

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. SL-02742-A
MANYONE NETWORKS, INC.)

WITNESS:

(b)(6), (b)(7)(C)

PAGES: 1 through 63

PLACE: Securities and Exchange Commission
351 South West Temple, Suite 6.100
Salt Lake City, Utah 84101

DATE: Monday, March 20, 2017

The above-entitled matter came on for hearing at
1:04 p.m., pursuant to notice.

Diversified Reporting Services, Inc.

(202) 467-9200

1 APPEARANCES:

2
3 On behalf of the Securities and Exchange Commission:

4 (b)(6); (b)(7)(C)

5 Salt Lake Regional Office
6 351 South West Temple, Suite 6.100
7 Salt Lake City, Utah 84101

8 (b)(6); (b)(7)(C)

9 (b)(6); (b)(7)(C)

10
11 On behalf of the Witness:

12 LOREN WASHBURN, ESQ.
13 Washburn Law Group
14 50 West Broadway, Suite 1010
15 Salt Lake City, Utah 84101
16 (801) 477-0997
17 loren@washburnlawgroup.com

1 PROCEEDINGS

2 (b)(6); (b)(7)(C) Would you please raise your
3 right hand. Do you swear to tell the truth, the
4 whole truth and nothing but the truth?

5 (b)(6); (b)(7)(C) Yes.

6 Whereupon

7 (b)(6); (b)(7)(C)

8 was called as a witness and, having been first duly
9 sworn, was examined and testified as follows:

10 EXAMINATION

11 BY (b)(6); (b)(7)(C)

12 Q Would you state and spell your full name
13 for the record.

14 A (b)(6); (b)(7)(C)

15 (b)(6);

16 Q What's your middle name?

17 A (b)(6); (b)(7)(C)

18 Q My name is (b)(6); (b)(7)(C) and I'm an
19 officer of the Commission for the purposes of this
20 proceeding. So this is an investigation by the
21 Securities and Exchange Commission in the matter of
22 ManyOne Networks, Inc., file number SL-2742, to
23 determine whether there have been violations of the
24 federal securities laws. However, the facts
25 developed in the investigation might constitute

1 CONTENTS

2
3 WITNESS: EXAMINATION

4 (b)(6); 4

5
6 EXHIBITS: DESCRIPTION IDENTIFIED

7 6 Subpoena 6

8 7 Statement by (b)(6); 16

1 violations of other federal or state civil or
2 criminal laws.

3 Before we went on the record you were
4 provided with a copy of the Formal Order of
5 Investigation in this matter, and it will be
6 available for your examination during the proceeding.
7 Have you had a chance to review the formal order?

8 A Yes.

9 Q Also before we went on the record you were
10 provided with a copy of the Commission's form 1662,
11 and it's marked as Exhibit Number 1. Do you have any
12 questions about Exhibit Number 1?

13 A No, I do not.

14 Q And are you represented by counsel today?

15 A Yes, I am.

16 (b)(6); (b)(7)(C) Would you identify yourself
17 for the record.

18 MR. WASHBURN: Yes. Loren Washburn of
19 Washburn Law Group.

20 (b)(6); (b)(7)(C) And are you representing (b)(6)
21 (b)(6); as his attorney today?

22 MR. WASHBURN: I am, yes.

23 BY (b)(6); (b)(7)(C)

24 Q Is that right?

25 A Yes.

1 (SEC Exhibit No. 6 was
2 marked for identification.)

3 Q I'd like to show you what's been marked as
4 Exhibit Number 6, and it's a copy of a subpoena. I
5 just want to ask you if that's the reason you're here
6 today.

7 A Yes.

8 Q Although we changed the date and time?

9 A Yes.

10 Q And I didn't subpoena any documents from
11 you relating to ManyOne, but while I've got you on
12 the record, I thought I'd ask you if you have any. I
13 know you don't work there now, but you used to.

14 A I have a notebook with some contacts, and I
15 have some things on my computer, my personal computer
16 at home.

17 Q What kind of things do you have on your
18 computer?

19 A Some spreadsheets of people who worked for
20 the Academy of Science and Arts at the time, is who I
21 worked with. And I have some -- some letters back
22 and forth. I'm not sure exactly what I have there on
23 that, but I have two notebooks that are spiral-bound
24 notebooks that as I was working, I just used those to
25 keep track of things that I needed to do or people or

1 MR. WASHBURN: And I just want to be clear.
2 When she says investors --

3 THE WITNESS: That's what I was --

4 MR. WASHBURN: -- like, loans or equity
5 investments or anything like that. Just assume
6 anybody who ever gave money to ManyOne. Or just --
7 I'm going to expand this as well and she can tell me
8 to stop talking at any time -- or any of the Joe
9 Firmage related entities. So if somebody loaned
10 money to the Academy of Arts and Sciences and she
11 just asked you an investor in ManyOne, I assume she
12 might be interested in hearing about loans to the
13 Academy of Arts and Sciences.

