Is that correct?

12 A Yes.

13 Q Walk me through the respective roles of those

14 three entities.

15 A Sure. I think the legal team will have a

16 better detail on sort of what it is. From my

17 understanding, every fund, the GP entity is where we

18 kind of manage the deployment of the fund itself, make

19 strategic decisions on what assets to deploy, and

20 what -- and all the -- pretty much the deployment

21 decisions per se.

22 And the management entity, from my

23 understanding, is for all the operational management,

24 right, which kind of houses management fee and for the

25 operational management, or the fund in itself. And the

Page 51

1 GP entity receives the GP profits, and the performance

2 fee, the waterfall, and so on, and so forth.

3 And the management entity gets in the

4 management fee. So this is a very high-level kind of

5 explanation of the three entities. And I am sure

6 Mr. Nevers or Freeman Lovell can dive in depth if need

7 be.

8 Q And when we were talking about your role with

9 Nanban Ventures through CanadaPristine, what -- where

10 does CanadaPristine fit into those three companies?

11 A So CanadaPristine, as we discussed, it's owner

12 or a member at Nanban Ventures, LLC. And all the GP

13 entities for all the funds rolls up to Nanban Ventures,

14 LLC.

15 And when it comes to management entities, I

16 believe there is an agreement or a profit sharing

17 agreement. But the operational fee is kind of like the

18 15 percent of the operational fee goes to

19 CanadaPristine. I believe that's how it's structured.

20 Q Now if we go to the Bates label ending in

21 2662, which is the third page of Exhibit 35, 2662, in

22 the offering overview -- are you okay, Mr. Ramesh?

23 A Yes, yes. I am fine. I mean just when my

24 eyes start watering -- I will be fine. Yeah.

25 Q Okay. On the second paragraph under offering

Page 52

1 overview --

2 A Yes.

3 Q -- and it says prospective investors by

4 investing with the company, we will be investing in a

5 company that uses proprietary advanced strategies to

6 select and invest primarily in private equity and/or

7 venture capital investments, in startups, pre-IPO

8 companies, including debt financing via convertible

9 notes, tow investments, and portfolio companies

10 directly, indirectly, via special purpose vehicles, with

11 limited partners or general partners of the company, in

12 operating companies in primary and secondary investments

13 and private equity and infrastructure, or any other

14 class of assets at general partners' discretion,

15 collectively the services.

16 Can you boil that down for us? That's a big

17 mouthful of a lot of things that the fund could do. Can

18 you sort of give us a nutshell version of what the AAA

19 fund, what was its purpose?

20 A Yeah. To kind of like boil it in a sentence

21 or two in very simple language, pretty much we go after

22 private companies. When I say go after, make

23 investments in startups in any form or factor. Because

24 when we invest in startups, we can buy straightaway

25 equity in a priced round, or we can buy --

Page 57

1 proprietary advanced technologies?

2 A For this model, yes. Yeah.

3 Q Are G -- you are --

4 A I would say --

5 Q I am sorry. Go ahead.

6 A Yeah. To clarify that, right? So the risk

7 model was developed by me and, of course, I have a team.

8 So as we vet more and more companies, we continue to

9 tweak the model. Because no model can give you a

10 perfect kind of yes or no when it comes to a investment

11 decision, right? So it's a continuously evolving model.

12 The foundation was laid by me. And, of

13 course, all the four founders are kind of aware of it,

14 and we discuss what kind of cases can we include, and so

15 on, and so forth.

16 Q So this risk model that you created in-house,

17 it's not a static document that never changes. Is that

18 what you are saying?

19 A Yes.

20 Q It evolves over time.

21 A Yes.

22 Q And as it evolves and is added to, are those

23 changes reflected in the -- in future investment memos?

24 A Absolutely. Yes.

25 Q And you are familiar with GK Strategies?

Page 58

1 A Yes.

2 Q Okay. Well, tell me what your understanding
3 is of GK Strategies. What it is.

4 A So my understanding is GK Strategies has five
5 levels. And all levels are freely taught Level 1 and
6 Level 2. And I attended the training where it was,
7 again, taught Level 1 and Level 2.

8 Q And when did you attend the trainings for
9 levels 1 and 2 of GK Strategies?

10 A I would say, almost two years back. I mean I
11 think. I don't know the exact dates but October of '21,
12 maybe. Yeah. September or October of '21. I don't
13 recall.

14 Q And are -- how long was the training for GK
15 Strategies 1 and 2?

16 A I remember it was like over two weekends and a
17 few hours each weekend, like a Saturday a few hours, a
18 Sunday a few hours, and the following weekend, too,
19 similar kind of a thing.

20 Q And what entity taught those initial classes
21 in GK Strategies 1 and 2?

22 A I am not really -- I mean I don't know the
23 exact entity per se. It was more of a free webinar for
24 anybody who is interested as a social service thing. So
25 I would assume it came from the foundation. But at that

Page 59

1 point, I didn't -- I mean, of course, I didn't pay any
2 attention to any of this, right? I just wanted to kind
3 of like was curious and learned.

4 Q Were -- at the time you took the training,
5 were you actually involved with Nanban Ventures yet?

6 A No.

7 Q And are you familiar with GK Strategies 3, 4,
8 and 5?

9 A No.

10 Q And in a big picture sense, explain to me what
11 GK Strategies does. Like what is it?

12 A So again, so this was almost two years back,
13 right? And from memory, all I know is we invest in ETFs
14 like SPY. And it's a highly kind of low-risk aspect and
15 focused on cash flow. It focuses on enabling people to
16 manage your money, just investing indexes, and not in
17 individual stocks, per se.

18 Q Are GK Strategies used for any of the Nanban
19 Venture Capital Funds?

20 A I am sorry. Come again.

21 Q Are GK Strategies, the -- like what you talked
22 about, the options trading, the conservative, you know,
23 cash flow model that you referenced, are GK Strategies
24 used for any of the Nanban Ventures Funds?

25 A No.

Page 60

1 Q Okay. So the Nanban Ventures Funds are

2 focused just on investing in startup companies and that
3 sort of thing that's been your past experience. Is that
4 correct?

5 A Yes, startup companies. We also made some
6 investment in real estate, in land acquisitions.

7 Q So startup companies and real estate.
8 Anything else?

9 A No. And when I say real estate, not directly
10 at real estate, but exposure to real estate. Let me put
11 it that way.

12 Q Okay. You -- explain to me that distinction
13 you just made.

14 A So the distinction is like us going and
15 acquiring a piece of land as direct real estate
16 investment, right? Whereas when we invest in companies
17 which does that, that's indirect exposure to the real
18 estate through SPVs, and so on, and so forth.

19 Q Do any of the venture capital funds do direct
20 investments in real estate?

21 A No.

22 Q So all of the real estate investment through
23 any of the venture capital funds, the Nanban Venture
24 Capital Funds, those are all indirect investments in
25 real estate.

Page 61

1 A Yes, as far as I recall.

2 Q And we will get to some specifics. But do any
3 of the Nanban Ventures Funds have direct investments in
4 any of the startup companies that you are talking about?

5 A Yes. In fact, most of our startup company
6 investments are direct investments in the companies.

7 Q Let me have you go -- we are going to go to
8 Nanban Bates label 2669, so just a few pages into the
9 Nanban Ventures AAA Funds PPM. And we are going to look
10 at part of the summary of terms. And I want to focus on
11 the preferred return. So just go up just a little bit.

12 Okay. Now, for the AAA Fund, there is a
13 preferred return of 15 percent. Do you see that?

14 A Yes.

15 Q Explain to me what is meant by a preferred
16 return.

17 A So a preferred return is something like we can
18 call it as a hurdle rate for the investors of the fund.
19 So primarily, what we are saying to investors is like
20 hey, you know, whatever returns we make --

21 Q I am sorry. Let me back you up. My
22 apologies. I didn't -- you said it's a what rate? I
23 didn't understand. Can you start over and tell me
24 again? What is meant by a preferred rate?

25 A Oh, I understand what you are getting at. So

Page 62

1 hurdle rate, that's what I --

2 MR. NEVERS: The preferred return, right? The
3 question was --

4 THE WITNESS: Yeah.

5 MR. NEVERS: -- preferred return?

6 THE WITNESS: Yeah, the preferred return. So
7 I was explaining in the way which I understood what it
8 is, right? You asked me what is my understanding of
9 preferred return.

10 BY MR. BRAUN:

11 Q Yeah. And maybe it's just me, but I am not
12 hearing that word you said before rates. What did you
13 say it was?

14 A Yeah. So in my understanding, I look at a
15 preferred rate as a hurdle rate.

16 Q A hurdle rate?

17 A Hurdle rate, that is, from my understanding, I
18 will explain what that is. Because that was your
19 question. So pretty much we tell our investors any
20 returns we make on the fund, the first 15 percent goes
21 to the investors directly. Right. So that is what a
22 preferred rate is.

23 Anything over and above is what goes to the
24 waterfall. So that is pretty much the high-level
25 understanding and explanation of the preferred rate.

Page 63

1 Q And let's go -- let's spell that out. For
2 hurdle, are you saying h as in Harry, u as an under, r
3 as in route, d as in David, l as in Larry, e as in
4 Edgar?

5 A Yes.

6 Q Okay.

7 A That is again, my understanding. That's how I
8 like to understand things.

9 Q So before -- and the way that works to your
10 understanding is that when any profits or anything comes
11 back from the investment, that first 15 percent goes
12 directly to the investors. And then anything over that
13 is where you finally can start doing some additional
14 waterfall distributions. Is that what you are saying?

15 A Yes.

16 Q Let's go to page Bates label ending in 2674.

17 This is under the section in the AAA Fund, PPM
18 investment strategy. And underneath business objectives
19 and general strategy --

20 A Yes.

21 Q -- it says that in pursuing this investment
22 objective -- this is the first paragraph about the
23 middle of it where it starts. In pursuing this
24 investment objective, the company intends to invest
25 substantially all of its assets in various companies

Page 64

1 within the private technology, healthcare, energy,
2 finance, real estate, and other industries. Do you see
3 that?

4 A Yes. You are talking about the second
5 paragraph. Is there a way for you to highlight it?

6 Q It's the -- yeah, the middle of the first
7 paragraph, it says in pursuing the investment objective,
8 the company intends to invest substantially all of its
9 assets? Do you see that?

10 A Yes, yes

11 Q Okay. And it lists the private technology,
12 healthcare, energy, finance, real estate, and other
13 industries. But earlier, I think you were saying from a
14 practical standpoint, though, even though all of those
15 are listed, the Nanban Ventures Funds tend to focus more
16 in technology and real estate. Is that correct?

17 A That is right. And tech so FinTech, any kind
18 of tech is fair game for us. Yeah.

19 Q Got it. Okay. So you -- so there really are
20 No investments in healthcare or finance or energy. It's
21 tech and real estate.

22 A Yes. And to -- again, see when we talk about
23 healthcare, we have invested in a couple of health tech
24 companies. So technically speaking, they come under the
25 healthcare industry. But as a tech company, we look

Page 65

1 at -- that is why the difference is very, very
2 subjective. And we can't really put a finger and say,
3 hey, you know. Because tech this across any industry,
4 right?

5 Q Now still on the investment strategy section,
6 but going over down to the next page, this is on Bates
7 label ending 2675. It says that, in addition, at the
8 very top of the page, there we go.

9 In addition, as an option to maintain
10 liquidity and to fund private equity in infrastructure,
11 the company may, at the discretion of the general
12 partner, invest in companies engaged in investing in
13 exchange-traded funds designed to track equity indexes,
14 and to a lesser extent, in cash, short-term securities,
15 or cryptocurrency. Do you see that?

16 A Yes.

17 Q Has -- have any of the funds invested in any
18 of the -- anything described in that paragraph right
19 there, have any of the funds invested in something like
20 that?

21 A Yes.

22 Q And when what -- describe for me those
23 investments.

24 A So we do invest in certain FinTech companies.
25 And we have also invested in a Fund of Fund in one of

Page 66

1 the companies which engages in cryptocurrency or Crypto
2 Exposure.

3 Q So that would -- so that would be then in
4 addition to when we talked about the investments of the
5 fund in tech and real estate, would this be the third
6 category of where the investments were made?

7 A Not technically because these are again,
8 companies which are engaged. So we still invest in
9 companies. We don't invest directly in ETFs or
10 cryptocurrency. We invest in companies who specialize
11 in that. So it remains that we invest directly in
12 companies.

13 Q And any of those companies that you are --
14 that the funds may invest in, do any of those companies
15 use GK Strategies?

16 A I am not aware.

17 Q Let's have you go to -- we are going to go to
18 the Bates label ending in 2686. And this PPM for the
19 AAA Fund, did you review it in its entirety?

20 A Yes. I mean not line by line, but the
21 holistic I have an idea of the PPMs for --

22 Q And you -- I am sorry. Go ahead. With what?

23 A No. And for any legal document that -- for
24 that matter, right? I have the holistic idea of what
25 the document talks and the salient points. But if you

Page 67

1 ask me whether I went through every line to dot the i's
2 and cross the t's, I would assume no.

3 Q And who created this PPM document that we are
4 looking at here for the AAA Fund?

5 A Our legal team.

6 Q And you, and GK, Mani, and Mr. Gounder all had
7 input into this document?

8 A Yes.

9 Q And all of you approved this document, yes?

10 A Yes. Usually, that's how. The legal team
11 kind of like comes up with the whole thing and salient
12 points and discuss to the partners.

13 Q Did you suggest any changes to the PPM before
14 it was provided to investors?

15 A I can't specifically recollect but, of course,
16 we might have. Because it's a 100-plus-page document
17 and there should have been discussions, but I can't
18 really recollect or pinpoint.

19 Q Did you ask for anything to be taken out of
20 the PPM before it was provided to investors?

21 A Again, I don't recall it.

22 Q What about adding any information to the PPM
23 before it went to investors?

24 A Again, it's the same question, and I don't
25 specifically recall.

Page 68

1 Q For the drafting process, the creation of this
2 PPM document, were you provide a copy to review and make
3 redline edits and comments to it as part of the drafting
4 process?

5 A Yes.

6 Q And were there times when you made redline
7 edits and changes and comments to the document?

8 A Of course, maybe because it's a 100-plus-page
9 document, I am sure all the four partners and the legal
10 team would have had to say, and they would have been
11 redlines.

12 Q And did you share those redlines with the
13 other founders?

14 A Yes.

15 Q And the other founders, they had redline
16 changes and edits, and they shared those with you as
17 well, correct?

18 A Yes. It's a common shared document, right?
19 So all the changes can be seen by all of us.

20 Q And was this a document that -- was it like
21 something that was uploaded to Google Drive or something
22 like that? So like you said that a common document or
23 do each of you have your own documents that you made
24 comments on and shared?

