

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 17-60907-CIV-MORENO

FEDERAL TRADE COMMISSION, *et al.*,

Plaintiffs,

v.

JEREMY LEE MARCUS, *et al.*,

Defendants.

NOTICE OF FILING
DEPOSITION TRANSCRIPT OF JEREMY MARCUS

PLEASE TAKE NOTICE that Jonathan E. Perlman, not individually, but solely in his capacity as permanent receiver (the “Receiver”) for the Receivership Defendants, by and through undersigned counsel, files the Deposition Transcript of Jeremy Marcus held on December 21, 2017 attached hereto as **Exhibit “A”**.

Dated this 4th day of January, 2018.

GENOVESE JOBLOVE & BATTISTA, P.A.
Attorneys for Jonathan E. Perlman,
Court-Appointed Receiver
100 Southeast 2nd Street, Suite 4400
Miami, Florida 33131
Telephone: (305) 349-2300
Facsimile: (305) 349-2310

By: /s/ Gregory M. Garno
Gregory M. Garno, Esq.,
Florida Bar No. 87505
Email: ggarno@gjb-law.com

CERTIFICATE OF SERVICE

I HEREBY certify that on January 4, 2018 a true and correct copy of the foregoing has been served via email and/or U.S. Mail to all parties listed on the attached service.

s/ Gregory M. Garno
Gregory M. Garno

SERVICE LIST

Ryann Flack, Esq.
Ryann.Flack@myfloridalegal.com
Ronnie Adili, Esq.
Ronnie.Adili@myfloridalegal.com
Office of the Attorney General
Consumer Protection Division
SunTrust International Center
1 S.E. 3rd Ave, Suite 900
Miami, FL 33131
Telephone: (786) 792-6249
Attorneys for State of Florida, Office of Attorney General

Valerie M. Verduce, Esq.
vverduce@ftc.gov
Angeleque P. Linville, Esq.
alinville@ftc.gov
Federal Trade Commission
225 Peachtree Street, Suite 1500
Atlanta, GA 30303
Telephone: (404) 656-1355
Facsimile: (404) 656-1379
Attorneys for Federal Trade Commission

Jonathan E. Perlman, Esq., jperlman@gjb-law.com
Gregory M. Garno, Esq., ggarno@gjb-law.com
Allison Day, Esq., aday@gjb-law.com
Theresa M.B. Van Vliet, Esq., tvανvliet@gjb-law.com
Genovese Joblove & Battista, P.A.
100 Southeast 2nd Street, Suite 4400
Miami, FL 33131
Telephone: (305) 349-2300; Facsimile: (305) 349-2310
Receiver and his Counsel

Rachel Hirsch, Esq.

rhirsch@ifrahlaw.com

A. Jeff Ifrah, Esq.

jeff@ifrahlaw.com

Ifrah Law

1717 Pennsylvania Avenue, NW, Suite 650

Washington, DC 20006

Maurice B. VerStandig, Esq.

mac@mbvesq.com

The VerStandig Law Firm, LLC

12505 Park Potomac Avenue, Sixth Floor

Potomac, Maryland 20854

Counsel for Defendant Jeremy Lee Marcus and

Relief Defendants Halfpay International, LLC; Halfpay NV LLC;

JLMJP Pompano, LLC; and Nantucket Cove of Illinois, LLC

Edward Shohat, Esq.

eshohat@joneswalker.com

Barry S. Turner, Esq.

bturner@joneswalker.com

JONES WALKER, LLP

201 S. Biscayne Blvd, 26th Floor

Miami, Florida 33131

Counsel for Defendants Craig Davis Smith and Yisbet Segrea

Receivership Defendants

Financial Freedom National, Inc.

c/o Seth E. Ellis, Esq., its Registered Agent

Tripp Scott

4755 Technology Way, Ste 205

Boca Raton, FL 33431

Via U.S. Mail & Electronic Mail to Seth E. Ellis, Esq., Registered Agent (see@trippscott.com)

321Loans, Inc.

c/o Seth E. Ellis, Esq., its Registered Agent

Tripp Scott

4755 Technology Way, Ste 205

Boca Raton, FL 33431

Via U.S. Mail & Electronic Mail to Seth E. Ellis, Esq., Registered Agent (see@trippscott.com)

EXHIBIT "A"

1 IN THE UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF FLORIDA

3 Case No.: 17-60907-CIV-MORENO

4 **FEDERAL TRADE COMMISSION, et al.,**

5 **Plaintiffs,**

6 **vs.**

7 **JEREMY LEE MARCUS, et al.,**

8 **Defendants.**

9 _____ /

10
11
12
13 Genovese Joblove & Battista
14 100 Southeast 2nd Street
 Miami, Florida
15 Thursday, December 21, 2017
 8:45 a.m. - 6:00 p.m.

16
17
18
19
20 DEPOSITION
21 OF
22 JEREMY MARCUS
23
24
25

1 APPEARANCES:

2 GENOVESE JOBLOVE & BATTISTA, P.A., by
3 GREGORY M. GARNO, ESQ.,
4 HEATHER L. HARMON, ESQ.,
5 on behalf of the Receiver, Jonathan Perlman

6 IFRAH LAW, by
7 RACHEL HIRSCH, ESQ.,
8 on behalf of the Defendant Jeremy Marcus

9 OFFICE OF THE ATTORNEY GENERAL, by
10 RYANN FLACK, ESQ.,

11 ALSO PRESENT:

12 JONATHAN PERLMAN, Receiver
13 VALERIE VERDUCE, Federal Trade Commission
14 ANGELEQUE LINVILLE, Federal Trade Commission

15 INDEX

16 WITNESS

DIRECT

CROSS

17 JEREMY MARCUS

(By Mr. Garno)

5

--

EXHIBITS

1			
2	No. 1	.....	11
3	No. 2	.....	16
4	No. 3	.....	20
5	No. 4	.....	23
6	No. 5	.....	26
7	No. 6	.....	29
8	No. 7	.....	31
9	No. 8	.....	40
10	No. 9	.....	44
11	No. 10	.....	47
12	No. 11	.....	56
13	No. 12	.....	56
14	No. 13	.....	58
15	No. 14	.....	60
16	No. 15	.....	79
17	No. 16	.....	80
18	No. 17	.....	85
19	No. 18	.....	88
20	No. 19	.....	89
21	No. 20	.....	106
22	No. 21	.....	108
23	No. 22	.....	110
24	No. 23	.....	123

cont...

EXHIBITS (continued)

1		
2	No. 24	127
3	No. 25	135
4	No. 26	139
5	No. 27	142
6	No. 28	145
7	No. 29	146
8	No. 30	148
9	No. 31	150
10	No. 32	160
11	No. 33	163
12	No. 34	167
13	No. 35	172
14	No. 36	178
15	No. 37	179
16	No. 38	181
17	No. 39	182
18	No. 40	184
19	No. 41	185
20	No. 42	189
21	No. 43	198
22	No. 44	199
23	No. 45	201
24		
25		cont...

EXHIBITS (continued)

1		
2	No. 46	204
3	No. 47	205
4	No. 48	207
5	No. 49	212
6	No. 50	218
7	No. 51	219
8	No. 52	221
9	No. 53	223
10	No. 54	225
11	No. 55	227
12	No. 56	229
13	No. 57	231
14	No. 58	233
15	No. 59	235
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 Thereupon:

2

JEREMY MARCUS

3

was called as a witness by the Receiver and having

4

been first duly sworn was examined and testified as

5

follows:

6

DIRECT EXAMINATION

7

BY MR. GARNO:

8

Q Good morning, Mr. Marcus. It's good to

9

see you again.

10

Have you ever had your deposition taken

11

before?

12

A Never.

13

Q Let me explain to you what the process is

14

so that we have a clear understanding as to what's

15

going to happen today.

16

I'm going to ask you a series of

17

questions. If you don't understand my question,

18

please let me know and I'll correct the question.

19

Otherwise, I'll assume that you understood the

20

question and that you were responsive to it.

21

Is that okay?

22

A Yes.

23

Q Your testimony here today is under oath.

24

Do you understand that?

25

A Yes.

1 Q Do you understand the implications of
2 giving sworn testimony under oath?

3 A Yes.

4 Q You understand that you have to be
5 truthful, or there's the potential that you can be
6 found to have perjured yourself?

7 A Yes.

8 Q If you need to take a break, please let me
9 know. I'll be happy to accommodate any breaks that
10 you need. My one caveat is, if there's a question
11 pending, I'd request that you answer the question
12 before taking a break.

13 Do you understand that?

14 A Yes.

15 Q What is your full name?

16 A Jeremy Lee Marcus.

17 Q Mr. Marcus, do you go by any aliases?

18 A No.

19 Q Have you ever held yourself out to the
20 general public as Jeremy Brisk?

21 A That's a nickname.

22 Q So you've held yourself out as Jeremy
23 Brisk?

24 A Yes.

25 Q In what context have you represented

1 yourself to be Jeremy Brisk?

2 A With friends and family.

3 Q How long have you been doing that for?

4 A I plead the Fifth, based upon counsel's
5 advice.

6 Q Just so that we're clear, you're refusing
7 to answer that question, based upon your invocation
8 of your Fifth Amendment right against
9 self-incrimination?

10 A Yes.

11 Q Other than Jeremy Brisk, have you ever
12 gone by any other aliases?

13 A I plead the Fifth.

14 Q Are you currently holding yourself out to
15 the public as any other person besides Jeremy Marcus
16 or Jeremy Brisk?

17 A I plead the Fifth.

18 Q Did you start holding yourself out as
19 someone other than Jeremy Marcus after the court
20 entered its preliminary injunction in this case in
21 May of 2017?

22 A I plead the Fifth.

23 Q What's your current residential address?

24 A 300 Royal Plaza Drive.

25 Q What is your current business address?

1 A I don't have a business address.

2 Q What is your current occupation?

3 A I'm unemployed.

4 Q Are you self-employed?

5 A No.

6 Q Are you currently working on any business
7 ventures?

8 A I plead the Fifth.

9 Q Do you currently have any ownership
10 interest in any business ventures?

11 A No.

12 Q Do the business ventures that you're
13 refusing to discuss, based upon your Fifth Amendment
14 invocation, deal with telemarketing?

15 A No.

16 Q Do the business ventures that you refuse
17 to discuss, based upon your Fifth Amendment, deal
18 with debt relief programs?

19 A No.

20 Q Have you personally invested any money in
21 the business ventures that you're working on right
22 now?

23 A I plead the Fifth.

24 MR. PERLMAN: Can you read that one back?

25

1 (Whereupon, the requested portion of the
2 record was read by the Reporter as above
3 recorded.)

4 BY MR. GARNO:

5 Q Have you personally invested money in the
6 business ventures you're working on right now, after
7 May 10th of this year?

8 A No. I have not personally invested any
9 money.

10 Q Have others on your behalf holding any
11 property or money for you invested in these business
12 ventures you're working on?

13 A I plead the Fifth.

14 MS. HIRSCH: Can we talk for one second?

15 MR. GARNO: Sure.

16 (Discussion off the record.)

17 MR. GARNO: Ready to go?

18 MS. HIRSCH: Uh-huh.

19 BY MR. GARNO:

20 Q Did the business ventures that you refused
21 to identify under your Fifth Amendment privilege,
22 did you begin those business ventures after May 10,
23 2017?

24 A I plead the Fifth. There's no business
25 ventures.

1 MS. HIRSCH: For consistency purposes --

2 BY MR. GARNO:

3 Q What are you doing these days?

4 A I'm just interested in investigating other
5 businesses. That's all I've done.

6 Q What kind of businesses have you been
7 investigating?

8 A I plead the Fifth.

9 Q Do you currently hold any licenses?

10 A Driver's license.

11 Q Any other license besides your driver's
12 license?

13 A Not that I'm aware of. Boater's license
14 maybe.

15 Q Do you use the Mint program?

16 A I have.

17 Q What's the password to the Mint program?

18 A I don't even remember.

19 MR. GARNO: I will show you what we're
20 going to mark as Exhibit 1.

21 (Thereupon, the said document was marked
22 as Exhibit No. 1 for identification by the
23 Reporter.)

24 BY MR. GARNO:

25 Q I show you what we've marked as Exhibit 1.

1 Exhibit 1 is what brings us here today.

2 Have you seen this?

3 A Yes.

4 Q You're appearing here today for your
5 deposition individually in the Federal Trade
6 Commission's action against you that's currently
7 pending in the Southern District of Florida?

8 A Yes.

9 Q What did you do to prepare for your
10 deposition today?

11 A I spoke to counsel.

12 Q Did you speak to anybody else besides
13 counsel in connection with your deposition today?

14 A I plead the Fifth.

15 Q Did you speak to your wife about your
16 testimony here today?

17 A Spousal privilege, and I plead the Fifth.

18 Q Did the conversations that you had with
19 parties other than your counsel assist you in
20 preparing for your testimony here today?

21 A I plead the Fifth.

22 Q Did you speak to your father about your
23 deposition today?

24 A I plead the Fifth.

25 Q Did you speak to your brother James about

1 your deposition here today?

2 A I plead the Fifth.

3 Q Did you speak to Kyle Hunt about your
4 testimony here today?

5 A I plead the Fifth.

6 Q Did you speak to Joey Ford about your
7 testimony here today?

8 A I plead the Fifth.

9 Q Have you spoken to Craig Smith in
10 preparation for your deposition today?

11 A I plead the Fifth.

12 Q Have you spoken to Yisbet Segrea in
13 anticipation of your deposition today?

14 A I believe the Fifth.

15 Q Did you review any documents in
16 preparation for your testimony here today?

17 MS. HIRSCH: For the record, outside the
18 presence of counsel. Only within the presence of
19 counsel did he review documents. He can plead the
20 Fifth, but everything he did to prepare was in the
21 presence of counsel. We're not going to testify
22 about that.

23 MR. GARNO: On what basis?

24 MS. HIRSCH: Attorney/client privilege.

25 MR. GARNO: I think that your

1 communications -- well, let's back up. Let's get
2 some background.

3 BY MR. GARNO:

4 Q When you spoke to your counsel, was anyone
5 else present besides your lawyers?

6 A No.

7 Q Who was there when you spoke to your
8 counsel?

9 MS. HIRSCH: Again, I'm going to object.
10 In the presence of counsel, no other parties,
11 attorney/client privilege. We're not going to
12 testify beyond that.

13 MR. GARNO: Let me be specific about my
14 question.

15 BY MR. GARNO:

16 Q I'm asking you factual who was presented
17 at the meeting where you discussed with your
18 lawyers --

19 A I'm very much aware that if there's
20 another person present while I have an
21 attorney/client privilege, that it breaks the
22 attorney/client privilege. There was no one there.

23 Q I'm glad you're aware of that.

24 Also, what documents did you look at at
25 this meeting with your attorney?

1 MS. HIRSCH: Again, I'm going to instruct
2 him not to testify. It goes to attorney/client
3 privilege.

4 If you want you can assert the Fifth, but
5 I'm going to instruct him not to testify.

6 MR. GARNO: Just to be clear, I'm not
7 asking about what you talked about in terms of
8 preparing him for his deposition.

9 MS. HIRSCH: Any documents he reviewed
10 were documents that counsel prepared and showed to
11 him. They are privileged communications. He's not
12 going to testify about what we talked about or
13 documents he looked at.

14 MR. GARNO: Two separate things. If you
15 physically prepared a document for him to look at,
16 then I can understand maybe why you assert that. I
17 don't necessarily agree, but to the extent we're
18 dealing with documents that exist outside your
19 relationship, that were presented to the court or
20 just not privileged in and of themselves, just
21 because you've looked at them doesn't make them
22 privileged.

23 MS. HIRSCH: There is an attorney/client
24 work product that goes into selecting documents for
25 him to review as part of the case. So he's not

1 going to testify as to what he reviewed.

2 MR. GARNO: I totally disagree with that.

3 BY MR. GARNO:

4 Q Are you going to abide by your counsel's
5 instruction not to testify as to what non-privileged
6 documents you looked at in preparation for your
7 testimony today?

8 A Regardless of the attorney/client
9 privilege argument here, I would take the Fifth,
10 so --

11 Q Do you know Doug Feliciano?

12 A Doesn't ring a bell. I plead the Fifth.

13 Q Ronnie Liddell?

14 A I plead the Fifth.

15 Q Do any of your current business ventures
16 that you're looking into deal with Ronnie Liddell?

17 A I plead the Fifth.

18 Q Who else are you in communications with,
19 in terms of the business ventures that you're
20 currently looking at?

21 A I plead the Fifth.

22 (Thereupon, the said document was marked
23 as Exhibit No. 2 for identification by the
24 Reporter.)

25

1 BY MR. GARNO:

2 Q I'm going to show you what we've marked as
3 Exhibit 2. Exhibit 2 is an e-mail chain from
4 July 2017, between yourself and James Marcus.

5 A Yes.

6 Q Who is James Marcus?

7 A James is my brother.

8 Q And is this an e-mail that he sent to you
9 in July of this year?

10 A Yes.

11 Q And he was sending you potential ideas
12 that you could look into as possibly your next
13 business venture?

14 A I plead the Fifth.

15 Q Are you pleading the Fifth on behalf of
16 your brother?

17 My question was specifically about what he
18 sent to you, not anything that you said. We'll get
19 to that.

20 A It looks like he's got some suggestions on
21 ideas to start up a business, yes.

22 Q Is your brother involved in any way with
23 the business ventures that you're looking into right
24 now?

25 A No, but I -- no.

1 Q Have you made any attempts to raise any
2 money in connection with these business ventures
3 that you refuse to testify about?

4 A I plead the Fifth.

5 Q Have you recently inquired as to opening
6 up an offshore trust or an offshore account?

7 A I plead the Fifth.

8 Q Did you first look into opening up an
9 offshore trust or account after the court entered
10 its freeze order in May of this year?

11 A I plead the Fifth.

12 Q Have you made any money since the court
13 entered its freeze order in May of this year?

14 A I plead the Fifth.

15 Q Have you earned any salaries since the
16 court entered its freeze order in May of this year?

17 A I plead the Fifth.

18 Q Have you taken any distributions from any
19 companies since the court entered its freeze order?

20 A I plead the Fifth.

21 Q Getting back to Exhibit 2, looking at your
22 response to your brother, in August of this year you
23 wrote to your brother, "Thank you both for the great
24 ideas. I'll keep them in mind. The real estate one
25 is something I'm interested in. I'm on a path now

1 tho."

2 What is the real estate one that you're
3 referencing in that e-mail?

4 A I plead the Fifth.

5 Q You wrote also here, "I'm on a path now
6 tho."

7 Is the path you're referring to a
8 different business venture, other than the real
9 estate one?

10 A I plead the Fifth.

11 Q Do any of the current business ventures
12 you're looking into deal with providing bookkeeping
13 and tax services to third parties?

14 A I plead the Fifth.

15 Q Are you familiar with the Kashia Indian
16 Tribe?

17 A I plead the Fifth.

18 MS. HIRSCH: How to you spell that?

19 MR. GARNO: K-A-S-H-I-A.

20 MR. PERLMAN: You're pleading the Fifth as
21 to whether you're aware of that tribe?

22 MS. HIRSCH: He's pleading the Fifth.

23 MR. GARNO: Let me show you what I'll mark
24 as Exhibit 3.

25

1 (Thereupon, the said document was marked
2 as Exhibit No. 3 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q I'm showing you what we've marked as
6 Exhibit 3. It's a document that the receiver
7 located in connection with his investigation. It's
8 a non-binding letter of intent, dated April 27,
9 2016. I draw your attention to the last page of
10 Exhibit 3.

11 Is that your signature?

12 A It looks like it.

13 Q It appears that you executed this
14 non-binding letter of intent as manager for 321
15 Financial?

16 MS. HIRSCH: We can stipulate for the
17 record the exhibit shows a 5-25-2016 date on there.
18 He's not testifying as to this, but we can stipulate
19 that for the record, if that's the question.

20 MR. GARNO: I actually asked him if he
21 signed it as manager for 321 Financial.

22 MS. HIRSCH: He's not going to be
23 testifying to that, but it appears to say "Manager,"
24 and it's dated 5-25-2016.

25

1 BY MR. GARNO:

2 Q Did you sign this on behalf of 321
3 Financial as its manager in April of 2016?

4 A I plead the Fifth.

5 MS. HIRSCH: Did you say April? I think
6 it says May.

7 MR. GARNO: The letter is dated April.
8 The signature is May of 2016. Thank you, Counsel.

9 BY MR. GARNO:

10 Q You'll see the subject matter of this
11 letter of intent is a short-term consumer loan
12 program.

13 Do you see that?

14 A That's what it says.

15 Q Do you remember having discussions with
16 the Kashia Band of Pomo Indians about such a
17 program?

18 A I plead the Fifth.

19 Q It appears that this non-binding letter of
20 intent that you signed was to provide an
21 Internet-based short-term consumer loan program for
22 borrowers throughout the United States?

23 A Is that a question?

24 Q Yes.

25 A What's the question?

1 Q Was this non-binding letter of intent
2 addressing an Internet-based short-term consumer
3 loan program for borrowers throughout the United
4 States?

5 A I plead the Fifth.

6 Q You'll see that on the first page it
7 defines 123 Finance as the investor/servicer. That
8 appears to be a typo, as you signed it on behalf of
9 321 Financial.

10 You'll see that on the second page of the
11 non-binding letter of intent, source of funding, is
12 that the program would be financed by investor,
13 which would be 321 Financial.

14 Do you see that?

15 MS. HIRSCH: We'll stipulate for the
16 record that that's what it says in here. He's not
17 going to testify as to the contents of this letter.

18 THE WITNESS: It seems to say that in the
19 letter.

20 BY MR. GARNO:

21 Q How was 321 Financial going to be
22 financing this program?

23 A I plead the Fifth.

24 Q Was 321 Financial going to be utilizing
25 moneys from receivership defendants to finance this

1 program?

2 A I plead the Fifth.

3 Q Were the funds that were held by the
4 receivership defendants those that were acquired by
5 the receivership defendants through the purported
6 debt relief programs it was offering to consumers?

7 A I plead the Fifth.

8 Q Was part of this proposed arrangement with
9 the Kashia Band of Pomo Indians to provide the
10 alleged debt relief services that your companies
11 were providing to consumers already?

12 A I plead the Fifth.

13 Q I'm going to show you what we will mark as
14 Exhibit 4.

15 (Thereupon, the said document was marked
16 as Exhibit No. 4 for identification by the
17 Reporter.)

18 BY MR. GARNO:

19 Q I'm showing you what we've marked as
20 Exhibit 4. It appears to be an e-mail exchange on
21 June 21, 2016, between you and Scott Merritt.

22 Do you see that?

23 A Yes.

24 Q Who is Scott Merritt?

25 A I plead the Fifth.

1 Q Is Scott Merritt an individual who works
2 on behalf of Answers Etc.?

3 A I plead the Fifth.

4 Q What kind of company is Answers Etc.?

5 A I plead the Fifth.

6 Q You'll see that in June of 2016, he sent
7 you a license, a vendor license.

8 Do you see that?

9 A That's what it appears to say.

10 Q I asked you earlier if you had any
11 licenses, and you just mentioned that you had a
12 boater's license and a driver's license.

13 Does this refresh your recollection that
14 apparently you also have a vendor license with the
15 Kashia Tribe?

16 A I plead the Fifth.

17 Q Does it refresh your recollection that you
18 have a license?

19 A I actually had no clue.

20 Q Even after he sent it to you by e-mail in
21 June of last year?

22 A I get a lot of e-mail.

23 Q Let's take a look at your response. Scott
24 wrote to you on the 21st. "FYI, your license has
25 been approved. I'm working on the docs now."

1 Do you see that?

2 A Uh-huh.

3 Q Then apparently there was a goof on the
4 license, it was corrected, and he sent you the
5 actual license.

6 Do you see that?

7 A Uh-huh.

8 Q You actually responded to his e-mail by,
9 "Lovely." So it would appear to me that you
10 actually did see this e-mail and this license.

11 MS. HIRSCH: We'll stipulate to the fact
12 that the e-mails say what they say, but as to the
13 content outside of what is written here, he's not
14 going to testify.

15 MR. GARNO: Just as a predicate to my
16 question, he testified he had a couple of licenses.
17 I showed him this license and I said, "Does this
18 refresh your recollection about having this vendor
19 license with the Kashi Tribe, and his response was,
20 "I get a lot of e-mails."

21 Certainly, that's indicating to me that he
22 may not have read it, but that's why we're going
23 through this exercise, because it appears that he
24 did respond to this e-mail. That's why I've asked
25 him.

1 MS. HIRSCH: He also took the Fifth.

2 BY MR. GARNO:

3 Q You would agree, Mr. Marcus, that it
4 appears that you looked at this e-mail and responded
5 to the license with "Lovely"?

6 A Many times I respond without even looking.
7 I just saw license, great.

8 Q Does this refresh your recollection that
9 you have a vendor license with the Kashia Indian
10 Tribe?

11 A I plead the Fifth.

12 Q Do you know a gentleman by the name of
13 Michael Lupolover?

14 A I plead the Fifth.

15 Q And did Mr. Lupolover assist you in
16 establishing this business relationship with the
17 Kashia Indian Tribe?

18 A I plead the Fifth.

19 Q I'll show you what we're going to mark as
20 Exhibit 5.

21 (Thereupon, the said document was marked
22 as Exhibit No. 5 for identification by the
23 Reporter.)

24 MS. HIRSCH: Greg, one second.

25 (Discussion off the record.)

1 MS. HIRSCH: Can we take a quick break?

2 MR. GARNO: Sure. Take your time.

3 (Thereupon, a recess was taken, after
4 which the following proceedings were had:)

5 BY MR. GARNO:

6 Q You have Exhibit 5 in front of you?

7 A Yes.

8 Q Exhibit 5 appears to be from your gmail
9 account; is that correct?

10 A I plead the Fifth.

11 MS. HIRSCH: We can stipulate for the
12 record what it says. If you have a specific
13 question about it, outside of what it says on here,
14 please ask him that question.

15 I stipulate for the record that what it
16 says in the document is what it says.

17 BY MR. GARNO:

18 Q It appears that in Exhibit 5 you sent to
19 Mr. Lupolover two agreements.

20 Do you see that?

21 A I plead the Fifth.

22 Q And were these agreements in contemplation
23 with the business arrangement with the Kashia Indian
24 Tribe?

25 A I plead the Fifth.

1 Q You'll see that also on August 15, 2016,
2 you sent an e-mail to Craig Smith and James
3 Meggesto.

4 Who is Mr. Meggesto?

5 A I plead the Fifth.

6 Q You wrote, back in August of 2016, that
7 you've met with the Tribe in California.

8 Were you referring to the Kashia Indian
9 Tribe?

10 A I plead the Fifth.

11 Q And that you had been, "approved by the
12 committee and received an agreement for our
13 relationship."

14 Do you see that?

15 A I plead the Fifth.

16 Q And was the relationship a joint venture
17 regarding credit financing operations on the Tribe's
18 land?

19 A I plead the Fifth.

20 Q Did you ever set up credit financing
21 financial operations with the Kashia Tribe?

22 A I plead the Fifth.

23 Q Are you currently engaged in credit
24 financing financial operations with the Kashia
25 Indian Tribe?

1 A I plead the Fifth.

2 (Thereupon, the said document was marked
3 as Exhibit No. 6 for identification by the
4 Reporter.)

5 BY MR. GARNO:

6 Q I'm going to show you what we've marked as
7 Exhibit 6, a document that was produced to us in
8 this case by Holland & Knight.

9 MS. HIRSCH: Was this produced as part of
10 a receivership entity, and that's why the
11 attorney/client issue is not at issue here?

12 MR. GARNO: Yes. I don't think there's
13 anything privileged in this document anyway. It's
14 321 Financial.

15 MS. HIRSCH: Okay.

16 BY MR. GARNO:

17 Q Take a look at Exhibit 6.

18 Do you have that in front of you?

19 A Uh-huh.

20 Q It appears to be an invoice from Holland &
21 Knight addressed to 321 Financial, LLC, attention
22 Jeremy Marcus, 1410 Southwest 3rd Street, Pompano
23 Beach, Florida 33069.

24 Do you see that?

25 MS. HIRSCH: Again, we'll stipulate that

1 the document says what it says.

2 BY MR. GARNO:

3 Q Was Holland & Knight the law firm that you
4 and 321 Financial, LLC, retained in connection with
5 your business relationship with the Kashia Tribe?

6 A I plead the Fifth.

7 Q You'll see that the invoice that Holland &
8 Knight sent to you on October 21, 2016, refers to
9 the matter, "Joint ventures regarding transactions
10 to establish credit financing financing operations
11 on Indian lands."