14 A Oh, absolutely. I don't have -- I don't
15 have any documents that show the monies that
16 necessarily came in to ManyOne, just (b)(6);

17 (b)(6); (b)(7)(C)

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25 And so I don't have anything that shows any

1 contacts that I needed to follow up with. So it was
2 more just my day-to-day business operations, the
3 stuff that I did during the time that I was with
4 ManyOne.

5 Q Do you have a sense of what the topic of
6 your electronic documents is or what was covered?

7 (b)(6); (b)(7)(C)

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23 Q Do you have any documents relating to
24 investors in ManyOne?

25 A No, not truly, I do not.

1 incoming funds or anything. But in my notebook I
2 have names and phone numbers of people who did
3 provide funding to them, because I was asked to work
4 with them in the development of websites or in the --
5 just to talk with them from time to time and explain
6 what the academy activities were and what was going
7 on in the academy at the time.

8 BY (b)(6); (b)(7)(C)

9 Q So in one of your notebooks you do have the
10 names of people who provided funding to Firmage
11 entities? Is that what you're saying?

12 A I don't have the names and the amounts of
13 funding that was provided. I just have the names and
14 their phone numbers of people who did. And it's not,
15 like, in a spreadsheet. It's throughout the whole
16 notebook whenever, from time to time, somebody would
17 provide funds to the Academy of Science and Arts, and
18 then I was asked to follow up with them or to follow
19 up with the IT people to develop a website for them,
20 or to do something of that nature. And so I had
21 phone numbers and just -- it was more about I need to
22 call so-and-so today about this or about that, was my
23 day-to-day kind of activities.

24 Q And are these notes you took while you were
25 still employed there?

1 A Yes, they are.
 2 Q I don't know if I need that right now, but
 3 if I do, I'll contact Mr. Washburn.
 4 A Okay, sure.
 5 Q And he can ask you to make a copy of it for
 6 me. And he's right also that when I just say
 7 generally ManyOne, I do mean the various Firmage
 8 entities that are affiliated.
 9 A Okay, thank you, yes.
 10 Q Thanks.
 11 A So I don't have anything that would show
 12 any -- especially a summary of funds received, or
 13 mostly just my portion of the funds that I was privy
 14 to for operating expenses.
 15 Q And I'm not so interested in, like, unpaid
 16 salaries to employees, that kind of thing.
 17 A Okay, that's what I have, mostly.
 18 Q That's what you have?
 19 A Yes.
 20 MR. WASHBURN: Just to be clear, you made a
 21 small loan; right?
 22 THE WITNESS: (b)(6); (b)(7)(C)
 23 (b)(6); (b)(7)(C)
 24 BY (b)(6); (b)(7)(C)
 25 Q What did you do? What did you make a loan

1 Q Yeah, yeah, sure. Sorry.
 2 A So part of that, (b) said anything that I
 3 had contributed, and he referred to it as human
 4 talent or funding that I had received. And so when I
 5 went to -- when I first started to work with (b)(6);
 6 (b)(6); I was a member of the military, and I had a
 7 lot of leave that I had accrued. So I used that
 8 leave to work for him, because he couldn't pay me,
 9 and so I used that to fund my expenses during the
 10 first year.
 11 And then funding was always promised, a big
 12 wad or fall of funding was supposed to come, and it
 13 never really did. And so I ending up cashing in a
 14 portion of my retirement, actually most of my
 15 retirement, just so my family and I could survive.
 16 And so that included those funds. And then there
 17 were miscellaneous funds for when people would come
 18 into town, hotel costs or lunches and dinners for the
 19 people that were coming in to visit with (b)(6);
 20 Q That you paid for?
 21 A (b)(6); (b)(7)(C)
 22 Q And needed to be reimbursed for?
 23 A (b)(6); (b)(7)(C)
 24 Q What's the status of your request for that
 25 money to be repaid?