25 A We have a shared drive system in Nanban, and

Page 81

1 But as he also told you, we also invest in
 2 real estate and FinTechs. And we are four partners so
 3 four partners kind of like look into various aspects.
 4 Q Okay. So let's talk about that. So let's --
 5 and is that structure that you are talking about, is
 6 that the same type of structure that you used for all of
 7 the Nanban Ventures?
 8 A Yes. I mean essentially, yes.
 9 Q So let me just -- and we will -- I will show
 10 you a few of these as well. But we have talked about
 11 today the AAA Fund, the Abundance Fund, and the Ganga
 12 Fund, right?
 13 A Yes.
 14 Q There is also the Nanban CapitalX King Fund.
 15 Are you familiar with that one?
 16 A Yes.
 17 Q And we have got the Nanban CapitalX Lakshmi
 18 Fund. Are familiar with that? Yes?
 19 A I am familiar with CapitalX, and I know
 20 CapitalX has a couple of funds. Yes. I am familiar.
 21 Q And you got the Nanban Ventures Nile Fund?
 22 A Yes.
 23 Q You got the Nanban Venture Capital Fund I.
 24 A VCF I. Yes.
 25 Q And for all of those funds, is the same

Page 82

1 structure in place that you are talking about where you
 2 would be the one making the call about the venture
 3 capital, but there may be some other people involved if
 4 it gets into things like real estate, things like that?
 5 Is that sort of the same structure for all of them?
 6 A Yes.
 7 Q And so is that a formal -- is -- walk me
 8 through how that setup? Is there an advisory committee?
 9 Is there you know a formal group that kind of oversees
 10 all of those, and has the -- walk me through that
 11 process where the investor money comes in, right?
 12 You got a big old boatload of money coming in
 13 from all these different investors, and you have to
 14 decide as the fund, how are we going to use this money?
 15 What are we going to do with it? Walk me through the
 16 power structure at the fund about how those decisions
 17 are made.
 18 A Sure. So again, keeping it very, very high
 19 level. So in terms of anything to do with VC or venture
 20 capital startup companies, I kind of like go ahead with
 21 that, in terms of -- some alarm is going on. Hold on.
 22 Yeah. I'm sorry about that.
 23 So the startup companies, everything comes in
 24 my expertise, I kind of handle. When I say I, me, and
 25 my team. I have an investment team to do that. And all

Page 83

1 decisions are kind of taken to an investment committee.
 2 We have a set process, right? We do the diligence and
 3 the investment committee sits in, and there is a
 4 unanimous decision for any kind of startup company
 5 investments.
 6 And other investments, for example, real
 7 estate, is taken care by other partners, and FinTech
 8 company is taken care by other partners. So I do what I
 9 am efficient. I mean my background is and my expertise
 10 lies in. And that's how we kind of slice and dice based
 11 on our expertise.
 12 And then the investment committee can -- it's
 13 to the formal process, just like any other venture
 14 capital fund.
 15 Q Okay. Well, let's back up because I don't
 16 think I got all of that.
 17 A Okay.
 18 Q So did I hear you say there is an investment
 19 committee?
 20 A Yes.
 21 Q Who is on that investment committee?
 22 A The four partners.
 23 Q The four partners being you, GK, and Mani, and
 24 Mr. Gounder?
 25 A Yes.

Page 84

1 Q Anybody else who is on that investment
 2 committee?
 3 A No. Sometimes --
 4 Q And is --
 5 A -- we invite -- oh, on the formal investment
 6 committee is the four of us. And sometimes we invite
 7 guests with expertise in that particular field to also
 8 weigh in on investment decisions.
 9 Q And is there an investor -- is there an
 10 investment committee -- when we talk about those other
 11 funds, there is an investor -- an investment committee
 12 for all of those. Is that -- it's the same thing, the
 13 four founders on an investment committee to make some of
 14 those initial decisions about what type of investments
 15 are going to be made. Is that correct?
 16 A Yes. For the startups, yes.
 17 Q Now, you clarified for the startups. So now
 18 we have talked about startups. There is an investment
 19 committee. The four of you talk about investments,
 20 discuss it. What other types of investments are
 21 discussed, besides the venture capital investments?
 22 A From the investment committee deployment point
 23 of view for the startups, we pretty much -- to walk you
 24 through a particular example. Let's say we have a
 25 company like health care company, health tech, my team

Page 85

1 does all the diligence. And then I have my pair of
2 eyes. I kind of do the analysis in the company. And
3 then we come to some kind of recommendations and pretty
4 much any kind of startups in our language, right?

5 And then once we have a particular viewpoint
6 on the particular company, whether if we have decided to
7 invest, then we take it to the investment committee,
8 where I am also part of the investment committee, along
9 with other three partners.

10 And all the four kind of like look into the
11 startups. And then it's kind of a unanimous decision in
12 terms of if nobody has any objection. That's how we
13 kind of like go through. And we have advisors. We have
14 portfolio advisors, too, who have specialized in
15 different kinds of industries as well.

16 So as I told you, if you are looking at a
17 health care company, we have invested in a couple of
18 health tech companies. I don't have a medical
19 background. So we engage some specialists in the field,
20 a doctor, for instance, to kind of get their inputs to
21 kind of weigh. Because they know the industry better
22 kind of a thing. Where as on an as-needed basis, we do
23 that.

24 Q How often does the investment committee meet?

25 A It depends on our deal flow. So the

Page 86

1 investment committee only meets when we have to make
2 investment decisions on startups. And that is
3 completely ad hoc, right? For instance, like for
4 several months, there will not be any company which
5 comes down the pipeline where we are ready to invest.
6 Sometimes we would have two or three companies at a
7 stretch. So whenever we have to make the final
8 decision, it's a collective decision.

9 Q Is the investment committee just sort of
10 convened to make an approval on investments in the
11 venture capital that you would suggest that they make?

12 A Yes.

13 Q So the initial decision or sort of process of
14 identifying what venture capital investments might be
15 made, what companies to invest in, you know, deal ideas,
16 things like that, that's pretty much you. You and your
17 little team you have sort of run the -- run all that and
18 make some decisions.

19 And then ultimately, if after you have run due
20 diligence, and things like that, if you think that's a
21 good investment for the company to make, then you would
22 talk to the investment committee. Is that a fair
23 process?

24 A That is correct.

25 Q So it's not a situation where there might be

Page 87

1 10 potential ideas that have been floated or brought up
2 and then the investment committee all meets and talks
3 all those out. You are the guy who makes the venture
4 capital decisions. So you do all that due diligence,
5 find good targets, and acquisition ideas, or investment
6 ideas. And then you bring the kind of completed package
7 to the investment committee to pitch and explain to them
8 why it's good. And then everybody votes, yes or no. Is
9 that fair?

10 A Yes. It is fair. And again, so it's me and
11 my team. And since this is a formal process which we
12 have set up so that it's kind of like goes through all
13 the i's.

14 And informally, of course, since we are
15 colleagues, if I come across some extremely fantastic
16 company, I just like informally say, hey, by the way, I
17 am talking to this company. I'll float it up to your
18 attention when the time comes kind of thing, right?
19 That's all informal conversations.

20 Q And who was on your -- when you talk about
21 your team, who is on your team?

22 A So we have a director of investments, and we
23 have an analyst. It's a three-person team, the
24 investment -- in the investment team.

25 Q Who is the director of investments?

Page 88

1 A So his name is Ashish Mahashabde and --

2 Q You are going to need to spell that one.
3 You're going to need to slowly spell that one, please,
4 for the court reporter?

5 A Can I type it on chat?

6 Q You know what? That's a great question and
7 the answer is, yes. Why don't you go ahead and type it
8 in the chat? Just make sure it goes to everyone. Type
9 that in. That would be fantastic. And while you are at
10 it, type in after that the name for the analyst that you
11 have.

12 And what is the -- what does the director
13 Ashish, what does he do? What's his role?

14 A So his role is to kind of run the entire due
15 diligence process, and also try to spot companies where
16 he can develop relationships with. And pretty much
17 doing all the operational work for anything venture
18 capital-related aspects, starting from origination, all
19 the way to kind of making suggestions, and doing the
20 financial analysis, the business analysis, and so on,
21 and so forth.

22 Q And what about Mr. Fields? What does he do?

23 A He assists Ashish because there is a lot of
24 groundwork and a lot of grunt work, if you may -- if I
25 may call that. Like you know doing the external

Page 89

1 research, secondary market research, putting together
2 memos, and draftings, and so on, and so forth.
3 Q Is -- are you and your team, the three-person
4 team we are talking about, are you the ones who handle
5 the venture -- the Nanban Venture Funds? The day-to-day
6 business, is that you and your team?

7 A No. My team has nothing to do with the fund
8 level. It's all the startup space. It's all like
9 identifying companies, and so on, and so forth. It's
10 the four partners along with our -- you know legal and
11 accounting team. We take care of the fund-level
12 operations, and so on, and so forth.

13 Q What is the role that GK has, for example,
14 with the Nanban Ventures AAA Fund?

15 A So GK is Chairman and CEO of the entire Nanban
16 Group of Companies, right? Nanban Ventures is one
17 vertical. And his specific role, he has specialized --
18 specializations where he is part of the investment
19 committee.

20 And as I told you, we have four partner
21 investment -- Ventures investments. So all the four
22 partners kind of make investment decisions and kind of
23 like go with it in their respective fields of expertise.

24 Q What about Mr. -- what about Mani? What is
25 Mani's role with the AAA Fund?

Page 90

1 A The same aspect. See, these roles stay across
2 all the Nanban Ventures Funds. All the four of us are
3 GPs. And expertise, for example, Mani takes care of
4 real estate investments. Because expertise and his
5 exposure is more there. And Sakthi, I -- we pretty much
6 kind of like look into the venture capital startup
7 companies. And GK, FinTech. So we kind of like work
8 across and the structure remains across all the funds
9 you are talking about --

10 Q Okay. You said -- okay, let me back. So you
11 said -- let me make sure I have this down right. You
12 said that you and Mr. Gounder deal with the startup
13 companies.

14 A It's primarily me and Sakthi is the chief
15 investment officer for the entire Nanban Group of
16 Companies again. So I keep him updated more than I keep
17 all the three of them updated. We all meet in the
18 investment committee. So I run ideas with Sakthi.

19 I was telling you about the informal
20 conversations, right? If I find some amazing company, I
21 am going to run into Sakthi and say, hey, by the way,
22 Sakthi, there is this fantastic company on the horizon.
23 And we kind of like briefly discuss, what is it, and so
24 on, and so forth. So pretty much running ideas.

25 Q Okay. So if you and Mr. Gounder sort of deal

Page 91

1 more so with the startup companies. That's one part we
2 are talking about.

3 A Yes.

4 Q And then the other one you mentioned, I think,
5 was that Mani deals more with real estate. Is that
6 fair?

7 A That is a fair assessment. Yes. And --

8 Q And that GK --

9 A -- pretty much they deal with all the
10 companies. Yeah. Because they are the -- they are kind
11 of like if you look at it, they are the founders of
12 Nanban. So they are involved in all companies per se.
13 And my specialty comes in venture capital startups.

14 Q I am sorry. I -- you said something before.
15 Who deals with everything?

16 A Oh, okay. GK, Sakthi, Mani.

17 Q Okay.

18 A Yeah.

19 Q And then GK I think this is the second time
20 you have mentioned that he deals with FinTech.

21 A Yes.

22 Q And explain to me what FinTech is.

23 A So FinTech is again, the kind of companies we
24 invest in. And that's pretty much like when I say GK,
25 GK is like is expertise. But all of us are kind of like

Page 92

1 understand where investments go to that particular
2 prospect, right? And FinTech is financial technology
3 company in short form.

4 Q Do any of the other three founders deal with
5 FinTech or is it just GK?

6 A I would say that all the three founders are
7 involved in all decisions. So I would assume all the
8 three of them are involved in that as well.

9 Q But that is not something that you deal with.
10 You don't deal with FinTech.

11 A Not really.

12 Q Let me have you go to the Bates label. We are
13 going to look at 2690.

14 A Right. And again, to kind of walk through the
15 process. Even though we kind of split it across
16 expertise, everything flows through investment
17 committees too, right? Because we are four partners
18 again.

19 Q I don't understand that. Explain that for me.

20 A No. Because your question previously
21 suggested was it just one or two people in a particular
22 kind of vertical? It is even though the expertise lies
23 there, they kind of like run the aspect. We always have
24 investment committee to where all the partners are kind
25 of like aware of what is happening, right?

Page 97

1 Limited Liability Company?
 2 A Yes. Sudha CPA LLC.
 3 Q Okay. And what is Sudha?
 4 A She is the owner of that, I guess.
 5 Q So if you needed to --
 6 A If you are looking for a --
 7 Q If you --
 8 A She is a CPA. I don't know what you meant by
 9 who is Sudha. Did you mean a designation? Then she is
 10 a CPA?
 11 Q No. That's fine. You're just -- so -- and
 12 what is her name?
 13 A Sudha.
 14 Q Sudha. Okay.
 15 A Yeah.
 16 Q And so in terms of if you wanted to look at
 17 all the different -- the inflows and the outflows and
 18 how this money was spent and where it was invested, you
 19 would go to the finance committee. Is that correct?
 20 A That is correct. The finance team, Sudha, and
 21 her team.
 22 Q And what program is used to keep track of all
 23 those investments and how that money is spent?
 24 A I am not aware. So maybe Vistra has its own
 25 kind of thing. And Sudha's team, they kind of like are

Page 98

1 on top of it. I wouldn't be aware of the exact kind of
 2 software or tools they use.
 3 Q Well, as President of Nanban Ventures, do you
 4 routinely look over those reports and review them and
 5 make sure that they are accurate, and there is no
 6 problems with everything?
 7 A Routinely, as in like once a quarter and
 8 before distributions, Sudha and her team run it past,
 9 not just me, across to all the four partners. And all
 10 the four of us kind of take a look at it to make sure
 11 things are okay. And we have monthly reports, the
 12 automated e-mails which keeps coming on the monthly
 13 reports to --
 14 Q Let's start --
 15 A -- all of us.
 16 Q -- with -- you said that there was quarterly
 17 reports that you look over, that all of you look over.
 18 A Yes. It's pretty much -- I wouldn't call the
 19 report, per se. But the summary of all the numbers and
 20 where we are, and so on and so forth, right? So that is
 21 sent to all the four partners. And we kind of look
 22 over. And that's how we keep ourselves abreast of
 23 what's happening.
 24 Q In what format do those quarterly reports come
 25 to you in?

Page 99

1 A Format, sometimes it's been Excel. Sometimes
 2 it's been like an e-mail attachment or PDF, what is
 3 there, and it varies.
 4 Q And who sends you those quarterly reports?
 5 A We get it from a finance team, finance, and
 6 accounting team. They kind of -- again, which I named,
 7 right? So the LLC or from Sudha's team.
 8 Q And I think you mentioned something you also
 9 look at monthly.
 10 A Yes. So it's not a definite monthly. So what
 11 I mean by that is it's uploaded to SharePoint. And so
 12 that sends an e-mail saying it's on the SharePoint.
 13 When you guys have a moment, you can take a look. It is
 14 kind of on a regular basis.
 15 Well, if you asked me if it is monthly or
 16 quarterly, I am not very -- because I don't pay much
 17 attention to it. My focus is completely on, you know,
 18 my startups and kind of like getting the data flow and
 19 making the right investments. So this is something I
 20 see when I am supposed to see mainly the distribution
 21 reports, right?
 22 Because we distribute once every six months so
 23 that is when we kind of like go and regroup and kind of
 24 understand the reports. Otherwise, the monthlies or
 25 quarterlies or sometimes even we get it in a week or

Page 100

1 something, I don't pay much attention to it.
 2 Q Let me have you go to -- let's go to the Bates
 3 label ending in 2702. This is going to be going to the
 4 Abundance Fund PPM. And then go to the next page so
 5 that's actually going to be 2704, so the third page.
 6 And this is going to be the offering overview again
 7 2704. There we go, the offering overview.
 8 Okay. And the only reason I want to talk
 9 about this, Mr. Ramesh, is that I will just represent to
 10 you that the language here for the offering overview in
 11 the prospective investors by investing with this
 12 company, it will be investing in a company that uses
 13 proprietary advanced -- do you see all that?
 14 A Yes.
 15 Q Okay. So that language is very similar to the
 16 language in the AAA Fund and the Ganga Fund. And I
 17 am -- why so many different funds? What -- tell me the
 18 -- tell me what distinguishes the AAA Fund from the
 19 Abundance Fund from the Ganga Fund from the Nile Fund?
 20 How are those funds different if they are?
 21 A See the primary investment theses are the
 22 same, and it all boils down to the different kinds of
 23 the SEC rulings for funds, right? For example, 3(c)(1)
 24 and 3(c)(7), we cannot have more than 99 investors, if I
 25 am right, in a particular fund. And per our legal

Page 101

1 team's advice, when we get more investors, then we have
2 to start another fund to accommodate the interest in
3 Nanban Ventures.