12 Did I read that correctly?

13 A I plead the Fifth.

14 Q Does that matter reference the Kashia
15 Tribe's arrangement that you had been negotiating in
16 California?

17 A I plead the Fifth.

18 Q Are you currently involved in that
19 business relationship with the Kashia Indian Tribe?

20 A I plead the Fifth.

21 Q Are you receiving income from that
22 business relationship?

23 A I plead the Fifth.

24 Q Did you disclose any income or business
25 relationship with the Kashia Indian Tribe in the

1 financial disclosures that you provided in this
2 case?

3 A I plead the Fifth.

4 (Thereupon, the said document was marked
5 as Exhibit No. 7 for identification by the
6 Reporter.)

7 BY MR. GARNO:

8 Q Let me show you what we've marked as
9 Exhibit 7. Exhibit 7 is a series of e-mails and
10 attachments that the receiver was able to retrieve
11 from your gmail account.

12 Do you have Exhibit 7 in front of you?

13 A Yes.

14 Q Exhibit 7 appears to be an e-mail exchange
15 between you and Amanda Finley.

16 Who is Amanda Finley?

17 A My wife.

18 Q It appears that on December 7, 2016, that
19 you had forwarded to your wife an application?

20 MS. HIRSCH: Again, we'll stipulate for
21 the record that the exhibit says what it says.

22 BY MR. GARNO:

23 Q Do you recall sending her this e-mail in
24 December of last year?

25 A No.

1 Q Again, it looks like the next e-mail is an
2 e-mail that you sent to Scott Merritt at
3 smerritt@tribeloans.com.

4 Do you know who that is?

5 A I plead the Fifth.

6 Q Mr. Merritt, was he involved in your
7 attempt to establish a business relationship with
8 the Kashia Tribe?

9 A I plead the Fifth.

10 Q You'll see that on the second page of
11 Exhibit 7 there's an e-mail from Mr. Merritt to you
12 where it says, "Awesome, thank you, Jeremy," dated
13 December 7, 2016.

14 Do you see that?

15 A What page?

16 Q Page 2.

17 A I plead the Fifth.

18 Q I asked if you see the e-mail.

19 A I see what you're referring to.

20 Q You'll see that underneath it says, "Scott
21 Merritt, Managing Partner, Vancouver, Washington,
22 for Tribal Lending Solutions, LLC."

23 Do you see that?

24 A I see what you're referring to.

25 Q Does that refresh your recollection in

1 terms of Scott Merritt working for Tribal Lending
2 Solutions, LLC?

3 A I plead the Fifth.

4 Q And was Tribal Lending Solutions, LLC, a
5 third party that you were working with to establish
6 a credit relationship or a financing relationship
7 with the Kashia Tribe?

8 A I plead the Fifth.

9 Q Did you or any of the receivership
10 entities pay any fees to Mr. Merritt in connection
11 with your attempt to establish a credit
12 relationship?

13 A I plead the Fifth.

14 Q You'll see that to Exhibit 7 there's
15 applications, which I think are referenced in your
16 first e-mail to your wife on December 7, 2016.

17 Do you see that?

18 A What page?

19 Q It would be the third page of Exhibit 7,
20 the one that says, "License Application."

21 Do you see that?

22 A Yeah.

23 Q It appears that the applicant's name is
24 Jack Marcus.

25 Did I read that correctly?

1 A It appears so.

2 Q Who is Jack Marcus?

3 A My dad.

4 Q Do you know why your dad was applying for
5 a license in California to provide financing to an
6 Indian Tribe?

7 A I plead the Fifth.

8 Q Did you put your father's name on this
9 application as a way to conceal your involvement in
10 the credit arrangement with the Kashia Tribe?

11 A I plead the Fifth.

12 Q Have you ever in the past utilized your
13 father to conceal your ownership in assets?

14 A I plead the Fifth.

15 Q Are you aware that we took your father's
16 deposition a couple of weeks ago?

17 A I plead the Fifth.

18 Q Do you know that your father was deposed
19 in this case?

20 MS. HIRSCH: We can stipulate for the
21 record.

22 MR. GARNO: I'm just asking did he know
23 that.

24 THE WITNESS: Did my dad know?
25

1 BY MR. GARNO:

2 Q Did you know that your father was deposed
3 in this case?

4 A I plead the Fifth.

5 Q Did you speak to your father about his
6 testimony?

7 A I plead the Fifth.

8 Q Did you talk to your father at all about
9 your deposition today?

10 A I plead the Fifth.

11 Q Are you aware that at your father's
12 deposition, that he testified that you used to
13 provide him with documents to sign, and he would
14 sign them blindly?

15 A I plead the Fifth.

16 Q Did you review any of his deposition
17 testimony?

18 A I plead the Fifth.

19 Q Was your father involved in your business
20 relationship with the Kashia Tribe?

21 A I plead the Fifth.

22 Q Are you the person who directed your
23 father to put his name on this license application
24 with the Kashia Indian Tribe?

25 A I plead the Fifth.

1 Q Does your father have any other lender
2 licenses?

3 A I plead the Fifth.

4 Q Do you know if your father has ever had a
5 lender license?

6 A I plead the Fifth.

7 Q I direct your attention to the next page.
8 It's the Kashia Band of Pomo, Kashia Lending
9 Commission Vendor License Application for Business
10 Organizations.

11 Do you see that?

12 A I see what it says here.

13 Q And it lists Jack -- is that supposed to
14 be Jack Marcus?

15 MS. HIRSCH: The document says what it
16 says. If you have a question other than what the
17 document says, please ask it.

18 BY MR. GARNO:

19 Q Who prepared this?

20 A I plead the Fifth.

21 Q Were you involved in the preparation of
22 this document?

23 A I plead the Fifth.

24 Q Is that your handwriting that appears on
25 this application?

1 A I plead the Fifth.

2 Q In the first spot here when you Jack
3 M-A-R, did you mean to write Jack Marcus?

4 A I plead the Fifth.

5 Q What interest did Jack Marcus have in 321
6 Finance?

7 A I plead the Fifth.

8 Q You'll see here that on the next page that
9 the person that was designated to be in compliance
10 with federal and state laws is identified as Jeremy
11 Marcus.

12 Do you see that?

13 MS. HIRSCH: Again, for the record, the
14 document speaks for itself. If you have a question
15 other than what it says, you can ask him.

16 BY MR. GARNO:

17 Q Do you see where it says that?

18 A It says that in the document.

19 Q Did you have an agreement with 321
20 Financial to be the person responsible for
21 compliance with federal and state laws and
22 regulations?

23 A I plead the Fifth.

24 Q Was there anyone other than you who
25 decided what information was going to be put on this

1 lending commission vendor license application for
2 the Kashia Band?

3 A I plead the Fifth.

4 Q I turn your attention to the next page.
5 It appears it was signed by your father on
6 December 3, 2016.

7 Do you recognize the signature?

8 A I plead the Fifth.

9 Q Do you recognize your father's signature?

10 A I plead the Fifth.

11 Q I turn your attention to the next page of
12 the Exhibit 7, Kashia Lending Commission License
13 Application for Individuals.

14 Who is the person who is identified as the
15 full name and contact for this application?

16 MS. HIRSCH: What was the question? Can
17 you read the question?

18 (Whereupon, the requested portion of the
19 record was read by the Reporter as above
20 recorded.)

21 MS. HIRSCH: Again, the document speaks
22 for itself. If there's a question outside what the
23 document says, you can ask that.

24 MR. GARNO: We can stipulate it says Jack
25 Marcus?

1 MS. HIRSCH: We can stipulate the document
2 says what it says.

3 BY MR. GARNO:

4 Q Does it identify Jack Marcus, your father,
5 as the full name and contact information for the
6 license application?

7 A I plead the Fifth.

8 Q You'll see the physical address is 1410
9 Southwest 3rd Street, Pompano Beach.

10 Are you familiar with that address?

11 A I plead the Fifth.

12 Q Have you ever been to that address before?

13 A I plead the Fifth.

14 Q Isn't it true that you ran multiple,
15 multiple, multiple businesses out of that address?

16 A I plead the Fifth.

17 Q Have you ever been to that location
18 before?

19 A I plead the Fifth.

20 Q You'll see on the next page it appears to
21 be signed on December 7, 2016.

22 Do you recognize your father's signature
23 there?

24 A I plead the Fifth.

25 Q Are you familiar with an entity called Red

1 Arrow Associates?

2 A I plead the Fifth.

3 (Thereupon, the said document was marked
4 as Exhibit No. 8 for identification by the
5 Reporter.)

6 BY MR. GARNO:

7 Q I'm going to show you what we've marked as
8 Exhibit 8.

9 Mr. Marcus, I'm sorry. I just need to
10 head back to Exhibit 7 again. We'll get to Exhibit
11 8 in a minute.

12 MS. HIRSCH: You want to go back to
13 Exhibit 7?

14 MR. GARNO: Yes, please.

15 MS. HIRSCH: Okay.

16 BY MR. GARNO:

17 Q The first page of Exhibit 7 is an e-mail
18 that you sent in December of 2016 to your wife,
19 which attaches the application we just looked at,
20 correct?

21 A I plead the Fifth.

22 Q Was your wife Amanda involved, in terms of
23 your negotiations of these deals and the submission
24 of these applications to the Kashia Tribe?

25 THE WITNESS: Can I talk to you for a

1 second?

2 MS. HIRSCH: There's a question pending.

3 THE WITNESS: I plead the Fifth.

4 (Thereupon, a recess was taken, after
5 which the following proceedings were had:)

6 BY MR. GARNO:

7 Q Exhibit 8, are you familiar with an entity
8 called Red Arrow Associates?

9 A I plead the Fifth.

10 Q And was Red Arrow Associates an entity
11 that you caused to be formed to conduct business
12 with the Kashia Indian Tribe?

13 A I plead the Fifth.

14 Q Take a look at Exhibit 8. It's an e-mail
15 exchange between you and Paul Herman on February 9th
16 of this year.

17 Do you see that?

18 MS. HIRSCH: Again, the document speaks
19 for itself. If you have a specific question, other
20 than what it says, you can ask it.

21 THE WITNESS: I see the document.

22 BY MR. GARNO:

23 Q Are you familiar with Mr. Herman?

24 A I plead the Fifth.

25 Q And Mr. Herman was helping you out with

1 your continuing efforts to start a business or
2 continue a business relationship with the Kashia
3 Indian Tribe?

4 A I plead the Fifth.

5 Q And when Mr. Herman wrote to you in
6 February of this year to get things rolling with the
7 Tribe, he's referring to the Kashia Tribe?

8 A I plead the Fifth.

9 Q You'll see that he forwarded to you in
10 February of this year an e-mail from Marta Burg, who
11 is an attorney, tribal consultant, in California.

12 Do you see that?

13 A I see the document.

14 Q Did you know that Marta Burg was a lawyer
15 who was working with the Kashia Indian Tribe?

16 A I plead the Fifth.

17 Q You'll see that she wrote, "I am still
18 waiting to receive from Jeremy (working with Scott,
19 I presume) a list of the types of service contracts
20 that will be needed for Red Arrow Associates to
21 operate as Jeremy had described."

22 Did I read that correctly?

23 A Which part of it? I'm sorry. Can you
24 repeat yourself?

25 Q Sure. You'll see that in the e-mail on

1 Exhibit 8 between Marta Burg and Paul Herman on
2 February 8, 2017, she wrote in the second sentence,
3 "I am still waiting to receive from Jeremy (working
4 with Scott, I presume) a list of the types of
5 service contracts that will be needed for Red Arrow
6 Associates to operate as Jeremy had described."

7 Did I read that correctly?

8 A Yes.

9 Q Does this refresh your recollection in
10 terms of Red Arrow Associates?

11 A I plead the Fifth.

12 Q Was Red Arrow Associates an entity that
13 you caused to be formed to continue providing the
14 credit services that you were negotiating with the
15 Kashia Tribe?

16 MS. HIRSCH: Asked and answered.

17 MR. GARNO: I apologize.

18 BY MR. GARNO:

19 Q I presume you're going to take the Fifth
20 on that question?

21 A Yes.

22 Q Is Red Arrow Associates still an active
23 corporation?

24 A I plead the Fifth.

25 Q Do you have an interest in Red Arrow

1 Associates?

2 A I plead the Fifth.

3 Q Are you an officer or director of Red
4 Arrow Associates?

5 A I plead the Fifth.

6 Q Have you received any money from Red Arrow
7 Associates in the past ten months?

8 A I plead the Fifth.

9 Q Did you disclose your interest in Red
10 Arrow Associates in the financial disclosures you
11 provided in this case?

12 A I plead the Fifth.

13 (Thereupon, the said document was marked
14 as Exhibit No. 9 for identification by the
15 Reporter.)

16 BY MR. GARNO:

17 Q I'm showing you what's been marked as
18 Exhibit 9. Exhibit 9 is an e-mail from Marta Burg
19 to Paul Herman, and you are copied on that, along
20 with Scott Merritt. It's dated February 9, 2017.

21 Do you have Exhibit 9 in front of you?

22 A Yes.

23 Q You'll see in the second sentence of the
24 e-mail that Ms. Burg sent to you in February of this
25 year, "However, some clarifying revisions to the

1 ordinances governing operations may be needed to
2 ensure Red Arrow Associates has the authority to
3 undertake credit repair activities as well as
4 financing the fees associated with those
5 activities."

6 Do you see where she wrote that?

7 A I see what she wrote.

8 Q Was Red Arrow Associates, or is Red Arrow
9 Associates in the business of undertaking credit
10 repair activities?

11 A I plead the Fifth.

12 Q Is Red Arrow Associates in the business of
13 financing fees associated with credit repair
14 activities?

15 A I plead the Fifth.

16 Q Is Red Arrow Associates currently
17 undertaking credit repair activities?

18 A I plead the Fifth.

19 Q Is Red Arrow Associates currently
20 undertaking to finance fees associated with credit
21 repair activities?

22 A I plead the Fifth.

23 Q Has Red Arrow Associates been involved in
24 credit repair activities since May 9th of this year?

25 A I plead the Fifth.

1 Q Has Red Arrow Associates been involved in
2 the financing of fees associated with credit repair
3 activities since May 9th of this year?

4 A I plead the Fifth.

5 Q Has Red Arrow Associates been financed
6 with moneys that were transferred from receivership
7 defendants?

8 A I plead the Fifth.

9 Q Has the cost associated with starting up
10 Red Arrow Associates and operating Red Arrow
11 Associates been paid by moneys that once belonged to
12 receivership defendants?

13 A I plead the Fifth.

14 Q Have receivership funds been used to
15 finance the credit repair activities that Red Arrow
16 Associates has undertaken?

17 A I plead the Fifth.

18 Q Are you the control person for Red Arrow
19 Associates?

20 A I plead the Fifth.

21 Q Do you know who the other officers or
22 directors are of Red Arrow Associates?

23 A I plead the Fifth.

24 Q I'm going to show you what we'll mark as
25 Exhibit 10.

1 (Thereupon, the said document was marked
2 as Exhibit No. 10 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q Exhibit 10 is a November 27, 2017 e-mail
6 from Paul Hess to your gmail account.

7 Do you see that?

8 A I plead the Fifth. I see the document you
9 provided.

10 Q And this is an e-mail that was sent to
11 your gmail account at jeremy.omni@gmail.com?

12 A I plead the Fifth.

13 Q And this e-mail was sent to you on
14 November 27, 2017?

15 A I plead the Fifth.

16 Q And the subject matter of this e-mail is
17 asset protection?

18 A I plead the Fifth.

19 Q And Mr. Hess holds himself out to be a
20 wealth preservation specialist?

21 A I plead the Fifth.

22 Q When was the first time that you contacted
23 Mr. Hess?

24 A I plead the Fifth.

25 Q You'll see that Mr. Hess wrote to you on

1 November 27th, "Hello Jeremy. I trust you had a
2 nice holiday last week. I wanted to follow up with
3 you regarding your interest in an offshore company
4 and account, and if you had any additional questions
5 or wanted to move forward."

6 Did I read that correctly?

7 A You read the document correctly.

8 Q And when did you first contact Mr. Hess
9 about your interest in establishing an offshore
10 company?

11 A I plead the Fifth.

12 Q When did you first contact Mr. Hess with
13 your interest in establishing an offshore account?

14 A I plead the Fifth.

15 Q Did you call Mr. Hess to express your
16 interest in establishing an offshore company and
17 account?

18 A I plead the Fifth.

19 Q And did you call Mr. Hess to express your
20 interest in establishing an offshore company and
21 account after the court entered its freeze order in
22 May of this year?

23 A I plead the Fifth.

24 Q Have you earned any income since May 9th
25 of this year?

1 A I plead the Fifth.

2 Q Since May of this year, have you
3 established an offshore company?

4 A I plead the Fifth.

5 Q Since May of this year, have you
6 established an offshore account?

7 A I plead the Fifth.

8 Q Since November 27th of this year, have you
9 moved forward with Mr. Hess in establishing an
10 offshore company?

11 A I plead the Fifth.

12 Q Since November 27th, have you moved
13 forward with Mr. Hess in establishing an offshore
14 account?

15 A I plead the Fifth.

16 Q Since May 9th of 2017, have you placed any
17 assets into an offshore company?

18 A I plead the Fifth.

19 Q Since May 9th of 2017, have you put any
20 assets into an offshore account?

21 A I plead the Fifth.

22 Q Since November 27th of this year, have you
23 put any assets in an offshore company established by
24 Mr. Hess?

25 A I plead the Fifth.

1 Q Since November 27th of this year, have you
2 placed any assets in an offshore account established
3 by Mr. Hess?

4 A I plead the Fifth.

5 Q Prior to May of this year, have you ever
6 formed an offshore company?

7 A I plead the Fifth.

8 Q Prior to May of this year, have you ever
9 established an offshore account?

10 A I plead the Fifth.

11 Q Prior to May of this year, did you ever
12 put any assets in an offshore company?

13 A I plead the Fifth.

14 Q Have you ever placed, before May of this
15 year, any assets in an offshore account?

16 A I plead the Fifth.

17 Q In your financial disclosures that you
18 provided in this case, have you identified any
19 offshore companies that you have an interest in?

20 A I plead the Fifth.

21 Q In your financial disclosures that you
22 provided in this case, have you identified any
23 offshore account that you have an interest in?

24 A I plead the Fifth.

25 MS. HIRSCH: Can we go off the record one

1 second?

2 (Discussion off the record.)

3 BY MR. GARNO:

4 Q Mr. Marcus, when did you get married?

5 A I plead the Fifth.

6 Q What's your wife's name?

7 A Amanda Finley.

8 Q Did you have a wedding?

9 A I plead the Fifth.

10 Q Did you have a wedding ceremony or
11 reception?

12 A I plead the Fifth.

13 Q Did you have a wedding at the W Hotel on
14 December 2nd of this year?

15 A I plead the Fifth.

16 Q How many guests attended your wedding on
17 December 2nd of this year?

18 A I plead the Fifth.

19 Q Did you have a DJ at your wedding?

20 A I plead the Fifth.

21 Q The wedding was at the W Hotel in Fort
22 Lauderdale?

23 A I plead the Fifth.

24 Q Is that considered to be a posh hotel in
25 Fort Lauderdale?

1 A I plead the Fifth.

2 Q Is the W Hotel right on the ocean?

3 A I plead the Fifth.

4 Q Did you post pictures of your wedding on
5 social media?

6 A I plead the Fifth.

7 Q Do you know whether or not your wife
8 posted pictures of your wedding on social media?

9 A I plead the Fifth.

10 Q Did you have a photographer at your
11 wedding?

12 A I plead the Fifth.

13 Q Did you have a band at the wedding?

14 A I plead the Fifth.

15 Q Flowers?

16 A I plead the Fifth.

17 Q Cake?

18 A I plead the Fifth.

19 Q Did you hire a wedding planner in
20 connection with this event?

21 MS. HIRSCH: I'm going to object. What's
22 the relevancy to these questions?

23 MR. GARNO: We'll get there.

24 MS. HIRSCH: Just for the record.

25

1 BY MR. GARNO:

2 Q Did you hire a wedding planner for this
3 wedding?

4 A I plead the Fifth.

5 Q And how did you pay for this wedding?

6 A I plead the Fifth.

7 Q Did you pay any deposits in connection
8 with this wedding, before the court entered its
9 asset freeze order?

10 A I plead the Fifth.

11 Q Our records indicate that you did pay
12 deposits in connection with this wedding through
13 your American Express Card; is that correct?

14 A I plead the Fifth.

15 Q And isn't it also correct that the
16 receivership defendants then reimbursed you and paid
17 your American Express card?

18 A I plead the Fifth.

19 Q Were any of the deposits that you provided
20 in connection with your wedding, were they
21 refundable?

22 A I plead the Fifth.

23 Q Our records indicate that these deposits
24 were paid before the court entered its freeze order.

25 MS. HIRSCH: Is that a question?

1 BY MR. GARNO:

2 Q Is that correct?

3 A I plead the Fifth.

4 Q Did you identify these deposits in any
5 asset disclosure that you made in this case?

6 A I plead the Fifth.

7 Q Did you use receivership defendants' money
8 to pay for this wedding?

9 A I plead the Fifth.

10 Q Did you use moneys that were not disclosed
11 in your financial disclosures to pay for this
12 wedding?

13 A I plead the Fifth.

14 Q Now, I did see in your financial
15 disclosures that you identified an engagement ring
16 that you purchased for your wife.

17 Do you recall making that disclosure to us
18 in this case?

19 A I plead the Fifth.

20 Q Are you aware that your wife subsequently
21 returned that engagement ring to the receiver in
22 this case?

23 A I plead the Fifth.

24 Q You don't know that she returned the ring
25 to us?

1 MS. HIRSCH: We can stipulate that she
2 returned the ring to the receiver.

3 BY MR. GARNO:

4 Q Did you buy her a new engagement ring?

5 A I plead the Fifth.

6 Q When did you buy her a new engagement
7 ring?

8 A You just asked that question.

9 Q I asked when.

10 A I plead the Fifth.

11 Q Who did you buy the engagement ring from?

12 A I plead the Fifth.

13 Q How much did the engagement ring cost?

14 A I plead the Fifth.

15 Q Did you buy the replacement engagement
16 ring for your wife after May 9th of this year?

17 A I plead the Fifth.

18 Q Did you use receivership entities' moneys
19 to purchase this replacement ring?

20 A I plead the Fifth.

21 Q Did you use funds or assets that you did
22 not disclose in your financial disclosures to
23 purchase this new engagement ring for your wife?

24 A I plead the Fifth.

25 MR. GARNO: Let's take a two-second break.

1 (Thereupon, a recess was taken, after
2 which the following proceedings were had:)

3 (Thereupon, the said documents were marked
4 as Exhibit Nos. 11 and 12 for identification by
5 the Reporter.)

6 BY MR. GARNO:

7 Q Before we move on to our next topic, I
8 wanted to show you what we've marked as Exhibit 11
9 and Exhibit 12. I'll represent to you that Exhibit
10 11 and Exhibit 12 were found on your wedding
11 photographer's website or social media account.

12 Is Exhibit 11 a picture of you and your
13 wife at your wedding at the W Hotel in December of
14 this year?

15 MS. HIRSCH: We can identify Mr. Marcus
16 and Ms. Finley. He's not going to testify to
17 anything further.

18 BY MR. GARNO:

19 Q Was Exhibit 11 taken in connection with
20 your wedding on December 2nd of this year?

21 A I plead the Fifth.

22 Q And Exhibit 11 was taken by a professional
23 photographer that you hired for your wedding?

24 A I plead the Fifth.

25 Q Did you use receivership moneys, or moneys

1 not disclosed in your financial disclosures in this
2 case to pay for the wedding?

3 A I plead the Fifth.

4 Q Did you use any moneys from the
5 receivership defendants, or moneys not disclosed in
6 your financial disclosures, to pay for the
7 photographer who took Exhibit 11?

8 A I plead the Fifth.

9 Q Turn your attention to Exhibit 12.

10 Is this a picture of you and your wife at
11 your wedding on December 2nd of this year at the W
12 Hotel?

13 A I plead the Fifth.

14 Q There appears to be an engagement ring on
15 her finger.

16 Is that the replacement engagement ring
17 that you purchased for her?

18 MS. HIRSCH: What are we looking at,
19 Exhibit 12?

20 MR. GARNO: Yes.

21 MS. HIRSCH: Objection.

22 BY MR. GARNO:

23 Q Mr. Marcus, does it appear that your wife
24 is wearing an engagement ring in Exhibit 12?

25 A I plead the Fifth.

1 Q Did you give your wife a wedding ring at
2 your ceremony?

3 A I plead the Fifth.

4 Q Did you acquire either a replacement
5 engagement ring or wedding ring after May 10th of
6 this year?

7 A I plead the Fifth.

8 Q Did you use any receivership moneys to
9 acquire either the replacement engagement ring or a
10 wedding ring that you gave to your wife?

11 A I plead the Fifth.

12 (Thereupon, the said document was marked
13 as Exhibit No. 13 for identification by the
14 Reporter.)

15 BY MR. GARNO:

16 Q I'm showing you what we've marked as
17 Exhibit 13. Exhibit 13 are your responses to the
18 FTC's first set of interrogatories and document
19 requests in this case.

20 Have you seen Exhibit 13 before?

21 A Yes.

22 Q And you'll agree with me that for every
23 interrogatory that was asked of you, your response
24 was that you would invoke your Fifth Amendment right
25 not to answer, based on the grounds of

1 self-incrimination?

2 MS. HIRSCH: We can stipulate that for the
3 record.

4 BY MR. GARNO:

5 Q If I was to ask you, for example, any
6 testimony that you can offer today to support that
7 you acted in good faith in your business practices,
8 and in a lawful manner towards consumers, and in
9 conformity with all applicable laws and regulations,
10 would you assert your Fifth Amendment privilege?

11 A I would assert that you should look
12 through all my e-mails.

13 Q I have. We'll get there. Don't worry.

14 MS. HIRSCH: He's asking whether we will
15 assert the Fifth today, and the answer is yes.

16 THE WITNESS: Yes.

17 BY MR. GARNO:

18 Q So you're still asserting your Fifth
19 Amendment on the issue of good faith in your
20 business practice.

21 Can you provide any testimony here today
22 that the businesses you ran that are the subject of
23 the FTC action were done so in a lawful manner
24 towards consumers?

25 A I'm going to continue to plead the Fifth.

1 Q In connection with your business practices
2 which are the subject of this litigation, did you
3 make any false or misleading statements of material
4 fact to consumers?

5 MS. HIRSCH: State it again.

6 BY MR. GARNO:

7 Q Did you make any false or misleading
8 statements of material fact to consumers in
9 connection with the business practices which are the
10 subject of this litigation?

11 A I plead the Fifth.

12 Q In connection with the business practices
13 which are the subject of this litigation, did you
14 breach any lawful duty owed to consumers?

15 A I plead the Fifth.

16 (Thereupon, the said document was marked
17 as Exhibit No. 14 for identification by the
18 Reporter.)

19 BY MR. GARNO:

20 Q I'm now showing you what we've marked as
21 Exhibit 14, which are your responses to the first
22 request for admissions directed towards you in the
23 FTC litigation pending against you.

24 Have you seen Exhibit 14 before?

25 A Yes.

1 Q And did you invoke your Fifth Amendment
2 right not to incriminate yourself in response to
3 each and every one of these requests for admissions?

4 MS. HIRSCH: Same stipulation on the
5 record.

6 BY MR. GARNO:

7 Q Are you familiar with the corporate
8 defendants that have been named in the FTC action
9 pending against you?

10 A I plead the Fifth.

11 Q Did you acquire or establish or cause the
12 formation of the corporate defendants in this
13 action?

14 A I plead the Fifth.

15 Q Did you cause the establishment of any of
16 the corporate defendants by filing the appropriate
17 corporate documents with the State of Florida or any
18 other state?

19 A I plead the Fifth.

20 Q Were you ever an owner of any of the
21 corporate defendants in this case?

22 A I plead the Fifth.

23 Q Were you ever any officer of the corporate
24 defendants in this case?

25 A I plead the Fifth.

1 Q Were you ever a principal of any of the
2 corporate defendants in this case?

3 A I plead the Fifth.

4 Q Were you ever a manager or director of any
5 of the corporate defendants in this case?

6 A I plead the Fifth.

7 Q Did you have the authority to control the
8 acts and practices of the corporate defendants that
9 are named in this case?