1 for?
 2 A (b)(6); (b)(7)(C)
 3 Q Oh, employees?
 4 A (b)(6); (b)(7)(C)
 5 Q Was it paid back?
 6 A (b)(6); (b)(7)(C)
 7 Q So what are you owed by ManyOne at this
 8 point? More or less, if you know.
 9 (b)(6); (b)(7)(C)
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 19 Q That you are still owed?
 20 (b)(6); (b)(7)(C)
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 22 Q So it's about (b)(6);
 23 A (b)(6);
 24 Q And did you say --
 25 A Can I explain that?

1 A I don't even know if it was even registered
 2 with them. There was a form that I was asked to fill
 3 out, which I did fill out the form. I sent an e-mail
 4 to (b)(6); (b)(7)(C)
 5 (b)(6); (b)(7)(C) And
 6 I was sent an e-mail. I never had a confirmation of
 7 anything back from them. And I was prompted to do
 8 that because of a friend who works or worked with
 9 ManyOne at the time asked me to go online and look at
 10 a media release that had been just released with a
 11 concept called the waterfall concept, which was an
 12 idea that (b)(6); came up with to repay the
 13 people who had funded his efforts through the years.
 14 Q So your friend suggested you take a look at
 15 that?
 16 A Yes, and so I did. And then I sent -- I
 17 just did what was asked for in the media release and
 18 was told to send it to a certain e-mail address,
 19 which I did. And that's the last I ever heard.
 20 Q When was that, more or less?
 21 A A long time ago. I'm not really sure. I
 22 would say probably the summer of 2014.
 23 Q Well, I can ask you about waterfall a
 24 little later, but just as background, what's your
 25 date of birth?

1 A (b)(6); (b)(7)(C)
 2 Q And your residential address?
 3 (b)(6); (b)(7)(C)
 4 Q Do you have a mobile phone?
 5 A (b)(6); (b)(7)(C)
 6 Q And how about a personal e-mail?
 7 (b)(6); (b)(7)(C)
 8 Q Can you summarize your educational
 9 background?
 10 (b)(6); (b)(7)(C)
 11 Q What did you do (b)(6); (b)(7)(C)? How long
 12 were you there?
 13 (b)(6); (b)(7)(C)
 14 Q So you're (b)(6); (b)(7)(C) now?
 15 (b)(6); (b)(7)(C)
 16 Q And do you want to describe, so after that,
 17 I guess you went back to work?
 18 A Yes.
 19 Q Since you left (b)(6); (b)(7)(C), where have you

1 (SEC Exhibit No. 7 was
 2 marked for identification.)
 3 A I do.
 4 Q Just as background, did you prepare it?
 5 A (b)(6); (b)(7)(C)
 6 Q Did anybody help you?
 7 A No.
 8 Q And why did you do that?
 9 (b)(6); (b)(7)(C)
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1 been working?
 2 A I worked with (b)(6); (b)(7)(C) for about a year and a
 3 half, off and on. I mean, I quit once and then he
 4 talked me into coming back, and then I worked for him
 5 for a little while longer before I quit again. And
 6 so that whole time was about a year and a half.
 7 And then I just -- I worked with some
 8 friends on some projects and some research that they
 9 were doing involving rare minerals and elements. We
 10 just -- I just did some research for them and helped
 11 in that endeavor for a while. Then I decided I
 12 needed to have a steady income because it had been
 13 several years since I had a steady income (b)(6); (b)(7)(C).
 14 (b)(6); (b)(7)(C)
 15 Q What do you do for (b)(6); (b)(7)(C)?
 16 A (b)(6); (b)(7)(C)
 17 Q And are you just up on (b)(6); (b)(7)(C)?
 18 A (b)(6); (b)(7)(C)
 19 Q Do you have any professional licenses, like
 20 a securities broker's license or a CPA?
 21 A I do not, no.
 22 Q And I've also -- well, I haven't given you
 23 Exhibit 7, but it's a three-page single-spaced typed
 24 document, and I wonder if you recognize that.
 25

1 (b)(6); (b)(7)(C)
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1 (b)(6); (b)(7)(C)
 2 I'm sorry.
 3 Q That's okay. (b)(6); (b)(7)(C)
 4 (b)(6); (b)(7)(C) have you dealt with any
 5 issues relating to ManyOne?
 6 A No, I have not.
 7 Q Did you refer to anything when you prepared
 8 this Exhibit ??
 9 A No, I did not. (b)(6); (b)(7)(C)
 10 (b)(6); (b)(7)(C)
 11 (b)(6); That's what I was asked to do.
 12 Q Has anything come to your attention since
 13 you prepared this that you, you know, remembered and
 14 thought should be included that isn't in there?
 15 A I don't think so, no.
 16 Q So this says at the beginning that you --
 17 well, it says you began by working part time with
 18 (b)(6);
 19 A Uh-huh (affirmative).
 20 Q But do you want to talk about how you came
 21 to meet (b)(6) and how that happened?
 22 A Sure. I met him through some colleagues in
 23 (b)(6); that I worked for. They were doing some
 24 security work for (b)(6) in the way of personal
 25