4 So that's how like all these funds kind of
5 came about. And it's all completely based on our legal
6 team's advice and what we can or can't do in terms of
7 the size of a given fund in terms of number of investors
8 which is we cannot cross 99. That's what I heard.

9 Q So these various Nanban Ventures funds, we
10 talked about -- and I will show a couple more. We
11 talked about Ganga. We talked about Abundance, Nile.
12 All these funds, the -- substantively, in terms of the
13 type of investments that they may make, the process for
14 how they make investments, all of that it's functionally
15 the same fund. It's just that it's being spread apart
16 to several funds because of this 99 investor rule. Is
17 that fair?

18 A Yes. That's fair. I believe (crosstalk) --

19 Q Let me --

20 A -- loan is a 3(c)(7) which can have -- the
21 Abundance Fund alone, I believe it's a 3(c)(7) which can
22 house I think 2,000 investors -- I mean something of
23 that sort. Abundance alone, that's a 3(c)(7).

24 Q I am sorry. What's a 3(c)(7)?

25 A So there is a fund by name Abundance, right,

Page 102

1 Abundance Fund.

2 Q Abundance Fund.

3 A Abundance.

4 Q The Abundance Fund?

5 A Abundance, yes.

6 Q Okay.

7 A It is a 3(c)(7), and I believe that can house
8 2,000 investors, not 99 like the others.

9 Q Okay.

10 A And yeah, so that's that.

11 MR. NEVERS: And, Jason, let me just clarify
12 one thing. I think you made a statement that these are
13 all essentially the same fund if I heard that right. I
14 don't --

15 MR. BRAUN: Well, they are -- yeah. They are
16 not. No. I mean they are separate entities. But I
17 mean in terms of how they operate, what they are going
18 to invest in, those types of things, that they are
19 basically -- it's the point I was making, and I think he
20 answered fine, was that the reason for the multiple
21 funds, it's not that you have got one that invests in
22 tech, and one that, oh, we are doing a whole different
23 strategy in this fund so we are setting up a new fund.

24 No. It's just that they have these investors
25 limits they had and so they had to set up a new fund to

Page 103

1 keep taking new investors. That's all.

2 MR. NEVERS: Understood. Yeah. And I just
3 wanted to make sure that Kutral understood your
4 question, and if there was any differences in each fund
5 that he could explain those.

6 THE WITNESS: Right. So primarily, the
7 investment decision, of course, right, are different
8 funds. We invest in different assets and -- but from
9 the investment theses point of view, it's like very
10 similar, right? The assets will be.

11 MR. BRAUN: You know we are getting close to
12 our lunch break. So let me -- I may have some more
13 questions about a couple of these PPMs. But let me just
14 do a couple of housekeeping and get some exhibits
15 introduced so we have got that done. Let me show you
16 what's been marked as Exhibit 36.

17 (SEC Exhibit No. 36 was marked
18 for identification.)

19 THE WITNESS: Yes.

20 BY MR. BRAUN:

21 Q And do you recognize this as a PPM for the
22 Nanban Ventures Abundance Fund?

23 A Yes.

24 Q And let me go to -- on Bates label ending
25 5838, 5838, you will see that there are some red

Page 104

1 markings. It says error, bookmark, not defined, things
2 like that on 5838. Do you know what that is or why
3 those are -- why those red marks are there?

4 A I don't recall.

5 Q Just maybe a draft or something along those
6 lines?

7 A Maybe. I don't recall.

8 MR. BRAUN: Okay. Let's go to Exhibit 37. Do
9 you recognize this document?

10 (SEC Exhibit No. 37 was marked
11 for identification.)

12 THE WITNESS: What is the heading of the
13 document?

14 BY MR. BRAUN:

15 Q Sure. This is the --

16 A Yes.

17 Q -- Nanban CapitalX King Fund LLC PPM. Do you
18 recognize this?

19 A Yes.

20 Q And how do you recognize this document?

21 A How do I recognize? What do you mean?

22 Q Yeah. How do you recognize that document?

23 A No, the King Fund, CapitalX King Funds PPM.

24 Q This is a -- you are involved with this fund,
25 correct?

Page 125

1 Q Does Sasi or his company have agreements with
2 Nanban Ventures or any of the Nanban companies that GK
3 oversees?

4 A I am not aware of any. I need to consult my
5 legal, but I don't think we do.

6 Q If you go to -- let's see. This is -- on
7 Exhibit 38, Matilda, can you go to the section on the
8 manager? It's going to be about three-fourths of the
9 way through. Unfortunately, the Bates labels are cut
10 off from work copy. It's going to be probably about 20
11 pages in. Yeah, where the bios are for GK and all of
12 those. Just if you scroll down. Yeah. There you go.
13 Next page. Okay. Now keep going a couple more pages to
14 the title where it says company management. There we
15 go. Thank you.

16 Now again, Mr. Ramesh, we are on Exhibit 38.
17 And this is the PPM for the Nanban CapitalX Lakshmi
18 Fund, LLC.

19 A Yes.

20 Q And it says that the date -- it says under
21 day-to-day business operations. Are you with me? Do
22 you see where I am at the very top?

23 A Yes.

24 Q It says the day-to-day affairs of the company
25 are controlled and directed by the managing member.

Page 126

1 Currently, the executives of the managing member are --
2 and I am going to use their shorthand names -- but Mani,
3 Kutral, GK, and Mr. Gounder. Do you see that Sasi is
4 not mentioned anywhere there?

5 A Yes. I do.

6 Q Is that incorrect? Is Sasi, in fact, involved
7 in the day-to-day affairs and one of the executives of
8 the managing member?

9 A Yes. Sasi is definitely involved and Sasi and
10 his team are definitely involved in day-to-day active
11 operations.

12 Q And was he -- and he was one of the executives
13 of the managing member?

14 A I don't know exactly the -- what the legal
15 documents say and talking about what the processes and
16 how the functionalities happen. The legal documents you
17 are pointing me to, yes, I don't see Sasi's name.

18 Q Were you involved in drafting the Exhibit 37,
19 the CapitalX King Fund PPM, or the -- this document
20 Exhibit 38, the Nanban CapitalX Lakshmi Fund PPM?

21 A No, not precisely.

22 Q Did you review either of those documents
23 before they were provided to investors?

24 A Yeah. And if you ask -- and again, all of
25 these PPMs are 100-plus pages, right? And we have so

Page 127

1 many funds. And in our mind, Nanban Ventures Funds are
2 the highest priority for us, right?

3 So the legal team completely kind of handles
4 this, and we just like oversee, of course, they pass it
5 on saying, hey, you know the PPM is ready, and so on,
6 and so forth. But if you ask me whether I really dotted
7 the I's and crossed the T's, no. But am I aware that we
8 have a PPM? Yes.

9 MR. BRAUN: Let me have you go to Exhibit 39.
10 Tell me if you recognize this document as the Nanban
11 Ventures Ganga Fund PPM.

12 (SEC Exhibit No. 39 was marked
13 for identification.)

14 THE WITNESS: Yes.

15 BY MR. BRAUN:

16 Q You notice this version of the Ganga Fund PPM,
17 it has MS, the MS initial. Do you see that?

18 A Yes. I do.

19 Q Is that Mr. Shanmugam's initials, Mani?

20 A I am not sure. But I think it should be Mani
21 from -- you know, again, general awareness. I am not
22 exactly sure, but I believe so.

23 Q The final approval of the PPMs for the various
24 Nanban Ventures Funds, can you walk me through that
25 final approval process where all -- you and the other

Page 128

1 founders make a final decision that this is the PPM that
2 we are going to go with, this is the PPM we are giving
3 to investors? How do you sign off on this and have the
4 final version approved by everybody?

5 A Yeah. So as U told you, we all collectively
6 have eyes on this. And we have a joint call, and we go
7 through the PPM, and we all give our okay to the legal
8 team. And the legal team just drafts it to begin with,
9 right?

10 All they put together that exact 100 pages of
11 documents. And then all the for GPs -- when I say GPs,
12 I am talking about Nanban Ventures. We kind of discuss
13 that, go through that with the legal team, and then we
14 give a final okay. And again, when you say okay, do we
15 exactly read through every line and totally assimilate
16 the legal language? The answer is obviously no.

17 But all the salient points which we want
18 communicated, we just make sure it's all there. And
19 again, it's not just one call, right? It happens over
20 the process. We -- I mean in my free time I go through
21 and when other founders are free, they kind of go
22 through. And then we have like a few discussions. And
23 then we have a final call where we kind of like discuss
24 and then like publish it or give our okay to our legal
25 team.

Page 133

1 so closely knit.

2 And when someone has a very good experience
3 with the Nanban family of funds, they tell their
4 friends, and so on and so forth, and they reach out.
5 And we have an IRO team which kind of like talks to all
6 the inbound, and it kind of goes in there.

7 Q Are you aware of any companies that created
8 any type of videos or anything else to help bring in
9 investors for the Nanban Ventures Funds?

10 A No.

11 Q Did Nanban Ventures utilize any -- I know I
12 said third-party brokers. Did they utilize any third-
13 party companies to assist them in raising funds?

14 A No.

15 Q Did Nanban Ventures -- did they use any third-
16 party companies at all to help in any way with marketing
17 for the Nanban Ventures Funds?

18 A No.

19 MR. BRAUN: Let me have you look at what's
20 been marked as Exhibit 48.

21 (SEC Exhibit No. 48 was marked
22 for identification.)

23 THE WITNESS: Sure.

24 BY MR. BRAUN:

25 Q Going back to your -- I just want to clarify.

Page 134

1 Because on one hand, you said that you weren't
2 really -- you weren't involved with the capital raising
3 side of things. Is that what you said earlier for
4 Nanban Ventures (crosstalk)? For Nanban Ventures, was
5 it your testimony that you were actively involved with
6 the fundraising side of Nanban Ventures for the funds?
7 Is that your testimony?

8 A Yes.

9 Q So I just want to clarify. If you weren't
10 involved, how do you feel so confident that you know
11 what type of companies or actions were taken by the
12 founders to raise money for the venture capital funds?

13 A Yeah. So I was not involved, but I was
14 informed. Because I am one of the GPs of the fund. And
15 we talk very regularly, right? Because the four of us
16 manage, and for any funds. So if any kind of third-
17 party engagement or anything else, I would have known.

18 Q And did you ever ask the founders what type of
19 efforts are being done to raise funds for the venture
20 capital funds?

21 A I haven't dealt with that because this is like
22 again, general awareness point of view, right? It's a
23 captive audience, and we get tons of inbounds inquiring
24 about Nanban Ventures which are IRO -- scale. So it's
25 very self-evident. So I didn't have a necessity to ask

Page 135

1 especially and is know that we didn't have any third-
2 party companies or any kind of like things. And plus,
3 we cannot market anyway.

4 Q And why can't you market?

5 A I believe it is one of the structures of the
6 fund. We are a 506(b) so we cannot actively solicit
7 investors.

8 Q Let me have -- now let's go ahead and look at
9 Exhibit 48. Tell me if you recognize this document.

10 A Yes.

11 Q Okay. And then how do you recognize this
12 document?

13 A This is our -- I believe this is our statement
14 of investments which we showcase to our investors once
15 every six months before the distribution to show what we
16 have invested in and how -- pretty much to give them a
17 snapshot of all the investments.

18 Q And when you say you show to your investors,
19 investors in what?

20 A The investors in the Nanban Ventures Funds.

21 Q So and this is a different document than
22 the -- what we were talking about earlier, the quarterly
23 documents that you and the founders get to look over how
24 everything is going from the finance team, the
25 accounting team, this is a different -- that's a

Page 136

1 different document that what we are looking at here,
2 correct?

3 A Yes. See that is an internal document for us
4 to kind of see the amount of capital, where our
5 pipeline, and so on, and so forth. And this document
6 which we are seeing right now, this is what we showcase
7 to investors in our distribution webinars.

8 And we call it the statement of investments
9 where we enlist all the investments we have done and how
10 these investments have been performing so that the
11 investors can get a brief snapshot in just one slide to
12 understand where the capital is and what is happening.

13 Q On the second page of Exhibit 48, there is
14 a -- there is an asterisk at the bottom.

15 A Yes.

16 Q And it says on Parkour, our crypto Fund of
17 Fund investment, they sent an update that considerable
18 parts of their assets have been impacted by the FTX
19 blowout and are stuck. We don't have a clear picture of
20 the exact damage yet. Do you see that?

21 A Yes.

22 Q What is the current status of that Parkour
23 investment?

24 A So the current status again, Parkour Fund
25 themselves they are awaiting clarity because all of us

Page 137

1 we know what happened with the FTX. And I believe they
2 were using FTX as an exchange and bulk of their assets
3 are kind of locked in FTX. And until they get clarity,
4 they cannot give us clarity, right?

5 And this was what we got an update from
6 Parkour and everybody knows about how FTX blowout and
7 how it impacted several, several crypto-related funds
8 and businesses. So this is one of the victims of that.

9 Q So right now it's still up in the air what is
10 available yet from that investment. It could be
11 completely gone. It could be significantly impaired.
12 You just don't know at this point.

13 A Exactly. That is right.

14 Q Okay. Let's go back to the first page of
15 Exhibit 48. And let's talk about -- we are going to go
16 through these different investments. So Gauranga Celina
17 Hills, it says 23 acres. There was a -- it says I
18 guess -- was that a million dollars that was invested?
19 Do you see that?

20 A Yes.

21 Q And which one of the Nanban Ventures Funds is
22 actually invested in Gauranga Celina Hills?

23 A So we don't isolate with different funds.
24 Anything on Nanban Ventures, all the funds on Nanban
25 Ventures have a stake in this particular -- any kind of

Page 138

1 investments we make. We don't isolate investments to
2 different funds. It's more about the longevity of
3 investors.

4 And to get to the exact detail, I can always
5 ask my finance and accounting team to see which
6 investors were part of it and how it's being
7 distributed. So that's a different part of the story.

8 Q Okay. Well, let me back up. Well, first, you
9 mentioned the accounting team. Who actually creates
10 this statement of investments document?