10 A I plead the Fifth.

11 Q Did you have the ability to hire, fire or
12 supervise employees?

13 A I plead the Fifth.

14 Q Did you have the ability to enter into or
15 terminate contracts on behalf of the corporate
16 defendants?

17 A I plead the Fifth.

18 Q Are you familiar with all of the corporate
19 defendants maintaining the same place of business at
20 1410 Southwest 3rd Avenue in Pompano?

21 A I plead the Fifth.

22 Q Did these corporate defendants conduct and
23 practice business as a group?

24 A I plead the Fifth.

25 Q Do you know who Mike Silva is?

1 A I plead the Fifth.

2 Q Is Mike Silva an employee of the corporate
3 defendants?

4 A There were multiple Mike Silvas. I plead
5 the Fifth.

6 Q How many Mike Silvas do you know?

7 A I plead the Fifth.

8 Q Do you know more than one Mike Silva?

9 A I plead the Fifth.

10 Q Did more than one Mike Silva work with the
11 corporate defendants at 1410?

12 A I plead the Fifth.

13 Q Did you participate in the common
14 ownership of the corporate defendants that are
15 identified in this case?

16 A I plead the Fifth.

17 Q Did the corporate defendants identified in
18 this case have common officers?

19 A I plead the Fifth.

20 Q Did the corporate defendants in this case
21 have common managers?

22 A I plead the Fifth.

23 Q Did the corporate defendants in this case
24 have common business functions?

25 A I plead the Fifth.

1 Q Did the corporate defendants in this case
2 have common employees?

3 A I plead the Fifth.

4 Q Did the corporate defendants in this case
5 commingle money?

6 MS. HIRSCH: I'm going to object. That
7 calls for a legal conclusion.

8 Go ahead.

9 THE WITNESS: I plead the Fifth.

10 BY MR. GARNO:

11 Q Do you understand what commingling of
12 funds is?

13 A I plead the Fifth.

14 Q Did you direct funds of the receivership
15 defendants to be commingled?

16 A I plead the Fifth.

17 Q Did you have authority over the corporate
18 defendants' bank account?

19 A I plead the Fifth.

20 Q Did the corporate defendants operate
21 websites?

22 A I plead the Fifth.

23 Q Did you have any involvement in the
24 materials that were posted on the corporate
25 defendants' websites?

1 A I plead the Fifth.

2 Q Did you have the ability to review the
3 materials that were placed on the corporate
4 defendants' websites?

5 A I plead the Fifth.

6 Q Did you have to approve the materials that
7 appeared on the corporate defendants' website?

8 A I plead the Fifth.

9 Q Were you involved at all, in terms of the
10 preparation of mailers used by the corporate
11 defendants to solicit consumers?

12 A I plead the Fifth.

13 Q Did you ever have the opportunity to
14 review the content of mailers before they were sent
15 to consumers?

16 A I plead the Fifth.

17 Q Did you ever review the content of mailers
18 sent to consumers?

19 A I plead the Fifth.

20 Q Did you have the authority and ability to
21 make any changes in the mailers that were sent to
22 consumers?

23 A I plead the Fifth.

24 Q Are you aware that the corporate
25 defendants sent mailers to consumers?

1 A I plead the Fifth.

2 Q Are you familiar with a company called
3 MarkSYS, M-A-R-K-S-Y-S?

4 A I plead the Fifth.

5 Q You never heard of MarkSYS before?

6 A I plead the Fifth.

7 Q Are you aware that MarkSYS is in the
8 business of sending out mailers?

9 A Are you telling me that or are you asking
10 me?

11 Q I asked you, "Are you aware?" That would
12 be a question.

13 A I plead the Fifth.

14 Q Did you ever have any contact with MarkSYS
15 about the content of mailers sent out by the
16 corporate defendants to consumers?

17 A I plead the Fifth.

18 Q Did you participate in the creating of any
19 content in any mailers that were sent out by MarkSYS
20 or any third party?

21 A I plead the Fifth.

22 Q Were you aware that the corporate
23 defendants caused millions of mailers to be sent
24 nationwide through MarkSYS in 2014?

25 A I plead the Fifth.

1 Q Did you approve millions of mailers be
2 sent nationwide through MarksSYS in 2014 on behalf of
3 the corporate defendants?

4 A I plead the Fifth.

5 Q Did you review the content of any mailer
6 sent by the corporate defendants through MarksSYS in
7 2014?

8 A I plead the Fifth.

9 Q Are you aware that millions of mailers
10 were sent out by MarksSYS on behalf of the corporate
11 defendants in 2015?

12 A I plead the Fifth.

13 Q Did you approve the content of the mailers
14 that MarksSYS sent out on behalf of the corporate
15 defendants in 2015?

16 A I plead the Fifth.

17 Q Were you involved in the preparation of
18 the content of the mailers that MarksSYS sent out to
19 consumers in 2015?

20 A I plead the Fifth.

21 Q Were you aware that in January of 2016,
22 MarksSYS, on behalf of the corporate defendants, sent
23 out millions of mailers to consumers?

24 A I plead the Fifth.

25 Q Were you involved in the preparation of

1 these mailers that were sent out by MarkSYS in 2016?

2 A I plead the Fifth.

3 Q Were you involved in approving the content
4 of the mailers that were sent out by MarkSYS in
5 2016?

6 A I plead the Fifth.

7 Q Were you involved in the formulation of
8 the content of the mailers that were sent out by
9 MarkSYS in 2016 on behalf of the corporate
10 defendants?

11 A I plead the Fifth.

12 Q Are you aware that the corporate
13 defendants contracted and directed MarkSYS to send
14 out 12,500 mailers to consumers in May of this year?

15 A I plead the Fifth.

16 Q Did you approve that mailer by MarkSYS in
17 this year?

18 A I plead the Fifth.

19 Q Were you involved in the preparation of
20 those mailers?

21 A I plead the Fifth.

22 Q Were you involved in the approval of the
23 content of those mailers?

24 A I plead the Fifth.

25 Q Were you involved at all in the

1 formulation of the content in those mailers?

2 A I plead the Fifth.

3 Q Was the purpose of sending out these
4 mailers through MarkSYS or any other third party to
5 generate leads for the business practices of the
6 corporal defendants?

7 A I plead the Fifth.

8 Q Are you aware of any leads that were
9 generated by the mailings that MarkSYS did on behalf
10 of the corporate defendants?

11 A I plead the Fifth.

12 Q In connection with any leads that may have
13 come based upon these mailings, are you aware of
14 attempts to contact consumers about offering
15 supportive debt relief services?

16 A I plead the Fifth.

17 Q Were you involved at all in terms of the
18 content of any communications that were made to
19 potential consumers, based upon leads generated from
20 mailers?

21 A I plead the Fifth.

22 Q Did the corporate defendants utilize any
23 sales scripts or any other kind of script in making
24 initial contact with consumers, based upon leads
25 generated from mailers?

1 A I plead the Fifth.

2 Q Did you participate in the content of any
3 such script?

4 A I plead the Fifth.

5 Q Did you approve the content of any such
6 script?

7 A I plead the Fifth.

8 Q Did you have the ability to approve the
9 content of any sales scripts that were utilized by
10 the corporate defendants?

11 A I plead the Fifth.

12 Q Were you involved at all in terms of the
13 preparation of any sales scripts that were utilized
14 by the corporate defendants?

15 A I plead the Fifth.

16 Q Did the corporate defendants utilize
17 electronically-delivered documents when soliciting
18 and engaging consumers?

19 A I plead the Fifth.

20 Q Were you involved in the preparation of
21 any of the electronically-delivered documents
22 corporate defendants sent to consumers when engaging
23 them?

24 A I plead the Fifth.

25 Q Did you have the ability to control the

1 content of these documents?

2 A I plead the Fifth.

3 Q Did you have the authority to formulate
4 the content of those documents?

5 A I plead the Fifth.

6 Q Do you know Craig Smith?

7 A I plead the Fifth.

8 Q Was Mr. Smith employed by the corporate
9 defendants?

10 A I plead the Fifth.

11 Q Were you the person responsible for hiring
12 or promoting Mr. Smith, to the extent he was
13 promoted at the corporate defendants?

14 A I plead the Fifth.

15 Q Did you determine the compensation that
16 Mr. Smith received from the corporate defendants?

17 A I plead the Fifth.

18 Q Did you ever give Mr. Smith a Tesla in
19 connection with compensation for his work with the
20 corporate defendants?

21 A I plead the Fifth.

22 Q Did Mr. Smith manage any of the corporate
23 defendants?

24 A I plead the Fifth.

25 Q Are you familiar with a woman by the name

1 of Yisbet Segrea?

2 A I plead the Fifth.

3 Q Were you the person responsible for hiring
4 or promoting Ms. Segrea at the corporate defendants?

5 A I plead the Fifth.

6 Q Did Ms. Segrea report to you?

7 A I plead the Fifth.

8 Q Did Mr. Smith report to you?

9 A I plead the Fifth.

10 Q Did you report to anyone at the corporate
11 defendants?

12 A I plead the Fifth.

13 Q Did you have a supervisor or boss at the
14 corporate defendants?

15 A I plead the Fifth.

16 Q It's my understanding through various
17 interviews with employees that you were the boss,
18 you were the CEO, president, the man in charge of
19 the corporate defendants.

20 Is that true?

21 A I plead the Fifth.

22 Q Did you participate in the management of
23 the corporate defendants?

24 A I plead the Fifth.

25 Q Did you have the ability to control the

1 day-to-day operations of the corporate defendants?

2 A I plead the Fifth.

3 Q Did you have a position amongst the
4 corporate defendants?

5 A I plead the Fifth.

6 Q Did you have a job title?

7 A I plead the Fifth.

8 Q Did you own the corporate defendants?

9 A I plead the Fifth.

10 Q Did you have the ability to oversee and
11 control and implement any of the policies and
12 procedures utilized by the corporate defendants?

13 A I plead the Fifth.

14 Q Did you receive daily executive summaries
15 from the corporate defendants about operations?

16 A I plead the Fifth.

17 Q Did you have the ability to direct the
18 finances of the corporate defendants?

19 A I plead the Fifth.

20 Q Did you have the authority to control the
21 finances of the corporate defendants?

22 A I plead the Fifth.

23 Q Did you direct or control the finances of
24 the corporate defendants?

25 A I plead the Fifth.

1 Q Were you a signatory on any financial
2 accounts held by corporate defendants?

3 A I plead the Fifth.

4 Q Were you a signatory on all the financial
5 accounts held by the corporate defendants?

6 A I plead the Fifth.

7 Q Can you recall any financial account that
8 the corporate defendants had that you weren't a
9 signatory on?

10 A I plead the Fifth.

11 Q Did you execute checks on behalf of the
12 corporate defendants?

13 A I plead the Fifth.

14 Q Were you a contact person on the corporate
15 defendants' payment processing accounts?

16 A I plead the Fifth.

17 Q Were you aware of the corporate
18 defendants' customer transaction refunds or return
19 rates with payment processors?

20 A I plead the Fifth.

21 Q Were you familiar with the payment
22 processors that were utilized by the corporate
23 defendants?

24 A I plead the Fifth.

25 Q Are you familiar with a company called

1 Ram?

2 A I plead the Fifth.

3 Q Are you familiar with a company called
4 Check 321?

5 A I plead the Fifth.

6 Q Were you aware of the corporate
7 defendants' customer transaction refund or return
8 rates with financial institutions?

9 A I plead the Fifth.

10 Q Are you familiar with any of the banks
11 that corporate defendants had accounts at?

12 A I plead the Fifth.

13 Q Did the corporate defendants ever maintain
14 bank accounts at Bank of America?

15 A I plead the Fifth.

16 Q Were you aware that the corporate
17 defendants maintained bank accounts at Bank of
18 America, and Bank of America terminated its
19 association with the corporate defendants?

20 A I plead the Fifth.

21 Q Did the corporate defendants ever utilize
22 City National Bank of Florida?

23 A I plead the Fifth.

24 Q Did the corporate defendants ever maintain
25 bank accounts at City National Bank of Florida?

1 A I plead the Fifth.

2 Q Were you aware that City National Bank of
3 Florida, where the corporate defendants maintained
4 accounts, terminated its association with the
5 corporate defendants?

6 A I plead the Fifth.

7 MR. PERLMAN: Can we take a break?

8 MR. GARNO: Sure.

9 MR. PERLMAN: We're going to take a break
10 for a few minutes.

11 (Thereupon, a recess was taken, after
12 which the following proceedings were had:)

13 BY MR. GARNO:

14 Q Mr. Marcus, isn't it true that you were
15 aware that the corporate defendants maintained bank
16 accounts at SunTrust Bank?

17 A I plead the Fifth.

18 Q Isn't it also true that you were aware
19 that the corporate defendants' bank accounts at
20 SunTrust Bank were terminated by SunTrust Bank?

21 A I plead the Fifth.

22 Q Isn't it true that you're aware that the
23 corporate defendants maintained bank accounts at
24 Fifth Third Bank?

25 A I plead the Fifth.

1 MS. HIRSCH: I just want to object to the
2 form.

3 BY MR. GARNO:

4 Q Isn't it correct that you were aware that
5 Fifth Third terminated its banking relationships
6 with the corporate defendants?

7 A I plead the Fifth.

8 Q Did the corporate defendants maintain bank
9 accounts at PNC Bank?

10 A I plead the Fifth.

11 Q Isn't it true that the corporate
12 defendants maintained bank accounts at PNC Bank?

13 A I plead the Fifth.

14 Q Isn't it true that you're aware that PNC
15 Bank terminated its account relationships with the
16 corporate defendants?

17 A I plead the Fifth.

18 Q Do you know who Denton Douglas is?

19 A I plead the Fifth.

20 Q Isn't it true that Mr. Douglas works at
21 PNC Bank?

22 A I plead the Fifth.

23 Q Mr. Douglas has come and has interviewed
24 with the receiver, and Mr. Douglas has told us that
25 in exchange for a vacant lot at 3716 Embassy Drive

1 in West Palm Beach, he promised to provide you with
2 new banking relationships after PNC terminated?

3 A I plead the Fifth.

4 Q Are you aware of that?

5 A I plead the Fifth.

6 Q Is that true and correct?

7 A I plead the Fifth.

8 Q Are you aware of consumer complaints
9 received by the corporate defendants?

10 A I plead the Fifth.

11 Q Isn't it true that you were made aware of
12 customer complaints made by consumers related to the
13 business practices alleged in the FTC's action?

14 A I plead the Fifth.

15 Q Have you ever seen a customer complaint?

16 A I plead the Fifth.

17 Q Have you ever seen a consumer complaint?

18 A I plead the Fifth.

19 Q Are you familiar with the Better Business
20 Bureau?

21 A I plead the Fifth.

22 Q Have you ever seen Better Business Bureau
23 complaints lodged by consumers against corporate
24 defendants?

25 A I plead the Fifth.

1 (Thereupon, the said document was marked
2 as Exhibit No. 15 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q Let me show you what we've marked as
6 Exhibit 15. Exhibit 15 is an e-mail exchange
7 between you and Yisbet Segrea in December of 2015.

8 Do you have Exhibit 15 in front of you?

9 A I do.

10 Q The first e-mail on Exhibit 15 on the
11 first page is a December 30th e-mail from you to
12 Ms. Segrea, the subject matter being, "Can you give
13 me an idea of what's the BBB complaints are about
14 and how you get them handled"?

15 MS. HIRSCH: For the record, the document
16 speaks for itself. If you have a question about
17 something other than what the document specifically
18 says you can ask him that.

19 BY MR. GARNO:

20 Q Let's take a look at the second page. It
21 appears that in the December 30th e-mail that you
22 sent to Ms. Segrea and Mr. Smith, you wrote to them,
23 "Did you send info to Mike so he can listen to the
24 calls and coach the reps?"

25 Do you see where you wrote that?

1 A I see the document.

2 Q And who is Mike that you're referring to?

3 A I plead the Fifth.

4 Q Is it Mike Silva?

5 A I plead the Fifth.

6 Q Isn't it true that Mike Silva was part of
7 the sales and marketing department for the corporate
8 defendants for a number of years?

9 A I plead the Fifth.

10 Q When you wrote to Ms. Segrea and Mr. Smith
11 "to coach the reps," what were you referring to?

12 A I plead the Fifth.

13 Q Isn't it true that you were referring to
14 dictating the type of communications and the content
15 of communications that the corporate defendants had
16 with consumers?

17 A I plead the Fifth.

18 (Thereupon, the said document was marked
19 as Exhibit No. 16 for identification by the
20 Reporter.)

21 BY MR. GARNO:

22 Q I'm going to show you what we've marked as
23 Exhibit 16. You'll see that the first e-mail on
24 Exhibit 16 is from the Better Business Bureau to
25 you, dated February 9, 2016.

1 Do you see that?

2 A I see the document.

3 Q It appears that it relates to consumer
4 Diana Absatz.

5 Do you see that?

6 A I see the document.

7 Q It appears from this that you provided the
8 Better Business Bureau a response in connection with
9 her complaint.

10 Do you see that?

11 A I see the document.

12 MS. HIRSCH: Again, the document speaks
13 for itself. If you have a question beyond what the
14 document says, please ask that.

15 THE WITNESS: Can you repeat that? Repeat
16 that last question.

17 MS. HIRSCH: Can you read it back?

18 (Whereupon, the requested portion of the
19 record was read by the Reporter as above
20 recorded.)

21 THE WITNESS: I plead the Fifth.

22 BY MR. GARNO:

23 Q You'll see that the Better Business Bureau
24 wrote to you, "Thank you for providing our office
25 with an initial response to your customer listed

1 above."

2 Did I read that correctly?

3 A You did.

4 Q Does it refresh your recollection at all
5 in terms of you providing some kind of initial
6 response to the consumer complaint?

7 A No. I plead the Fifth.

8 Q Isn't it true that the corporate
9 defendants received a lot of BBB complaints about
10 the business activities of the corporate defendants?

11 A I plead the Fifth.

12 Q Isn't it true that the corporate
13 defendants had an F rating with the BBB?

14 A I plead the Fifth.

15 Q Isn't it true that at your direction at
16 various times the corporate defendants change names
17 in order to avoid all the negative consumer reaction
18 to the services that were purportedly being
19 provided?

20 A I plead the Fifth.

21 Q Were you aware in 2015 that consumers were
22 complaining about feeling like things were
23 misrepresented to them by the corporate defendants?

24 A I plead the Fifth.

25 Q In 2015, were you aware of customer

1 complaints, where consumers believed that they had
2 paid money and gotten no services in return?

3 A I plead the Fifth.

4 Q Are you aware in 2016 that consumers made
5 complaints to the corporate defendants that they
6 paid moneys and no services were provided?

7 A I plead the Fifth.

8 Q Are you aware in 2017 that consumers made
9 complaints that the corporate defendants provided no
10 services, yet they were paid money?

11 A I plead the Fifth.

12 Q Have you ever heard of consumers feeling
13 that they were lied to?

14 A I plead the Fifth.

15 Q Isn't it true that consumers have
16 complained to you and to the corporate defendants
17 that they felt like they were lied to?

18 A I plead the Fifth.

19 Q Isn't it true that you were aware that
20 consumers made complaints that they paid moneys to
21 the corporate defendants and gotten no services in
22 return?

23 MS. HIRSCH: Object to the form.

24 Go ahead.

25 THE WITNESS: I plead the Fifth.

1 BY MR. GARNO:

2 Q Isn't it true that you changed the
3 corporate names of these various entities at times,
4 based upon those complaints?

5 A I plead the Fifth.

6 Q Isn't it true that you did so in order to
7 attract new consumers into the business practices?

8 A I plead the Fifth.

9 Q Isn't it true that, in fact, there was no
10 change in the business practice, besides the change
11 in the corporate name?

12 MS. HIRSCH: Object to the form.

13 THE WITNESS: I plead the Fifth.

14 BY MR. GARNO:

15 Q I know you know a lot of Mike Silvas, but
16 in this case Mike Silva told us in an interview that
17 there was a corporate name change all the time, but
18 the product remained the same.

19 Do you disagree with Mr. Silva?

20 A I plead the Fifth.

21 Q Isn't it true that you were the person who
22 was responsible and in control for changing those
23 names of the corporations over time?

24 A I plead the Fifth.

25 Q Isn't it true that you gave directions to

1 other to change the names of the corporations in
2 order to attract new consumers and deflect from the
3 negative publicity from the corporate defendants?

4 MS. HIRSCH: Object to the form.

5 THE WITNESS: I plead the Fifth.

6 (Thereupon, the said document was marked
7 as Exhibit No. 17 for identification by the
8 Reporter.)

9 BY MR. GARNO:

10 Q Let me show you what we've marked as
11 Exhibit 17. Exhibit 17 is an e-mail that we got
12 from your e-mail account, dated February 10, 2016.

13 Do you have Exhibit 17 in front of you?

14 A Yes.

15 Q And the subject matter of this e-mail
16 between you, Mr. Smith and Ms. Segrea, is an
17 Attorney General complaint in Pennsylvania regarding
18 David Roy Boston; is that correct?

19 A Yes. I plead the Fifth.

20 Q Ms. Segrea in February of 2016 wrote to
21 you, "Received a new AG complaint for Pennsylvania.
22 This was one from a client that was closed due to
23 non-payment. Thought he was receiving a
24 consolidation loan. I will handle this one."

25 Did I read that correctly?

1 MS. HIRSCH: Again, the document speaks
2 for itself. If you have a question beyond what it
3 says here, you can ask that.

4 THE WITNESS: You read the document.

5 BY MR. GARNO:

6 Q Was one of the things that you were
7 offering to consumers through these corporate
8 defendants that you control, a consolidated loan?

9 A I plead the Fifth.

10 Q Was one of the things that you were
11 offering to consumers in connection with attracting
12 them to enroll in the corporate defendants'
13 programs, a special purpose loan?

14 A I plead the Fifth.

15 Q Isn't it true that these consumers never
16 got a special purpose loan?

17 A I plead the Fifth.

18 Q Isn't it true that it was misrepresented
19 to consumers that they were receiving a special
20 purpose loan?

21 A I plead the Fifth.

22 Q Isn't it true that it was misrepresented
23 to consumers that they were getting a special
24 purpose loan to entice them to enroll in the
25 corporate defendants' business practices?

1 A I plead the Fifth.

2 Q Isn't it true that the corporate
3 defendants promised to consumers, in order to induce
4 them to enroll in programs, that they would provide
5 a consolidated loan to the consumer?

6 A I plead the Fifth.

7 Q Isn't it true that these consumers never
8 received a consolidated loan?

9 A I plead the Fifth.

10 Q Isn't it true that you were aware of these
11 promises that were being made for consolidated
12 loans?

13 A I plead the Fifth.

14 Q Isn't it true that you were involved in
15 the disclosures and scripts that were being used to
16 lure consumers into the business practices of the
17 corporate defendants?

18 MS. HIRSCH: Object to the form;
19 argumentative nature.

20 THE WITNESS: I plead the Fifth.

21 BY MR. GARNO:

22 Q Are you aware of various state
23 investigations into the business practices of the
24 corporate defendants?

25 A I plead the Fifth.

1 Q Were you aware that the State of Minnesota
2 has started an investigation into the practices of
3 the corporate defendants?

4 A I plead the Fifth.

5 Q Isn't it true that you provided
6 information in connection with that investigation?

7 A I plead the Fifth.

8 Q Are you familiar with an investigation
9 that was ongoing with the State of Maryland, related
10 to the business practices of the corporate
11 defendants?

12 A I plead the Fifth.

13 Q Are you familiar with an investigation by
14 the State of Iowa into the business practices of the
15 corporate defendants?

16 A I plead the Fifth.

17 Q Are you familiar with various complaints
18 that were made against the corporate defendants to
19 the Attorney General for the State of Arizona?

20 A I plead the Fifth.

21 (Thereupon, the said document was marked
22 as Exhibit No. 18 for identification by the
23 Reporter.)

24 BY MR. GARNO:

25 Q Let me show you what we've marked as

1 Exhibit 18. Exhibit 18 is an e-mail exchange
2 between you and Ms. Segrea and Mr. Smith, dated
3 February 16, 2016.

4 Do you see that?

5 A Yes.

6 Q And the subject matter of the e-mail was,
7 "An AG complaint received - State of Arizona, David
8 Maynard;" is that correct?

9 MS. HIRSCH: The document speaks for
10 itself.

11 BY MR. GARNO:

12 Q Isn't it true that you were aware at least
13 in February that at least one person had complained
14 to the Attorney General in Arizona about the
15 business practices of the corporate defendants?

16 A I plead the Fifth.

17 (Thereupon, the said document was marked
18 as Exhibit No. 19 for identification by the
19 Reporter.)

20 BY MR. GARNO:

21 Q Let me show you Exhibit 19. Exhibit 19 is
22 an April 24, 2017 correspondence to Jeremy Marcus,
23 Manager, Helping America Group, from a Patricia
24 Wampler.

25 Have you seen Exhibit 19 before?

1 A I plead the Fifth.

2 Q You'll see that Ms. Wampler wrote to you
3 on April 24, 2017, that she was filing an official
4 complaint against your company with the Attorney
5 Generals Office in Florida.

6 Did I read that correctly?

7 A I plead the Fifth.

8 Q You'll see that one of the things that
9 Ms. Wampler wrote to you was that she believed that,
10 "Helping America Group/321 said they were different,
11 and operated as a not-for-profit to resolve debt."

12 Do you see where she wrote that?

13 MS. HIRSCH: Again, the document speaks
14 for itself. If you have a question beyond what the
15 documents says, you can ask it.

16 BY MR. GARNO:

17 Q Isn't it true that the corporate
18 defendants held themselves out to consumers as
19 operating as a not-for-profit?

20 A I plead the Fifth.

21 Q Isn't it true that you were involved in
22 the preparation of sales scripts, which identified
23 the corporate defendants, or certain corporate
24 defendants, as operating as a not-for-profit?

25 A I plead the Fifth.

1 Q Isn't it true that those representations
2 were misleading?

3 A I plead the Fifth.

4 Q Isn't it true that, in fact, none of these
5 entities were operated as a not-for-profit?

6 A I plead the Fifth.

7 Q Isn't it true that those representations
8 that you helped formulate and were aware of were
9 used as a way to induce consumers into enrolling in
10 the corporate defendants' business practices?

11 A I plead the Fifth.

12 Q Isn't it true that this misrepresentation
13 of the corporate defendants acting as a
14 not-for-profit was to falsely give consumers a sense
15 of confidence about the companies that they were
16 engaging with?

17 A I plead the Fifth.

18 Q You'll see that she wrote here, "Instead,
19 I have paying nearly \$500 a month to your company,
20 and you have done nothing. My credit rating is much
21 worse and I see no end in sight."

22 Do you see where she lodged that complaint
23 to you?

24 MS. HIRSCH: Again, the document speaks
25 for itself.

1 BY MR. GARNO:

2 Q Isn't it true that it was not unusual for
3 consumers to have these very same complaints?

4 MS. HIRSCH: Objection to form,
5 foundation.

6 THE WITNESS: I plead the Fifth.

7 BY MR. GARNO:

8 Q Isn't it true that you were aware that
9 consumers were making these types of complaints that
10 they were paying moneys to your company, and nothing
11 was getting done?

12 A I plead the Fifth.

13 Q Isn't it true that you were aware that
14 there were a great deal of consumers that were
15 complaining that enrollment in the corporate
16 defendants was actually hurting their credit, as
17 opposed to helping their credit?

18 A I plead the Fifth.

19 Q Have you ever reviewed the complaint in
20 this case?

21 MS. HIRSCH: Outside the presence of
22 counsel, or in general?

23 MR. GARNO: In general.

24 THE WITNESS: I plead the Fifth.

25

1 BY MR. GARNO:

2 Q Isn't it true that you reviewed the
3 complaint in this case?

4 A I plead the Fifth.

5 Q Isn't it true that you were aware of the
6 consumers complaining about the business practices
7 that were alleged in the complaint filed by the FTC
8 and the State of Florida against you?

9 A I plead the Fifth.

10 Q Isn't it true that you were aware of
11 consumer complaints about the corporate defendants'
12 business practices in the State of California?

13 A I plead the Fifth.

14 Q Isn't it true that you were the person who
15 was responsible for formulating the business
16 practices of the corporate defendants?

17 A I plead the Fifth.

18 Q Isn't it true that you were the person
19 that was in charge of the corporate defendants?

20 A I plead the Fifth.

21 Q Isn't it true that you reported to no one
22 at the corporate defendants?

23 A I plead the Fifth.

24 Q Isn't it true that everyone at the
25 corporate defendants reported to you?

1 A I plead the Fifth.

2 Q Isn't it true that you were aware that the
3 State of Colorado had instituted an investigation,
4 based upon the business practices of the corporate
5 defendants that you were in control of?