1 security. They were acting as his bodyguards and as
 2 personal security over his estate and/or his
 3 residence.
 4 Q Who were they?
 5 A (b)(6); who is a friend of mine. He
 6 was a (b)(6); officer.
 7 Q Can you spell his last name?
 8 A Yes, (b)(6); He was friends with
 9 an individual by the name of (b)(6); (b)(7)(C)
 10 (b)(6); I think is how he spells his name, and
 11 they had served together in the (b)(6); And
 12 (b)(6); asked (b)(6); to assist him in
 13 organizing the security efforts for the (b)(6); I
 14 was asked to come in and help to prepare an
 15 intelligence summary on a company called Motion
 16 Sciences.
 17 Q What's an intelligence summary?
 18 A An intelligence summary is just you do a
 19 background check of a person or an entity, and you do
 20 Internet researches and background checks through
 21 media sources. And then sometimes it may require
 22 other activities, such as surveillance or whatever. I
 23 was asked to assist -- there was a big split between
 24 Motion Sciences and (b)(6); and the partners of
 25 Motion Sciences in Provo had basically tried to take

1 over the company from (b)(6); And then there
 2 was a lot of legal ramifications from that. (b)(6);
 3 wanted to know what the company had been up to, since
 4 they had been provided with cease and desist orders
 5 from their activities, and he just wanted to know if
 6 they were continuing the research.
 7 Q Motion Sciences was served with a cease and
 8 desist?
 9 A Yes. Yeah. At least that's what I was
 10 told, so I better clarify that.
 11 Q Was that what you started doing when you
 12 were working with (b)(6) part time?
 13 A Yes. So I was (b)(6); (b)(7)(C)
 14 (b)(6); and my friends were trying to recruit me to
 15 go to work with them full time in the capacity of an
 16 intelligence officer to do that similar type stuff.
 17 So I worked some weekends and some evenings with them
 18 in that regard, and then things evolved.
 19 There were some investors coming in -- I
 20 use the term "investors" -- some people who were
 21 going to provide funding for (b)(6); (b)(7)(C) At
 22 that time the Academy of Arts and Science had not
 23 been formally organized, and there was a lot of
 24 confusion, there was a lot of stress, there was a lot
 25 of issues.

1 And I was sitting back very frustrated by
 2 what was going on. And I at one point just said -- I
 3 made a statement that it wasn't rocket science to
 4 organize everything to prepare for what needed to be
 5 done. I offered some suggestions and was asked to
 6 kind of lead in the preparation for those people to
 7 get everything organized, which I did, and it was
 8 pretty successful.
 9 And then right about that time there was a
 10 major falling out with some of the security personnel
 11 who had not been paid and one of (b)(6) partners in
 12 Colorado. And they were saying they were going to
 13 take everything away from (b)(6) and they were going to
 14 take his ideas and run with it. And I didn't feel
 15 that was right, and I informed (b)(6) and his mother
 16 (b)(6); about that. And (b)(6) was very grateful for
 17 that, and based upon the successes that we had had in
 18 preparing for the people who came into town, he asked
 19 if I would go to work for him full time. That's when
 20 he offered me to go to work for him full time.
 21 Q So when you were mentioning investors who
 22 were going to put money in, were they investors in
 23 the academy or in some other company? If you know.
 24 A Yeah, I don't know the answer to that. The
 25 academy had not been formally organized, so I believe

1 it was probably to look to pay the people who had
2 worked. There were two aspects of the business that
3 was being worked at that time, and the funding was to
4 start again the physics or the science aspects of the
5 research that was involved with Motion Sciences.

6 **Q And so you may -- and if you don't**
7 **remember, just say so, but do you remember their**
8 **names or any other information about them? The**
9 **investors.**

10 A I don't know. I really, honestly do not
11 recall who they were. To me they were just names and
12 faces. I wasn't in the meeting. I was there to get
13 everything organized. And we did pick people up at
14 the airport, but I wasn't involved in that. I think
15 it may have been because (b)(6); duties were such
16 that I wasn't able to attend the meetings because I
17 was still (b)(6); (b)(7)(C)

18 **Q Were you in Utah, then?**

19 A (b)(6);

20 **Q Do you know if those people did invest?**

21 A I do not know.

22 **Q And just because I'm asking you doesn't**
23 **mean that you are supposed to know, but I might as**
24 **well ask. And then you were mentioning people in**
25 **Colorado who had a falling out with (b)(6) is that**

1 involved with. He oriented me to what his concepts
2 were for the businesses we were trying to get off the
3 ground, trying to launch. And he asked for my
4 assistance to launch the Academy of Arts and
5 Sciences.