11 A Our finance and accounting team.

12 Q So that's Sudha and her people?

13 A That is correct.

14 Q And what documents are they using to be able
15 to -- for as the source to create this document?

16 A I would need to confirm with Sudha, and I
17 believe they use QuickBooks.

18 Q So they have got QuickBooks that they are
19 using. Are there any other documents that they are
20 using to create this document whether it's, you know,
21 venture capital agreements, due diligence reports that
22 show that -- what -- how are they finding out this
23 information on the amount, the period, the fair market
24 value? Where is that all coming from?

25 A Yes. I mean the bank statements, and they use

Page 139

1 other accounting software, as I am sure, and the kind of
2 even information. Because they are privy to all the
3 investments we make. Even before we make an investment,
4 we always check the finance and accounting team of the
5 balance and how much we can invest.

6 And they are the ones who ultimately, kind of
7 like give us information about how much investment we
8 can actually make so they are on top of the game. The
9 exact tools they use, outside of QuickBooks, I am sure
10 they use others. I am just not aware at this particular
11 point exactly what tools, and so on, and so forth.

12 Q So when you talk about checking with them on
13 everything before an investment is made, are they -- is
14 the accounting team and the finance team, are they part
15 of the discussions and the back-and-forth about, hey, we
16 are about to invest in this investment, here are the
17 agreements we are going to sign? I mean how involved
18 are they?

19 A No, nothing in the decision process. They are
20 more in the execution process. The decision lies with
21 the GPs of what we want to invest, how much we want to
22 invest. And the execution lies with the finance and
23 accounting team. And I believe they also leverage
24 Vistra. Because Vistra is on top of their fund admin,
25 and so on and so forth so they talk a lot. And they

Page 140

1 kind of like take it up on the execution for us.

2 Q Now, does Sudha have an e-mail address in --
3 over at Nanban Ventures?

4 A At Nanban Ventures, I don't believe so.

5 Q So when you are e-mailing Sudha, and her team,
6 and the accounting team about all these things, what e-
7 mail address are you sending those to?

8 A I believe it's her Sudhacpa.com.

9 Q Is there anybody other -- when you are talking
10 about this issue of the statement of investments,
11 specifically, the information that's being conveyed to
12 Sudha and the accounting team about you know this was an
13 investment we are looking at making, how much money do
14 we have, can we make this investment? You know things
15 like that, you have got Sudha, her e-mail, whatever that
16 is. Are there any other outside e-mail addresses that
17 are being sent information to you or are the rest of
18 them all internal at Nanban Ventures?

19 A They are all within the Nanban family, the
20 Nanban Ventures I would assume. I need to kind of like
21 double-check for exactly every e-mail, but I don't
22 believe any external parties will have eyes on this.

23 Q Other than Sudha?

24 A Yes.

25 Q What about the Vistra folks, are they included

Page 141

1 on these e-mails?

2 A No. My hard touchpoint is with Sudha. I
3 think Vistra is more in the fund admin and finance and
4 legal. I mean accounting team, they kind of interact
5 with Vistra for the data points, and so on, and so
6 forth.

7 Q Okay. So let's go back to the Celina Hills
8 investment. So explain to me how this works where you
9 have got -- and let's make sure we are talking about the
10 same fund. So you have got the Capital Fund I, Nanban
11 Ventures Capital Fund I. That's one, correct?

12 A Yes.

13 Q You have AAA?

14 A Yes.

15 Q Abundance?

16 A Yes.

17 Q Ganga?

18 A Yes.

19 Q Nile?

20 A Yes.

21 Q Any others?

22 A Not that I recall.

23 Q Is it possible that there is other venture
24 capital funds other than the ones we just mentioned?

25 A I believe so. I think these are the five

Page 142

1 funds you spoke about, and I think these are the funds.

2 These are investors of those funds.

3 Q Sure. But are there any other -- currently,
4 right now, as we sit here right now, how many other
5 venture capital funds are there in existence that we
6 haven't talked about today?

7 A I would say I mean you covered all the five.
8 We have the VCF I, AAA, Abundance, Nile, and the other
9 one is Ganga. I mean I lose track of names, too, but
10 five funds. Yeah.

11 Q And those are (crosstalk) --

12 A I think it's --

13 Q And that's -- okay. And that's the only funds
14 that you are -- sitting here right now those are the
15 only venture capital funds you are aware of?

16 A Yes.

17 Q So when you have got investor money coming
18 into all of those different funds, and you have got 99
19 investors in this fund, and 99 investors in AAA, all
20 these monies coming in, how do you decide which fund is
21 going to invest in which investments?

22 A So we kind of invest through a pooled entity.
23 And the way we distribute back to the investors, we
24 primarily use their longevity and the quantum of the
25 investment to determine what share of profits each

Page 143

1 investor gets. So where they (crosstalk) --

2 Q Say it again. Yeah. I am sorry. I didn't

3 mean to interrupt you. I didn't understand what you

4 meant by that. You said something about quantum. I

5 just -- can you just say that all over again?

6 A Sure. Sure. So we have five funds, as we

7 established, right? And when we make an investment, the

8 investment is not tied to one specific fund of one of

9 the five funds -- Nanban Ventures which means they give

10 participation to all the investors who are part of

11 Nanban Ventures as a pooled entity.

12 And the way we distribute back to the

13 investors, we give them credit for the longevity. By

14 longevity, I mean by how long they have been associated

15 with Nanban Ventures. And the second variable we use is

16 the quantum, every investor is parked in. For example,

17 someone who is parked in a million dollars, and who has

18 been with us for like 10 years -- I mean we just

19 launched two years ago.

20 I mean the longest, these two variables, we

21 kind of use to determine what share the particular

22 investor gets. As opposed to somebody who just came in

23 last month, and they invest a million dollars, the

24 longevity is like much lower than the investor who is

25 been with us the last two years or what not,

Page 144

1 right?

2 So they will be getting a better -- a higher

3 share than other investors. So typically, what I was

4 saying is, that's how we distinguish between

5 distribution amongst investors. And we invest as a

6 pooled entity. We don't kind of like ringfence one in

7 front another. And the returns are on a (crosstalk)

8 basis.

9 Q Okay. Let me make sure. So you have got --

10 what is -- when you say you invest through a -- what is

11 that entity that the money goes into?

12 A So let me try to explain in a very high level,

13 right? So all -- we have five funds. We established

14 that, right? And there are investors across the five

15 funds. There may be investors who invested in more than

16 one of those five funds, right? So that is the investor

17 pool.

18 So now we pool all the money into one central

19 hub entity. And that hub we use it to invest in all the

20 portfolio companies. So we don't really distinguish

21 between a Nile Fund versus a Ganga Fund versus a VCF I.

22 We don't ringfence a part of investment to one fund.

23 We make sure all investors who invested in

24 Nanban Ventures through any of these funds, they all

25 participate in the investment decisions we make.

Page 145

1 Q Okay. I think I am getting it. Okay. So
 2 money comes in from each of these five funds that we
 3 have talked about. All this money comes in. Yes?
 4 A Yes.
 5 Q Okay. Then all of the money from those five
 6 funds gets commingled into this hub entity that you are
 7 talking about together.
 8 A Yes. It's pooled --
 9 Q Okay.
 10 A -- together.
 11 Q Okay. And so after that it all is mixed up
 12 together into one pot, from there, it gets pushed out to
 13 these different investments.
 14 A Yes. Through SPVs.
 15 Q Through special purpose vehicles.
 16 A Yes.
 17 Q What is the name of that hub entity that you
 18 are talking about that is used as sort of the launching
 19 pad for all of these investments that get made with all
 20 of the fund investments?
 21 A I can find that out. From the top of my head,
 22 I believe it's just Nanban Ventures Hub, LLC. I don't
 23 remember exactly. I can always get the information for
 24 you.
 25 Q So if I refer to -- as we are discussing this

Page 146

1 today, if I refer to the hub, we can agree that I am
 2 talking about this Nanban Ventures Hub entity where the
 3 money from all of the five funds gets mixed up together,
 4 and before it gets pushed out to the other investments?
 5 Do we get -- we are on the same page.
 6 A Yes. We are on the same page. The exact
 7 name, I can get it to you. But for this conversation,
 8 we can call it the Hub.
 9 Q And then from the Hub, the money is invested
 10 directly into various SPVs. And again, SPVs, we can
 11 agree that if I say SPV, you say SPV, we are referring
 12 to a special purpose vehicle, correct?
 13 A That is correct.
 14 Q Okay. So money goes from the five funds.
 15 It's commingled into the Hub and then goes out to SPVs.
 16 I got the structure of the sort of sequence, correct?
 17 A Yes.
 18 Q Okay. And what are these SPVs called? Is
 19 that what's showing up here as the quote, unquote,
 20 "investments?"
 21 A No. SPVs is again, like you know for
 22 specific, there is a layer between the Hub and the
 23 portfolio companies. That is SPV.
 24 Q Okay. And what are the names of those SPVs?
 25 A Again, so that is something I can definitely

Page 147

1 find out for you.
 2 Q How many SPVs are we talking about?
 3 A I believe we have three main SPVs below the
 4 Hub.
 5 MR. BRAUN: Okay. Yeah. I will tell you
 6 what, let's -- why don't we take a quick -- I actually
 7 do need to go to the restroom. So let's go off the
 8 record at -- it just made me think of that. Let's go
 9 off the record at 2:08 p.m.
 10 (A brief recess was taken.)
 11 MR. BRAUN: Let's go back on the record at
 12 2:23 p.m. Mr. Ramesh, we just took a brief break. We
 13 are back, and do you understand that you are still under
 14 oath?
 15 THE WITNESS: Yes, sir.
 16 BY MR. BRAUN:
 17 Q Before we took the break, we were talking
 18 about how this process worked. And after the money is
 19 all together, you were mentioning it went to SPVs first
 20 before it then went to other investments. And can you
 21 tell us what the names of those SPVs were?
 22 A Yes. No. First, it goes to the Hub. From
 23 the Hub, it goes to the SPVs. And we have three SPVs.
 24 And one is Intangibles. The other one is Solid Assets.
 25 Another one is a Unicorn.

Page 148

1 Q Okay. So what is the Unicorn? Tell me what
 2 is the Unicorn SPV? What's that for?
 3 A So that is primarily to invest in startup
 4 companies pre-revenue or companies that are not yet
 5 profitable and your usual tech/tech-enabled companies.
 6 So that is what we use Unicorn for.
 7 Q And, Mr. Ramesh, it looks as though you are
 8 reading from something. What are you reading from?
 9 A Well, I am looking at you because for your
 10 cameras, your to my left this time. I don't know why.
 11 Previously, you were to my center. So now you are --
 12 Q Oh, okay.
 13 A Yeah.
 14 Q Oh, okay. Got you.
 15 A I am looking at you.
 16 Q Got you.
 17 A So I don't know how the WebEx kind of like
 18 changes.
 19 Q Oh, that's funny. Yeah. Because it looks --
 20 okay. Okay. Got you. Okay. So that's Unicorn.
 21 What's the Solid SPV for?
 22 A So that is for all the real estate-related
 23 investments we use Solid Assets, LLC for the SPV.
 24 Q And you broke up just a tad bit there. Tell
 25 me what that, the Solid is again.

Page 149

1 A It's for real estate-related investments.
 2 Q Okay. And then the intangible.
 3 A That's for the operating portfolio companies
 4 which are only cash flow generating, and so on, and so
 5 forth.
 6 Q You said -- I am sorry. You said that the
 7 operating cash flow funds.
 8 A No. So the Intangibles is for those portfolio
 9 companies which are already kind of cash flow generating
 10 or profitable.
 11 Q Okay. And so the Unicorn is the one that is
 12 for like the like you said, the startup companies that
 13 you are going for like trying to hit it out of the park.
 14 Startup companies really get a big return if they make
 15 it. Is that fair?
 16 A Exactly. That is correct.
 17 Q And then Solid is real estate.
 18 A Yes.
 19 Q And then intangible is the cash flow type
 20 companies that are currently going to be generating this
 21 type of cash flow?
 22 A That is correct.
 23 Q How -- who -- how was the decision made how
 24 much money from the Hub to give to each one of those
 25 SPVs?

Page 150

1 A So that is completely opportunistic. There is
 2 no kind of a hard and fast rule. And let's say I find
 3 some excellent company in the startup world. And we
 4 kind of allocate funds to that or let's say we find some
 5 very compelling opportunity in the real estate space we
 6 allocate funds to that. So it's kind of a dynamic
 7 allocation where the GPs collectively decide what is the
 8 best opportunity to go at that particular time.
 9 Q When the money comes into the venture funds,
 10 okay, and when I -- and moving forward, if I say the
 11 venture funds, can we agree I am talking about Nile,
 12 Ganga, Capital Fund I, AAA, and Abundance? Yes?
 13 A Yes.
 14 Q Okay. When the money comes in from the
 15 venture funds, does it go right away as it comes -- as
 16 that money comes into an account, does it go right into
 17 the Hub so that the Hub is always kind of getting all
 18 that money, or the money transferred every week or every
 19 month? How is that decision made?
 20 A I believe it goes to the Hub but again, this
 21 is something which I need to kind of know from a finance
 22 and accounting team. But I am not very hands-on the
 23 fund operations or the flow of money. I know what
 24 happens. But your specific question whether it was the
 25 same day or two days, that is not something I pay any

Page 151

1 attention to
 2 Q Now, and this Hub company, does it have its
 3 own bank account?
 4 A I believe so.
 5 Q And are you a signatory on this bank account?
 6 A Yes.
 7 Q And what about for all these venture funds?
 8 Do they all have their own bank accounts?
 9 A That's again, I believe so.
 10 Q And are you a signatory on all those accounts?
 11 A Yes.
 12 Q We talked about the management and the GP
 13 entities. Do all of those entities have their own bank
 14 accounts?
 15 A Yes. And that is something again, I need to
 16 confirm. But yes, I think all of them will have their
 17 own bank accounts.
 18 Q Okay. And then are you a signatory on all
 19 those accounts?
 20 A Yes.
 21 Q Okay. And what about this Hub entity? You
 22 said that you are a signatory, correct?
 23 A Yes.
 24 Q And then what about these SPVs? The Unicorn,
 25 the solid, and the intangible, do they have their own

Page 152

1 bank accounts?
 2 A Yes.
 3 Q And are you a signatory on those bank
 4 accounts?
 5 A Yes. I believe so. Yes.
 6 Q Do you receive the -- each month, do you get
 7 copies of the bank account statements to look them over?
 8 A I believe so. Again, I don't pay attention to
 9 these operational aspects of it. But I do have access
 10 if I want to. I think I have my online credentials. I
 11 can log in, and I can see. But I don't actively do it
 12 on a day-to-day basis. I rarely, rarely even do it, for
 13 that matter.
 14 Q And why is that?
 15 A I focus on finding the new opportunities for
 16 the fund per se. My focus is all on startups and
 17 finding the next startup, the next moonshot, for that
 18 matter. So I am very busily occupied with that. And
 19 the operations, of course, that's where we have teams,
 20 and I completely rely on the teams. When I say I, I
 21 mean the four GPs, right? Because that's how we kind of
 22 like function.
 23 Q Okay. So now going back to this, the Celina
 24 Hills investment here on Exhibit 48. Which of the SPVs
 25 would that investment have been made through?