6 A I plead the Fifth.

7 Q Isn't it true that you were aware of the
8 Iowa State Attorney General's investigation into the
9 business practices of the corporate defendants that
10 you controlled?

11 A I plead the Fifth.

12 Q Isn't it true that you were aware of the
13 investigation by the New Mexico State Attorney
14 General into the business practices of the corporate
15 defendants you controlled?

16 A I plead the Fifth.

17 Q Isn't it true that you were aware of the
18 investigation being conducted by the New York State
19 Attorney General, as it relates to the business
20 practices of the corporate defendants you
21 controlled?

22 A I plead the Fifth.

23 Q Isn't it true that you were aware that the
24 State of Pennsylvania Attorney General had initiated
25 an investigation into the business practices of the

1 corporate defendants that you controlled?

2 A I plead the Fifth.

3 Q Are you aware that the State of Vermont
4 was also investigating the corporate defendants?

5 A I plead the Fifth.

6 Q Are you aware that the State of West
7 Virginia was investigating the business practices of
8 the corporate defendants you controlled?

9 A I plead the Fifth.

10 Q Did there ever come a time when the State
11 of Florida Department of Agriculture and Consumer
12 Services served a cease and desist on the corporate
13 defendants?

14 A I plead the Fifth.

15 Q Isn't it true that the corporate
16 defendants received a cease and desist letter from
17 the Florida Department of Agriculture and Consumer
18 Services?

19 A I plead the Fifth.

20 Q Isn't it true that the cease and desist
21 dealt with practices of the corporate defendants
22 that you controlled?

23 A I plead the Fifth.

24 Q Isn't it true that you were aware that one
25 of the complaints lodged by consumers is that they

1 were promised low interest rate debt consolidation
2 loans that they did not receive?

3 A I plead the Fifth.

4 Q Isn't it true that you were aware that
5 consumers complained that the corporate defendants
6 that you controlled promised a loan that would
7 resolve their unsecured debts, and that they did not
8 receive such a loan?

9 A I plead the Fifth.

10 Q Isn't it true that one of the things that
11 the corporate defendants that you controlled
12 promised was a loan that would rebuild their credit?

13 A I plead the Fifth.

14 Q Isn't it true that, in fact, no loans were
15 given to these consumers to help rebuild their
16 credit?

17 A I plead the Fifth.

18 Q Isn't it true that you were aware that
19 these representations were being made?

20 A I plead the Fifth.

21 Q Isn't it also true that you were aware
22 that the corporate defendants that you controlled
23 weren't honoring these promises that were being made
24 to consumers?

25 A I plead the Fifth.

1 Q Isn't it true that one of the promises
2 that consumers were made was that their debts would
3 be paid off?

4 A I plead the Fifth.

5 Q Isn't it true that sales scripts that you
6 helped draft and approve in the corporate defendants
7 that you controlled made guarantees to consumers
8 about future liability on their debts?

9 A I plead the Fifth.

10 Q Isn't it true that you were aware that the
11 promises that were being made to consumers were not
12 being honored, and consumers' debts were not being
13 paid off?

14 A I plead the Fifth.

15 Q Isn't it true that one of the promises
16 that were made to consumers in order to get them to
17 enroll in the corporate defendants that you
18 controlled was that there would be legal services or
19 representation provided to them?

20 A I plead the Fifth.

21 Q Isn't it true that that representation is
22 misleading?

23 A I plead the Fifth.

24 Q Isn't it true that, in fact, any consumer
25 that had a liability of \$2,500 or less, as a matter

1 of policy among the corporate defendants, would not
2 have a lawyer?

3 A I plead the Fifth.

4 Q Isn't it true that any consumer that had a
5 debt of \$2,500 or less was serviced through an
6 office in Panama?

7 A I plead the Fifth.

8 Q Are you familiar with the office in
9 Panama, Discount Marketing?

10 A I plead the Fifth.

11 Q Isn't it true that you caused to be formed
12 that entity?

13 A I plead the Fifth.

14 Q Isn't it true that after the State of
15 Florida Department of Agriculture served its cease
16 and desist, you moved your back room operations to
17 Panama?

18 A I plead the Fifth.

19 Q Isn't it true that despite the promises
20 being made to consumers that lawyers would represent
21 their interests, there were no lawyers representing
22 their interests in Panama?

23 A I plead the Fifth.

24 Q Isn't it true that most of the consumers
25 that had enrolled into the debt relief services

1 provided by the corporate defendants had debts of
2 \$2,500 or less?

3 A I plead the Fifth.

4 Q Isn't it true that you were aware that
5 consumers were being told that they would be
6 provided a lawyer and, in fact, they were not being
7 provided a lawyer?

8 A I plead the Fifth.

9 Q Isn't it true that you were the person at
10 the corporate defendants who developed the policy
11 that any consumer with a debt of \$2,500 or less
12 would not get a lawyer?

13 A I plead the Fifth.

14 Q Isn't it true that consumers who enrolled
15 in the purported debt relief services being offered
16 by the corporate defendants that you controlled had
17 to pay fees before debt relief services were
18 provided to those consumers?

19 A I plead the Fifth.

20 Q Isn't it true that you were aware of that
21 policy?

22 A I plead the Fifth.

23 Q Isn't it true that you're the person who
24 actually developed that policy?

25 A I plead the Fifth.

1 Q Isn't it true that you're aware that
2 consumers complained that the corporate defendants
3 were not paying the bills as they promised?

4 A I plead the Fifth.

5 Q Are you aware that consumers, after they
6 enrolled in these debt relief programs, complained
7 that their debts were going into default?

8 A I plead the Fifth.

9 Q Isn't it true that you were aware of this?

10 A I plead the Fifth.

11 Q Isn't it true that consumers complained
12 regularly that their credit scores were dropping
13 despite enrolling in your corporate defendants'
14 services?

15 A I plead the Fifth.

16 Q Did you ever hear about complaints by
17 consumers that their credit was being destroyed,
18 despite enrolling in the corporate defendants'
19 services?

20 A I plead the Fifth.

21 Q Are you aware of consumers that were
22 forced to file bankruptcy, despite retaining the
23 corporate defendants' debt relief services?

24 A I plead the Fifth.

25 Q Are you familiar with consumers

1 complaining that they received little or nothing for
2 the money they paid the corporate defendants?

3 A I plead the Fifth.

4 Q Isn't it true that there were consumers
5 that complained and requested refunds of the moneys
6 that were paid to the corporate defendants?

7 A I plead the Fifth.

8 Q Isn't it true that you were aware of these
9 requests?

10 A I plead the Fifth.

11 Q Isn't it true that you were the person who
12 was responsible for refusing to refund consumers?

13 A I plead the Fifth.

14 Q Isn't it true that you had the ability as
15 the ultimate decision-maker at the corporate
16 defendants to resolve or respond to any complaints
17 made by consumers?

18 A I plead the Fifth.

19 Q As the ultimate control person for the
20 corporate defendants, you had the authority to
21 settle any consumer's disputes that they had against
22 the corporate defendants?

23 A I plead the Fifth.

24 Q Isn't it true that the corporate
25 defendants advertised, marketed, promoted, offered

1 for sale or sold, or assisted others in advertising,
2 marketing, promotion or offering for sale or selling
3 of credit repair products or services?

4 A I plead the Fifth.

5 Q Did the corporate defendants that you
6 owned and controlled, did they offer any other type
7 of business services, other than credit repair?

8 A I plead the Fifth.

9 Q Isn't it true the only alleged services
10 that were offered by the corporate defendants were
11 credit repair services?

12 A I plead the Fifth.

13 Q Do you remember talking to the receiver
14 and his counsel after the takeover of the 1410
15 premises?

16 A I plead the Fifth.

17 Q Do you remember talking to us about what
18 the corporate defendants did?

19 A I plead the Fifth.

20 Q Do you remember telling us that the
21 corporate defendants were only involved in the
22 credit repair products and services?

23 A I plead the Fifth.

24 Q Do you recall telling us at a subsequent
25 meeting that you utilized moneys that consumers had

1 put into the receivership defendants?

2 MS. HIRSCH: If you're testifying as to
3 what he said, you're mischaracterizing what he may
4 have said.

5 MR. GARNO: Let me start over again.

6 BY MR. GARNO:

7 Q Do you recall a subsequent meeting that
8 you had with the receiver and his counsel in our
9 Fort Lauderdale office?

10 A I plead the Fifth.

11 Q Do you recall talking about various assets
12 related to the receivership entity?

13 A I plead the Fifth.

14 Q Do you recall telling us that you utilized
15 moneys that were put into the receivership
16 defendants by consumers, to invest in commercial
17 real estate and other ventures?

18 A I plead the Fifth.

19 Q Isn't it true that that's what you did
20 with these moneys?

21 A I plead the Fifth.

22 Q Isn't it true that you told the receiver
23 that the receivership defendants were --

24 MS. HIRSCH: Can I have a standing
25 objection to these questions?

1 MR. GARNO: Okay.

2 BY MR. GARNO:

3 Q Isn't it true that you told the receiver
4 that the receivership defendants threw off a million
5 dollars a month?

6 A I plead the Fifth.

7 MS. HIRSCH: Threw off?

8 MR. GARNO: Yeah. He can explain it. I'm
9 not sure that I understand it.

10 BY MR. GARNO:

11 Q Isn't it true that the corporate
12 defendants offered for sale or sold debt relief
13 products or services to consumers?

14 A I plead the Fifth.

15 Q Isn't it true that you were involved in
16 the advertising or marketing of those products?

17 A I plead the Fifth.

18 Q Isn't it true that the corporate
19 defendants offered for sale or marketed for sale
20 financial products or services?

21 A I plead the Fifth.

22 Q Isn't it true that you were involved in
23 the advertising or marketing of such financial
24 products or services?

25 A I plead the Fifth.

1 Q Are you familiar with a company called
2 Active Debt Solutions?

3 A I plead the Fifth.

4 Q Isn't it true you caused to be formed
5 Active Debt Solutions?

6 A I plead the Fifth.

7 Q Isn't it true that you're the control
8 person for Active Debt Solutions?

9 A I plead the Fifth.

10 Q Are you familiar with an entity called
11 Legal Helpers or Legal Helpers Debt Resolution?

12 A I plead the Fifth.

13 Q Isn't it true that you're familiar with
14 Legal Helpers or Legal Helpers Debt Resolution?

15 A I plead the Fifth.

16 Q Isn't it true that you're an owner or
17 control person of Legal Helpers or Legal Helpers
18 Debt Resolution?

19 A I plead the Fifth.

20 Q Are you familiar with an entity called The
21 Law Offices of Cockburn & Associates?

22 A I plead the Fifth.

23 Q Are you familiar with Sheila Cockburn?

24 A I plead the Fifth.

25 Q I had a chance to speak to Ms. Cockburn

1 and Michael Lupolover as part of the investigation,
2 and apparently she admitted to us that she and
3 Mr. Lupolover were the owners of The Law Offices of
4 Cockburn & Associates.

5 Do you have anything to dispute that?

6 A I plead the Fifth.

7 Q Isn't it true that you acquired a certain
8 book of consumer business from Ms. Cockburn?

9 A I plead the Fifth.

10 Q Isn't it true that you used consumer funds
11 to purchase that book of business?

12 A I plead the Fifth.

13 (Thereupon, the said document was marked
14 as Exhibit No. 20 for identification by the
15 Reporter.)

16 BY MR. GARNO:

17 Q I show you Exhibit 20, the purchase and
18 sale agreement, dated December 1, 2015. I direct
19 your attention to the very last page of Exhibit 20.

20 Is that your signature that appears there?

21 A I plead the Fifth.

22 Q And isn't it true that you signed Exhibit
23 20?

24 A I plead the Fifth.

25 Q Isn't it true that you signed Exhibit 20

1 on behalf of JLM85 Management, LLC?

2 A I plead the Fifth.

3 Q Isn't it true that your initials are JLM,
4 Jeremy Lee Marcus?

5 A I plead the Fifth.

6 Q What year were you born?

7 A 1985.

8 Q So did you cause JLM85 to be formed for
9 purposes of entering into this agreement with
10 Michael Lupolover and Sheila Cockburn?

11 A I plead the Fifth.

12 Q You'll see here on Page 3 of the purchase
13 and sale agreement that the purchase price payable
14 to the seller is \$1,450,000.

15 Do you see that?

16 MS. HIRSCH: The document speaks for
17 itself.

18 BY MR. GARNO:

19 Q Isn't it true that that's the purchase
20 price under this agreement?

21 A I plead the Fifth.

22 Q And that pursuant to this agreement, the
23 purchase price was going to be deposited into the
24 escrow account of The Law Office of Michael
25 Lupolover, P.C.

1 Isn't that true?

2 A I plead the Fifth.

3 Q Isn't it true that under this agreement,
4 that you or JLM85 Management, LLC, was agreeing to
5 pay \$1.45 million to Ms. Lupolover and Ms. Cockburn
6 for the existing debt relief services business that
7 they had in Canada?

8 A I plead the Fifth.

9 (Thereupon, the said document was marked
10 as Exhibit No. 21 for identification by the
11 Reporter.)

12 BY MR. GARNO:

13 Q Let me show you what we've marked as
14 Exhibit 21. Exhibit 21 is an e-mail dated
15 December 2nd, the day after the execution of Exhibit
16 20, an e-mail that you sent to Michael Lupolover.

17 Do you see that?

18 MS. HIRSCH: The document speaks for
19 itself.

20 THE WITNESS: I see the document.

21 BY MR. GARNO:

22 Q And do you recall sending this e-mail to
23 Mr. Lupolover on December 2nd?

24 A I plead the Fifth.

25 Q Isn't it true that you sent this e-mail to

1 Mr. Lupolover on December 2, 2015?

2 A I plead the Fifth.

3 Q And you'll see that what you have
4 forwarded to him is a receipt transfer.

5 Do you see that on the second page?

6 A I plead the Fifth.

7 Q Isn't it true that the receipt references
8 a payment amount of \$1,450,000?

9 A The document speaks for itself.

10 Q It appears to be from an account held by
11 321 Loans, Inc., the debit party, correct?

12 MS. HIRSCH: Again, is there a question,
13 other than what the document says?

14 BY MR. GARNO:

15 Q Isn't it true that you transferred out of
16 the 321 Loans account, in connection with this
17 agreement with JLM85 Management, the \$1,450,000 to
18 Mr. Lupolover's account, consistent with the
19 agreement?

20 A I plead the Fifth.

21 Q Was 3421 Loans a not-for-profit?

22 A I plead the Fifth.

23 Q I'm going to show you what we will mark as
24 Exhibit 22.

25

1 (Thereupon, the said document was marked
2 as Exhibit No. 22 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q Mr. Marcus, I presented you with Exhibit
6 22.

7 Do you recognize Exhibit 22?

8 A I plead the Fifth.

9 Q Isn't it true, Mr. Marcus, that this is
10 the supplemental financial disclosure that you
11 provided in this case on July 7, 2017?

12 A I plead the Fifth.

13 Q Take a look at Page 18 of Exhibit 22.
14 Is that your signature that appears on
15 Page 18?

16 A I plead the Fifth.

17 Q Isn't it true that that's your signature?

18 A I plead the Fifth.

19 Q Isn't it true that you signed this
20 document on July 7, 2017?

21 A I plead the Fifth.

22 Q Isn't it true that you provided this
23 document through counsel to the parties in this
24 case, in connection with your compliance with the
25 existing preliminary injunction entered by the

1 court?

2 A I plead the Fifth.

3 Q You'll see that you wrote under here that
4 you were the owner under, "Position with Business
5 Entity"?

6 A I plead the Fifth.

7 Q Isn't it true that you are the owner of
8 the entity referenced in Exhibit 22?

9 A I plead the Fifth.

10 Q If you take a look at the first page of
11 Exhibit 22, for general information, it says,
12 "Business Entity's Full Name, 321 Loans, Inc.,
13 formerly known as 321 Loans, Inc., d/b/a 321
14 Financial, Inc."

15 Did I read that correctly?

16 MS. HIRSCH: The document speaks for
17 itself.

18 THE WITNESS: You seem to have read the
19 document accurately.

20 BY MR. GARNO:

21 Q Isn't it true that you filled out Exhibit
22 on behalf of 321 Loans, Inc.?

23 A I plead the Fifth.

24 Q And you filled out Exhibit 22 as the owner
25 of 321 Loans, Inc.?

1 A I plead the Fifth.

2 Q If you look down, under Legal Information,
3 there's a state tax I.D. number.

4 Do you see that?

5 A I see what you're referring to.

6 Q Do you see how you've indicated in this
7 document that this entity is a not-for-profit?

8 A I plead the Fifth.

9 Q Isn't it true that you've identified in
10 this document under oath, as the owner, and under
11 penalty of perjury, that 321 Loans was a
12 not-for-profit?

13 A I plead the Fifth.

14 Q Isn't it true, Mr. Marcus, that 321 Loans'
15 only source of moneys was moneys it collected from
16 consumers?

17 A I plead the Fifth.

18 Q Isn't it true that you held out this
19 entity to consumers as a not-for-profit in order to
20 induce confidence in the business entity?

21 A I plead the Fifth.

22 Q Isn't it true, Mr. Marcus, that you, in
23 fact, did not utilize 321 Loans as a true
24 not-for-profit?

25 A I plead the Fifth.

1 Q For example, you used consumer funds held
2 at 321 Loans to purchase a business in the name of
3 JLM85, LLC, correct?

4 A I plead the Fifth.

5 MS. HIRSCH: Can we take a quick break?

6 MR. GARNO: Sure.

7 (Thereupon, a recess was taken, after
8 which the following proceedings were had:)

9 MR. GARNO: Back on the record.

10 BY MR. GARNO:

11 Q Mr. Marcus, isn't it true that in
12 connection with the purchase and sale agreement that
13 we marked as Exhibit 20, that you, on behalf of an
14 entity that you formed and controlled, purchased and
15 acquired a book or list of consumers previously
16 enrolled with Ms. Cockburn's company?

17 A I plead the Fifth.

18 Q Isn't it true that you, on behalf of an
19 entity that you owned and controlled, marketed to
20 those consumers that were previously enrolled with
21 Ms. Cockburn's company?

22 A I plead the Fifth.

23 Q Isn't it true that in connection with the
24 purchase and sale agreement that you, through an
25 entity that you caused to be formed, obtained escrow

1 funds of consumers previously enrolled with
2 Ms. Cockburn's company?

3 A I plead the Fifth.

4 Q Isn't it true that you caused to be formed
5 an entity called Cockburn & Associates for the
6 purposes of marketing a debt relief service, and
7 acquiring the escrow moneys of consumers that were
8 with Ms. Cockburn's company?

9 A I plead the Fifth.

10 Q Isn't it true that the consumers that were
11 previously enrolled with Ms. Cockburn had escrowed
12 these funds to pay their existing creditors?

13 A I plead the Fifth.

14 Q Isn't it true that those funds, after the
15 purchase and sale in December of 2015, that those
16 funds were not used for that purpose?

17 A I plead the Fifth.

18 Q Isn't it true that you were the person
19 responsible and in control of how those escrow funds
20 were used?

21 A I plead the Fifth.

22 Q Isn't it true that you were the person who
23 was responsible for how those escrow funds were used
24 after December 2, 2015?

25 A I plead the Fifth.

1 Q Isn't it true that a portion of the moneys
2 escrowed by the consumers enrolled by Ms. Cockburn
3 were used to buy personal property for you?

4 A I plead the Fifth.

5 Q Isn't it true that consumer funds that
6 were previously escrowed with Ms. Cockburn were
7 utilized by you to acquire the property at 300 Royal
8 Plaza?

9 A I plead the Fifth.

10 Q Isn't it true that the escrow funds that
11 you used through an entity acquired from
12 Ms. Cockburn did not use those funds to settle
13 consumers' pre-existing debt?

14 A I plead the Fifth.

15 Q Isn't it true that the funds that those
16 consumers previously escrowed with Ms. Cockburn,
17 after you acquired those funds, were not used to pay
18 those consumers' pre-existing debts?

19 A I plead the Fifth.

20 Q Isn't it true that after you, through an
21 entity you created, began servicing the consumers of
22 Ms. Cockburn's company, that you collected a fee
23 before negotiating, settling or altering the
24 consumers' pre-existing debts?

25 A I plead the Fifth.

1 Q Are you familiar with an entity called
2 Americor?

3 A I plead the Fifth.

4 Q Isn't it true that corporate defendants
5 that you owned or controlled acquired one or more of
6 the assets of Americor?

7 A I plead the Fifth.

8 Q Isn't it true that the corporate
9 defendants that you owned or controlled purchased or
10 acquired a book or list of consumers that had
11 previously enrolled with Americor?

12 Q Isn't it true that the funds utilized to
13 acquire this book or list of consumers with Americor
14 was consumer funds collected?

15 A I plead the Fifth.

16 Q Did any of the consumers that had provided
17 payments to the corporate defendants ever consent to
18 those funds being utilized to acquire third-party
19 businesses?

20 A I plead the Fifth.

21 Q Was it ever disclosed to any of the
22 consumers who provided funds to the corporate
23 defendants that their moneys were being used for any
24 other purchases but to settle their pre-existing
25 debts?

1 A I plead the Fifth.

2 Q Did you or anyone at your direction ever
3 get the consent of any of the consumers to permit
4 the moneys that they had paid to corporate
5 defendants be utilized to acquire third-party
6 businesses?

7 A I plead the Fifth.

8 Q Did you or anyone under your direction or
9 at your direction ever get the consent from the
10 consumers who had paid money into the corporate
11 defendants, consent to use the funds for any other
12 purpose besides paying their existing debt?

13 A I plead the Fifth.

14 Q Isn't it true that the corporate
15 defendants that you owned or controlled collected
16 fees from consumers before providing services
17 related to pre-existing debts of the consumers?

18 A I plead the Fifth.

19 Q Are you familiar with a company called
20 Consolidated Credit?

21 A I plead the Fifth.

22 Q Isn't it true that a company you owned or
23 controlled acquired the assets of Consolidated
24 Credit?

25 A I plead the Fifth.

1 Q Isn't it true that a company you owned or
2 controlled acquired a book or list of consumers from
3 Consolidated Credit?

4 A I plead the Fifth.

5 Q Isn't it true that as part of the
6 acquisition, Consolidated Credit had escrowed moneys
7 that consumers had previously provided to
8 Consolidated Credit?

9 A I plead the Fifth.

10 Q Isn't it true that in connection with the
11 acquisition of consumers with Americor, that escrow
12 funds from those consumers were used for a purpose
13 other than paying their existing creditors?

14 A I plead the Fifth.

15 Q Isn't it true that the consumers that had
16 previously been enrolled with Consolidated Credit
17 were charged a fee before the entity that you owned
18 or controlled provided any services related to
19 pre-existing debt?

20 A I plead the Fifth.

21 Q Isn't it true that consumer funds that had
22 been paid to the corporate defendants were used to
23 acquire the book of business that had been
24 established by Americor?

25 A I plead the Fifth.

1 Q Isn't it true the consumers who had
2 provided funds to the corporate defendants were
3 never disclosed that their funds being paid were
4 being used to purchase a third-party business?

5 A I plead the Fifth.

6 Q Isn't it true that the corporate
7 defendants that you owned and controlled did not
8 seek any consent from its consumers to utilize those
9 funds in any other fashion but to pay pre-existing
10 debt?

11 A I plead the Fifth.

12 Q Are you familiar with an entity called
13 Negotiated Credit Services?

14 A I plead the Fifth.

15 Q Are you familiar with an entity called
16 Solid Ground?

17 A I plead the Fifth.

18 Q Are you familiar with an entity called
19 Solid Ground Financial?

20 A I plead the Fifth.

21 Q Isn't it true that a company that you
22 owned and controlled acquired one or more assets
23 from that business?

24 A I plead the Fifth.

25 Q Isn't it true that you, through a company

1 you owned or controlled, acquired a book or list of
2 consumers previously enrolled with Negotiated Credit
3 Service or Solid Ground or Solid Ground Financial?

4 A I plead the Fifth.

5 Q Isn't it true that the funds that you
6 utilized to acquire this business opportunity or
7 these assets was from consumer moneys previously
8 provided to the corporate defendants?

9 A I plead the Fifth.

10 Q Isn't it true that it was never disclosed
11 to any of the consumers that the funds that they had
12 provided to the corporate defendants were being used
13 to acquire third-party businesses?

14 A I plead the Fifth.

15 MS. HIRSCH: Which company?

16 MR. GARNO: This would be Negotiated
17 Credit Services or Solid Ground or Solid Ground
18 Financial.

19 BY MR. GARNO:

20 Q In addition, isn't it true that the
21 consumers who provided moneys to the corporate
22 defendants that you owned and controlled, never
23 consented to their funds being utilized to acquire
24 any third-party businesses, such as Negotiated
25 Credit Services or Solid Ground or Solid Ground

1 Financial?

2 A I plead the Fifth.

3 Q Are you familiar with an entity called
4 Global Solutions?

5 A I plead the Fifth.

6 Q Are you familiar with an entity called
7 Global Client Solutions?

8 A I plead the Fifth.

9 Q Isn't it true that a corporate defendant
10 that you owned or controlled acquired Global
11 Solutions or Global Client Solutions' assets?

12 A I plead the Fifth.

13 Q As part of that asset purchase, isn't it
14 true that one of the things acquired was an existing
15 book of business of consumers who had enrolled in
16 the company?

17 A I plead the Fifth.

18 Q Isn't it true that as part of the
19 transaction, that an entity that you owned or
20 controlled obtained money that the consumers had
21 previously escrowed?

22 A I plead the Fifth.

23 Q Isn't it true that consumer funds that had
24 been provided to the corporate defendants were
25 utilized to acquire assets of Global Solutions or

1 Global Client Solutions?

2 A I plead the Fifth.

3 Q Was it ever disclosed, or did you ever
4 receive any consent from the consumers who had paid
5 the corporate defendants, that the money they paid
6 to corporate defendants would be used to purchase
7 the assets of a third party?

8 A I plead the Fifth.

9 Q In fact, you or no one at your direction
10 ever sought that consent, correct?

11 A Did you say that was a fact?

12 MS. HIRSCH: Can you repeat the question?

13 THE WITNESS: I think --

14 MS. HIRSCH: Wait. Let her read the
15 question.

16 (Whereupon, the requested portion of the
17 record was read by the Reporter as above
18 recorded.)

19 THE WITNESS: I plead the Fifth.

20 BY MR. GARNO:

21 Q Did the corporate defendants you owned or
22 controlled ever get consent from consumers to
23 utilize the funds they had provided, to acquire
24 third-party businesses?

25 A I plead the Fifth.

1 Q Was it ever disclosed at any point in time
2 to the consumers that had provided money to the
3 corporate defendants, that their funds were being
4 used to buy third-party businesses?

5 MS. HIRSCH: Are you asking specifically
6 or --

7 MR. GARNO: I've asked specifically. I'm
8 doing globally now.

9 THE WITNESS: I plead the Fifth.

10 BY MR. GARNO:

11 Q Are you familiar with a company called NGP
12 Enterprises?

13 A I plead the Fifth.

14 (Thereupon, the said document was marked
15 as Exhibit No. 23 for identification by the
16 Reporter.)

17 BY MR. GARNO:

18 Q I'm showing you what we've marked as
19 Exhibit 23. Exhibit 23 is an e-mail exchange
20 between Alan Messina and Craig Smith, dated
21 October 8, 2015.

22 Are you familiar with Alan Messina?

23 A I plead the Fifth.

24 Q It appears, based upon this e-mail, that
25 Mr. Messina is a business data analyst for Paralegal

1 Support Group?

2 A I plead the Fifth.

3 Q Are you familiar with an entity called
4 Paralegal Support Group?

5 A I plead the Fifth.

6 Q Isn't it true that Paralegal Support Group
7 is an entity that you owned and controlled?

8 A I plead the Fifth.

9 Q Are you familiar with the 321 Financial
10 entity?

11 A I plead the Fifth.

12 Q You'll see that the subject is, "321
13 Financial and Your Credit Report."

14 Do you see that?

15 A I plead the Fifth.

16 Q The e-mail Mr. Messina wrote to Mr. Smith,
17 do you know who Craig Smith is?

18 A I plead the Fifth.

19 Q You don't know who Mr. Smith is?

20 MS. HIRSCH: You asked him that. He took
21 the Fifth.

22 BY MR. GARNO:

23 Q Do you see that they wrote here, on behalf
24 of a company that you owned and controlled, "321
25 Financial is pleased to announce that starting

1 October 15, 2015, we will begin reporting your loan
2 and payment history to the credit bureaus."

3 Did I read that correctly?

4 A You read the document.

5 Q Do you recall that being the case?

6 A I plead the Fifth.

7 Q Isn't it true that right around 2015, that
8 321 Financial and other entities that you owned and
9 controlled, began reporting loans to credit bureaus
10 for consumers that had enrolled in the corporate
11 defendants' debt relief programs?