6 And ManyOne, at that time there were -- it
7 was always referred to, and is probably even referred
8 to today, as the Blue Logo and the Black Logo. The
9 Blue Logo was ManyOne and the Black Logo was Motion
10 Sciences. And those names have changed, I think,
11 perhaps a little bit. ManyOne is still there.

12 When I worked for (b)(6) there was a big legal
13 bout over who had the rights to use the name ManyOne.
14 And with some of (b)(6) colleagues in the past,
15 somebody had registered that, and (b)(6) negotiated
16 financially some sort of settlement so that he could
17 reacquire the name ManyOne and start using that for
18 the Blue Logo.

19 **Q So Motion Sciences, that's different from**
20 **the academy?**

21 A Uh-huh (affirmative).

22 **Q I always want to call it the Academy of**
23 **Motion Pictures, but that's not it. (Laughter) Do**
24 **you know what the Blue Logo and the Black Logo, what**
25 **that consisted of, that business?**

1 right?

2 A Yes.

3 **Q And what was that group or the names of**
4 **those people?**

5 A It was an individual by the name of (b)(6);
6 (b)(6); and (b)(6); was contracted with (b)(6) or
7 I think at one time was a business partner of (b)(6);
8 to help produce -- to get ManyOne up and running. And
9 he was an IT professional who, we found out later,
10 was not actually doing the IT work but was
11 contracting that work out with other employees. And
12 so he was more, I guess, an orchestrator of IT
13 personnel.

14 **Q So you went to work for (b)(6) full time, and**
15 **it looks like from your document here that that was**
16 **about June 2012?**

17 A Yes, it was.

18 **Q And you stayed for 18 months?**

19 A Yes.

20 **Q And so what, at the outset when you met**
21 **(b)(6); what did he tell you about ManyOne or the**
22 **academy or other related companies?**

23 A Yeah, we had many, many conversations, in
24 person, face-to-face and over the phone. And he gave
25 me background on his life and what he had been

1 A Yeah, I do. The Black Logo was a resource
2 into sustainable energy and propulsion, and kind of a
3 zero gravity type, a zero gravity device that
4 produced energy. And the Blue Logo, the concept
5 behind the Blue Logo, or ManyOne, was to be able to
6 provide -- to generate a revenue that would sustain
7 the research and development of the Black Logo.

8 And so (b)(6) did not want to resort to
9 federal funding or research grants. He wanted his
10 research to be independent of the government, and
11 held very strongly to that until a point where he
12 needed to have the funding. Then he sought some
13 funding from DARPA.

14 **Q What's DARPA?**

15 A I don't recall, sorry. It's the -- I think
16 it's the...

17 **Q I could look it up.**

18 MR. WASHBURN: You understood it to be a
19 federal agency?

20 THE WITNESS: Oh, oh, it's a federal agency
21 that does scientific research into science and
22 technology.

23 A And so the Blue Logo, just to summarize
24 that, and it's a very complicated process. The Blue
25 Logo consisted of Internet web pages, and this

1 concept that (b)(6) developed of these -- this huge
 2 network of Internet domain space, of domain names
 3 that were networked together to produce what (b)(6)
 4 would call Auto-SCO, automatic search engine
 5 optimization. So his concept was to sell to
 6 businesses websites and things that, when people were
 7 to use a search engine on the Internet, it would
 8 produce -- their business or their entity would
 9 automatically rise to the first three pages of any
 10 search engine.

11 BY (b)(6); (b)(7)(C)

12 **Q So are you saying that the domain names he**
 13 **would sell, they would have that added feature, that**
 14 **in a search they would pop up early?**

15 A Yeah. (b)(6) did not sell the domain names.
 16 He bought them. And he bought them throughout his
 17 lifetime, from the time that he left U.S. Web, he had
 18 been purchasing these Internet domain names. And I
 19 don't recall how many they were, but I think it was
 20 probably close to in the tens of thousands of
 21 Internet domain names.