Page 169

1 MR. BRAUN: I am sorry. Go ahead.
 2 THE WITNESS: No, no, that's all right. I
 3 wouldn't know for any kind of real estate what kind of
 4 fair market value they do. They don't provide a net
 5 asset value typically like your other investments. So
 6 real estate is a completely different ballgame which I
 7 wouldn't be very much aware of.
 8 MR. BRAUN: Off the record at 2:51 p.m.
 9 (A brief recess was taken.)
 10 MR. BRAUN: Let's go back on the record at
 11 3:05 p.m. Mr. Ramesh, we took a brief break. Do you
 12 understand you are still under oath?
 13 THE WITNESS: Yes, sir.
 14 BY MR. BRAUN:
 15 Q So now let's go back to the statement of
 16 investments, Exhibit 48, that we were on. I am just
 17 curious. On the neighborhood comps section of the
 18 statement of investments for the Platinum Ranch and
 19 Kalachandji Ranch, what does that neighborhood comps
 20 mean?
 21 A Can you pull up the exhibit, Jason?
 22 Q Oh sorry. Yes. Yeah. I thought it was up.
 23 A Yes. I see that. So I believe like the
 24 numbers there are like based on appraisals of the lands
 25 in and around Platinum Ranch and --

Page 170

1 Q Okay.
 2 A -- Kalachandji. That's what I believe they
 3 are.
 4 Q Well, going down to the next investment, we
 5 have got NorthStars FinTech. Do you see that?
 6 A Yes.
 7 Q And that is a very significant amount of the
 8 total fund -- total assets for all the venture funds.
 9 You would agree with that at 29 million and change?
 10 A Yes.
 11 Q And what is NorthStars FinTech?
 12 A So that comes under the Intangibles so that is
 13 one of the portfolio companies, cash flow generating
 14 portfolio companies we invested in.
 15 Q Okay. And what is NorthStars FinTech?
 16 A So that is a company which generates
 17 profitability and cash flow that's a portfolio company
 18 and the entire intangible vertical if you may call it.
 19 So that is where we invest in companies which produces
 20 cash flow regularly.
 21 Q And what kind -- I mean how does it produce
 22 cash flow? Like what does the company do?
 23 A So they own their own kind of like strategies
 24 which is -- which they employ. And that is where they
 25 kind of like produce the returns, whether they invest in

Page 171

1 markets and otherwise like debt, skating in many kind of
 2 like -- I mean strategies they employ to generate the
 3 cash flow.
 4 Q And what are those strategies?
 5 A I wouldn't have visibility into that.
 6 Q And who control -- like who are the actual
 7 owners of NorthStars FinTech?
 8 A So that again, I need to verify. I am not
 9 aware. Off the top of my head, it is a portfolio
 10 company, and we invest through our Intangibles SPV into
 11 these FinTech companies.
 12 Q Okay. Have you heard of GSM Eternal, LLC?
 13 A GSM what? I am sorry.
 14 Q GSM Eternal, LLC. You have heard of that
 15 company. Yes?
 16 A I don't literally recall. I don't think so.
 17 Q And is NorthStars FinTech, is that just
 18 another name for GSM Eternal, LLC?
 19 A So that is again which I would not know.
 20 Q I am a little surprised because we are talking
 21 about roughly \$30 million of the venture capital. I
 22 mean this is a large investment, and you don't seem like
 23 you have a lot of information about that. Is that -- I
 24 am just not sure how you can -- you don't -- did you
 25 ever ask? What is NorthStars FinTech? Did you ask any

Page 172

1 of the founders?
 2 A Yes. So that's what I said. We have four
 3 partners, and I am completely focused on the Unicorn and
 4 anything comes -- coming under the Unicorn. And
 5 Intangibles are taken care by other partners. And it's
 6 more of information, and I don't literally kind of like
 7 dive in. The partners will definitely know all the
 8 answers you are asking for specifically to these
 9 investments.
 10 Q Did you ever ask any of the founders, why are
 11 we putting so much of the venture funds money into this
 12 one company NorthStars FinTech?
 13 A Specifically, no, but it's more of a
 14 discussion when the other partners let me know, hey,
 15 this is what the investment is making. I didn't have
 16 any serious objections to it. And it generates cash
 17 flow. So that's what we were kind of like keen on.
 18 And I didn't have any specific -- I don't
 19 recall any major objections which I had. And as I told
 20 you, it comes, and I see it's more of information, hey,
 21 you know this is what is happening. And are all of us
 22 okay this generating this cash flow? That's that.
 23 But as I told you, my hands are always full in
 24 my Unicorn world, where we evaluate startups day in and
 25 day out. And we literally see thousands of companies so

Page 173

1 I am completely consumed by that. And that's where we
2 leverage our partners' expertise, and trust their
3 judgements, and everything else.

4 Q So how do you know that NorthStars FinTech is
5 generating any cash flow?

6 A So that is pretty much what comes back at
7 returns, as returns. So when we kind of get back cash
8 flow returns so these are the companies which are
9 generating returns. And these are from the statements
10 which usually come back. So there is a way we know they
11 are generating cash flow from that. We are generating
12 return for investors.

13 Q Do you receive any documents from NorthStars
14 FinTech that shows what they are actually invested in or
15 what they are doing with this \$30 million?

16 A Not that I am aware of, but I am sure other
17 partners might know.

18 Q Why are you sure the other partners would
19 know?

20 A No. I am saying like because we have four of
21 us, I take care of Unicorn. The other partners kind of
22 take care of Intangibles as well. So they will have an
23 answer to your question. That's what I meant.

24 MR. BRAUN: Let me have you look at what's
25 been marked as Exhibit 49. This is a document from the

Page 174

1 Secretary of State's office for Texas.

2 (SEC Exhibit No. 49 was marked
3 for identification.)

4 THE WITNESS: Okay.

5 BY MR. BRAUN:

6 Q And do you see that NorthStars FinTech is just
7 an assumed name for GSM Eternal, LLC?

8 A Yes. I see.

9 Q And who is signing at the bottom of this
10 document? Who is signing for NorthStars FinTech?

11 A So see, this is the first time I am seeing
12 this document. So I see it says (crosstalk) --

13 Q I understand.

14 A -- Manivannan and Shanmugam.

15 Q And Mani is one of the founders of the venture
16 funds, correct?

17 A Yes. Of the entire Nanban Group of Companies.

18 Q Why is -- the statement of investments, why
19 does it say NorthStars FinTech instead of GSM Eternal?

20 A I wouldn't know. In fact, as I told you, I am
21 seeing this document for the first time.

22 Q What due diligence did you do before \$29
23 million was given to NorthStars FinTech from the
24 venture funds?

25 A So again, so my expertise lies on the Unicorn

Page 175

1 segment of it. So all my diligence and the entire
2 activities, I focus. When I say I, I, and my team, we
3 focus on startup companies, right? So in terms of other
4 kinds of investments, be it real estate or intangibles,
5 I don't get to the intricate level of details. And
6 that's why we have four partners. And we kind of rely
7 on the expertise of other partners to fill in the gaps.

8 In this case, my kind of complete expertise is
9 anything to do with startup investments. And that is
10 where the entire kind of diligence. All I spend all of
11 my energies in that particular vertical.

12 And again, to answer -- extend an answer to
13 your question, I am sure the legal team, they kind of
14 weight all the structures, and they will have any kind
15 of like explanation for your question right now. The
16 legal team should definitely have an answer as well.

17 Q Are you aware that GSM Eternal, which is what
18 this NorthStars FinTech is, that that is controlled by
19 GK, Mani, and somebody else? Are you aware of that?

20 A No. As I said, I have never gotten to the
21 details of these companies or any of the ownership
22 structure or anything of that sort.

23 Q Do you think as president of Nanban Ventures
24 you should be aware of that information before giving
25 \$30 million to the company?

Page 176

1 A So again, so we are all GPs, and president is
2 just a title, right? And I have repeated that my
3 expertise area is in startups and portfolio companies,
4 right? So I stick to what I am good at, what I am --
5 what -- where I bring my expertise in. And we rely on
6 other partners to bring their expertise in whatever they
7 are kind of experts in, right? So I don't dwell into
8 the details. So I didn't.

9 MS. MARTIN: Mr. Ramesh, before your testimony
10 today, did you believe NorthStars FinTech was a third-
11 party company that was not controlled by anyone involved
12 with Nanban?

13 THE WITNESS: No. To be -- I mean again, to
14 repeat the answer, I didn't even spend much energy in
15 kind of understanding what it is, and so on, and so
16 forth. Because I operate in my world. And my world is
17 moonshot opportunities. And anything that happens in
18 the real estate world or the intangibles, I rely on my
19 other partners.

20 (Crosstalk) even have a view on these
21 companies or anything else because all of us our
22 responsibilities kind of like informally kind of cut
23 out. And that's where I am -- all my focus is on
24 startup companies.

25 MS. MARTIN: So as the president of Nanban

Page 177

1 Ventures, you don't think it's important to know who
2 controls one of the companies where you -- where your --
3 where Nanban Ventures has invested \$30 million? You
4 don't think that's important?

5 THE WITNESS: So that's the whole point,
6 right? Titles are just titles. I mean they are just
7 like out there. It's not like a president is with a
8 restricted -- the strictest terms, the overseeing of
9 everything else. So I just look at it as a title. And
10 it is essentially only a title.

11 Because the other partners, if you look at
12 them, they are the executors of the entire Nanban Group
13 of Companies. And Nanban Ventures is just one small
14 vertical, right? I will eventually know, but I haven't
15 paid much attention or I haven't like really spent my
16 time on understanding the other kind of like intricate
17 details of other verticals per se if you can understand
18 what I mean.

19 MS. MARTIN: So another way as the -- as a GP
20 of Nanban Ventures, you don't think it's important to
21 know whether a company that Nanban Ventures has invested
22 almost \$30 million is a third-party entity, or
23 controlled by Mani, GK, and Gounder. You don't think
24 that's important information?

25 THE WITNESS: See, the whole point is all the

Page 178

1 four of us are GPs, right, not just me.

2 MS. MARTIN: Mr. Ramesh, I am not trying to be
3 difficult, but please answer my question. Yes or no?

4 THE WITNESS: That's exactly what I am
5 answering.

6 MS. MARTIN: Do you think it's important to
7 know, as a GP, that \$30 million of Nanban Ventures was
8 invested in a company that is controlled by GK, Mani,
9 and Gounder? Do you think that is an important fact?

10 THE WITNESS: It does -- definitely a
11 contributable factor.

12 MS. MARTIN: Do you think --

13 THE WITNESS: Yes.

14 MS. MARTIN: -- it's an important fact that
15 investors would like to know?

16 THE WITNESS: Yes.

17 MS. MARTIN: Okay. Did investors know that?

18 THE WITNESS: Did investors know that? I am
19 not very sure. I am not aware. Because we don't get
20 it. Because we invest in a host of portfolio companies,
21 right? For me, this is just another portfolio company.

22 For instance, we have invested in other portfolio
23 companies. We don't go and tell the investors who the
24 management is, who the CEO is, or anything of that sort.
25 So the level of information is constant across all the

Page 179

1 portfolio companies.

2 MS. MARTIN: In other words, from the
3 information that Nanban Ventures provide the investors,
4 there would have been no way for them to know that
5 NorthStars FinTech was actually a company called GSM
6 Eternal, LLC that was controlled by GK, Mani, and
7 Gounder, correct?

8 THE WITNESS: I would assume so. But again,
9 we kind of divulge NorthStars FinTech, and I am assuming
10 this is public information. If investors want, I am
11 assuming they can go find out the ownership of (audio
12 issue) entity.

13 I am not sure how that works in Texas, but I
14 would assume that and my legal team can find it out.
15 Just like how you pulled up this document, I am sure
16 this is public information, right? I don't know whether
17 you need special access to this document.

18 MS. MARTIN: Okay. But the main point is that
19 Nanban Ventures didn't disclose this fact to investors,
20 right?

21 THE WITNESS: No. We disclosed NorthStars
22 FinTech. And the very fact that this document, which
23 you are showing me right now, can be accessed by anybody
24 which means anybody could have accessed it if they
25 wanted to.

Page 180

1 MS. MARTIN: Okay. Thank you.

2 BY MR. BRAUN:

3 Q Mr. Ramesh, if you -- if your company --
4 remind me again the name of your company that you own,
5 the one that you set up in the U.S.

6 A Palk Bay.

7 Q I am sorry. What was it? Palk Bay?

8 A Palk Bay, Palk Bay, LLC.

9 Q Okay. If you were going to take \$30 million
10 of the Nanban Ventures money and have it go into Palk
11 Bay, you would disclose that you were the actual owner
12 of full pay to the other general partners before doing
13 it, correct?

14 A But wait, I am trying to understand the
15 question. But Palk Bay has nothing to do --

16 Q Sure.

17 A -- company at all.

18 Q Sure. Sure. I am just saying, if you were --
19 you're a company, and you were going to go ahead and use
20 and take \$30 million of the Nanban Ventures' money and
21 invest it or do whatever you were going to do in Palk
22 Bay before you even tried to do that, you would disclose
23 to Mani, and GK, and Mr. Gounder, like hey, this company
24 that we are going to be giving \$30 million to, I
25 actually control it. You would disclose that to them,

Page 181

1 wouldn't you?

2 A Yes.

3 Q And why was that not disclosed to you that

4 NorthStars FinTech was actually controlled by Mani, GK, and Mr. Gounder?

6 A I wouldn't know.

7 Q Is your testimony today is that before today, you had no idea that that was controlled by Mani, GK, or Mr. Gounder, correct?

10 A Yes.

11 Q What information were you provided about NorthStars FinTech before the \$30 million was invested in them from the Nanban Ventures Hub?

14 A I don't recall any specific information. As I told you, right, it falls under the Intangibles. And Intangibles, the decisions and kind of like all the groundwork is done by the other GPs. And it just comes to the investment committee as a this is the final decision or this for the approval.

20 And when I kind of figured out, hey, these are cash flow generating companies, I was like okay. No. We didn't discuss that in detail. At the end of the day, it's a cash flow investment and that's what we were keen on. And I relied on my other general partners to kind of do all the legwork in that particular vertical.

Page 182

1 Q Earlier, we were -- you were talking, and we are going to get on the next page too, I think, some of these startups that came from Unicorn. But I think earlier, you mentioned that there was a memo that was created for any of these venture capital investments that you were recommending, correct?

7 A Correct.

8 Q Is -- was there anything similar done for the Intangibles investments or the real estate investments?

10 A Yes.

11 Q Was there one of those done for NorthStars FinTech?

13 A I think so. Yes. I don't -- because it's been a while, but I am sure we have a memo for NorthStars FinTech as well. Yes.

16 Q So for all of the statement of investments, all of the investments in these various portfolio companies that Nanban Ventures invested in, there --

19 A Yes.

20 Q -- is a memo about that investment so that you and the other partners had an opportunity to learn about it and be able to make an educated decision about whether to invest, correct?

24 A Yes.

25 Q For the Intangibles investments -- well, let

Page 183

1 me back up. For the Unicorn investments, the venture capital ones that you were in charge of, you say --

3 A Yes.

4 Q -- you had a team of three people: you, you have your -- an analyst, and you had another person working with you, correct?

7 A That is correct. Yes.

8 Q Who was -- what was your counterpart to that for the Intangibles investments and the real estate investments? What team was in place at Nanban Ventures for those investments?