12 A I plead the Fifth.

13 Q You'll see it says here, "Now more than
14 ever it's extremely important that you make your
15 payments on time."

16 Did the corporate defendants have an issue
17 with consumers making payments on time?

18 A I plead the Fifth.

19 Q Mr. Messina wrote, "Late payments will
20 have a negative effect on your credit score."

21 Do you see that?

22 A I plead the Fifth.

23 Q Was this part of the loan that was being
24 represented to consumers that they would get if they
25 enrolled in the corporate defendants' program?

1 A I plead the Fifth.

2 Q Isn't it true, in fact, that no such loan
3 ever existed?

4 A I plead the Fifth.

5 Q You see that Mr. Messina wrote, "Your loan
6 will show up on your credit report under NGP
7 Enterprises. NGP is our outside credit bureau
8 reporting company."

9 Do you see that?

10 MS. HIRSCH: Again, the document speaks
11 for itself.

12 BY MR. GARNO:

13 Q Isn't it true that this document, Exhibit
14 23, was something that was sent to consumers?

15 A I plead the Fifth.

16 Q In fact, NGP Enterprises was not Paralegal
17 Support Group's outside credit bureau reporting
18 company, was it?

19 A I plead the Fifth.

20 Q Isn't it true that consumers would have on
21 their credit reports an entry for NGP Enterprises
22 after they enrolled into the corporate defendants'
23 debt relief programs?

24 A I plead the Fifth.

25 Q And according to what we've looked at, it

1 shows up as a loan from NGP Enterprises.

2 Are you familiar with that?

3 A I plead the Fifth.

4 Q Isn't it true there is no loan between NGP
5 Enterprises and any of the corporate defendants?

6 A I plead the Fifth.

7 Q Isn't it true that there is no loan
8 between the corporate defendants and any of the
9 consumers?

10 A I plead the Fifth.

11 Q Isn't it true that to the extent the
12 corporate defendants reported to credit bureaus that
13 there was a loan from NGP to consumers, that that
14 was false?

15 A I plead the Fifth.

16 Q Isn't it true that you were aware that
17 these misrepresentations were being made to credit
18 bureaus?

19 A I plead the Fifth.

20 MR. GARNO: Exhibit 24.

21 (Thereupon, the said document was marked
22 as Exhibit No. 24 for identification by the
23 Reporter.)

24 BY MR. GARNO:

25 Q Exhibit 24 is an e-mail exchange from

1 December 21, 2016, between yourself, Ms. Segrea and
2 Mr. Smith.

3 Do you see that?

4 A Yes.

5 Q The subject of this e-mail exchange is,
6 "NGP Enterprises," is it not?

7 MS. HIRSCH: Again, the document speaks
8 for itself. If you have a question beyond what it
9 says, you can ask that.

10 THE WITNESS: The document speaks for
11 itself.

12 BY MR. GARNO:

13 Q Apparently, Ms. Segrea, in December of
14 2016, was asking you and Mr. Smith if there was any
15 agreement between 321 Loans/Helping America or
16 something, and NGP Enterprises.

17 Is that your understanding of her request?

18 A That's what it says.

19 Q And your response in December is that
20 there was no agreement between the corporate
21 defendants and NGP Enterprises?

22 MS. HIRSCH: Again, is there a question
23 beyond what it says in the document?

24 BY MR. GARNO:

25 Q That was your response in December of

1 2016, was it not?

2 A I plead the Fifth.

3 Q Do you know an individual named Hodari
4 Askari?

5 A I plead the Fifth.

6 Q The corporate records for the State of
7 Florida reflect that Mr. Askari is the
8 owner/officer/director for NGP Enterprises.

9 Do you know that?

10 A I plead the Fifth.

11 Q Mr. Askari sent us a letter saying that he
12 has no idea who the corporate defendants are, and
13 that he never had any business with any of the
14 corporate defendants.

15 Do you dispute that?

16 A I plead the Fifth.

17 Q Isn't it true that there is no
18 relationship between NGP Enterprises and the
19 corporate defendants?

20 A I plead the Fifth.

21 Q There's no agreement between NGP
22 Enterprises and the corporate defendants?

23 A What does it say here on the third e-mail,
24 lower down here? Can you read that for me?

25 Q Why don't you read it for us?

1 MS. HIRSCH: No.

2 BY MR. GARNO:

3 Q Entertain me. It says "oral agreement."

4 MS. HIRSCH: You can't read it?

5 THE WITNESS: That's fine.

6 MR. GARNO: Put it on the record.

7 MS. HIRSCH: He's not putting it on the
8 record.

9 MR. GARNO: Your client thinks it's
10 important. I'd like to have it on the record.

11 THE WITNESS: I plead the Fifth.

12 BY MR. GARNO:

13 Q Let's talk about this then.

14 Your response initially was, "We don't
15 have an agreement," right? That's what you wrote.

16 MS. HIRSCH: Are you talking about right
17 now, or are you talking about what this e-mail says?

18 MR. GARNO: I'm talking about what the
19 e-mail says. His initial reaction was, there was an
20 agreement, now there's an oral agreement.

21 I'm trying to understand, because NGP
22 Enterprises says, "We don't have any agreement. We
23 don't know who you are." So I'm confused.

24 THE WITNESS: I plead the Fifth.

25 MS. HIRSCH: He didn't ask a question.

1 How do you spell that name?

2 MR. GARNO: H-O-D-A-R-I A-S-K-A-R-I.

3 BY MR. GARNO:

4 Q Isn't it true that you had set up at the
5 1410 location, an NGP hard line that would ring
6 directly into the Pompano Beach office center?

7 A I plead the Fifth.

8 Q Isn't it true that you directed this hard
9 line to be put into the Pompano complex to create
10 the illusion that there was some third-party
11 relationship with NGP Enterprises?

12 A I plead the Fifth.

13 Q In fact, the number currently for a while
14 would ring into our hot line. I'm sure you weren't
15 aware of that.

16 Isn't it true that you were the person who
17 was in charge of or directing the redirection of
18 that number, so that you would actually receive any
19 inquiries to NGP Enterprises?

20 MS. HIRSCH: Are you asking that with
21 respect to the hot line, because you prefaced the
22 question --

23 MR. GARNO: I'll start over. My
24 apologies.

25

1 BY MR. GARNO:

2 Q Isn't it true that you directed someone to
3 redirect a line for NGP Enterprises, so that it
4 would ring into the Panama offices that you had
5 created?

6 A I plead the Fifth.

7 Q Isn't it true that there was no
8 independent relationship with NGP Enterprises?

9 A I plead the Fifth.

10 Q In fact, NGP Enterprises was no different
11 than the corporate defendants; isn't that true?

12 A I plead the Fifth.

13 Q We've looked for a lot of loan documents
14 between NGP Enterprises and consumers and we haven't
15 found any.

16 Do you know where we might be able to find
17 some?

18 A I plead the Fifth.

19 Q Isn't the reason why we can't find them
20 because they don't exist?

21 A I plead the Fifth.

22 Q You, yourself, said that there's no
23 written agreement, in your e-mail marked as Exhibit
24 24, right?

25 A I plead the Fifth.

1 Q What were the terms of the agreement
2 between the corporate defendants and NGP
3 Enterprises?

4 A I plead the Fifth.

5 Q What was NGP Enterprises paid in
6 connection with whatever oral agreement you
7 referenced in Exhibit 24?

8 A I plead the Fifth.

9 Q Isn't it true that there was never any
10 agreement between NGP Enterprises and any of the
11 corporate defendants?

12 A I plead the Fifth.

13 Q Isn't it true that NGP Enterprises is just
14 a sham?

15 MS. HIRSCH: Object to the form of the
16 question, argumentative.

17 THE WITNESS: I plead the Fifth.

18 BY MR. GARNO:

19 Q Isn't it true that NGP Enterprises never
20 provided any loans to any consumers?

21 A I plead the Fifth.

22 Q Isn't it true that you were aware of the
23 fact that NGP Enterprises never provided any loans
24 to consumers?

25 A I plead the Fifth.

1 Q Isn't it true that you were aware that the
2 corporate defendants were falsely reporting to
3 credit bureaus the existence of a loan with NGP
4 Enterprises and the consumers?

5 A I plead the Fifth.

6 Q Isn't it true that under your direction
7 and control, persons were reporting to the credit
8 bureaus, loans that didn't exist between NGP
9 Enterprises and consumers?

10 A I plead the Fifth.

11 Q Isn't it true that at your direction, the
12 hard line for NGP was established so it would ring
13 at the Pompano Beach offices in order to deceive
14 credit bureaus?

15 A I plead the Fifth.

16 Q Isn't it true that the line that was
17 established to redirect calls to the Pompano complex
18 for NGP was done to deceive creditors?

19 A I plead the Fifth.

20 Q Isn't it true that rerouting the NGP hot
21 line was done for nothing more than to support the
22 illusion that that company actually existed, and had
23 a role in the corporate defendants' business?

24 MS. HIRSCH: Object to the form of that
25 question. It's argumentative.

1 THE WITNESS: I plead the Fifth.

2 BY MR. GARNO:

3 Q Isn't it true that the corporate
4 defendants carried on business for their own profit
5 or for the profit of their members?

6 A I plead the Fifth.

7 Q Isn't it true that none of the corporate
8 defendants acted as a not-for-profit entity?

9 A I plead the Fifth.

10 Q Did any of the not-for-profit corporate
11 defendants have an independent board of directors?

12 A I plead the Fifth.

13 Q Who was on the independent board of
14 directors for the not-for-profit corporate
15 defendants?

16 A I plead the Fifth.

17 Q Isn't it true that there were no
18 independent board of directors for any of the
19 not-for-profit corporate defendants?

20 A I plead the Fifth.

21 (Thereupon, the said document was marked
22 as Exhibit No. 25 for identification by the
23 Reporter.)

24 BY MR. GARNO:

25 Q I'm going to show you what we've marked as

1 Exhibit 25. I'll represent to you, Mr. Marcus, that
2 this is a document that you have provided to us in
3 this case in connection with the financial
4 disclosures that were required under the court's
5 temporary restraining order and preliminary
6 injunction.

7 Do you recognize Exhibit 25?

8 A I plead the Fifth.

9 Q Is it true that Exhibit 25 is your 2015
10 federal income tax return?

11 A I plead the Fifth.

12 Q And this federal income tax return was
13 prepared by Daszkal & Bolton, LLP?

14 A I plead the Fifth.

15 Q I want to direct your attention to
16 Schedule E of your 2015 tax return.

17 MS. HIRSCH: Where is that?

18 THE WITNESS: What page is that?

19 MR. GARNO: It says Page 18 on the side
20 column.

21 MS. HIRSCH: This is it (indicating)?

22 MR. GARNO: Yes.

23 MR. PERLMAN: What's the number on that?

24 MR. GARNO: Twenty-five.
25

1 BY MR. GARNO:

2 Q On Schedule E for your 2015 tax return --
3 did you review this before it was submitted to the
4 federal government?

5 A I plead the Fifth.

6 Q Did you provide information to your
7 accountants in their preparation for your tax
8 return?

9 A I plead the Fifth.

10 Q Isn't it true that this is a true and
11 correct copy of your 2015 tax return?

12 A I plead the Fifth.

13 Q And again, this is a document you provided
14 to us in this case.

15 Schedule E is Income from Passthrough
16 Statement, Page 1. It identifies a passthrough as
17 321 Loans, Inc., S corporation.

18 Do you see where it says that?

19 A I can read that.

20 Q I believe that we looked earlier that in
21 your financial disclosure, as the owner of 321
22 Loans, you identified it as a not-for-profit,
23 correct?

24 A I plead the Fifth.

25

1 Q Just so the record is clear, I'm referring
2 to Exhibit 22 as the financial disclosure that you
3 did as the owner for 321 Loans, Inc.

4 You identified it as a not-for-profit,
5 Exhibit 22, correct?

6 A I plead the Fifth.

7 Q And you'll see that in 2015, you took an
8 ordinary business income loss for this
9 not-for-profit organization for \$927,649.

10 Do you see that?

11 MS. HIRSCH: The document speaks for
12 itself. Is there a question?

13 BY MR. GARNO:

14 Q Isn't it true that you took, in 2015, a
15 \$927,649 ordinary business income loss for a
16 not-for-profit entity?

17 A I plead the Fifth.

18 Q Isn't that true, because you did not treat
19 321 Loans, Inc., as a not-for-profit but as a
20 for-profit entity?

21 A I plead the Fifth.

22 Q And it's also true that the only people
23 that believed that 321 Loans was a not-for-profit
24 entity were the consumers who were being told that
25 that's what it was?

1 A I plead the Fifth.

2 Q I direct your attention two more pages
3 after that. It's for Breeze Financial Solutions,
4 Inc. Again, this is Schedule E from your 2015 tax
5 return.

6 Do you see how this is a passthrough for
7 Breeze Financial Solutions, Inc.?

8 MS. HIRSCH: The document speaks for
9 itself.

10 THE WITNESS: It seems as though you're
11 reading off the document.

12 BY MR. GARNO:

13 Q In 2015, with Breeze Financial Solutions,
14 you took a passthrough gain of \$124,599; is that
15 correct?

16 A I plead the Fifth.

17 Q Isn't it true that Breeze Financial
18 Solutions was a not-for-profit entity?

19 A I plead the Fifth.

20 (Thereupon, the said document was marked
21 as Exhibit No. 26 for identification by the
22 Reporter.)

23 BY MR. GARNO:

24 Q I'm showing you what we've marked as
25 Exhibit 26.

1 MS. HIRSCH: Are we done with 25?

2 MR. GARNO: Maybe. I can't guaranty.

3 BY MR. GARNO:

4 Q I've shown you what we've marked as
5 Exhibit 26. I direct your attention to Page 18 of
6 Exhibit 26.

7 Is that your signature that appears on
8 Page 18 of Exhibit 26?

9 A I plead the Fifth.

10 Q Isn't it true that you signed this
11 document in connection with the financial
12 disclosures that the court required you to make?

13 A I plead the Fifth.

14 Q And you signed this as the owner of the
15 business entity, correct?

16 A I plead the Fifth.

17 Q Isn't it true that you signed this as the
18 owner of the business entity on July 7, 2017?

19 A I plead the Fifth.

20 Q The business entity that's identified in
21 Exhibit 26 is Breeze Financial Solutions, Inc.

22 Do you see that on the first page?

23 A I plead the Fifth.

24 Q Isn't it true that Exhibit 26, which you
25 submitted pursuant to a court order, references

1 Breeze Financial Solutions, Inc., d/b/a Credit
2 Health Plan, as the business entity?

3 A I plead the Fifth.

4 Q You'll see that in your court required
5 disclosures made under penalties of perjury, that
6 you identified Breeze Financial Solutions, Inc., as
7 a not-for-profit?

8 A I plead the Fifth.

9 Q Isn't it true that you identified it as a
10 not-for-profit in your court required disclosures
11 under perjury?

12 A I plead the Fifth.

13 Q Mr. Marcus, how is it possible that in
14 2015, you collected ordinary business income from a
15 not-for-profit?

16 A I plead the Fifth.

17 Q Isn't it true that, in fact, Breeze
18 Financial Solutions was a for-profit entity that you
19 were representing to consumers as a not-for-profit
20 in order to gain their trust in investing in the
21 corporate defendants?

22 A I plead the Fifth.

23 Q I turn your attention back to Exhibit 25,
24 Page 22. You'll see on this schedule that you
25 reported in 2015 a net loss of \$2,648,319

1 in connection with a passthrough called Financial
2 Freedom National, Inc.

3 Did I read that correctly?

4 MS. HIRSCH: Again, the document speaks
5 for itself. Is there a question beyond that?

6 BY MR. GARNO:

7 Q In 2015, did you claim with the IRS an
8 ordinary business income loss associated with
9 Financial Freedom Nation, Inc., of \$2,648,319?

10 A I plead the Fifth.

11 Q Isn't it true that Financial Freedom
12 National is a not-for-profit?

13 A I plead the Fifth.

14 (Thereupon, the said document was marked
15 as Exhibit No. 27 for identification by the
16 Reporter.)

17 BY MR. GARNO:

18 Q I'm going to show you what's been marked
19 as Exhibit 27. I'll represent to you, Mr. Marcus,
20 that this is part of the financial disclosures that
21 you provided in this case under penalties of
22 perjury, in connection with this court's prior
23 order. I direct your attention to Page 18 of
24 Exhibit 27.

25 Is that your signature that appears on

1 Page 18 of Exhibit 27?

2 A I plead the Fifth.

3 Q Isn't it true that on July 7, 2017, you
4 signed as president of Financial Freedom National,
5 Inc., in this court-required disclosure?

6 A I plead the Fifth.

7 Q I direct your attention to the first page
8 of Exhibit 27. You'll see that the financial
9 disclosure that you provided for Financial Freedom
10 National, Inc., pursuant to the court order,
11 identifies it as a not-for-profit.

12 Do you see that?

13 A The document speaks for itself.

14 Q Turning your attention back to your 2015
15 tax return, how did you claim a \$2,648,319 loss for
16 a not-for-profit company?

17 A I plead the Fifth.

18 Q Isn't it true that you claim this loss
19 here, because you never treated Financial Freedom
20 National, Inc., as a not-for-profit?

21 A I plead the Fifth.

22 Q Isn't it true that the only reason why
23 Financial Freedom National, Inc., was designated as
24 a not-for-profit was to fool consumers into
25 believing that they were doing business with a

1 not-for-profit entity?

2 A I plead the Fifth.

3 Q Isn't it true that you never treated
4 Financial Freedom National, Inc., as anything other
5 than a for-profit entity?

6 A I plead the Fifth.

7 Q Isn't it also true that you were aware
8 that consumers were being told that, in fact,
9 Financial Freedom National was a not-for-profit?

10 A I plead the Fifth.

11 Q The representations that were being made
12 to consumers about the not-for-profit status was to
13 induce consumers into enrolling in the business
14 services provided by the corporate defendants.

15 MS. HIRSCH: Is that a question?

16 BY MR. GARNO:

17 Q Isn't that correct?

18 A I plead the Fifth.

19 Q You were aware of consumers being told
20 that they were dealing with a not-for-profit through
21 various sales scripts that you reviewed before
22 today's deposition?

23 A I plead the Fifth.

24 Q Were you involved in the preparation of
25 sales scripts that were being utilized by the

1 corporate defendants?

2 A I plead the Fifth.

3 Q I'm going to show you some exhibits that
4 we marked at your father's deposition.

5 (Thereupon, the said document was marked
6 as Exhibit No. 28 for identification by the
7 Reporter.)

8 BY MR. GARNO:

9 Q I show you what we've marked as Exhibit
10 28.

11 MS. HIRSCH: Are we remarking these or
12 just --

13 MR. GARNO: I'm going to mark it as 28.

14 BY MR. GARNO:

15 Q Exhibit 28 is an e-mail exchange between
16 you and your father in 2010; is that correct?

17 MS. HIRSCH: Again, the document speaks
18 for itself. Is there a question beyond what it says
19 there?

20 MR. GARNO: Sure.

21 BY MR. GARNO:

22 Q Is there an attachment to Exhibit 28?

23 MS. HIRSCH: Are you asking if it's
24 physically attached to this, or are you asking if it
25 references attachments?

1 MR. GARNO: I think I asked if there's an
2 attachment referenced in Exhibit 28.

3 THE WITNESS: You've attached something.

4 BY MR. GARNO:

5 Q Take a look at the first page of Exhibit
6 28, this e-mail exchange between you and your father
7 in 2010. It looks like the documents are identified
8 as Script 1 and then Script Omni.

9 Did I read that correctly?

10 MS. HIRSCH: Again, we stipulate the
11 document says what it says.

12 BY MR. GARNO:

13 Q Isn't it true that you and your father
14 were working on an Omni Financial Management script
15 to be used in communicating with consumers?

16 A I plead the Fifth.

17 Q Isn't it true that your father was
18 involved in helping you prepare scripts that you
19 utilized with the corporate defendants with
20 consumers?

21 A I plead the Fifth.

22 (Thereupon, the said document was marked
23 as Exhibit No. 29 for identification by the
24 Reporter.)

25

1 BY MR. GARNO:

2 Q Exhibit 29 is another e-mail exchange
3 between you and your father, and the subject matter
4 is Script. The date of the e-mail is July 13th and
5 July 12, 2010.

6 Do you have Exhibit 29 in front of you?

7 A I do.

8 Q Again, the attachment to Exhibit 29 was a
9 script to be utilized in marketing a debt relief
10 service product to a consumer, correct?

11 A I plead the Fifth.

12 Q And you were involved in the preparation
13 of the script, were you not?

14 A I plead the Fifth.

15 Q You had the opportunity to review this
16 script?

17 A I plead the Fifth.

18 Q And your father was also involved in the
19 preparation of this script?

20 A I plead the Fifth.

21 Q And he provided input as it relates to the
22 script?

23 A I plead the Fifth.

24 MS. HIRSCH: Hold on a second.

25 (Discussion off the record.)

1 (Thereupon, the said document was marked
2 as Exhibit No. 30 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q I'm showing you what we've marked as
6 Exhibit 30. It's an e-mail exchange in December of
7 2015 between yourself, Mr. Smith, Mr. Herman; is
8 that correct?

9 A The document speaks for itself.

10 Q This particular e-mail deals with concerns
11 that were made at a website called getoutofdebt.org,
12 regarding 321 Loans - mailer - MarksSYS - raises -
13 questions.

14 Do you see that?

15 MS. HIRSCH: Again, the document speaks
16 for itself. Is there a question beyond what it says
17 here?

18 BY MR. GARNO:

19 Q At that point in time, did Mr. Herman send
20 to you this Internet article about mailers that your
21 companies were sending out and questions that were
22 being raised?

23 A I plead the Fifth.

24 Q And in connection with that, it appears
25 you reviewed whatever mailers they were?

1 A I plead the Fifth.

2 Q And did you also direct your counsel,
3 after the mailers went out, to take a look and
4 review the mailers?

5 A I plead the Fifth.

6 Q Mailers was one of the ways that the
7 corporate defendants that you owned and controlled
8 generated leads for purposes of marketing the
9 products that the corporate defendants were
10 offering, correct?

11 A I plead the Fifth.

12 Q You were certainly aware of that activity,
13 correct?

14 A I plead the Fifth.

15 Q And you were aware of the content of those
16 mailers, correct?

17 A I plead the Fifth.

18 Q And in December of 2015, you were aware of
19 issues that had been raised about the content of the
20 321 Loan mailers?

21 MS. HIRSCH: Is there a question?

22 MR. GARNO: I'll withdraw it. I'll ask a
23 different one.

24 BY MR. GARNO:

25 Q In December of 2015, at least, you were

1 aware that people were raising issues relating to
2 the content of 321 Loans mailers that MarksSYS had
3 sent out to market the corporate defendants,
4 correct?

5 A I plead the Fifth.

6 Q And you appear to have gotten your
7 attorney involved, as well, correct?

8 A I plead the Fifth.

9 (Thereupon, the said document was marked
10 as Exhibit No. 31 for identification by the
11 Reporter.)

12 BY MR. GARNO:

13 Q I'm now showing you what we've marked as
14 Exhibit 31. I'll represent to you that Exhibit 31
15 are documents that the receiver has discovered in
16 the course of his investigation.

17 Are you familiar with an entity called
18 American Advocacy Alliance?

19 A I plead the Fifth.

20 Q Isn't it true that Exhibit 31 is a
21 proposed sales script to be used in communicating
22 with consumers?

23 A I plead the Fifth.

24 Q Isn't it true that you reviewed these
25 scripts before they were actually employed unto

1 consumers?

2 A I plead the Fifth.

3 Q Isn't it true that you had the authority
4 and ability to control whatever was in those
5 scripts?

6 A I plead the Fifth.

7 Q You'll see that in Exhibit 31, part of the
8 script talks about a 501(c)(3) corporation, a
9 not-for-profit organization.

10 Do you see that?

11 A I plead the Fifth.

12 Q Were you aware that sales scripts were
13 being utilized to represent that the corporate
14 defendants were not-for-profits?

15 A I plead the Fifth.

16 Q And were you aware that while they were
17 being represented to consumers as being
18 not-for-profit, that you were not treating them as
19 not-for-profits, but actually as for-profit
20 entities?

21 MS. HIRSCH: Is that a question?

22 MR. GARNO: Yes.

23 THE WITNESS: I plead the Fifth.

24 BY MR. GARNO:

25 Q This idea of representing to consumers

1 that they were dealing with a not-for-profit was to
2 give them false confidence in enrolling in the
3 program?

4 A I plead the Fifth.

5 Q You also see here as part of the sales
6 script it says, "We guaranty the resolution of your
7 debts in writing."

8 Did I read that correctly?

9 MS. HIRSCH: The document speaks for
10 itself. Is there a question beyond what it says
11 here?

12 BY MR. GARNO:

13 Q You were aware that consumers were being
14 told that there was a guaranty that there would be a
15 resolution of their debts?

16 A I plead the Fifth.

17 Q And you were aware that this guaranty was,
18 in fact, a misrepresentation?

19 A I plead the Fifth.

20 Q You were aware that, in fact, the
21 corporate defendants were never going to guaranty
22 resolution of the debts?

23 A I plead the Fifth.

24 Q And, in fact, the corporate defendants did
25 not resolve all the debts of the consumers that

1 enrolled?

2 A I plead the Fifth.

3 Q Another part of the sales script that was
4 presented to consumers was that, "Is your credit
5 score where you want it to be?"

6 Do you see that?

7 MS. HIRSCH: Are you reading from the
8 document?

9 MR. GARNO: Yes.

10 MS. HIRSCH: Is there a question, other
11 than what it says?

12 THE WITNESS: I plead the Fifth.

13 BY MR. GARNO:

14 Q Isn't it true that you're aware that
15 consumers were being told that through your
16 companies, their credit scores would be where they
17 would want them to be?

18 A I plead the Fifth.

19 Q Are you aware that there were complaints
20 that, in fact, that wasn't the case?

21 A I plead the Fifth.

22 Q And in fact, you were aware, as we looked
23 at, that there were complaints that their credit
24 scores got worse?

25 A I plead the Fifth.

1 Q You'll see on the second page of Exhibit
2 31, part of the script that we've identified is a
3 section called Credit Reporting.

4 Do you see that?

5 MS. HIRSCH: Again, is there a question
6 beyond what it says in the document?

7 MR. GARNO: I asked if he sees that.
8 We'll get there.

9 THE WITNESS: I see what you're referring
10 to.

11 BY MR. GARNO:

12 Q And you were familiar with the fact that
13 part of the pitch that was being made to consumers
14 was this concept of credit reporting?

15 A I plead the Fifth.

16 Q In fact, you were involved in the
17 preparation of that aspect of the sales script where
18 consumers would be told about the benefit of credit
19 reporting?

20 MS. HIRSCH: Object to the form of the
21 question. Can you ask it in the form of a question
22 and not give testimony?

23 MR. GARNO: What's the objection?

24 MS. HIRSCH: That transcript is not going
25 to pick up your inflection. It has to be in the

1 form of a question.

2 MR. GARNO: Fair enough.

3 BY MR. GARNO:

4 Q Do you recognize the handwriting in
5 Exhibit 31?

6 A I plead the Fifth.

7 Q Is this your handwriting?

8 A I plead the Fifth.

9 Q You'll see on the second page of Exhibit
10 31 in the script that was being presented to
11 consumers, is that, "American Advocacy Alliance will
12 being reporting your payment history, as well as the
13 total amount financed monthly to the credit
14 bureaus."

15 Do you see that?

16 MS. HIRSCH: I don't see it. Where is
17 that?

18 MR. GARNO: The first alleged benefit.

19 THE WITNESS: I see what you're referring
20 to.

21 BY MR. GARNO:

22 Q And, in fact, there wasn't any kind of
23 financing that was provided to consumers, correct?

24 A I plead the Fifth.

25 Q In fact, if I understand this correctly,

1 consumers were paying money to the corporate
2 defendants, right?

3 A I plead the Fifth.

4 Q And I have not seen any information that
5 shows that any of the corporate defendants were
6 actually advancing moneys to consumers.

7 MS. HIRSCH: That's not actually a
8 question. Are you testifying that you personally --

9 MR. GARNO: I'll withdraw the question.

10 BY MR. GARNO:

11 Q In the course of our investigation, we
12 have not seen any moneys that were lent by the
13 corporate defendants to consumers.