22 So a client, or a potential client, who he
 23 would do business with would purchase a package and
 24 have their business connected into the network of
 25 domain names that (b)(6) had developed. And (b)(6) had

1 A No. It never worked while I was there,
 2 although I saw evidences that it would work. I saw
 3 some test runs that did appear like it lifted off the
 4 ground, but we were never able to reproduce it in a
 5 consistent manner. It was sporadic.

6 **Q Were you there yourself when it was -- when**
 7 **they tried to run it?**

8 A Yes, I was.

9 **Q And you didn't see it working consistently?**

10 A Not consistently, ever. It was debatable.
 11 We had tried to videotape it once, and it was hard to
 12 see if it was actually off the ground or if it was
 13 just rotating and rocking and it was off the ground a
 14 portion of the time. But there were two instances
 15 where it did appear to have lifted off the ground.

16 **Q I would ask you how that worked but I**
 17 **wouldn't understand the answer.**

18 A Yeah.

19 **Q Let's see. So what was your salary going**
 20 **to be?**

21 A I asked him originally just to match my
 22 salary (b)(6); (b)(7)(C) which was about (b)(6); (b)(7)(C) a
 23 year. That included my (b)(6); (b)(7)(C)
 24 of about (b)(6); (b)(7)(C) and then my traditional
 25 (b)(6); (b)(7)(C) paychecks of (b)(6); (b)(7)(C) and

1 these formulas and mathematical equations, algorithms
 2 that would interconnect all of the domains. And he
 3 had a huge program, computer program that he had
 4 developed that linked all of those domain names
 5 together.

6 **Q So the domain names were linked, and then**
 7 **when I come to him with my business, my business**
 8 **domain web page is linked to all that?**

9 A Yes.

10 **Q And did it work?**

11 A Yes, temporarily, for a while.

12 **Q How do you mean?**

13 A It was very difficult to sustain all the
 14 domain names that (b)(6) had purchased. You'd purchase
 15 them for a year at a time, so those were always
 16 coming due in big blocks of domain names. And the
 17 funding for those, at a minimum, was \$10 per domain
 18 name.

19 **Q For another year?**

20 A For another year. And so we would limp
 21 along and be okay, and then it would require a huge
 22 amount of funds to reregister or to keep the
 23 ownership of those domain names.

24 **Q And then as far as the Black Logo is**
 25 **concerned, the zero gravity device, did that work?**

1 my annual training, which was the difference in that.
 2 And he just -- he offered -- he said no. He said --
 3 when I told him how much it was, I was worried that
 4 he wouldn't be able to pay that much. He said, "Oh,
 5 I'll pay you (b)(6); (b)(7)(C) to start." And so that's what I
 6 was -- the salary I was offered. But then I later
 7 learned that the salaries that (b)(6); (b)(7)(C) quoted were often
 8 unrealistic.

9 **Q How did you learn that?**

10 A As we would bring other people into
 11 employment, (b)(6) would often offer huge salaries of
 12 over \$100,000 for tasks or skills that traditionally
 13 paid much less than that, like IT personnel, for
 14 example.

15 **Q Did those people get paid?**

16 A No, not consistently. I mentioned in my
 17 statement what (b)(6) would often use -- there was a
 18 term that he always said. He called the money or the
 19 payments "triage," which was just to get us over a
 20 hump or, you know, always waiting for the big
 21 paycheck to come in, which (b)(6) promised repeatedly
 22 the entire time that I was associated with him.

23 **Q Did it ever come in?**

24 A No.

25 **Q And it looks like from the first paragraph**

1 of Exhibit 7 that he also promised you equity shares
2 in each of the academy's subordinate profit
3 generating businesses.

4 A Yes.

5 Q What were those businesses?

6 A Okay. Those were the different institutes
7 under the Academy of Science and Arts. There were
8 several -- we referred to them as institutes. And
9 there were several ideas, our business ideas, and
10 each one of them was an independent organization.
11 They were -- most of them were -- well, some of them
12 were nonprofit, some of them were for-profit
13 organizations. And because (b)(6) had not paid me, he
14 offered to me to have equity shares of those
15 companies.

16 I never formally signed -- he promised me
17 that I was included. He made me a member of the
18 board of the Academy of Arts and Sciences, and often
19 referred to that. I asked him several times for
20 something in writing that would do that. He said,
21 "It's coming, it's coming, and don't worry about it.
22 I'm being asked that by a lot of people, and my
23 attorneys are drawing all of that up."

24 Q He's speaking about the equity interest?

25 A The equity interest, yes. And now, to

1 (b)(6); (b)(7)(C) -- I can't remember his name --
2 was -- anyway, there were at one time five different
3 institutes that I recall.