12 A So in terms of Intangibles, it's primarily GK, and -- mostly, and Sakthi and Mani, and they have experience in that particular field. So they didn't even need a team, but I am sure they have people assisting them on sort of the formal reporting chain.

17 And then for realty, it was Mani, and we also had some real estate investments. So again, the experience for real estate investments, Mani was completely handling it. Whether we needed a team for each of this, not as a formal capacity, but I am sure they consulted with experts wherever needed.

23 Whereas in venture capital, it is necessary because we see more than thousand-plus companies every year. I can do it all myself, but it's just not

Page 184

1 possible from one single person.

2 So just like a typical investment banking or venture capital kind of a setup, I needed my extended hands and legs on the ground and eyes and ears to do a turnover. Because a thousand-plus companies in a year is just way, way, way too much for a single person aspect.

8 Q How many venture capital funds have you been involved with, Mr. Ramesh, before the Nanban Venture Capital Funds?

11 A From the fund perspective as a fund manager, this is my first experience. But in terms of like the job duties and job roles, Flow Capital. And even before that, even on a personal capacity, I have invested in my personal funds for the last 10-plus years as an angel in my own ventures. I have also kind of like founded a couple of companies myself coming from the tech and finance background. So that's been going on for 10-plus years or now close to 14 years.

20 Q So before an investment, one of these investments we are talking about, NorthStars FinTech, Celina Hills, what is the best practice in terms of due diligence, and what you should do?

24 To make sure that you are making a prudent investment for the investors in the fund, what do you --

Page 197

1 capital industry and --

2 But then everything that we do is completely
3 kind of based on our kind of knowledge and our kind of
4 access to data at that particular point. And that's how
5 we go through this.

6 Q Do you know when NorthStars FinTech was
7 formed?

8 A No.

9 Q Well, I will represent to you was in March of
10 2021.

11 A March.

12 Q So --

13 A I see.

14 Q 2021, yeah. And then \$30 million was given to
15 that company in 2022 at the end of the year.

16 A Okay. So this again, Mr. Braun. So the
17 entire process I explained is for unicorns which I and
18 my team do. And the other GPs, the three other GPs, I
19 am sure they have their own process for both Intangibles
20 and Solid Assets.

21 Q What do you know about Sunshines FinTech?

22 A So that again, not much. Again, it flows to
23 the Intangibles. That's what I know.

24 Q Okay. It's almost \$22 million of the Nanban
25 Ventures Fund investors' money, isn't it?

Page 198

1 A Right.

2 Q Looking at the statement of investments, that
3 is the second largest investment by a significant
4 amount, correct, by a huge amount?

5 A That is correct. And again, looking at the
6 same statements, it's the NorthStar and Sunshine which
7 is getting very healthy cash flows too it looks like it.

8 Q Do you know who controls Sunshines FinTech?

9 A No.

10 Q Do you know that Sunshines FinTech has another
11 name?

12 A No. I don't.

13 MR. BRAUN: You are going to like this. Let
14 me go ahead and introduce this exhibit for you.

15 THE WITNESS: Okay.

16 MR. BRAUN: Let's introduce Exhibit No. 50,
17 please. So here's an assumed name certificate.

18 (SEC Exhibit No. 50 was marked
19 for identification.)

20 THE WITNESS: Okay.

21 BY MR. BRAUN:

22 Q So Sunshines FinTech is actually Centum
23 FinTech. Do you know who -- you don't know who controls
24 Centum FinTech?

25 A No.

Page 199

1 Q Would it surprise you if it was controlled by

2 Mani, GK, and Mr. Gounder?

3 A Not after you told me about NorthStar.

4 Q (Laughs.) Let the record reflect I am

5 laughing because that's actually a very good answer.

6 And do you know when Sunshines FinTech was formed before
7 \$21 million was over to it at the end of 2022?

8 A No.

9 Q December 29th of 2021. Basically, the -- like

10 a day or two before 2022. So within a year of it being

11 formed, Nanban Ventures gives it 21 million almost \$22
12 million of the Investor's Fund.

13 A I see.

14 Q You didn't know that though, did you, correct?

15 A I didn't know -- this is the first time I was

16 looking at -- I am seeing this document.

17 Q GK, Mani, and Mr. Gounder should have told you

18 that they controlled Sunshines FinTech. Shouldn't they
19 have?

20 A Ideally, yes.

21 Q It's not a trick question. They should have,

22 and they didn't tell you that. Did they?

23 A It wasn't discussed.

24 Q If you knew that GK, Mani, and Mr. Gounder

25 controlled NorthStars FinTech, controlled Sunshines

Page 200

1 FinTech, would you have had some questions you wanted to
2 get answered before giving that -- those two companies
3 \$50 million?

4 A Maybe. In retrospect, maybe.

5 Q Looking at the statement of investments, point

6 out to me. We are going to go -- we will look at the

7 first page and the second page. Which investments are

8 the Unicorn investments that you say that you were in

9 charge of? Which ones were they?

10 A I don't see anything in the first page.

11 Q Okay.

12 A Yes. All of these are bought for Interlock
13 Partners. Everything else came through Unicorn.

14 Q Interlock Partners did not but the rest are
15 Unicorn.

16 A Yes.

17 Q So I am adding that up, and I come to 3.9

18 million and change that is the amount of money in the

19 venture capital funds that went to actual venture

20 capital entities. Does that look about right to you?

21 If I represent you that this amount on the second page,

22 subtracting out Interlock Partners, and I am sure we can

23 have someone correct me if I am wrong. But I come up

24 with 3.9 million and change. Does that look like an

25 accurate amount to you? I will represent to you it is.

Page 201

1 A Yes. I mean if you are adding up all these
2 numbers, these are the numbers.

3 Q Okay. So \$3.9 million went to venture
4 capital. The other 80 -- let's see the other 76 million
5 and change went to all these other investments, real
6 estate, and intangibles, correct?

7 A Yes. But those are all also private
8 companies. All are kind of like venture capital
9 investments. Internally, we kind of like segregate
10 here. But if you look at the holistic, every investment
11 that are have made, they are all into companies, private
12 companies. No public entities, not directly into
13 markets. All are portfolio companies.

14 Q And your testimony is that the only
15 investments that you actually looked into and did any
16 due diligence on were the ones that are on the second
17 page except for Interlock Partners. Is that correct?

18 A That is correct.

19 Q What do you know -- going back to the first
20 page on the statement of investments, what do you know
21 about Himalayan FinTech?

22 A Again, at this point, I think you should -- I
23 am sure you are going to be showing me exhibits on
24 Himalayan FinTech too.

25 Q I am just asking you what do you know about

Page 202

1 Himalayan -- it's not a trick question. What do you
2 want about --

3 A This is again --

4 Q -- Himalayan FinTech?

5 A I know -- what I know is this is again,
6 through the Intangibles vertical. It was invested
7 through Intangible SPV.

8 Q What do you know about Homz Global Holdings?

9 A That was invested through the Solid Assets,
10 LLC -- the SPV.

11 Q Do you know anything about that entity, Homz
12 Global Holdings?

13 A Not to an intricate detail. From a holistic
14 level, yes.

15 Q What do you know about the -- well, let's
16 just -- I think to kind of speed this up. Sitting here
17 today, what do you know about the due diligence that was
18 done for the companies on the first page of Exhibit 48?

19 A Yes. I know every investment has its
20 investment memo. And you know investment memos were
21 floated. It's just that I don't recall every minute
22 detail.

23 Q So anything that you know about the due
24 diligence that was done for all of these entities or
25 investments on the first page of Exhibit 48 would be

Page 203

1 encapsulated in those memos you are talking about,
2 correct?

3 A That is correct. Yes.

4 Q So, Mr. Ramesh, before you make the decision,
5 did you have to agree to these -- all the statement of
6 investments, did each of the founders and you, the four
7 people on the investment committee, did all of you have
8 to agree to have an investment made before it was
9 actually made?

10 A Yes. That is our process. It's primarily
11 like a majority kind of a thing, but usually it is
12 unanimous. It's a majority. It's like the four of us,
13 and we rely on each other's expertise, right?

14 Q Were any of the investments on the statement
15 of investments -- Exhibit 34, on both pages, were any of
16 those investments made that without it being a unanimous
17 decision?

18 A I don't recall, but we have had discussions,
19 right, when we talk about pros and cons, but I don't
20 know. I don't recall.

21 Q So to the best of your knowledge, all these
22 investments were made with all four of the general
23 partners, you, GK, Mani, and Mr. Gounder are all looking
24 at these investments and agreeing to it. Is that your
25 best recollection?

Page 204

1 A That's my best recollection. Yes.

2 MR. BRAUN: Okay. Let me show you what's been
3 marked as Exhibit 51.

4 (SEC Exhibit No. 51 was marked
5 for identification.)

6 THE WITNESS: Yes.

7 MR. BRAUN: And we are going to need that --
8 yeah. Thank you very much, Matilda.

9 THE WITNESS: And what is this?

10 MR. BRAUN: We're going to get this --

11 THE WITNESS: What did you say? And the fonts
12 are pretty --

13 MR. BRAUN: Yeah. We are going to --

14 THE WITNESS: -- small.

15 MR. BRAUN: Yeah. We are going to we are
16 making it a little bit bigger. And then we are going to
17 ask you about this document and --

18 THE WITNESS: You know what document is this?

19 MR. BRAUN: Well, that's what I am going to be
20 asking you about. Give me a second. We are going to
21 get it -- let's get it all zoomed in. And we will
22 maximize the page and get this all up for you.

23 THE WITNESS: Right. Okay. Maybe you will be
24 able to go to 225 if there is a 225. There we go. We
25 can scroll it over a little bit, Mr. Ramesh.

Page 225

1 we're -- all I am trying to figure out is when you first
 2 got involved in Nanban Ventures, was it always your
 3 understanding that out of this massive pool of money,
 4 this \$80 million, 70, whatever was raised, this big,
 5 significant chunk of money, that only a small percentage
 6 was going to actually be invested in those startup
 7 venture capital companies that you handle?
 8 A Not that small because venture capital is an
 9 ad hoc business. And the understanding was always if we
 10 find the right opportunities, we will go after the right
 11 opportunities. We just wait. As I told you, we see a
 12 thousand-plus companies a year, and we will end up
 13 investing in like seven to eight companies, right?
 14 So there is no ceiling. And there is no
 15 floor. It -- we take the deal flow as it comes, and we
 16 take it to the floor. It so happens right now it is
 17 around \$4 million, but we never know. In the next six
 18 months to a year, it might really balloon up.
 19 Everything depends on the quality of companies we come
 20 across and the kind of investment opportunities that
 21 come across the table.
 22 Q Were you -- did you always know that a
 23 significant portion of the fund, venture fund investor
 24 money, was going to be invested in these cash flow
 25 companies and companies other than startup venture

Page 226

1 capital?
 2 A Yes. I know like we had to -- because we are
 3 distributing to investors, I know we have to invest in
 4 cash flow-generating companies. That was always the
 5 understanding.
 6 Q I am sorry. Say that again.
 7 A Yes. The understanding is, yes, we will have
 8 to invest in cash flow-generating companies, right, to
 9 generate the returns. So the venture capital inherently
 10 the startups, pre-revenue startups, and early-stage
 11 startups, inherently they are illiquid, right? So the
 12 understanding was always there but the exact percentage
 13 and the kinds of things, that has always been very
 14 fluid. We take it as it comes.
 15 Q Why was there always the understanding that
 16 you were -- that Nanban Ventures was going to have to
 17 invest in cash flow companies?
 18 A No. That is pretty much the investment theses
 19 which we also present in our PPM, and we talk about
 20 exactly as you are pointing out, Nanban Ventures launch.
 21 We have a targeted returns and that is a USP for us to
 22 give back cash flow to investors twice a year. That is
 23 where -- that's how we differentiate ourselves in the
 24 market.
 25 Q You know when you talk about the cash flow

Page 227

1 that was coming from some of those statement of
 2 investments companies we talked about, NorthStars
 3 FinTech, Centum FinTech. Do you know what I am talking
 4 about? Are you with me?
 5 A Yes, yes.
 6 Q Okay. What was done to verify that those cash
 7 flow returns were actually returns from whatever was
 8 being done with the money?
 9 A So again, I completely --
 10 Q Do you understand the question?
 11 A Yes. I understand the questions, and I
 12 completely rely on my other partners for that. As I
 13 told you, I don't dive deep into it. I stick to my swim
 14 lane which is investing in moonshot startups. And we
 15 have the statement of returns --
 16 Q So --
 17 A -- they kind of like publish, and that is what
 18 I rely on.
 19 Q So there was never -- you never had done any
 20 analysis to determine, for example, whether \$3 million
 21 coming back as cash flow was, in fact, cash flow from
 22 investments that was being done, rather than just them
 23 taking money that they got and giving it back and
 24 calling it returns. You never did an analysis like
 25 that, correct?

Page 228

1 A Yes.
 2 Q Yes, you never did that analysis, right?
 3 A Yes. I never did that analysis --
 4 Q Okay.
 5 A -- myself.
 6 Q Looking again at this Nanban Ventures launch
 7 presentation, how many of these types -- again, going
 8 back to what we talked about before. Now we have shown
 9 you a couple of documents. How many presentations have
 10 you done about Nanban Ventures, whether it's the launch,
 11 or just informing potential investors about what it is
 12 that Nanban Ventures does, or is? I mean how many of
 13 those have you done?
 14 A From what I recall, maybe one or two because I
 15 am not -- I don't -- I typically do this on a regular
 16 basis so maybe one or two. A few and that's about it.
 17 Q And in those presentations, you used
 18 PowerPoint. You used slides. You used presentation
 19 materials to explain things.
 20 A Yes. And again, also to clarify. So every
 21 six months, we make distributions to investors, right?
 22 So we have a webinar for existing investors to walk them
 23 through what investments we made. If you count that as
 24 a presentation, then yeah, once, I mean twice every
 25 year.

Page 249

1 PROOFREADER'S CERTIFICATE

2

3 In The Matter of: NANBAN INVESTMENTS, LLC ET AL.

4 Witness: Kutraleeshwaran Veerabadran Ramesh

5 File No. FW-04440-A

6 Date: Thursday, March 16, 2023

7 Location: Fort Worth, Texas

8

9 This is to certify that I, Carol E. Amato,
 10 (the undersigned), do hereby certify that the foregoing
 11 transcript is a complete, true, and accurate
 12 transcription of all matters contained on the recorded
 13 proceedings of the investigative testimony.

14

15 3/29/2023

16 (Proofreader's Name) (Date)

17

18

19

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21

22

23

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Page 250

1 REPORTER'S CERTIFICATE

2

3 I, Kevin Carr, reporter, hereby certify that the
 4 foregoing transcript of 236 pages is a complete, true,
 5 and accurate transcript of the testimony indicated, held
 6 on March 16, 2023 at Fort Worth, Texas in the matter of:
 7 Nanban Investments, LLC et al.

8

9 I further certify that this proceeding was recorded by
 10 me, and that the foregoing transcript has been prepared
 11 under my direction.

12

13

14 Date: 3/29/2023

15 Official Reporter:

16

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REPORTER'S CERTIFICATE

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I, Kevin Carr, reporter, hereby certify that the foregoing transcript is a complete, true, and accurate transcript of the testimony indicated, held on March 16, 2023 at Fort Worth, Texas in the matter of: Nanban Investments, LLC et al.