14 MS. HIRSCH: Objection. I don't think he
15 can testify to what you've seen during your
16 investigation.

17 MR. GARNO: Let me finish the question.
18 We'll get there. We can break it up into little
19 questions, but we'll still get there.

20 BY MR. GARNO:

21 Q In the course of our investigation, we
22 have not seen any instances where the corporate
23 defendants were loaning funds to consumers.

24 Do you have any testimony to dispute that?

25 A I plead the Fifth.

1 Q Isn't it true that the corporate
2 defendants that you owned and controlled never
3 forwarded any money to consumers to help them pay
4 off their debts?

5 A I plead the Fifth.

6 Q And, in fact, the business model was that
7 the consumers were paying the corporate defendants,
8 right?

9 A I plead the Fifth.

10 Q This financing loan just simply doesn't
11 exist, does it?

12 A I plead the Fifth.

13 Q This is something that was being told to
14 consumers, through companies that you owned and
15 controlled, to give them some confidence that they
16 had some moneys that were going to be used to settle
17 debts when, in fact, they had none, right?

18 A I plead the Fifth.

19 Q You'll see also as one of the benefits of
20 the sales script here is this concept called Legal
21 Club.

22 Are you familiar with the Legal Club?

23 A I plead the Fifth.

24 Q Aren't you, in fact, the owner and control
25 person for an entity called the US Legal Club?

1 A I plead the Fifth.

2 Q Isn't it true that consumers were being
3 told that if they ever had any problems with their
4 creditors, that the company would provide them --
5 that being the corporate defendant -- would provide
6 them a legal defense?

7 Are you aware of that representation being
8 made to consumers?

9 A I plead the Fifth.

10 Q Isn't it true that that's not correct?

11 A I plead the Fifth.

12 Q Isn't it true, in fact, that if you had
13 \$2,500 or less of debt that was owed, the corporate
14 defendants would never provide a legal defense?

15 A I plead the Fifth.

16 Q Isn't it true that US Legal Club was the
17 entity that was supposed to provide the legal
18 defense?

19 A I plead the Fifth.

20 Q And you're the person who was the owner
21 and control person of US Legal Club?

22 A I plead the Fifth.

23 Q Isn't it true, Mr. Marcus, to the extent
24 any of these consumers had actual legal troubles,
25 that they weren't actually being referred to a

1 lawyer, but they were being assisted by non-lawyers?

2 A I plead the Fifth.

3 Q Isn't it true that you were aware of that
4 practice?

5 A I plead the Fifth.

6 Q Are you familiar with Zana Scarlett?

7 A I plead the Fifth.

8 Q Are you familiar with the fact that in
9 Panama, Yisbet Segrea was overseeing legal issues of
10 consumers who had less than \$2,500 issues with their
11 creditors?

12 A I plead the Fifth.

13 Q They didn't have any lawyers?

14 A I plead the Fifth.

15 Q Were you aware that the company policy was
16 if it was \$2,500 or less, they should not defend
17 consumers?

18 A I plead the Fifth.

19 Q Isn't it true that you're the person who
20 actually established that policy that if it was
21 \$2,500 or less, that the consumers would not be
22 provided a legal defense?

23 A I plead the Fifth.

24 Q Isn't it true that you weren't going to
25 provide them a legal defense, because it would be

1 too expensive for the companies?

2 A I plead the Fifth.

3 MR. GARNO: Thirty-two.

4 (Thereupon, the said document was marked
5 as Exhibit No. 32 for identification by the
6 Reporter.)

7 BY MR. GARNO:

8 Q Exhibit 32, again, I represent to you,
9 Mr. Marcus, this is something that you provided to
10 us under penalties of perjury in this case, pursuant
11 to the court's order.

12 Do you recognize Exhibit 32?

13 A I plead the Fifth.

14 Q Mr. Marcus, in connection with Exhibit 32,
15 are you taking the Fifth Amendment as it relates to
16 my question if you can identify it, because there's
17 something that's false or misleading in Exhibit 32?

18 MS. HIRSCH: Can you read that question,
19 please?

20 (Whereupon, the requested portion of the
21 record was read by the Reporter as above
22 recorded.)

23 MS. HIRSCH: I'm going to object as to
24 form and lack of foundation.

25 THE WITNESS: Under the advice of counsel

1 I'm going to plead the Fifth.

2 BY MR. GARNO:

3 Q I turn your attention to Page 17 of
4 Exhibit 32.

5 Is that your signature that appears on
6 Page 17 of Exhibit 32?

7 A Under the advice of counsel I'm going to
8 plead the Fifth.

9 Q Isn't it true that you signed Exhibit 32
10 under penalties of perjury on July 7, 2017, on
11 behalf of defendant US Legal Club, LLC, pursuant to
12 this court's order?

13 A I plead the Fifth.

14 Q Isn't it true that US Legal Club was the
15 entity amongst the corporate defendants that was
16 purportedly providing legal defense to consumers
17 that had enrolled in the debt service program?

18 A I plead the Fifth.

19 Q Turning your attention back to Exhibit 31,
20 the sales script, as for Legal Club it says, "We
21 will have an attorney that will defend your rights."

22 Did I read that correctly?

23 MS. HIRSCH: Again, the document speaks
24 for itself. Is there a question beyond what it says
25 in the document?

1 BY MR. GARNO:

2 Q Isn't it true that you were aware that
3 part of the pitch that was being made to consumers
4 as to benefits your companies were offering, was
5 that, "There will be an attorney that will defend
6 your rights"?

7 A I plead the Fifth.

8 Q And that is not true, is it?

9 A I plead the Fifth.

10 Q And in fact, the only time that you would
11 have an attorney defend your rights is if you paid
12 an additional fee, and your claim was above \$2,500,
13 correct?

14 A I plead the Fifth.

15 Q So that's misleading, is it not?

16 A I plead the Fifth.

17 Q The last benefit that's identified in this
18 sales script is financing.

19 What financing was Financial Freedom
20 providing to consumers?

21 A I plead the Fifth.

22 Q In fact, no financing was provided to
23 consumers, correct?

24 A I plead the Fifth.

25 Q In fact, under these programs, the

1 consumers were paying your companies money, correct?

2 A I plead the Fifth.

3 Q You weren't lending any of those consumers
4 any money, were you?

5 A I plead the Fifth.

6 Q Certainly not through NGP Enterprises,
7 right?

8 A I plead the Fifth.

9 MR. GARNO: Another sales script.

10 (Thereupon, the said document was marked
11 as Exhibit No. 33 for identification by the
12 Reporter.)

13 BY MR. GARNO:

14 Q I show you what we marked as Exhibit 33.
15 This is a document that the receiver has discovered
16 during his investigation since May of this year.

17 Do you recognize Exhibit 33?

18 A I plead the Fifth.

19 Q Exhibit 33 appears to be a new sales
20 script to be used by one of the entities you owned
21 or controlled in soliciting consumers, correct?

22 A I plead the Fifth.

23 Q Again, here part of the script is that,
24 "We are a nationwide nonprofit organization."

25 Do you recall that being part of the

1 script?

2 A I plead the Fifth.

3 Q And you had the ability to control the
4 content of that script, correct?

5 A I plead the Fifth.

6 Q And you were aware that it was being
7 represented to consumers that they were dealing with
8 a nationwide nonprofit organization, correct?

9 A I plead the Fifth.

10 Q And in fact, that really wasn't true, was
11 it?

12 A I plead the Fifth.

13 Q Take a look at Page 3 of Exhibit 33, the
14 sales script.

15 This is something that would be provided
16 to the marketing people that worked at the corporate
17 defendants that you owned and controlled, correct?

18 A I plead the Fifth.

19 Q And these people all reported to you, did
20 they not?

21 A I plead the Fifth.

22 Q And you were able to control the content
23 of whatever message or method that they were
24 providing to the consumers or clients, correct?

25 A I plead the Fifth.

1 Q You'll see here that as part of the New
2 Sales Process, that the marketer was supposed to
3 represent, "Finally, if we do not get a debt
4 enrolled in the program canceled or dismissed, then
5 we will negotiate and pay the settlement of that
6 debt, and it's our loss, not yours. The best thing
7 about our program is we guaranty our results in
8 writing. So at the end of the day you have
9 absolutely nothing to lose."

10 Did I read that correctly?

11 A It seems as though you read that.

12 Q Are you aware that this was something that
13 was being represented to consumers?

14 A I plead the Fifth.

15 Q And in fact, that's not true, is it?

16 A I plead the Fifth.

17 Q In fact, we looked at a bunch of consumer
18 complaints where nothing happened and they lost,
19 right?

20 A I plead the Fifth.

21 Q You see on the second page of Exhibit 33,
22 it is the paragraph after Section 6 in the new sales
23 process script, describing how the process works.

24 You see there's some handwriting there?

25 A Where somebody has --

1 MS. HIRSCH: Are we talking about the "Let
2 me tell you," paragraph? Yes, the, "Let me tell
3 you," paragraph.

4 BY MR. GARNO:

5 Q Somebody wrote a "B" there.

6 Do you recognize the handwriting?

7 A I plead the Fifth.

8 Q You'll see that in part of the script it
9 says, "When you sign up with us you assign your
10 rights associated with your alleged debts to us."

11 That was something that was communicated
12 to consumers?

13 A I plead the Fifth.

14 Q And in fact, that was not true?

15 A I plead the Fifth.

16 Q Have you ever seen any assignments of debt
17 from consumers to any of the corporate defendants
18 you owned or controlled?

19 A I plead the Fifth.

20 Q Also as part of the script it reads, "Now
21 we are just as liable for your debts as you are."

22 That's also not true, is it?

23 A I plead the Fifth.

24 Q Why were consumers being told that?

25 A I plead the Fifth.

1 Q Isn't it true that they were being told
2 that?

3 A I plead the Fifth.

4 Q Isn't it true that you were aware that
5 they were being told that?

6 A I plead the Fifth.

7 Q Isn't it true that you were aware that
8 they were being told that, and it was untrue?

9 A I plead the Fifth.

10 (Thereupon, the said document was marked
11 as Exhibit No. 34 for identification by the
12 Reporter.)

13 BY MR. GARNO:

14 Q I'm now showing you what we've marked as
15 Exhibit 34. Again, it's another scripted, a Welcome
16 Call Script, that the receiver has located in the
17 context of his investigation.

18 Have you ever seen Exhibit 34 before?

19 A I plead the Fifth.

20 Q Isn't it true that you've seen Exhibit 34
21 before?

22 A I plead the Fifth.

23 Q Isn't it true that you had input in terms
24 of the content of Exhibit 34?

25 A I plead the Fifth.

1 Q Isn't it true that you had the authority
2 to determine what content would be in Exhibit 34?

3 A I plead the Fifth.

4 Q Isn't it true that Exhibit 34 was provided
5 by the corporate defendants to telemarketers to
6 convey to consumers to induce them to enroll in a
7 debt relief program?

8 A I plead the Fifth.

9 Q Isn't it true that you were aware that
10 these scripts are being utilized in order to induce
11 consumers into enrolling into the corporate
12 defendants' debt relief program?

13 A I plead the Fifth.

14 Q You'll see that there's various services
15 that are identified. There's a credit reporting
16 service.

17 Do you see that?

18 A I see the document.

19 Q There's a reference there that says,
20 "Total amount financed."

21 Do you see that reference?

22 A I don't. What page is that?

23 Q First page, Credit Reporting. It's in all
24 caps.

25 A Okay.

1 Q "Total amount financed," do you see that?

2 A Yeah.

3 Q What amount was being financed in
4 connection with the consumers?

5 A I plead the Fifth.

6 Q Isn't it true that nothing was being
7 financed?

8 A I plead the Fifth.

9 Q Isn't it true that this representation was
10 being made in order to facilitate the facade that
11 consumers, if they enrolled, would be provided a
12 loan from the corporate defendants?

13 MS. HIRSCH: Object to form.

14 THE WITNESS: I plead the Fifth.

15 BY MR. GARNO:

16 Q And in fact, you're aware that no such
17 loans were ever being made to consumers, despite
18 those promises that were being made when they're
19 being contacted?

20 A I plead the Fifth.

21 Q You'll see also part of this Welcome Call
22 Script is the Legal Club. Again, you'll see that
23 the telemarketers that work for your companies, when
24 talking about the Legal Club, were supposed to
25 represent that, "We will have an attorney that will

1 defend your rights."

2 Do you see that?

3 MS. HIRSCH: Are you asking him whether he
4 sees it in there or whether it's true?

5 THE WITNESS: I see you're reading off the
6 document.

7 BY MR. GARNO:

8 Q Isn't it true that your employees at the
9 corporate defendants were telling consumers that
10 they would have an attorney to defend their rights
11 as part of the sales pitch to get them to enroll?

12 A I plead the Fifth.

13 Q Isn't it true that that's just not
14 correct?

15 A I plead the Fifth.

16 Q Isn't it true that you were aware that
17 these misrepresentations were being made to
18 consumers at your companies?

19 A I plead the Fifth.

20 Q You were the person who had complete
21 control over these entities, including the content
22 of whatever scripts were being used to market the
23 product, right?

24 A I plead the Fifth.

25 Q Again, there's this reference to financing

1 as part of the script.

2 What's that reference?

3 A I plead the Fifth.

4 Q Isn't it true that there wasn't any
5 financing?

6 A I plead the Fifth.

7 Q Isn't it true that you were aware that the
8 employees of your companies were representing to
9 consumers that they would be provided financing to
10 deal with their pre-existing debt?

11 A I plead the Fifth.

12 Q Isn't it true that that was just false?

13 A I plead the Fifth.

14 Q And you were aware that was false?

15 A I plead the Fifth.

16 Q And you were aware that any
17 misrepresentation that financing was being provided
18 to consumers when it was made in order to get them
19 to enroll into the company, was false?

20 A I plead the Fifth.

21 MR. GARNO: Let's take a break for a
22 minute.

23 (Thereupon, a recess was taken, after
24 which the following proceedings were had:)

25 MR. GARNO: Thirty-five.

1 (Thereupon, the said document was marked
2 as Exhibit No. 35 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q I'm showing you what we've marked as
6 Exhibit 35. It's a three-page documents that was
7 produced to us in this case by the Tripp Scott law
8 firm.

9 Are you familiar with the Tripp Scott law
10 firm?

11 A I plead the Fifth.

12 Q Isn't it true that you retained the Tripp
13 Scott law firm and Seth Ellis to provide you with
14 asset protection advice?

15 A I plead the Fifth.

16 Q These are assets that you had accumulated
17 based upon your ownership interest in the corporate
18 defendants?

19 A I plead the Fifth.

20 Q One of the corporate defendants was an
21 entity by the name of Active Debt Solutions, LLC,
22 correct?

23 A I plead the Fifth.

24 Q And that was a company that you were the
25 owner and control person of?

1 A I plead the Fifth.

2 Q And Active Debt Solutions was an entity
3 that accumulated and was transferred consumer funds
4 that had enrolled in the debt relief services that
5 were purportedly offered by the corporate
6 defendants?

7 A I plead the Fifth.

8 Q And Active Debt Solutions provided
9 \$2,420,000 to acquire the warehouse at 1410
10 Southwest 3rd Avenue in Pompano Beach, correct?

11 A I plead the Fifth.

12 Q And isn't it true that you were the party
13 who was responsible for directing Active Debt
14 Solutions to transfer consumer funds totaling
15 \$2,420,000 to acquire the 1410 warehouse?

16 A I plead the Fifth.

17 Q Take a look at these three assignment and
18 transfers. The first one is an assignment by Active
19 Debt Solutions to you, for a distribution of
20 \$2,420,000.

21 Do you see that?

22 A I see the document.

23 Q This assignment was executed some four
24 months after the actual acquisition of the warehouse
25 using Active Debts Solutions' funds, correct?

1 A I see the document.

2 MS. HIRSCH: That's not the question.

3 THE WITNESS: I plead the Fifth.

4 BY MR. GARNO:

5 Q Part of the transfer that we see here was
6 an effort by you to obfuscate the fact that consumer
7 funds had been utilized to purchase the warehouse at
8 1410 Southwest 3rd Street, correct?

9 MS. HIRSCH: Objection to form.

10 THE WITNESS: I plead the Fifth.

11 BY MR. GARNO:

12 Q Did any of the consumers who provided
13 funds to Active Debt Solutions give their consent to
14 the \$2,420,000 being used to acquire the warehouse
15 at 1410?

16 A I plead the Fifth.

17 Q You'll see on that same day that you then
18 transferred or assigned to Halfpay International,
19 LLC, \$2,420,000.

20 Do you see that?

21 A I see the document.

22 Q Is that your signature that appears there?

23 A I plead the Fifth.

24 Q You were the owner and control person for
25 Halfpay International, LLC, correct?

1 A I plead the Fifth.

2 Q Isn't it true that you utilized Halfpay
3 International to make investment in real estate and
4 make hard money loans to third parties?

5 A I plead the Fifth.

6 Q Isn't it true, and it's been confirmed by
7 our forensic accountant that all the moneys received
8 by Halfpay International were from receivership
9 defendants? Do you dispute that?

10 A I plead the Fifth.

11 Q Did any of the funds that were transferred
12 from the corporate defendants to Halfpay
13 International that were provided by consumers, did
14 those consumers consent to their funds being
15 utilized in that fashion?

16 A I plead the Fifth.

17 Q Isn't it true that the consumers did not
18 consent to the use of the funds provided to the
19 corporate defendants, other than to pay their
20 pre-existing debts?

21 A I plead the Fifth.

22 Q And you were the person who was aware that
23 those funds were not being used for their intended
24 purpose, correct?

25 A I plead the Fifth.

1 Q And you were the person who directed that
2 those funds be utilized in a fashion that was not
3 agreed to by the consumers?

4 A I plead the Fifth.

5 Q On that very same day you, as manager of
6 Halfpay International, LLC, transferred a promissory
7 note and mortgage to JLMJP Pompano, LLC.

8 Do you see that?

9 MS. HIRSCH: On the first page?

10 MR. GARNO: First page.

11 MS. HIRSCH: What's the question? Read
12 that back.

13 (Whereupon, the requested portion of the
14 record was read by the Reporter as above
15 recorded.)

16 MS. HIRSCH: Again, the document says what
17 it says. Do you have a question beyond that, or do
18 you want to ask it differently.

19 MR. GARNO: Sure.

20 BY MR. GARNO:

21 Q Did you cause to be formed JLMJP Pompano,
22 LLC?

23 A I plead the Fifth.

24 Q Isn't it true that you caused JLMJP
25 Pompano, LLC, to be formed?

1 A I plead the Fifth.

2 Q Isn't it true that you're the 100 percent
3 sole owner of JLMJP Pompano, LLC?

4 A I plead the Fifth.

5 Q Did you sign the first page of Exhibit 35?

6 A I plead the Fifth.

7 Q Are you familiar with RAM?

8 A I plead the Fifth.

9 Q Isn't it true that RAM was an ACH
10 servicer, third-party vendor, who provided services
11 to the corporate defendants in deducting monthly
12 fees or payments from consumers, and provided them
13 to the corporate defendants?

14 A I plead the Fifth.

15 Q Isn't it true and correct that you were
16 the person who directed how those funds that were
17 taken from consumers' accounts were transferred?

18 A I plead the Fifth.

19 Q The receiver, in the course of his
20 investigation, has had the opportunity to interview
21 Yisbet Segrea, and during her interview she said
22 that you were the person who dictated where the
23 moneys would go that were taken out of RAM through
24 ACH.

25 Do you dispute that representation by

1 Ms. Segrea?

2 A I plead the Fifth.

3 MR. GARNO: Thirty-six.

4 (Thereupon, the said document was marked
5 as Exhibit No. 36 for identification by the
6 Reporter.)

7 BY MR. GARNO:

8 Q I'm showing you what we've marked as
9 Exhibit 36, an e-mail exchange dated March 30, 2016,
10 between you, Ms. Segrea and Craig Smith, regarding
11 Consolidation of Accounts for RAM.

12 Do you see that?

13 A I see the document.

14 Q Do you see she wrote to you on that day
15 asking to confirm how the RAM accounts should be
16 consolidated?

17 MS. HIRSCH: Again, the document speaks
18 for itself. If you have a question beyond what it
19 says, please ask that question.

20 BY MR. GARNO:

21 Q Doesn't it appear on the first page of
22 Exhibit 36 that she's making a recommendation to
23 you?

24 A I plead the Fifth.

25 Q And you respond to her in terms of how the

1 RAM account should be consolidated, and you
2 responded, "Sounds good."

3 Do you see that?

4 A I see the document.

5 Q Isn't it true that you were the person who
6 was the ultimate decision-maker, in terms of how the
7 moneys from RAM were taken from consumers' accounts
8 and placed into corporate defendants' accounts?

9 A I plead the Fifth.

10 (Thereupon, the said document was marked
11 as Exhibit No. 37 for identification by the
12 Reporter.)

13 BY MR. GARNO:

14 Q Let me show you what we marked as Exhibit
15 37. It's an e-mail exchange from May 20, 2016,
16 between yourself and Sue Travis.

17 Who is Sue Travis?

18 A I plead the Fifth.

19 Q Mr. Marcus, isn't it true that Sue Travis
20 provided bookkeeping services to the corporate
21 defendants?

22 A I plead the Fifth.

23 Q You'll see that in her e-mail to Yisbet
24 Segrea, that she is talking about a SunTrust account
25 that was closed.

1 Do you see that?

2 A I see the document.

3 Q You'll see that there's a discussion about
4 how to deal with the fact that there's RAM transfers
5 being made, and that account being closed.

6 Do you see that discussion?

7 MS. HIRSCH: Again, the document says what
8 it says. If you have any other questions besides
9 that, ask them.

10 BY MR. GARNO:

11 Q At the end of this interaction that you
12 had, you sent an e-mail on May 20, 2016 where you
13 wrote, "Yisbet, please divert funds to Associated
14 Administrative Services."

15 Do you see where you wrote that?

16 A I can see that.

17 Q Isn't it true and correct that you were
18 the person who was ultimately responsible for how
19 funds that flowed into the corporate defendants,
20 where they went?

21 A I plead the Fifth.

22 Q Were you provided executive summaries for
23 the business on a daily basis?

24 A I plead the Fifth.

25

1 (Thereupon, the said document was marked
2 as Exhibit No. 38 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q I'm showing you what we've marked as
6 Exhibit 38. It's an e-mail between yourself,
7 Ms. Segrea and Mr. Smith, on June 23rd and 24th of
8 2016.

9 Do you have it in front of you?

10 A Yes.

11 Q You agree with me that the subject matter
12 of this is the content of executive summary reports
13 that were provided to you?

14 A I plead the Fifth.

15 Q And during that time period, you requested
16 that the total number of clients for each company be
17 sent to you on a daily basis?

18 A The document speaks for itself.

19 Q Isn't it true that you made such a
20 request?

21 A I plead the Fifth.

22 Q Isn't it also true that, as referenced in
23 this e-mail, that you were provided an executive
24 summary report on a daily basis as to the operations
25 of the corporate defendants?

1 A I plead the Fifth.

2 Q Did you ever tell anyone at the corporate
3 defendants that your name should not appear on
4 public documents unless you approved it?

5 A I plead the Fifth.

6 (Thereupon, the said document was marked
7 as Exhibit No. 39 for identification by the
8 Reporter.)

9 BY MR. GARNO:

10 Q I'm going to show you what we've marked as
11 Exhibit 39. Exhibit 39 is an e-mail exchange from
12 August of 2016 between yourself, Diana Dominguez,
13 Paul Herman and Craig Smith. The subject is, "Just
14 so we're all clear, my name doesn't go on public
15 documents unless I explicitly approve."

16 Do you see this e-mail?

17 A I see the e-mail.

18 Q Do you recall making this directive to
19 Ms. Dominguez, Mr. Herman and Mr. Smith in August of
20 2016?

21 A I plead the Fifth.

22 Q Isn't it true that the reason why you
23 didn't want your name to appear on public documents
24 is to avoid liability?

25 A I plead the Fifth.

1 Q Was it your common practice to put assets
2 or property where you were the ultimate owner, in
3 the names of other people?

4 A I plead the Fifth.

5 Q Isn't it true that you used your father on
6 a number of occasions to hold properties in his
7 name?

8 A I plead the Fifth.

9 Q Isn't it true that you utilized your
10 father to act as the trustee for various business
11 trusts that you were the beneficiary for?

12 A I plead the Fifth.

13 Q Isn't it true that you utilized this
14 practice in order to avoid or to shield the assets
15 that you had taken from the corporate defendants?

16 A I plead the Fifth.

17 Q In 2015, did you have any other source of
18 income, other than the corporate defendants?

19 A I plead the Fifth.

20 Q In 2014, did you have any other source of
21 income, other than the corporate defendants?

22 A I plead the Fifth.

23 Q In 2017, did you have any other source of
24 income, other than the corporate defendants?

25 A I plead the Fifth.

1 Q Isn't it true that in 2014, 2015, 2016 and
2 2017, the only moneys that you had were moneys that
3 came from the corporate defendants?

4 A I plead the Fifth.

5 (Thereupon, the said document was marked
6 as Exhibit No. 40 for identification by the
7 Reporter.)

8 BY MR. GARNO:

9 Q Let me show you what's been marked Exhibit
10 40. Exhibit 40 is an October exchange between
11 yourself, and Miguel Rosales and Scott Sullivan from
12 Popular Community Bank.

13 Do you recognize this e-mail exchange?

14 A I plead the Fifth.

15 Q And isn't it true that 321 Loans
16 maintained bank accounts in October of 2016 at
17 Popular Community Bank?

18 A I plead the Fifth.

19 Q And you'll see here that you directed
20 Popular Community Bank to withdraw \$1,033,000 from
21 the 321 Loans account at Popular Bank to pay your
22 personal IRS expense, correct?

23 A I plead the Fifth.

24 Q I believe we talked about this earlier
25 today, but you've identified in disclosures made

1 under penalties of perjury that 321 Loans was a
2 not-for-profit.

3 Do you recall that?

4 A I plead the Fifth.

5 Q Isn't it true that in October of 2016, you
6 directed a not-for-profit entity to pay your
7 personal tax bill of \$1,033,000?

8 A I plead the Fifth.

9 Q Did you get any consent from any of the
10 consumers who transferred funds into 321 Loans to
11 utilize their funds to pay your tax bill?

12 A I plead the Fifth.

13 Q Did you ever disclose to any of the
14 consumers who contributed or paid money into the
15 corporate defendants that those funds would be used
16 to pay your personal tax liability?

17 A I plead the Fifth.

18 Q Did your wife ever work for the corporate
19 defendants?

20 A I plead the Fifth, spousal privilege, as
21 well.

22 Q Not really, but it's not important.

23 (Thereupon, the said document was marked
24 as Exhibit No. 41 for identification by the
25 Reporter.)

1 BY MR. GARNO:

2 Q I'm going to show you what's been marked
3 as Exhibit 41, which is an e-mail exchange between
4 you and Diana Dominguez, copied to Amanda Finley.
5 The date is January 26, 2017.

6 Do you see that?

7 A I see the e-mail.

8 Q And Diana Dominguez, according to our
9 investigation, was the in-house bookkeeper or
10 accountant for the corporate defendants?

11 A I plead the Fifth.

12 Q Isn't it true that she held such a
13 position with the corporate defendants in 2017?

14 A I plead the Fifth.

15 Q Under this e-mail you were instructing her
16 to put Amanda on the payroll for W-2.

17 Do you see that?

18 MS. HIRSCH: The document speaks for
19 itself. Is there a question you want to ask?

20 MR. GARNO: Sure.

21 BY MR. GARNO:

22 Q Isn't it true that you added your wife to
23 the payroll for the corporate defendants in January
24 of 2017?

25 A I plead the Fifth.

1 MS. HIRSCH: Can we take a minute?

2 MR. GARNO: Sure.

3 (Thereupon, a recess was taken, after
4 which the following proceedings were had:)

5 BY MR. GARNO:

6 Q Isn't it true that on January 26th, you
7 told the in-house bookkeeper for the corporate
8 defendants, Diana Dominguez, to put your wife on the
9 payroll for \$5,000 a week?

10 A I plead the Fifth.

11 Q Is it true that your wife performed any
12 work for the corporate defendants?

13 A I plead the Fifth.

14 Q Isn't it true that you had the ability to
15 put anyone you wanted on the payroll for these
16 corporate defendants?

17 A I plead the Fifth.

18 Q You had the ability, regardless of whether
19 or not they provided any work or services to
20 corporate defendants, to put them on the payroll,
21 correct?