4 Q And so you became the (b)(6) of the academy?

5 A By title only.

6 Q What do you mean?

7 A Well, I did not like that title because I
8 didn't feel it was truthful. And (b)(6) always referred
9 to me as his (b)(6); (b)(7)(C) basically for
10 investors and others who he was promoting his
11 interests with.

12 Q Why didn't you feel that title was
13 truthful?

14 A Oh, I handled the day-to-day operations of
15 things, but we never really had anything, an official
16 organization that would ever produce any kind of or
17 generate any kind of revenue. And so I kept telling
18 him -- I often told him I was the CEO of nothing,
19 because I just felt we could never -- could never get
20 the organizations up and running. And I contributed
21 to that, and I argued often with (b)(6) about his
22 approach to doing this. He felt they all needed to
23 be launched simultaneously to have this huge impact
24 in the world.

25 Q The institutes?

1 answer your question about the institutes --

2 MR. WASHBURN: Let me, just really quickly,
3 all those institutes, did any of them actually
4 function?

5 THE WITNESS: No. So they were great
6 ideas, a lot of great ideas. The one that was
7 probably the closest to actually functioning was the
8 SMI, the Science Modeling Institute, which was an
9 organization out of Arizona that was headed by (b)(6);
10 (b)(6); (b)(7)(C) and it was an organization to promote
11 STEM education and to educate teachers, high school
12 and college professors, and to improve the level of
13 teaching in science, technology, engineering and
14 math.

15 BY (b)(6); (b)(7)(C)

16 Q But that one didn't function?

17 A No. I'm not sure what ever happened to it.
18 (b)(6); (b)(7)(C) provided much of his own, used much of
19 his own resources to try and get that off. (b)(6) had
20 promised that he would fund that from money generated
21 by the Blue Logo or ManyOne.

22 And there were other institutes. I'm
23 trying of think of some. ManyOne was considered one
24 of the institutes at the time. There was also
25 Internext Technologies and Internext Studios. (b)(6);
(b)(7)(C)

1 A The institutes. And I told him we needed
2 to launch one and stay with that until it was
3 successful, and then bring another one on board. And
4 we often had disagreements of how that should be
5 handled.

6 Q So did ManyOne launch?

7 A ManyOne launched at one point. That's the
8 reason why I quit the first time.

9 Q I was going to ask you about that, too.

10 A Was because (b)(6) forced us to produce that,
11 to start that organization way before it was ready,
12 and because he had some potential investors lined up
13 who were willing to fund that. And so it was kind of
14 a catch-22. We couldn't really launch without the
15 funding and we couldn't really, you know, get the
16 funding without launching.

17 And so we did, and we had everybody who was
18 involved with the academy at that time a
19 Jack-of-all-trades and a master of none. We all
20 contributed outside of our assigned responsibilities
21 to try and make it work, to try and get it up, with
22 the promise that all we needed to do is just get that
23 up and running, and the money would come. And he was
24 very confident that the funding would come.

25 We tried to promote teleconferences and

1 online training seminars to help fund ManyOne's
2 launch and to have people sign up online and to
3 receive training from (b)(6) personally in the various
4 aspects of ManyOne.

5 **Q The teleconferencing and the online
6 training, was that --**

7 A Webinars and seminars online.

8 **Q But was that a means to raise the money or
9 was that the services it was going to provide?**

10 A It was part of the service it was to
11 provide.

12 **Q So I'm sorry I interrupted you. So it was
13 going to launch and had to launch because there were
14 investors ready to put money in. And then what
15 happened?**

16 A We had -- we never had a sales force to
17 sell the products, and so (b)(6) was asking those who
18 were involved with the academy to act as salesmen and
19 to take calls and to just get them to a certain
20 point, and then to turn them over to him and he would
21 close them on the products and services.

22 **Q And are these purchasers of the products
23 and services or investors in ManyOne?**

24 A That's a good question. It's mostly people
25 who were purchasing products and services. However, I

1 in that. And I reminded him I wasn't receiving pay
2 and would not do that.

3 **Q So you said you quit the first time over
4 this launch of ManyOne?**

5 A Yeah, because it was premature and we
6 weren't ready. We didn't have the personnel, we
7 didn't have the IT support. We didn't even have the
8 programs figured out. And (b)(6) said that he would do
9 that, that he would take care of all of the programs.
10 And we were required to do seminars, webinars to do
11 publicity for those and to have all -- I was
12 responsible for making sure all of the IT backbone
13 was set up for that. And then with much struggle, we
14 were able to do that, but then the seminars never
15 occurred consistently. I don't know if one ever
16 actually occurred, to be honest with you.