I further certify that this proceeding was recorded by me, and that the foregoing transcript has been prepared under my direction.

Date: 3/29/2023

Official Reporter:

A rectangular box containing a handwritten signature in black ink. The signature appears to read "Kevin E. Carr".

EXHIBIT 48

Page 1

1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION
2
3 In the Matter of:)
4) File No. FW-04440-A
5 NANBAN INVESTMENTS LLC)
6
7 WITNESS: Sudha Periasamy
8 PAGES: 1 through 202
9 PLACE: Securities and Exchange Commission
10 801 Cherry St #19
11 Fort Worth, TX 76102
12 DATE: Thursday, May 4, 2023
13
14 The above-entitled matter came on for hearing,
15 pursuant to notice, at 9:37 a.m.
16
17
18
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21
22
23
24 Diversified Reporting Services, Inc.
25 (202)467-9200

Page 2

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23 Matilda Singleton, Paralegal
24
25

Page 3

C O N T E N T S		
3	WITNESS	EXAMINATION
4	Sudha Periasamy	11
5	EXHIBITS: DESCRIPTION	IDENTIFIED
6	82 SEC Subpoena dated 04/20/2023	9
7	83 Background Questionnaire	14
8	116 String of Chats from Telegram	30
9	84 Nanban Ventures Intangible Assets LLC	
10	Balance Sheet as of 12/31/2022	88
11	48 Statement of Investments Document	112
12	85 Nanban Ventures Solid Assets Balance	
13	Sheet as of 12/31/2022	123
14	86 Nanban Ventures Unicorn LLC Balance	
15	Sheet as of 12/31/2022	150
16	87 Nanban Ventures Nile Fund LP Audited	
17	Financial statements	152
18	88 Nanban Ventures AAA Fund LP Unaudited	
19	Financial Statements	159
20	89 Nanban Ventures Ganga Fund LP	
21	Unaudited Financial Statements	170
22	90 Nanban Ventures Abundance Fund LP	
23	Unaudited Financial Statements	171
24	51 Distribution Chart dated 12/31/2022	180
25	93 Investor Information Document	183

Page 4

C O N T E N T S		
3	EXHIBITS DESCRIPTION	IDENTIFIED
4	91 Investment Information Document	
5	Relating to Earnings Distributions	185
6	92 Investment Information Document	
7	Relating to Earnings Distributions	187
8	63 Nanban Ventures Intangible Assets	
9	Bank Statement 07/01/22 to 07/31/22	191
10	68 Nanban Ventures Intangible Assets	
11	Bank Statement 09/01/22 to 10/02/22	195
12		
13		
14		
15		
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17		
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Page 41

1 regular paycheck, or do you receive a 1099?
 2 A I receive a 1099.
 3 Q And do you hold yourself out at this Chief
 4 Financial Officer or CFO of any of the Nanban group of
 5 companies?
 6 A Can you repeat that again please?
 7 Q Are you the Chief Financial Officer for any of
 8 the Nanban companies?
 9 A Yes. I'm the Chief Financial Officer of
 10 Nanban group of companies.
 11 Q And you serve in that capacity through your
 12 CPA business. Is that right?
 13 A Well, you can say that. Basically, like most
 14 of the companies, they prefer their CFO have a CPA
 15 certification as well. That adds additional benefit.
 16 That's why. Yes.
 17 Q And we're going to get into this. We're going
 18 to break down -- I mentioned the Nanban group of
 19 companies. So can you please explain which entities
 20 that are part of the Nanban group of companies you serve
 21 as CFO of?
 22 A Nanban Enterprise, Nanban Investments, and
 23 Nanban Ventures.
 24 Q So you serve as CFO of Nanban Enterprise,
 25 Nanban Investments, and Nanban Ventures?

Page 42

1 A Yes.
 2 Q And so what -- so let's start with Nanban
 3 Enterprise. What are your responsibilities -- what is
 4 your role and responsibilities at Nanban Enterprise?
 5 A As a CFO, I take care of their finance and
 6 accounting and manage the tax and tax related
 7 activities.
 8 Q And what are your CFO responsibilities at
 9 Nanban Investments?
 10 A The same thing, manage their finance,
 11 accounting, as well as tax.
 12 Q And what about Nanban Ventures. What are your
 13 CFO responsibilities?
 14 A Pretty much the same, take care of all the
 15 finance, the fund's accounting, as well as tax filing
 16 and preparation.
 17 Q And would you please explain -- in your
 18 capacity as CFO, please explain to us what exactly --
 19 what kind of work are you doing on a daily basis. I'm
 20 trying to understand what is involved in being CFO of
 21 the Nanban companies.
 22 A Mainly I take care of whenever they need to
 23 transfer funds from different projects and maintain the
 24 bookkeeping and accounting. And finally accordingly, we
 25 file the tax returns at the end.

Page 43

1 Q And when it comes to transferring funds, can
 2 you explain how a typical scenario how you would go
 3 about transferring funds? Who would ask you to transfer
 4 funds?
 5 A Generally, the GP, the general partner, would
 6 provide the instructions. Accordingly, I manage the
 7 funds on a daily basis.
 8 Q And when you receive instructions, for
 9 instance, to transfer funds, do you automatically issue
 10 payment and approve the financial transaction?
 11 A No. Usually, the instructions will come from
 12 GP. Accordingly, I act.
 13 Q Okay. Now, GP stands for what again? What
 14 does that mean?
 15 A General partner of these entities.
 16 Q Right. And up front, we mentioned the general
 17 partners were GK, Sakthi, Mani, and Kutral. Is that
 18 right?
 19 A Yes, that's correct.
 20 Q Okay. When you receive instructions to
 21 transfer monies, are these instructions in writing?
 22 A Mostly these instructions will be in email,
 23 sometimes phone calls.
 24 Q And do you have -- how do you verify or
 25 quality assure the financial transaction or payments

Page 44

1 when you receive these instructions?
 2 A Well, like as soon as I receive instructions,
 3 I either email or I text message. Most of the time, I
 4 call them back, make sure it's legitimate, one. Is it
 5 going to the right account? I'll check with them. Then
 6 I'll schedule it.
 7 Q And as the CFO of Nanban, do you do any
 8 diligence to ensure that payment or transfer is for a
 9 legitimate purpose?
 10 A Yes. When I have doubts, always, I call them,
 11 make sure is it going to the legitimate account. Then
 12 I'll schedule it.
 13 Q And for what reason might you have doubts
 14 about certain transactions?
 15 A Because when we receive email from our general
 16 partners, it could be a spam because nowadays it's quite
 17 common, right. So if it is really not the usual way,
 18 the email doesn't look very legitimate to me, obviously,
 19 I'll call them, make sure it's correct. Then I will
 20 proceed.
 21 Q So you verify. Do they tell you as CFO why
 22 the transfer is necessary?
 23 A Most of the time they explain to me where it
 24 goes, what is the purpose. Then I schedule it.
 25 Q And do you do any, I guess, independent

Page 53

1 A We use QuickBooks online.
 2 Q And when you say online, like the information
 3 is stored in the cloud. Is that the version of
 4 QuickBooks we're talking about?
 5 A Yes, that's correct.
 6 Q Any idea whether -- which version of
 7 QuickBooks you're using? Is it Online Plus, Online
 8 Essentials, or Online Advanced?
 9 A I think it's Online Advanced.
 10 Q Okay. Now, let me take a step back because we
 11 were talking about your roles and responsibilities and
 12 which entities. Let me go back to entities real fast.
 13 You mentioned that you're the CFO at Nanban Enterprise,
 14 Nanban Investments, Nanban Ventures. What about Nanban
 15 Realty?
 16 A No. I'm not related to that.
 17 Q And what about Nanban Foundation?
 18 A No. I think I mentioned I'm their CPA. They
 19 are my tax client.
 20 Q I have a question. You mentioned -- we were
 21 talking about the transfer of payments earlier. Do you
 22 independently review financial transactions that are
 23 going out to third parties to assure that the third-
 24 party should receive the funds?
 25 A Yes.

Page 54

1 Q And how do you go about doing that?
 2 A Usually, I receive email instructions as well
 3 as sometimes phone calls from all the three GPs. Once
 4 I've received it, if I have any questions, I'll reach
 5 out to them before I schedule it. Then I schedule the
 6 payment. Sometimes, GP says like you can contact the
 7 recipient and verify, then send it. So I call them,
 8 whatever the number listed in the instructions. I call
 9 them. I talk to them, make sure it's legitimate. Then
 10 I forward it. After forwarding it -- after the wire or
 11 ACH transaction, once it's done, most of the time I
 12 reach out to them, make sure they received it at their
 13 end.
 14 Q And do you have a role in handling the
 15 finances for the Nanban Ventures funds individually?
 16 A What do you mean individually? Sorry. I
 17 didn't get it.
 18 Q Yes. Do you have a role in handling the
 19 finances for the Nanban Ventures AAA Fund?
 20 A We do have a third-party fund management
 21 company. Their name is Vistra, V-i-s-t-r-a. We hand
 22 over all these activities to them. Their responsibility
 23 is to take care of all these fund movements, as well as
 24 taking care of bookkeeping for these funds. So that
 25 being said, like my involvement is very much minimal.

Page 55

1 Q So minimal, what exactly is your involvement
 2 with this portion with Vistra?
 3 A Well, Vistra once they receive the funds and
 4 manage everything, periodically on a monthly basis,
 5 sometimes on a quarterly basis, they will provide all
 6 the reports to us. It's my duty to review it.
 7 Q And do you -- are you -- do you send the
 8 information to Vistra? How does Vistra know what to
 9 compile, what information to compile?
 10 A Yes. We on a periodical basis, we give
 11 instructions to Vistra, what are the reports we would
 12 like to see on a periodical basis. So they compile and
 13 they provided those reports. Once we review and
 14 approve, they will proceed further.
 15 Q And who is the point person that interfaces
 16 with Vistra?
 17 A There are multiple different verticals there
 18 within Vistra, so I mainly work with the individual who
 19 is responsible for the finance and accounting at their
 20 end.
 21 Q So is there a primary person that corresponds
 22 and talks to Vistra?
 23 A Yes. Her name (simultaneous conversation.)
 24 Q Who is -- I'm sorry. Go ahead. Sorry.
 25 A Her name is Gulsey Troneli.

Page 56

1 Q Would you please spell that name for us
 2 please?
 3 A Gulsey, G-u-l-s-e-y, Troneli, T-r-o-n-e-l-i.
 4 Q And would you please explain again what
 5 services Vistra provides to Nanban?
 6 A Sure. So Vistra is a fund management firm, so
 7 once they onboard our funds into their system, they have
 8 the access to our bank accounts for the fund. So they
 9 manage what the funds received on a periodical basis.
 10 Then based on our instructions, they will deploy the
 11 funds into different opportunities, and they will record
 12 these transactions. They generate reports out of it,
 13 and they provide to us.
 14 Q And you mentioned that they basically allocate
 15 based on instructions. Who provides instructions to
 16 Vistra?
 17 A All the general partners, GK, Sakthi, Mani,
 18 and Kutral.
 19 Q And do GK -- do the general partners -- do
 20 they communicate directly with Vistra?
 21 A No. All the instructions will go through me.
 22 Q Okay. And so do you communicate directly with
 23 Vistra for purposes of these instructions?
 24 A Yes, I do.
 25 Q Would you mind just giving us an example just

Page 57

1 to provide some color? Like what types of -- give us an
 2 example of instructions you might be providing to
 3 Vistra.
 4 A Sure. For example, once we received the funds
 5 -- we have multiple funds in the ventures, for example,
 6 Nanban Ventures AAA Fund. Once the fund is received in
 7 the fund bank account, so they will -- Vistra will let
 8 us know how much is collected in that particular month.
 9 We will let them know based on our Investment
 10 Committee's advice. Our GP will reach out to me, and
 11 they will provide instructions. Okay. We can wire the
 12 funds to this particular project. I will provide that
 13 instruction to Vistra. Vistra will execute that.
 14 Q Do you have a primary contact at Vistra that
 15 you talk to to provide instructions for instance?
 16 A I think I provided that information to you a
 17 few minutes back. Her name is Gulsey Troneli.
 18 Q Okay. And you mentioned that at some point
 19 you review and verify information received back from
 20 Vistra. What is your process of review?
 21 A That, for example, Vistra is managing not only
 22 the funds but also the accounting for these
 23 transactions. So on a monthly basis, they provide the
 24 bank reconciliation details, as well as the financial
 25 statements. So I review them and I'll -- if there is a

Page 58

1 discrepancy, we let them know, and they'll correct it
 2 accordingly. If everything looks okay, we sign off from
 3 that. Then they generate the reports as a final.
 4 Q And I think you mentioned you received
 5 instructions from general partners. Which general
 6 partners do you primarily receive instructions from on
 7 the Vistra related work?
 8 A Mostly from all four of them.
 9 Q Okay. Do you hear from one general partner
 10 more than another?
 11 A Sorry. I missed it. Can you repeat it?
 12 Q Do you hear from some general partners more
 13 than others?
 14 A Mostly, yes. They will -- the Investment
 15 Committee also will be copied on that email, so based on
 16 the Investment Committee's guidelines and advice,
 17 recommendations, the general partner will provide the
 18 details to me. Then I will pass it on to the Vistra
 19 team.
 20 Q Who do you hear most frequently from among the
 21 general partners?
 22 A Not particularly. All four of them will be
 23 copied. It depends on sometimes like which investment
 24 committee is reaching out to general partner, so either
 25 one will write the email, but mostly all of them will be

Page 59

1 copied in that email.
 2 Q Do you hear from GK most frequently for
 3 instructions?
 4 A No. That's what I said. Like it is not
 5 particularly GK or particularly Sakthi or Mani. It
 6 depends on what project, who is working on it. All four
 7 of them will write email to me.
 8 Q Okay. Let's talk for a second about the --
 9 you mentioned this concept a couple of times about an
 10 Investment Committee. Explain to -- please explain what
 11 is the Investment Committee. What do they do?
 12 A They usually -- when a good opportunity comes
 13 to the table, they would review it. They'll analyze the
 14 feasibility of the project. If everything sounds good,
 15 they will recommend that to general partners. So this
 16 is where the Investment Committee plays the role.
 17 Q And who sits on the Investment Committee?
 18 A The Investment Committee under the ventures,
 19 we invest into three different verticals. One is in the
 20 cashflows, and the other one is into real estate, the
 21 other one into the (audio interference) ventures. So
 22 each vertical, they have their own investment committee.
 23 Q So there's -- do I hear there's three
 24 different investment committees, one for ventures, one
 25 for cashflow, one for real estate? I'm sorry.

Page 60

1 A Yes. They do because each will come with a
 2 very heavy experience in that particular vertical so,
 3 yes.
 4 Q Okay. Well, let's talk about the vertical for
 5 the Ventures Investment Committee. Who sits on that
 6 committee?
 7 A I don't remember the individual names, but
 8 usually like that committee is managed by Kutral under
 9 his vertical.
 10 Q Do any other general partners sit on the
 11 Ventures Investment Committee?
 12 A Generally, all four will be involved in all of
 13 these projects, and before they decide on these
 14 projects, they -- often, they will be involved in this
 15 investment committee. Yes.
 16 Q So you're saying all four general partners sit
 17 on the investment ventures -- the Ventures Investment
 18 Committee. Is that correct?
 19 A That's what I know of, yes.
 20 Q Do you participate in the Investment
 21 Committee?
 22 A No. I am not part of that.
 23 Q So let's look at the cashflow vertical, I
 24 think, as you've called it. Tell us about who sits on
 25 that Investment Committee.