22 A I plead the Fifth.

23 Q Isn't it true that you had your father,
24 Jack Marcus, hold large amounts of cash for you?

25 A I plead the Fifth.

1 Q At his deposition a couple of weeks ago
2 your father testified that you asked him to hold
3 cash and packages.

4 MS. HIRSCH: Is there a question?

5 BY MR. GARNO:

6 Q Do you dispute that testimony?

7 A I plead the Fifth.

8 Q Isn't it true that you had your father
9 hold this cash and these packages in order to hide
10 assets that you had accumulated from the corporate
11 defendants?

12 A I plead the Fifth.

13 Q Isn't it true that the cash and whatever
14 was in the packages that your father was holding,
15 were assets that really belonged to the receivership
16 defendants?

17 A I plead the Fifth.

18 Q Isn't it also true that you caused the
19 corporate defendants to acquire property for your
20 father?

21 A I plead the Fifth.

22 Q Let's take a look at something that's been
23 filed in this case by the accountant for the estate.
24 We'll mark it as Exhibit 42.

25

1 (Thereupon, the said document was marked
2 as Exhibit No. 42 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q I'm showing you what has been marked as
6 Exhibit 42, which is a document that's been filed in
7 this court on October 14, 2017. It's Docket Entry
8 136-5. It is the receiver's forensic accounting of
9 the Halfpay International purchase of 6436 Grand
10 Cypress Circle, Lake Worth, Florida, on July 28,
11 2015, for the purchase price of \$220,000.

12 Do you see that on Exhibit 42?

13 A I see the exhibit.

14 Q Have you ever seen Exhibit 42 before?

15 A No -- I'm sorry. I plead the Fifth.

16 Q Isn't it true that you, through Halfpay,
17 caused to be given through Halfpay the \$220,000
18 purchase price that your father utilized to acquire
19 the 6436 Grand Cypress Circle property in Lake
20 Worth, Florida?

21 A I plead the Fifth.

22 Q Isn't it true that the funds that you
23 transferred at your direction from Halfway to pay
24 for this property were ultimately consumer funds?

25 A I plead the Fifth.

1 Q You'll see here that the forensic
2 accountant has identified that the source of funds
3 by Halfpay was commingled receivership funds.

4 Do you see that?

5 A I see the document.

6 Q Isn't it true that those funds that
7 Halfpay International had were, in fact, commingled
8 receivership funds?

9 MS. HIRSCH: I'm going to object. Calls
10 for a legal conclusion.

11 THE WITNESS: I plead the Fifth.

12 BY MR. GARNO:

13 Q Isn't it also true that ultimately those
14 funds that were commingled receivership funds came
15 from consumers?

16 A I plead the Fifth.

17 Q And the funds that were in the Halfpay
18 account from the receivership entities or defendants
19 came from the acts and practices alleged in the
20 complaint that was filed against you by the FTC?

21 A I plead the Fifth.

22 Q Isn't it true that your father paid no
23 consideration for the transfer of the funds in the
24 acquisition of the 6436 Grand Cypress Circle
25 property?

1 A I plead the Fifth.

2 Q Do you have any testimony here today that
3 you are prepared to offer that disputes anything
4 that appears in Exhibit 42?

5 A I plead the Fifth.

6 Q Isn't it true that on September 11, 2014,
7 you personally purchased a single-family house at
8 110 Gloucester Street, Boca Raton, Florida?

9 A I plead the Fifth.

10 Q Isn't it true that the purchase price for
11 that house at the time was \$105,000?

12 A I plead the Fifth.

13 Q Isn't it true that after you purchased
14 that property, you caused it to be transferred to
15 110 Gloucester Street, LLC?

16 A I plead the Fifth.

17 Q Isn't it true that you are the 100 percent
18 owner of 110 Gloucester Street, LLC?

19 A I plead the Fifth.

20 Q Isn't it true that the funds that were
21 utilized to purchase the Gloucester house were
22 consumer funds?

23 A I plead the Fifth.

24 Q Do you recall on February 22, 2017, that
25 you quitclaim deed ownership interest in the 110

1 Gloucester house to your mother, Teresa Duda?

2 A I plead the Fifth.

3 Q Isn't it true that the funds that were
4 used to purchase this property were derived from the
5 acts and the practices alleged in the complaint
6 against you in FTC versus Jerry Marcus, et al.?

7 A I plead the Fifth.

8 Q Isn't it true your mother paid no
9 consideration for the transfer of the property to
10 her personally?

11 A I plead the Fifth.

12 Q Isn't it also true that an additional
13 \$29,981.99 in consumer funds from Asset Debt
14 Solutions was used for improvements for that house?

15 A I plead the Fifth.

16 Q Isn't it also true that at your direction,
17 the property taxes were paid on that property using
18 consumer funds?

19 A I plead the Fifth.

20 Q Isn't it also true that none of the
21 consumers who provided funds to the corporate
22 defendants ever consented to their money being used
23 in that fashion?

24 A I plead the Fifth.

25 Q Isn't it true that it was never disclosed

1 to the consumers that you acquired and improved a
2 house for your mother using their funds?

3 A I plead the Fifth.

4 Q On September 27, 2016, your brother James
5 and his wife Jennifer Perez acquired a townhome at
6 6665 Green Valley, Number 222, Culver City,
7 California.

8 Are you aware of that?

9 A I plead the Fifth.

10 Q Are you aware that the purchase price that
11 your brother purportedly paid for that property in
12 September of 2016 was \$497,279.51?

13 A I plead the Fifth.

14 Q Isn't it true that you, on behalf of the
15 corporate defendants in this case, provided your
16 brother with all of the funds that he utilized to
17 acquire that house?

18 A I plead the Fifth.

19 Q Isn't it true that the funds that you
20 provided to your brother in acquiring that house
21 were consumer funds?

22 A I plead the Fifth.

23 Q Isn't it true that the funds that you
24 provided to your brother in acquiring the property
25 in Culver City were derived from the acts and

1 practices that the FTC has alleged against you in
2 the complaint?

3 A I plead the Fifth.

4 Q Isn't it true that your brother paid no
5 consideration in September of 2016 for the moneys
6 used to acquire that property?

7 MS. HIRSCH: I'm going to object. It
8 calls for a legal conclusion.

9 THE WITNESS: I plead the Fifth.

10 BY MR. GARNO:

11 Q Isn't it true that your brother James, on
12 May 17th of this year, roughly a week after the
13 court entered an asset freeze order, took out a
14 mortgage on that property in Culver City?

15 A I plead the Fifth.

16 Q Your father testified a couple of weeks
17 ago, when I brought up this property in Culver City,
18 that James paid you back.

19 Do you dispute that?

20 A I plead the Fifth.

21 Q Did your brother James provide you with
22 any moneys after May 17th --

23 A I plead the Fifth.

24 Q -- related to the mortgage?

25 A I plead the Fifth.

1 Q Has your brother ever given you any moneys
2 after May of this year?

3 A I plead the Fifth.

4 Q Has your brother given you any money in
5 May of this year?

6 A I plead the Fifth.

7 Q Isn't it true that your brother gave you
8 mortgage proceeds derived from his mortgage on this
9 Culver City property, in May of 2017?

10 A I plead the Fifth.

11 Q Isn't it true that you have not disclosed
12 or identified in these proceedings the receipt of
13 those funds?

14 A I plead the Fifth.

15 Q Isn't it true that upon receipt of those
16 funds, that you have spent those funds in violation
17 of the existing freeze order entered by this court?

18 A I plead the Fifth.

19 Q Do you have any of the funds left?

20 A I plead the Fifth.

21 MS. HIRSCH: Can we take a second?

22 (Thereupon, a recess was taken, after
23 which the following proceedings were had:)

24 BY MR. GARNO:

25 Q Back to your brother James, isn't it true

1 that your brother James was an officer or director
2 for 321 Loans, Inc.?

3 A I plead the Fifth.

4 Q Isn't it true that you, as president of
5 321 Loans, Inc., submitted various applications,
6 including the State of Iowa, that identified James
7 Marcus as an officer or director of the company?

8 A I plead the Fifth.

9 Q Isn't it true that you caused to be filed,
10 under penalties of perjury, that James Marcus was a
11 director of 321 Loans in the State of Montana?

12 A I plead the Fifth.

13 Q Isn't it true that you identified James
14 Marcus as the secretary for 321 Loans, Inc., in
15 papers filed with the secretary of state for the
16 State of Missouri?

17 A I plead the Fifth.

18 Q Isn't it true that you caused to be filed
19 papers in the State of Nebraska, under penalties of
20 perjury, which identify your brother James Marcus as
21 the secretary for 321 Loans?

22 A I plead the Fifth.

23 Q Isn't it true that you caused to be filed
24 with the secretary of state for the State of New
25 Hampshire, papers on behalf of 321 Loans, which

1 reference James Marcus as the secretary for that
2 company?

3 A I plead the Fifth.

4 Q Isn't it true that the same papers
5 identify you as the president of 321 Loans, Inc.?

6 A I plead the Fifth.

7 Q Isn't it also true that you designated on
8 behalf of 321 Loans with the secretary of state for
9 California, James Marcus as the agent for service of
10 process?

11 A I plead the Fifth.

12 Q Did your father ever live at a property
13 with a street address of 7190 Brickyard Circle, Lake
14 Worth, Florida?

15 A I plead the Fifth.

16 Q Isn't it true that in 2013-2014, your
17 father was the owner with Andrea Marcus of the
18 property at 7190 Brickyard Circle, Lake Worth,
19 Florida?

20 A I plead the Fifth.

21 Q Your father's testimony a couple of weeks
22 ago at his deposition was that he was having
23 difficulties paying his lender on that property in
24 2013-2014.

25 Do you dispute that testimony?

1 A I plead the Fifth.

2 (Thereupon, the said document was marked
3 as Exhibit No. 43 for identification by the
4 Reporter.)

5 BY MR. GARNO:

6 Q Let me show you what we've marked as
7 Exhibit 43. Exhibit 43 is an addendum to a contract
8 for the sale of property, dated January 24, 2014,
9 between Jack Marcus and Andrea Marcus, as seller,
10 and Doug Nicholson.

11 Do you know who Jack Marcus and Andrea
12 Marcus are?

13 A I plead the Fifth.

14 Q Isn't it true that Jack Marcus references
15 your father?

16 A I plead the Fifth.

17 Q Isn't it true that Andrea Marcus at that
18 time was your stepmother?

19 A I plead the Fifth.

20 Q Do you know who Doug Nicholson is?

21 A I plead the Fifth.

22 Q Isn't it true that Doug Nicholson is a
23 college buddy of yours?

24 A I plead the Fifth.

25 Q Apparently, Mr. Nicholson was going to pay

1 your father and stepmother \$265,000 to acquire the
2 property at 7190 Brickyard Circle.

3 Do you see that?

4 A I see the document that you provided.

5 Q Isn't it true that, in fact, Mr. Nicholson
6 wasn't going to be the buyer of that property, but
7 it was going to be you?

8 A I plead the Fifth.

9 Q Isn't it true that you, on behalf of the
10 corporate defendants, provided the funds to acquire
11 that property for your father in a short sale?

12 A I plead the Fifth.

13 Q Isn't it true that Mr. Nicholson had no
14 interest in that property at all?

15 A I plead the Fifth.

16 Q Isn't it true that Mr. Nicholson appears
17 on this document at your request to hide the fact
18 that you were actually going to be the buyer in the
19 short sale?

20 A I plead the Fifth.

21 (Thereupon, the said document was marked
22 as Exhibit No. 44 for identification by the
23 Reporter.)

24 BY MR. GARNO:

25 Q I show you what we've marked as Exhibit

1 44. Exhibit 44 is a series of e-mails. The subject
2 is wiring instructions. The date is February 5,
3 2014.

4 Have you ever seen these e-mails before?

5 A I plead the Fifth.

6 Q Isn't it true that you've seen the e-mails
7 that we've identified as Exhibit 44?

8 A I plead the Fifth.

9 Q Isn't it true that the e-mails that
10 constitute Exhibit 44 deal with certain payments
11 needed necessary to buy the 7190 Brickyard Drive
12 property as part of a short sale involving your
13 father and stepmother?

14 A I plead the Fifth.

15 Q Isn't it true that Paralegal Staff Support
16 at least was responsible for paying the first
17 \$10,000 of this transaction?

18 A I plead the Fifth.

19 Q Take a look. You're being asked to
20 provide wiring instructions.

21 Do you see that?

22 MS. HIRSCH: The document speaks for
23 itself. Is there a question you want to ask?

24 MR. GARNO: Sure. I apologize.

25

1 BY MR. GARNO:

2 Q Look at the second page there. It appears
3 that you provided the confirmation that you had
4 wired \$10,000 as part of the transaction, the short
5 sale of the 7190 Brickyard Drive property?

6 A The document speaks for itself.

7 MS. HIRSCH: The document does speak for
8 itself.

9 BY MR. GARNO:

10 Q Isn't it true that you sent, "10K wire see
11 below"? Do you see that?

12 A I plead the Fifth.

13 Q And a couple of pages later you'll see
14 that Kim Searson from Suncoast Title responds to
15 Xena Benedetto and she confirms the \$10,000 receipt.
16 "I'm assuming it's for the Brickyard contract. The
17 notation on the wire said Paralegal Staff Support
18 from PNC Bank."

19 Do you see that?

20 A I see what you're referring to.

21 Q Isn't it true that you caused the \$10,000
22 wire to be sent from the Paralegal Staff Support
23 account at PNC Bank in February 2014, as part of the
24 short sale of your father's home at 7190 Brickyard
25 Circle?

1 A I plead the Fifth.

2 Q Isn't it true that the funds used, the
3 \$10,000 specifically at that time, were funds that
4 were consumer moneys?

5 A I plead the Fifth.

6 Q And that those consumer funds were funds
7 that the corporate defendants received in connection
8 with the practices that the FTC has identified in
9 their complaint against you?

10 A I plead the Fifth.

11 Q Do you know who Kyle Hunt is?

12 MS. HIRSCH: Objection. Asked and
13 answered. He already pled the Fifth on that.

14 (Thereupon, the said document was marked
15 as Exhibit No. 45 for identification by the
16 Reporter.)

17 BY MR. GARNO:

18 Q I show you what's marked as Exhibit 45.
19 Exhibit 45 is an e-mail exchange in July of 2014
20 between you and Mr. Hunt, and yourself and
21 Ms. Benedetto.

22 Do you see those e-mails?

23 A I see the e-mails.

24 Q You wrote to Mr. Hunt and Xena on
25 July 8th, "When is the closing on my dad's house

1 with Kyle?"

2 Do you see where it says that?

3 A I see where it says that.

4 Q And is the closing that you're referring
5 to the 7190 Brickyard property?

6 A I plead the Fifth.

7 Q Isn't it true that Kyle Hunt is a friend
8 of yours?

9 A I plead the Fifth.

10 Q Isn't it true that Kyle Hunt is a business
11 partner with you?

12 A I plead the Fifth.

13 Q Isn't it true that you put Mr. Hunt's name
14 on this short sale document relating to your
15 father's property at 7190 Brickyard Circle to
16 conceal the fact that you were actually the
17 purchaser of the property?

18 A I plead the Fifth.

19 Q And did Mr. Hunt ultimately acquire the
20 property from your father?

21 A I plead the Fifth.

22 Q Isn't it true that ultimately Mr. Hunt
23 closed the short sale acquisition of the property at
24 7190 Brickyard Circle?

25 A I plead the Fifth.

1 (Thereupon, the said document was marked
2 as Exhibit No. 46 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q Let me show you what we've marked as
6 Exhibit 46. This is a document we found in the
7 public records. It reflects a warranty deed dated
8 July 10, 2014, by your father, Jack Marcus, and
9 stepmother, Andrea T. Marcus, to Mr. Kyle Hunt, for
10 the property at 7190 Brickyard Circle, Lake Worth,
11 Florida.

12 Have you ever seen this deed?

13 A I plead the Fifth.

14 Q Isn't it true that you were aware on that
15 date in July 2014, that Mr. Hunt acquired 7190
16 Brickyard Circle from your father and stepmother?

17 A I plead the Fifth.

18 Q Isn't it true that Mr. Hunt didn't pay any
19 money to any bank, or your father or stepmother, in
20 connection with the acquisition of this property?

21 A I plead the Fifth.

22 Q Isn't it true that your funds, taken from
23 the receivership defendants, were taken to acquire
24 that property?

25 A I plead the Fifth.

1 Q Isn't it true that the funds utilized were
2 consumer funds that had been secured by the
3 corporate defendants?

4 A I plead the Fifth.

5 (Thereupon, the said document was marked
6 as Exhibit No. 47 for identification by the
7 Reporter.)

8 BY MR. GARNO:

9 Q I show you Exhibit 47. Exhibit 47 appears
10 to be a HAFA affidavit that was executed in
11 connection with the closing on the 7190 Brickyard
12 Circle property in connection with the short sale.

13 Have you ever seen this document before?

14 A I plead the Fifth.

15 Q This affidavit appears to be signed by
16 Mr. Hunt in July of 2014.

17 Do you recognize his signature on the last
18 page?

19 A I plead the Fifth.

20 Q You'll see there that the document is
21 being signed under penalties of perjury.

22 Do you see that?

23 A The document says what you're referring
24 to.

25 Q You'll see that in the affidavit that

1 Mr. Hunt signed at the time relating to the property
2 that, "The sale of the property is an arm's length
3 transaction between sellers and buyers who are
4 unrelated and unaffiliated by family, marriage or
5 commercial enterprise."

6 Do you see that?

7 A The document speaks for itself.

8 Q Isn't it true that you were actually the
9 buyer of the property?

10 A I plead the Fifth.

11 Q That you were the person who provided all
12 the funds?

13 A I plead the Fifth.

14 Q And Mr. Hunt never provided any funds in
15 the acquisition?

16 A I plead the Fifth.

17 Q And did Mr. Hunt ever live at that
18 property?

19 A I plead the Fifth.

20 Q In fact, you had Mr. Hunt, your buddy,
21 sign this affidavit and do the closing, so that you
22 could disguise the fact that this wasn't an arm's
23 length transaction as part of the short sale; isn't
24 that correct?

25 A I plead the Fifth.

1 Q Isn't it true that Mr. Hunt's
2 representation in this affidavit, Exhibit 47, are
3 materially false and misleading?

4 A I plead the Fifth.

5 Q Isn't it true that subsequently, Mr. Hunt
6 transferred the 7190 Brickyard Circle property to
7 you?

8 A I plead the Fifth.

9 Q I misspoke.

10 Isn't it true that at some point shortly
11 thereafter, that Mr. Hunt transferred the 7190
12 Brickyard Circle property to an entity that you
13 owned and controlled?

14 A I plead the Fifth.

15 (Thereupon, the said document was marked
16 as Exhibit No. 48 for identification by the
17 Reporter.)

18 BY MR. GARNO:

19 Q Let me show you what we've marked as
20 Exhibit 48. Exhibit 48 is a quitclaim deed that we
21 found in the public records, relating to 7190
22 Brickyard Circle.

23 You'll see that on February 5, 2015, Kyle
24 Hunt, whose address is 603 Renaissance Lane, Delray
25 Beach, Florida, not the 7190 Brickyard Circle

1 address, transferred to Brick7190, LLC, the property
2 that your father used to own; is that correct?

3 A The document speaks for itself.

4 Q At the time that Mr. Hunt transferred it
5 to Brick7190, LLC, there was no consideration paid
6 by Brick7190, correct?

7 MS. HIRSCH: Objection. Calls for a legal
8 conclusion.

9 THE WITNESS: I plead the Fifth.

10 BY MR. GARNO:

11 Q In fact, Brick7190, LLC, was a company
12 that you caused to be formed?

13 A I plead the Fifth.

14 Q You were the ultimate owner of Brick7190,
15 LLC, at the time?

16 A I plead the Fifth.

17 Q And the reason no consideration was paid
18 is that Mr. Hunt, in fact, didn't pay anything to
19 acquire the property in the first place, correct?

20 A I plead the Fifth.

21 Q In fact you, using consumer funds, were
22 the party that funded the short sale acquisition by
23 Mr. Hunt of your father's former residence, correct?

24 A I plead the Fifth.

25 Q When did Mr. Nicholson decide that he was

1 not willing to be the purchaser of that property?

2 A I plead the Fifth.

3 Q Did you have discussions with
4 Mr. Nicholson about his role in acquiring the short
5 sale property from your dad?

6 A I plead the Fifth.

7 Q How would you explain to me how two of
8 your long-time friends buy a house from your dad in
9 connection with a short sale?

10 A I plead the Fifth.

11 Q Isn't it true that your friends really
12 didn't buy the property from your father at the
13 short sale?

14 A I plead the Fifth.

15 Q Isn't it really true that you, in a
16 transaction that wasn't arm's length, was the party
17 who acquired that property?

18 A I plead the Fifth.

19 Q Isn't it also true that when you acquired
20 those properties, you were using consumer funds held
21 by the receivership defendants?

22 A I plead the Fifth.

23 Q Did you ever get any consent from any of
24 the consumers who put moneys into the corporate
25 defendants at that time, that their moneys could be

1 used in that fashion?

2 A I plead the Fifth.

3 Q When you were developing the scripts for
4 the corporate defendants to be used to talk and
5 solicit to consumers, did you ever put in those
6 scripts that those funds were being used to bail out
7 your father in a foreclosure situation?

8 A I plead the Fifth.

9 Q In those scripts, did you ever identify
10 that those funds would be used for any other
11 purpose, other than to resolve pre-existing debts
12 that they may have had?

13 A I plead the Fifth.

14 Q Because they didn't, right? The scripts
15 never mentioned that those funds would be used for
16 any other purpose, but to resolve those credit
17 issues, right?

18 A I plead the Fifth.

19 Q The whole purpose of the consumers
20 providing funds to corporate defendants was to
21 resolve credit issues they had, right?

22 A I plead the Fifth.

23 Q Isn't it true that that was the only
24 reason why they were providing money to those
25 corporate defendants?

1 A I plead the Fifth.

2 Q Did the corporate defendants ever market
3 themselves as an investment fund in real estate?

4 A I plead the Fifth.

5 Q Did you ever solicit these consumers to
6 invest in the corporate defendants to participate in
7 loans to third parties?

8 A I plead the Fifth.

9 Q Isn't it true that all the consumers that
10 provided funds to the corporate defendants were
11 under the belief that those funds were going to be
12 used to resolve whatever pre-existing debt issues
13 they had?

14 A I plead the Fifth.

15 Q Isn't it true that, in fact, those funds
16 were not used for that purpose?

17 A I plead the Fifth.

18 Q Isn't it true that, in fact, those funds
19 in some circumstances were used to bail out your
20 father, who was having financial difficulties?

21 A I plead the Fifth.

22 Q In some instances those funds were used to
23 acquire property for your parents, correct?

24 A I plead the Fifth.

25 Q In another instance it was used to acquire

1 property for your brother?

2 A I plead the Fifth.

3 Q And again, these consumers are completely
4 unaware that these funds were being utilized for
5 that purpose?

6 MS. HIRSCH: Is that a question?

7 BY MR. GARNO:

8 Q Were they?

9 A I plead the Fifth.

10 Q Isn't it true that they weren't?

11 A I plead the Fifth.

12 MS. HIRSCH: Can we take a minute?

13 MR. GARNO: Sure.

14 (Thereupon, a recess was taken, after
15 which the following proceedings were had:)

16 (Thereupon, the said document was marked
17 as Exhibit No. 49 for identification by the
18 Reporter.)

19 BY MR. GARNO:

20 Q I'm showing you what we've marked as
21 Exhibit 49. I'll represent to you, Mr. Marcus, that
22 Exhibit 49 is an exhibit that was filed with the
23 court in this case, Document 136-6. It was filed on
24 October 14, 2017. The exhibit is in relationship to
25 a BMW that was purchased on February 17, 2015, for

1 \$133,564.

2 Are you familiar with that transaction?

3 A I plead the Fifth.

4 Q On February 17, 2017, did you cause to
5 purchase a BMW from Braman Motors?

6 A I plead the Fifth.

7 Q You'll see here that there is analysis by
8 our forensic accountant in terms of the source of
9 the funds.

10 Do you see that analysis?

11 A I plead the Fifth.

12 Q You'll see that the source of the funds
13 used to purchase that BMW were funds that belonged
14 to the receivership entities --

15 A I plead the Fifth.

16 MS. HIRSCH: Let him finish the question.

17 BY MR. GARNO:

18 Q -- and the receivership funds that were
19 utilized were commingled amongst all the various
20 receivership defendants?

21 MS. HIRSCH: Is that a question?

22 MR. GARNO: Yes.

23 MS. HIRSCH: I object, as it calls for a
24 legal conclusion.

25 THE WITNESS: I plead the Fifth.

1 BY MR. GARNO:

2 Q And at that time period and thereafter,
3 you were the person who was in control of how the
4 moneys moved in and out of these accounts?

5 A I plead the Fifth.

6 Q Isn't it true that you caused to be
7 transferred to Halfpay International, LLC, the
8 \$133,564.07 purchase price for the BMW?

9 A I plead the Fifth.

10 Q The sole source to purchase the BMW from
11 Braman Motors in February of 2015, were funds from
12 Halfpay International?

13 A I plead the Fifth.

14 Q You were previously the owner and control
15 person of Halfpay International?

16 A I plead the Fifth.

17 Q Isn't it true that the receivership funds
18 that were transferred to Halfpay were consumer
19 funds?

20 A I plead the Fifth.

21 Q And did any of the consumers provide any
22 consent that their funds provided to the
23 receivership entities would be utilized to purchase
24 a BMW for you personally?

25 A I plead the Fifth.

1 Q Isn't it true that after the freeze order
2 was entered in this case, that Yisbet Segrea was
3 driving around in that BMW in May of this year?

4 A I plead the Fifth.

5 Q How many cars does your household have?

6 A I plead the Fifth.

7 Q Isn't it true that your household has a
8 sufficient number of cars for you to turn over this
9 BMW, and not cause any hardship to your family?

10 MS. HIRSCH: He's already taken the Fifth.
11 He's not going to testify anything further.

12 Just to clarify, yes, it is a hardship for
13 his family. I don't know if you're going to take
14 that to open the door to something, but --

15 MR. GARNO: That's fine.

16 BY MR. GARNO:

17 Q You're aware that the receiver has filed a
18 motion for the turnover of this BMW?

19 A I'm aware of that.

20 Q Do you have any testimony here today in
21 defense of that request for turnover?

22 A This is off the record?

23 Q No.

24 A It's not off the record?

25 Q No.

1 MS. HIRSCH: For now he's not going to
2 testify as to any defenses he may have. He's going
3 to plead the Fifth.

4 BY MR. GARNO:

5 Q Isn't it true that you have no defenses to
6 the request by the trustee for turnover of the BMW?

7 A I plead the Fifth.

8 Q In May of 2016, did you cause receivership
9 funds to be utilized to acquire property for Craig
10 and Tiffany Smith at 7399 Brunswick Circle, Boynton
11 Beach, Florida 33472?

12 A I plead the Fifth.

13 Q Isn't it true that you utilized consumer
14 funds to acquire this property for Mr. Smith and his
15 wife?

16 A I plead the Fifth.

17 Q Isn't it true that through Administrative
18 Associated Services and Halfpay International, you
19 caused moneys to be transferred for the benefit of
20 Mr. and Mrs. Smith to acquire the property at 7399
21 Brunswick Circle, Boynton Beach, Florida?

22 A I plead the Fifth.

23 Q Isn't it true that this property at 7399
24 Brunswick Circle that was acquired by the Smiths in
25 2016 was done with consumer funds?

1 A I plead the Fifth.

2 Q Isn't it true that the consumers did not
3 consent to their funds being used in such a fashion?

4 A I plead the Fifth.

5 Q Isn't it true that the funds that you
6 directed to be used to purchase this property for
7 Mr. and Mrs. Smith in May of 2016, were derived from
8 the practices and allegations identified by the FTC
9 in their complaint against you?

10 A I plead the Fifth.

11 Q Isn't it true that Mr. and Mrs. Smith
12 provided no consideration in exchange for in excess
13 of half a million dollars that was transferred to
14 acquire this property?

15 MS. HIRSCH: Objection. Calls for a legal
16 conclusion.

17 THE WITNESS: I plead the Fifth.

18 BY MR. GARNO:

19 Q Isn't it true that the Smiths never paid
20 back whatever moneys you directed to be used to pay
21 to acquire this property?

22 A I plead the Fifth.

23 (Thereupon, the said document was marked
24 as Exhibit No. 50 for identification by the
25 Reporter.)

1 BY MR. GARNO:

2 Q I show you what we've marked as Exhibit
3 50. Exhibit 50 is an e-mail between you and
4 Mr. Smith on June 9, 2016. The subject matter is,
5 "We're losing 8 to 10 percent a month."

6 Do you recall sending this e-mail?

7 A I plead the Fifth.

8 Q Isn't it true that in June of 2016, that
9 the corporate defendants were losing 8 to 10 percent
10 a month?

11 A I plead the Fifth.

12 Q Isn't it true that at that time you had
13 directed Mr. Smith to scale back expenses?

14 A I plead the Fifth.

15 Q Isn't it true that in June of 2016, you
16 were concerned that the corporate defendants may not
17 be able to continue operating?

18 A I plead the Fifth.

19 Q Isn't it true that when you said, "Ten
20 months from now is not going to be pretty," that's
21 what you were referring to, in terms of the
22 inability of the corporate defendants to continue
23 operating?

24 A I plead the Fifth.

25

1 (Thereupon, the said document was marked
2 as Exhibit No. 51 for identification by the
3 Reporter.)

4 BY MR. GARNO:

5 Q I show you what we've marked as Exhibit
6 51. Exhibit 51 is an e-mail from Sue Travis to
7 yourself, with a copy to Diana Dominguez, dated
8 June 13, 2016.

9 Do you know who Ms. Travis is?

10 A I plead the Fifth.

11 Q Isn't it true that Ms. Travis and
12 Ms. Dominguez acted as bookkeepers for the corporate
13 defendants?

14 A I plead the Fifth.

15 Q And in this e-mail it appears that she was
16 sending to you screen shots from the various bank
17 balances held by the receivership defendants,
18 correct?

19 A I plead the Fifth.

20 Q You'll see on the second page of Exhibit
21 51, you appear to have forwarded this information to
22 your wife.

23 Do you see that?

24 MS. HIRSCH: Are you asking whether he did
25 or whether the document says that?

1 MR. GARNO: Whether the document says
2 that.

3 THE WITNESS: It appears that one screen
4 shot was sent to her.

5 BY MR. GARNO:

6 Q Which screen shot was that?

7 A The Multi Bank one.

8 Q You did send your wife the screen shot for
9 the Multi Bank account?

10 A It looks as though the document -- I plead
11 the Fifth.

12 Q During this time period in June 2016, were
13 you under contract for the acquisition of the
14 property at 300 Royal Plaza?

15 A I plead the Fifth.

16 Q Isn't it true that in June of 2016, that
17 you were under contract for the purchase of the
18 Royal Plaza property that you currently reside in?

19 A I plead the Fifth.

20 Q Isn't it true that you were sending this
21 screen shot of the Multi Bank accounts to your wife,
22 in connection with your collective efforts to
23 purchase that property?

24 A I plead the Fifth.

25 Q Did your wife have any role or capacity

1 with Multi Bank?

2 A I plead the Fifth.

3 Q Isn't it true that Discount Marketing held
4 its accounts at Multi Bank?

5 A I plead the Fifth.

6 Q Isn't it true that Discount Marketing
7 Multi Bank accounts were located in Panama?

8 A I plead the Fifth.

9 (Thereupon, the said document was marked
10 as Exhibit No. 52 for identification by the
11 Reporter.)

12 BY MR. GARNO:

13 Q I'm showing you what we marked as Exhibit
14 52. Exhibit 52 is an e-mail exchange later that day
15 on June 13th between yourself and your wife.

16 Do you see that?

17 MS. HIRSCH: The document speaks for
18 itself.

19 THE WITNESS: The document speaks for
20 itself.

21 BY MR. GARNO:

22 Q On June 13, 2016, you sent a screen shot
23 to your wife of the existing balance of the Cockburn
24 & Associates, LLC, account at Bank of Montreal,
25 correct?

1 A I plead the Fifth.

2 Q And the subject matter of this e-mail was,
3 "3 million in Canadian account."

4 Do you see that?

5 A I see that.

6 Q Isn't it true that you were providing this
7 information to your wife in connection with your
8 attempts to come up with the purchase price for the
9 Royal Plaza property?

10 A I plead the Fifth.

11 Q Did you regularly send to your wife screen
12 shot of the bank balances for the various corporate
13 defendants?

14 MS. HIRSCH: What was the question?

15 (Whereupon, the requested portion of the
16 record was read by the Reporter as above
17 recorded.)

18 THE WITNESS: I plead the Fifth.

19 BY MR. GARNO:

20 Q Did you send this screen shot of the
21 \$3 million in the Cockburn & Associates account to
22 your wife, in connection with your attempts to close
23 on the 300 Royal Plaza property?

24 A I plead the Fifth.

25 Q So did you send this e-mail to her as your

1 realtor or as your wife?

2 A I plead the Fifth.

3 Q Isn't it true that you sent it to her as
4 your wife, the one who would co-own the Royal Plaza
5 property?

6 MS. HIRSCH: They weren't married in 2016.

7 MR. GARNO: I forgot about that.

8 BY MR. GARNO:

9 Q Were you engaged to get married at that
10 time?

11 A I plead the Fifth.

12 Q Was it your intent that both of you would
13 live at the 300 Royal Plaza property?

14 A I plead the Fifth.

15 Q I believe you testified you got married in
16 February 2017?

17 A I plead the Fifth.

18 (Thereupon, the said document was marked
19 as Exhibit No. 53 for identification by the
20 Reporter.)

21 BY MR. GARNO:

22 Q I'm going to show you an e-mail you sent
23 later that same day, Exhibit 53. Exhibit 53 is an
24 e-mail that you appear to have sent to Yisbet Segrea
25 on June 13, 2016, at 8:02 p.m. The subject of this

1 e-mail is, "Monthly residuals."

2 Do you see that?

3 A I see the e-mail.

4 Q Here you directed Ms. Segrea to give you a
5 report of the Cockburn's monthly residuals?

6 A I see that.

7 Q Isn't it true that in Exhibit 53, you were
8 asking from Ms. Segrea a report as to how the
9 consumers in the Cockburn & Associates portfolio
10 were performing?

11 A I plead the Fifth.

12 Q You see you wrote to her at the time that,
13 "The account is dropping drastically in value."

14 Do you see where you wrote that?

15 A I see that.

16 Q Was the account you're referring to the
17 Cockburn & Associates account?

18 A I plead the Fifth.

19 Q Isn't it true that on June 13, 2016, the
20 value of the moneys in the Cockburn & Associates
21 account was dropping?

22 A I plead the Fifth.

23 Q Is that one of the reasons why you asked
24 Mr. Smith to cut expenses at that time?

25 A I plead the Fifth.

1 Q Is that one of the reasons why you
2 believed at that time that the corporate defendants
3 may suffer some business hardship in the next ten
4 months?

5 A I plead the Fifth.

6 (Thereupon, the said document was marked
7 as Exhibit No. 54 for identification by the
8 Reporter.)

9 BY MR. GARNO:

10 Q I'm now showing you what we've marked as
11 Exhibit 54. This is an e-mail exchange between
12 yourself and Mr. Smith on June 13th and then
13 June 14, 2016.

14 Do you see that?

15 A I see that.

16 Q Do you recall having this e-mail exchange
17 with Mr. Smith at that time?

18 A I plead the Fifth.

19 Q You'll see in your first e-mail that you
20 had directed Mr. Smith to find ten people to let go.

21 Do you see that?

22 A You're reading off the e-mail.

23 MS. HIRSCH: The document says what it
24 says.

25

1 BY MR. GARNO:

2 Q So when you directed Mr. Smith to find ten
3 people to let go, were you asking him to fire ten
4 people?

5 A I plead the Fifth.

6 Q Isn't it true that you were asking him to
7 fire ten people?

8 A I plead the Fifth.

9 Q And you were the person who had the
10 authority and ability to direct Mr. Smith to fire
11 ten people?

12 A I plead the Fifth.

13 Q In fact, on the 14th you made certain
14 suggestions as to people he should fire, correct?

15 A I plead the Fifth.

16 Q Isn't it true that on the 14th you
17 suggested that he may let go people from the legal
18 team, the old pod, payments, and he should talk to
19 Jen to see if she's ready to move on with a
20 severance?

21 A I plead the Fifth.

22 Q Isn't it true that you were the person who
23 had the authority and ability at the corporate
24 defendants to make these decisions whether to fire
25 people or reduce their salaries or give them some

1 sort of severance?

2 A I plead the Fifth.

3 Q At this time you were making this request
4 for Mr. Smith to fire ten people, because you were
5 concerned about the financial viability of the
6 corporate defendants?

7 A I plead the Fifth.

8 (Thereupon, the said document was marked
9 as Exhibit No. 55 for identification by the
10 Reporter.)

11 BY MR. GARNO:

12 Q I'm showing you what we marked as Exhibit
13 55. Again, we're still on the same date, June 13,
14 2016. It's a later e-mail exchange between yourself
15 and Mr. Smith.

16 The subject matter of this e-mail exchange
17 is "Cockburn," correct?

18 A It seems to be that.

19 Q Did you cause this e-mail to be sent to
20 Mr. Smith in June of 2016?

21 A I plead the Fifth.

22 Q You'll see that you wrote to Mr. Smith, "I
23 have Yisbet getting the reporting, but Cockburn
24 seems to be dropping off very quickly in cash flows
25 and no info or data or understanding of systems has

1 me concerned."

2 Did I read that correctly?

3 A It appears as though you read that
4 correctly.

5 Q Isn't it true that in June of 2016, the
6 cash flows for Cockburn were dropping off very
7 quickly?

8 A I plead the Fifth.

9 Q Isn't it true that you had concerns in
10 June of 2016 about Cockburn & Associates?

11 A I plead the Fifth.

12 Q On that same day, June 13, 2016, were you
13 concerned about Sheila Cockburn transferring over
14 escrow moneys to the entity you formed called
15 Cockburn & Associates?

16 A I plead the Fifth.

17 Q Isn't it true that you were inquiring and
18 you were concerned about Ms. Cockburn not
19 transferring over to Cockburn & Associates, in June
20 of 2016, escrow funds that consumers in her prior
21 business had provided to her entity?

22 A I plead the Fifth.

23 Q Isn't it true that at some point in June,
24 Ms. Cockburn transferred over to you the escrow
25 funds that she was holding in her entity, into the

1 company that you formed called Cockburn &
2 Associates?

3 A I plead the Fifth.

4 Q Isn't it true that in June 2016, you were
5 attempting to wire out 3.4 million Canadian dollars
6 to a US Bank account in Cockburn & Associates' name?

7 A I plead the Fifth.

8 (Thereupon, the said document was marked
9 as Exhibit No. 56 for identification by the
10 Reporter.)

11 BY MR. GARNO:

12 Q Let me show you Exhibit 56. Exhibit 56 is
13 an e-mail exchange later that week, on June 15,
14 2016, between yourself and Sabrina McGregor.

15 Do you know who Ms. McGregor is?

16 A I plead the Fifth.

17 Q Isn't it true that Ms. McGregor at that
18 time was an employee of BMO, Bank of Montreal.

19 A I plead the Fifth.

20 Q Exhibit 56 is your attempt to try to wire
21 out of the Cockburn & Associates accounts at BMO,
22 3.4 million Canadian dollars?

23 A I plead the Fifth.

24 Q And that you were going to wire those
25 funds into a US Bank account?

1 A I plead the Fifth.

2 Q Isn't it true that you caused to be wired
3 those funds out of that account into a US Bank
4 account?

5 A I plead the Fifth.

6 Q Isn't it true that those funds were
7 ultimately wired into a Cockburn & Associates
8 account at City National Bank?

9 A I plead the Fifth.

10 Q You'll see that you had indicated at this
11 time that you were anxious to convert the Canadian
12 dollars into U.S. dollars.

13 Do you recall that?

14 A I plead the Fifth.

15 Q And isn't it true that the reason why you
16 wanted to get those Canadian dollars converted to
17 U.S. dollars is because you were going to use them
18 to acquire the 300 Royal Plaza property?

19 A I plead the Fifth.

20 Q Isn't it true that you ultimately utilized
21 the 3.4 million Canadian dollars that were
22 transferred from the BMO account to acquire the
23 property at Royal Plaza?

24 A I plead the Fifth.

25 Q Did any of the consumers who escrowed

1 those funds at Cockburn & Associates ever consent to
2 you or anyone else using those funds to acquire the
3 300 Royal Plaza property?

4 A I plead the Fifth.

5 Q Isn't it true that none of the consumers
6 consented to that?

7 A I plead the Fifth.

8 Q Isn't it true that none of the consumers
9 were even aware that the funds were being used in
10 that fashion?

11 A I plead the Fifth.

12 Q Isn't it true that all those consumers
13 provided those funds in order to settle pre-existing
14 debts?

15 A I plead the Fifth.

16 (Thereupon, the said document was marked
17 as Exhibit No. 57 for identification by the
18 Reporter.)

19 BY MR. GARNO:

20 Q I'm going to show you what we've marked as
21 Exhibit 57. I'll represent to you that Exhibit 57
22 is from your gmail account that we printed off in
23 connection with today's deposition. It's dated
24 Tuesday, June 21, 2016. It's sent to various
25 people, including yourself, Mr. Nicholson, your

1 fiance or soon-to-be-wife Amanda Finley, and various
2 other people, regarding a land trust.

3 Do you recall sending this e-mail?

4 A I plead the Fifth.

5 Q You'll see you wrote, "Paul, I have to get
6 a land trust set up in the next week. It's
7 important. I'm going to use it to hold my primary
8 residence. It keeps my name off it for public
9 record."

10 Do you recall sending that message to
11 Mr. Herman in June of 2016?

12 A I plead the Fifth.

13 Q Isn't it true that you told Mr. Herman
14 that you wanted to hold your primary residence at
15 that time in a land trust to keep your name off the
16 public record?

17 A I plead the Fifth.

18 Q Isn't it true that you wanted to set up
19 such a trust to conceal your true owner of the
20 house?

21 A I plead the Fifth.

22 Q Isn't it true that ultimately a land trust
23 was set up to acquire the 300 Royal Plaza property?

24 A I plead the Fifth.

25 Q Isn't it true that the trustee for that

1 land trust was Doug Nicholson?

2 A I plead the Fifth.

3 Q Isn't Doug Nicholson your college buddy?

4 A I plead the Fifth.

5 Q Wasn't Doug Nicholson the person that was
6 originally on that purchase and sale contract for
7 the 7190 Brickyard Circle short sale involving your
8 father and stepmother?

9 A I plead the Fifth.

10 (Thereupon, the said document was marked
11 as Exhibit No. 58 for identification by the
12 Reporter.)

13 BY MR. GARNO:

14 Q Let me show you what we've marked as
15 Exhibit 58. Exhibit 58 is an e-mail exchange that
16 we were able to retrieve from your gmail account,
17 jeremy.omni@gmail.com, a series of e-mails on
18 July 6, 2016. The subject matter is, "300 Royal
19 Plaza e-mail to Stefano regarding trust."

20 Do you see that e-mail?

21 A I see it.

22 Q You'll see in Exhibit 58 there appears to
23 be two attachments; the Jean Pierre #1 Land Trust
24 Agreement, and another version of the Jean Pierre #1
25 Land Trust Agreement.

1 Do you see those attachments referenced?

2 A I see it.

3 Q You'll see that on the second page of
4 Exhibit 58, there is an exchange between Amanda
5 Finley and Robert Kerr.

6 Do you see that exchange?

7 A I see it.

8 Q And are you familiar with Mr. Kerr?

9 A I plead the Fifth.

10 Q Isn't it true that at one point in time
11 Mr. Kerr shared office space with you?

12 A I plead the Fifth.

13 Q Isn't it true that at some point in time,
14 Mr. Kerr shared space with you at the 1410 Southwest
15 3rd Avenue warehouse in Pompano?

16 A I plead the Fifth.

17 Q You'll see that Ms. Finley wrote to
18 Mr. Kerr, "This is a land trust set up for the
19 specific purpose of Jeremy purchasing 300 Royal
20 Plaza, Fort Lauderdale, Florida. It is being
21 executed today."

22 Do you see where she wrote that?

23 A I see the document.

24 Q Is that true and correct?

25 A I plead the Fifth.

1 Q Isn't it true that the Jean Pierre #1 Land
2 Trust Agreement was set up for the specific purpose
3 of you purchasing the 300 Royal Plaza, Fort
4 Lauderdale, property?

5 A I plead the Fifth.

6 (Thereupon, the said document was marked
7 as Exhibit No. 59 for identification by the
8 Reporter.)

9 BY MR. GARNO:

10 Q I'm going to show you Exhibit 59. Exhibit
11 59 is a document that the receiver filed with the
12 court in this case, Docket Entry 136-4, on
13 October 14, 2017.

14 Have you ever seen this before?

15 A I plead the Fifth.

16 Q You'll see that this is an analysis by the
17 forensic accountants for the receiver regarding your
18 purchase of 300 Royal Plaza Drive, Fort Lauderdale,
19 Florida, on July 7, 2016, for \$5,250,000, correct?

20 A It seems to say that.

21 Q You'll see that in the first note of
22 Exhibit 59, the receiver's forensic accountants have
23 concluded that under the HUD, the property at 300
24 Royal Plaza Drive, Fort Lauderdale, Florida 33301,
25 was purchased by Donald E. Nicholson, Trustee of the

1 Jean Pierre Trust #1, on July 7, 2016, for
2 \$5,250,000.

3 Do you see where they wrote that?

4 MS. HIRSCH: The document speaks for
5 itself.

6 BY MR. GARNO:

7 Q Do you dispute that finding?

8 A I plead the Fifth.

9 Q Isn't it true that you have no basis to
10 dispute that?

11 A I plead the Fifth.

12 Q You'll see that based upon public records
13 obtained from the Palm Beach County Property
14 Appraiser's website -- that may be Broward County,
15 actually -- on February 22, 2017, there was a
16 quitclaim deed between Donald E. Nicholson, Trustee
17 of the Jean Pierre Trust #1, to you and Amanda
18 Finley, as tenant by the entireties.

19 A I plead the Fifth.

20 Q Are you familiar with that transfer?

21 A I plead the Fifth.

22 Q And isn't it true that neither you nor
23 Ms. Finley, in February of 2017, paid any moneys to
24 Mr. Nicholson as trustee for the trust, in exchange
25 for that quitclaim deed?

1 A I plead the Fifth.

2 Q Isn't it true that you were the true and
3 ultimate beneficiary of the Jean Pierre Trust #1
4 account?

5 A I plead the Fifth.

6 Q Isn't it true that you held this property
7 in that trust to conceal that you were the true
8 owner of the property?

9 A I plead the Fifth.

10 Q Let's talk a little bit about how the
11 moneys were used to purchase the property.

12 Actually, before that, is it true that the
13 name of your dog was Jean Pierre?

14 A I plead the Fifth.

15 MS. HIRSCH: His dog?

16 MR. GARNO: His dog's name is Jean Pierre.

17 BY MR. GARNO:

18 Q Isn't it true that you named this trust
19 that you're holding your residence in after your
20 dog?

21 A I plead the Fifth.

22 Q Isn't it true that this trust that you
23 named after your dog, that you caused to be
24 appointed your college buddy, Donald E. Nicholson,
25 as the trustee?

1 A I plead the Fifth.

2 Q You'll see here that in Note 2, the
3 \$400,000 escrow deposit appears to have been paid by
4 Associated Administrative Services, LLC, to you.

5 Do you see that?

6 A I see that.

7 Q You'll see that very same day, June 20th,
8 you caused to be paid \$400,000 to Florida Coastal
9 Realty for the escrow deposit for the purchase of
10 the 300 Royal Plaza Drive property.

11 Do you see that?

12 A I see that.

13 Q Do you have any testimony here today where
14 you would dispute any of those findings, in terms of
15 how the moneys flowed?

16 A I plead the Fifth.

17 Q Isn't it true that you utilized
18 receivership funds to acquire, or at least make the
19 \$400,000 deposit on the 300 Royal Plaza property?

20 A I plead the Fifth.

21 Q And that you caused Associated
22 Administrative Services to transfer this \$400,000 to
23 you, who then in turn sent it to Florida Coast
24 Realty, in connection with the acquisition?

25 A I plead the Fifth.

1 Q And the acquisition I'm referring to is
2 300 Royal Plaza Drive, Fort Lauderdale, Florida.

3 Do you understand that?

4 A I plead the Fifth.

5 Q And ultimately, these funds were consumer
6 funds?

7 A I plead the Fifth.

8 Q And those consumer funds were derived from
9 the acts and practices alleged in the complaint the
10 FTC has lodged against you, correct?

11 A I plead the Fifth.

12 Q Was any consideration given by the Jean
13 Pierre Trust #1 to Associated Administrative
14 Services, in connection with the transfer identified
15 in Note 2?

16 A I plead the Fifth.

17 Q Turning your attention to Page 3 of
18 Exhibit 59, you'll see that there is further
19 forensic accounting work that has been done by the
20 receiver's forensic accountants, in terms of the
21 purchase price that was utilized to acquire the
22 property.

23 Do you have any testimony here today that
24 would dispute the forensic accountant's analysis as
25 to the source of funds that were used to purchase

1 the Royal Plaza property?

2 A I plead the Fifth.

3 Q You'll see that the forensic accountants
4 have identified that \$2,550,000 of Cockburn &
5 Associate funds held at City National Bank was
6 transferred to you in connection with the purchase
7 of the property.

8 Do you dispute that?

9 A I plead the Fifth.

10 Q Isn't it true that consumer funds from
11 Cockburn & Associates, that were in the Cockburn &
12 Associates City National Bank account, were
13 transferred to you, so that you could use that as
14 the purchase price for the property?

15 A I plead the Fifth.

16 Q Isn't it true that the balance of the
17 purchase price used to acquire this property was
18 transferred to you by other receivership defendants?

19 A I plead the Fifth.

20 Q Those receivership defendants specifically
21 would be Associated Administrative Services,
22 correct?

23 A I plead the Fifth.

24 Q Isn't it true that you caused, on July 1,
25 2016, \$1,700,000 from an Associated Administrative

1 Services account at City National Bank, to be
2 transferred to your account personally at City
3 National Bank, so that you could acquire the Royal
4 Plaza property?

5 A I plead the Fifth.

6 Q Isn't it true that the funds from
7 Associated Administrative Services constituted
8 moneys received from consumers?

9 A I please the Fifth.

10 Q You'll see that in addition, there were
11 moneys that were transferred from Halfpay
12 International to you to close on the 300 Royal Plaza
13 property.

14 Do you see that?

15 A I plead the Fifth.

16 Q Do you dispute that Halfpay International
17 provided funds, as well?

18 A I plead the Fifth.

19 Q Isn't it true that Halfpay did provide
20 funds in connection with the acquisition of the
21 property?

22 A I plead the Fifth.

23 Q Isn't it true that the funds that Halfpay
24 transferred to you to acquire this property
25 represented consumer funds?

1 A I plead the Fifth.

2 Q Did any of the consumers from any of the
3 entities, whether it be Associated Administrative
4 Services, or Cockburn, ever consent to their funds
5 being used to acquire your house?

6 A I plead the Fifth.

7 Q Isn't it true that they did not?

8 A I plead the Fifth.

9 Q Isn't it true that they were completely
10 unaware at this point in time that you used those
11 funds to purchase that house?

12 A I plead the Fifth.

13 Q Isn't it true that those funds were not
14 used by you or the corporate defendants for their
15 intended purpose to resolve pre-existing debts?

16 A I plead the Fifth.

17 Q Do you have any testimony here today that
18 you can offer that will dispute the findings of the
19 receiver's forensic accountants in Exhibit 59?

20 A I plead the Fifth.

21 MR. GARNO: Let's take a break. We're
22 getting close.

23 (Thereupon, a recess was taken, after
24 which the following proceedings were had:)

25 MS. HIRSCH: Just for purpose of the

1 record, Mr. Marcus wants to clarify something he
2 remembered. He just wants to clarify this one
3 answer, and he's not going to answer anything
4 substantive beyond answering this.

5 Mr. Marcus, you were asked at the
6 beginning of the deposition whether you used any
7 other aliases, and your answer at the time was no.

8 Do you want to correct that?

9 THE WITNESS: I do.

10 MS. HIRSCH: And what's your answer now?

11 THE WITNESS: I plead the Fifth. Yes.

12 MS. HIRSCH: You're answering yes instead
13 of no?

14 THE WITNESS: Yes.

15 MS. HIRSCH: Is that because you forgot --

16 THE WITNESS: I didn't recall at the time.

17 BY MR. GARNO:

18 Q Can I ask you what aliases you've used?

19 MS. HIRSCH: He's not going to testify to
20 anything further.

21 MR. GARNO: I have to ask.

22 BY MR. GARNO:

23 Q Now that you've recalled that you have
24 used aliases in the past, and you understand the
25 concept of aliases, what other aliases have you gone

1 with?

2 A I plead the Fifth.

3 Q Are you currently going by any aliases?

4 A I plead the Fifth.

5 Q Isn't it true that you're currently going
6 by an alias?

7 A I plead the Fifth.

8 MR. GARNO: Let me explain to you what
9 we've agreed to here.

10 The deposition is still open from the
11 receiver's perspective. We have a lot of questions
12 that relate to the disclosure of assets that you've
13 made in this case, and your invocation of the Fifth
14 Amendment right against self-incrimination. We
15 obviously don't believe that that is a proper
16 invocation of the privilege.

17 What we're going to do is, we're going to
18 put this off and conclude this deposition sometime
19 in the next three weeks, hopefully. At this
20 continued deposition I still might have some more
21 questions relating to substantive issues, but we
22 need to come up with some kind of resolution as it
23 relates to the asset disclosures. Otherwise, I'm
24 going to seek relief from Judge Moreno about this
25 stuff, and we'll have the Judge weigh in on whether

1 or not you can actually invoke that privilege as it
2 relates to disclosures that the court required and
3 that you made in this case.

4 We don't need to argue about the merits of
5 that, but that's our position at this time.

6 MS. HIRSCH: And the purpose of keeping it
7 open is to give Mr. Marcus an opportunity to decide
8 whether he wants to testify as to financial
9 disclosures at the continued deposition, or whether
10 he wants to remain taking the Fifth.

11 MR. GARNO: Certainly, you can make our
12 lives a lot easier when we came to that --

13 MS. HIRSCH: We'll let you know in
14 advance.

15 MR. GARNO: -- you let me know in advance.
16 we can put something on the record and spare us
17 hours and hours and hours of unnecessary
18 questioning.

19 MS. HIRSCH: Understood.

20 THE WITNESS: I understand.

21 MR. GARNO: Thank you so much for your
22 help. Happy New Year.

23 MS. HIRSCH: He will read.

24

25

1 (Thereupon, the taking of the deposition
2 was concluded. Reading, subscribing and notice of
3 filing were not waived.)

4
5 _____
6 Deponent
7

8
9 Sworn to and subscribed before me this ____
10 day of _____, 2018.
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF OATH

STATE OF FLORIDA
COUNTY OF DADE

I, the undersigned authority, certify that
JEREMY MARCUS personally appeared before me and was
duly sworn.

WITNESS my hand and official seal this 3rd
day of January, 2018.

HELAYNE FURMAN WILLS
Notary Public - State of Florida
My Commission No. GG123092
Expires: AUGUST 2, 2021

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S DEPOSITION CERTIFICATE

STATE OF FLORIDA
COUNTY OF DADE

I, HELAYNE FURMAN WILLS, Court Reporter, certify that I was authorized and did stenographically report the deposition of JEREMY MARCUS; that a review of the transcript was requested; and that the transcript is a true and complete record of my stenographic notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

Dated this 3rd day of January, 2018.

HELAYNE FURMAN WILLS

OUELLETTE & MAULDIN
28 WEST FLAGLER STREET
SUITE 808
MIAMI, FLORIDA 33130
(305) 358-8875

January 3, 2018

TO: JEREMY MARCUS
c/o RACHEL HIRSCH, ESQ.,
IFRAH LAW
1717 Pennsylvania Avenue NW - Suite 650
Washington, D.C. 20006

RE: FEDERAL TRADE COMMISSION vs. JEREMY LEE MARCUS

Please be advised that your deposition which was taken in the above-styled cause on December 21, 2017, has been transcribed and is ready for your review.

Please contact us for an appointment to read and sign this deposition at your earliest convenience.

The transcript will be sent to counsel with or without your signature in 30 days or at the time of trial, whichever comes first.

Our office hours are 9:00 a.m. to 4:30 p.m., Monday through Friday.

If you have any questions regarding this matter, please feel free to contact us at the above number.

Sincerely,

OUELLETTE & MAULDIN

cc: All counsel