Page 101

1 Q And have they earned any money in 2022?

2 A That I don't know yet. When -- like since we
3 filed a tax extension, we didn't reach out to the client
4 yet. So I don't know how their income in 2022 looks
5 like.

6 Q So when you prepared the QuickBooks for
7 Himalayan FinTech LLC, did you see any deposits that
8 looked like income?

9 A No. I don't see that yet.

10 Q NorthStars FinTech LLC, \$20.8 million, that's
11 GSM Eternal, correct?

12 A Yes, that's correct.

13 Q And the \$20.8 million, again, that's a loan?

14 A Yes, that's correct. It's all similar to what
15 we discussed thus far regarding Sunshine as well as
16 Himalayan.

17 Q And what does NorthStars FinTech or GSM
18 Eternal do to earn money?

19 A Similar to Sunshine, so like they invest into
20 various cashflow strategies. They have their own
21 proprietary strategies, so -- to generate the cashflow.

22 Q So has GSM Eternal made any income in 2022?

23 A They should because still like we didn't
24 prepare the tax return and file it yet. We filed an
25 extension. I guess they made some income, but I'm not

Page 102

1 really -- like I didn't -- as an accountant, I didn't
2 receive the details yet.

3 Q But in preparing and going through QuickBooks
4 at least monthly to do the bank statement, did you see
5 any income deposits into GSM Eternal?

6 A No. A few of the months, yes, they -- I see
7 some income, but at the yearend, so far like it's --
8 these are all fairly new entities in the year 2022.
9 2021 when we filed, they provided the 1099 brokerage
10 statement and a couple of other details. Accordingly,
11 we prepared. So for the year 2022, we didn't receive
12 anything yet.

13 Q So for 2021, you said you received the 1099
14 brokerage statement and a couple of other details. What
15 were the couple of other details that you received?

16 A The other details also related to the 1099
17 brokerage statement, say like a dividend interest.

18 Q So was there anything else?

19 A No, not that I'm aware of.

20 Q So GSM Eternal and Centum FinTech are only in
21 the business of trading stocks?

22 A I guess so because I said clearly they may be
23 into different cashflow strategies. As a tax
24 accountant, I maintain their books and do the tax
25 filing. Other than that, I'm not CFO of those FinTechs,

Page 103

1 so I don't know much detail about it. But one thing,
2 they're not only investing into stock strategies. They
3 have other cashflow strategies. They are through that
4 way making money as well. That's what like they shared
5 with me.

6 Q What do you mean by cashflow strategy?

7 A Cashflow strategies, I don't know the
8 technicalities because, as I said earlier today, I hear
9 them -- cashflow strategies, they have multiple
10 different things. It is their IP, their intellectual
11 property, so like they keep that proprietary. So I
12 never ask those things because it is irrelevant to me in
13 my role.

14 Q So let's talk about that for a second,
15 intellectual property. Do they create some kind of
16 software? What's their intellectual property that
17 they're creating? Do you know?

18 A No. Again, the same thing. In my capacity,
19 that is irrelevant to me, so if I have any questions
20 related to their books, their bank, their accounting,
21 then the tax, I reach out to them, and we do
22 accordingly.

23 Q So on a monthly basis when you're doing the
24 bank reconciliations, have you had any questions about
25 their deposits and what income -- what money is coming

Page 104

1 into GSM Eternal, i.e. NorthStars FinTech?

2 A I don't remember that, but as I said earlier,
3 like yes, if I have any questions related to that
4 particular transaction, we reach out to them. They will
5 provide the details, and we book the transactions
6 accordingly.

7 Q As you sit here today, do you remember having
8 any questions regarding a specific transaction?

9 A Unfortunately, no. I don't remember any
10 transaction on top of my head because hope as an
11 accountant you can understand. Like we deal with a lot
12 of different transactions on a daily basis, right, so I
13 don't remember anything.

14 Q Okay. Down below a little bit further on this
15 entity, it says Equity Capital Contributions, and
16 earlier, you were saying that the HUB is what invests
17 into the SPVs. Is all this money, the capital
18 contributions, and the opening balance equity -- is that
19 all money from Nanban Ventures HUB LLC?

20 A Yes, that's correct.

21 Q And Nanban Ventures HUB receives its money
22 from the five venture funds. Is that correct?

23 A Can you repeat that, Laura?

24 Q Sure. So the HUB invests or contributes to
25 Intangible Assets, Solid Assets, and Unicorn, correct?

Page 113

1 A We prepared. We in the sense of finance and
2 accounting team prepared the Statement of Investments.

3 Q So you and your accounting team, you and the
4 two other accountants that work for Nanban Enterprise
5 prepared this?

6 A That's correct.

7 Q Was this document shown to investors?

8 A Yes.

9 Q On about the fourth line down, do you see
10 NorthStars FinTech?

11 A Yes, I do.

12 Q And it says the amount is \$29,615,439. Do you
13 see that?

14 A Yes, I do.

15 Q Do you remember when we were discussing just a
16 few minutes ago Nanban Intangible Assets' Financial
17 Statements that NorthStars FinTech showed a total of
18 approximately \$21 million? If you'd like, we can pull
19 that back up. Matilda, why don't you pull that back up
20 please. Under Other Current Assets, the third line
21 down, NorthStars FinTech shows \$20,823,619. Why is
22 there a difference between the two exhibits?

23 A Okay. When -- well, like we constantly deploy
24 money into these FinTechs and whenever necessary because
25 HUB -- the entity HUB is responsible to manage all the

Page 114

1 three SPVs. For example, when we deploy say like a 5
2 million into one of the FinTechs, whereas the meanwhile
3 if we have a very good opportunity in other SPV which is
4 even better than the FinTech or based on our GPs
5 recommendation, the investment professional's
6 recommendation, sometimes we can hold that back from the
7 FinTech and put it back into the other opportunities.
8 That's why like it doesn't really tie back with the
9 financial statements.

10 Q So when was this prepared?

11 A I think this is prepared right before like
12 November or December. I don't remember the exact date,
13 so usually these numbers once we prepare, we review with
14 the GP based on their advice. Okay. If they want us to
15 move from one SPV to the other SPV, we do it
16 accordingly. That's why it doesn't match. Probably it
17 looks like this is prepared before the financial
18 statements. Later on when we prepare the financial
19 statements, we exchange that investment from one
20 vertical to the other.

21 Q So at the time this statement was prepared,
22 the Intangible had given NorthStars FinTech, i.e. GSM
23 Eternal, \$29.6 million.

24 A Yes.

25 Q And between the time of this statement and the

Page 115

1 time of the financial statements, GSM Eternal returned
2 approximately \$9 million back to Intangible?

3 A Yes, back to Intangible, then Intangible -- in
4 return, like that might have provided to either one of
5 the other verticals. And accordingly, it is like
6 deployed, or it could be a return of capital back to
7 Intangible, back to HUB, then back to the investors. It
8 could be anything.

9 Q So that \$9 million could've gone from GSM
10 Eternal, i.e. NorthStars, to Nanban Ventures Solid
11 Assets?

12 A Possibly. I don't know at this point. Like I
13 couldn't remember exactly which SPV received it or
14 whether it is received directly by the HUB. I couldn't
15 -- I didn't remember because it happened sometime almost
16 four months back, end of 2022 quarter four. So I don't
17 remember, but always like I can go back and check and
18 let you know.

19 Q So money just moved into -- so Intangible puts
20 money into NorthStars FinTech as it gets it, and then if
21 it wants to do something else with it, it holds it back
22 from NorthStars FinTech and puts it somewhere else. I
23 guess I'm confused on the flow of funds. I'm confused.
24 Is there no requirement on the loan to GSM that they
25 hold the money for a certain period of time, or that GSM

Page 116

1 needs the money for a certain purpose? I'm confused
2 about the loan structure between NorthStars FinTech,
3 i.e. GSM, and Intangible Assets.

4 A Okay. Well, I can clarify as much as I can.
5 Once the Nanban Ventures Intangible Assets LLC lends
6 money to either one of these FinTechs, as soon as it's
7 sent, we register. We record this transaction, and we
8 have the notes for that particular transaction. That's
9 dually signed by both the parties. Once it's done later
10 on -- because it's a loan, in return for that loan,
11 FinTech is paying back interest.

12 In case if -- because all the three SPVs is
13 mutually like a -- whenever they have good projects
14 based on that because as a GP, GP's focus is to maximize
15 the return to all investors, right. So in case if I
16 park the capital in one of the FinTechs, which gives say
17 like approximately 10 percent or 5 percent, whereas in a
18 startup or in a realty if that project is more than what
19 I'm getting through these FinTechs, obviously, the fund
20 manager will decide, okay, go ahead and pull that loan
21 from FinTech. Then bring back to one of the projects
22 under these two other SPVs. This is how the fund flows
23 through all these three SPVs into the all other entities
24 where we deploy the capital.

25 Q So is there a loan document for every time

Page 117

1 Intangible loans money to NorthStars FinTech?
 2 A I think I clarified that in the morning. Yes.
 3 Each time when Intangible loans money to any of these
 4 FinTechs, we record it properly. Like we create the
 5 notes for that particular transaction. Yes.
 6 Q And is there a standard interest rate or does
 7 every single loan have a different interest rate?
 8 A I think it's whatever -- it's a standard for
 9 all the transactions.
 10 Q Do you know what that interest rate is?
 11 A I don't remember because usually like these
 12 notes -- like those are all like taken care whenever the
 13 transaction has happened, so GP usually one who
 14 finalizes this thing. So I have to check with them and
 15 check the notes and let you know, but I don't remember
 16 at this point.
 17 Q And who -- I understand you don't do it, so
 18 who finalizes these notes? Who signs the notes? Who
 19 does the note?
 20 A Mostly that will be finalized by GPs.
 21 Q GP meaning GK, Mani, Sakthi, and Kutral?
 22 A That's correct, but here I wanted to clarify
 23 one more thing. When it comes to Nanban Ventures,
 24 Kutral is one of the GP. Whatever other verticals other
 25 than Ventures, Kutral is not a GP. Kutral is one of the

Page 118

1 GPs in the Ventures side.
 2 Q Yes. So if -- I think you testified earlier
 3 that Kutral is really involved in more of the startups,
 4 so through Unicorn SPV. Is that correct?
 5 A Yes ma'am. That's correct.
 6 Q And who really -- which one of the GPs is more
 7 involved in Intangible Assets?
 8 A Generally speaking, like all four of them will
 9 be involved in all three verticals, but the more
 10 interaction will be coming from Kutral when it comes to
 11 startup. The rest of the two verticals, all four are
 12 involved, but most of the interaction comes from GK,
 13 Shakti, and Mani.
 14 MS. MARTIN: Sudha, I just have one question
 15 about these loans before Laura goes on. I want to make
 16 sure I understand. So these loan documents then, are
 17 they being -- are both sides of the transaction, the
 18 entity deciding to loan the money and then the entity
 19 deciding to take the money and the agreement about the
 20 interest rate, are the GPs on both sides of those
 21 transactions when it comes to Centum FinTech, for
 22 instance? Do you understand what I'm saying?
 23 THE WITNESS: That actually (simultaneous
 24 conversation.)
 25 MS. MARTIN: Think of loans with -- there's no

Page 119

1 third-party in this loan if I understand it correctly.
 2 Is that right?
 3 THE WITNESS: Yes, that's correct.
 4 MS. MARTIN: Okay. Thanks. I just wanted to
 5 make sure I understood.
 6 THE WITNESS: Okay. No problem.
 7 MS. BENNETT: So I think I understand now
 8 because there's also a different -- if you look at this
 9 schedule and Sunshines FinTech, it shows that the amount
 10 is \$21,816,669, and if you go back, Matilda, to the
 11 previous, it says that Sunshines FinTech is \$29,352,776.
 12 Would your answer be the same here that it's just a
 13 timing difference and money moving at will?
 14 THE WITNESS: Yes, that's correct. It's a
 15 timing difference as well as money movement based on the
 16 feasibility, so usually like only because of these two
 17 reasons like the amount is not matching.
 18 BY MS. BENNETT:
 19 Q There's a column there labeled
 20 Cashflows/Returns. Do you see that?
 21 A Yes, I do.
 22 Q What is that? What makes that number up?
 23 A Okay. That is basically like -- the first
 24 one, the Celina Hills, that is the investment we made
 25 through one of our SPVs, the Solid Assets. So we --

Page 120

1 after we invested -- here in Texas, the real estate
 2 market is really good, so like we got an offer, so we
 3 sold that particular asset. That is what the cashflow
 4 denotes, the \$1.8 million, which is the cashflow which
 5 we received from the sale.
 6 Q And the other three?
 7 A Other three, one is for the NorthStars
 8 FinTech. The other one is from Himalayan FinTech. The
 9 other one is Sunshines FinTech. All those three are
 10 interest income which we received from all those FinTech
 11 LLCs into Intangible.
 12 Q My question is on this cashflow return, these
 13 three FinTechs appear to be paying cashflow returns or
 14 as you just stated interest income of over \$8 million.
 15 Could you go back to the other document please, Matilda?
 16 A Yes.
 17 Q The financial statement only shows \$2 million
 18 of income. Why?
 19 A Okay. Let's -- okay. Let me clear that.
 20 Though the earning is \$8 million because that is what
 21 the total earning for whatever the Intangible invested
 22 into the FinTech through the debt vehicle, our investors
 23 usually like -- say like across the board for all the
 24 five funds, the investors -- say like if we have like
 25 around 400 investors, not all of them are interested to

Page 201

1 PROOFREADER'S CERTIFICATE

2

3 In the Matter of: NANBAN INVESTMENTS, LLC

4 Witness: Sudha Periasamy

5 File No.: FW-04440-A

6 Date: Thursday, May 4, 2023

7 Location: Fort Worth, Texas

8

9 This is to certify that I, Christine Boyce,
 10 (the undersigned), do hereby certify that the foregoing
 11 transcript is a complete, true and accurate
 12 transcription of all matters contained on the recorded
 13 proceedings of the investigative testimony.

14

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16 _____

17 (Proofreader's Name) 5-17-2023

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Page 202

1 REPORTER'S CERTIFICATE

2 I, Tristan Freeman, reporter, hereby certify that
 3 the foregoing transcript is a complete, true, and
 4 accurate transcript of the meeting indicated, held on
 5 Thursday, May 4, 2023, in the matter of
 6 NANBAN INVESTMENTS, LLC.
 7 I further certify that this proceeding was recorded by
 8 me, and the foregoing transcript has been prepared under
 9 my direction.

10 5-17-2023

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REPORTER'S CERTIFICATE

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I, Tristan Freeman, reporter, hereby certify that the foregoing transcript is a complete, true, and accurate transcript of the meeting indicated, held on Thursday, May 4, 2023, in the matter of NANBAN INVESTMENTS, LLC.

I further certify that this proceeding was recorded by me, and the foregoing transcript has been prepared under my direction.

5-17-2023

A handwritten signature in black ink that reads "Tristan Freeman". The signature is written in a cursive style with a long, sweeping underline.