17 **Q So then you quit?**

18 A Yes.

19 **Q And then you ended up going back, you said?**

20 A I did.

21 **Q How did that happen?**

22 A I quit in March or April of 2013, just
23 because we'd exhausted all of our funds, we didn't
24 have anything else to do. And I was just kind of
25 looking over my life, wondering what I would do next,

1 involved several people who had contributed large
2 amounts of money to try and start our operations, and
3 who were also clients of that, with their businesses.

4 **Q Did you talk to those people?**

5 A I did.

6 **Q And who were they?**

7 A There's a lot. One name that just pops up
8 would be (b)(6); from California. There's another
9 gentleman. I'm trying to think. The name would be
10 in that notebook that I mentioned. I don't remember
11 any more right now. (b)(6); is one who definitely
12 was both.

13 **Q Did you have any role in being a salesman
14 for ManyOne, helping it raise investor money?**

15 A I refused to do that. No, I did not.

16 **Q Were you asked to do that?**

17 A I was.

18 **Q What were you asked to do, specifically?**

19 A (b)(6); (b)(7)(C)

20 (b)(6); (b)(7)(C)

21 (b)(6); (b)(7)(C)

22 And I
23 knew we weren't ready, and I couldn't sell those, and
24 so I refused to. That was another sort of a moment
25 of difficulty in (b)(6) and my relationship, because he
wanted everybody who was receiving pay to be involved

1 and (b)(6) received some funding from somewhere. I
2 don't know where. We moved our offices from -- that
3 were located in Murray over to someplace on the west
4 side of the freeway, I don't remember exactly where,
5 about 3300 South. So we moved our offices.

6 I was brought in. I was asked by one of
7 (b)(6); (b)(7)(C) bodyguards, who was (b)(6); (b)(7)(C) because
8 I had hired him to -- actually he started working
9 with (b)(6); as a security person. And then
10 he became -- he was responsible for the personal
11 security of (b)(6) and that effort.

12 **Q Why did (b)(6) need security?**

13 A He said that he received, continuously,
14 threats that someone was going to kill him or cause
15 him personal injury. He said he was approached in
16 bars and restaurants. And so he kind of, for a
17 period of time, did not go out publicly for a while.
18 There were some strange things that were happening at
19 his house, just some strange events, vans that would
20 show up with -- videotaping him and his family and
21 things like that. So he became very paranoid.

22 Anyway, so this person just asked me to
23 come and see their new facilities and asked me to
24 offer my opinion on how to organize it. And they
25 also needed my friends who were doing the IT support

1 before that had since, I will just say went dormant
2 because they actually never quit. They never got
3 paid, but they were just there. And they needed me
4 to bring them back on board to get the company up and
5 running.

6 And so I did. I was impressed by the new
7 space, by the promises of things that were happening.
8 And we were told that that's when (b)(7)(C) was going after
9 the big DARPA grant, so everything was contingent
10 upon us working toward getting things organized so we
11 could obtain the grant, the federal grant, to be able
12 to fund the Black Logo, and also a portion of those
13 funds would be used to sustain our operations and get
14 the Blue Logo up and running.

15 **Q But that didn't happen?**

16 A It never happened.

17 **Q So did any of his companies ever bring in
18 any revenue?**

19 A None that I know of. I mean, there were
20 people who bought, purchased the products and
21 services, because the IT people, (b)(7)(C) would contact
22 certain people and talk them into joining what he
23 called the Park, which was Internet Central Park,
24 which is the Blue Logo, the framework of the Internet
25 domains, and then would need to have a web page

1 developed or something done for that customer.

2 And so it would often happen over a weekend
3 that was very inconvenient for the IT people to do.
4 (b)(6) needed it done by, you know, the close of that
5 day or by the next day, or always within an
6 unreasonable time frame, to impress the client, to
7 demonstrate competency or credibility, to promote
8 confidence, maybe. And I forgot the rest your
9 question. What were you asking? I'm sorry.

10 **Q I was asking if it ever had any revenues.
11 And it sounds like it had a little bit of revenue
12 from people that did buy the services.**

13 A Yes. People like (b)(6); (b)(7)(C) invested --
14 I'll say invested. I use that term, though, meaning
15 it was maybe a loan or maybe it was -- it involved
16 some of the products and services, and he wanted
17 these websites for a bunch of different things
18 developed. And we didn't have the funding to pay the
19 IT people to develop the websites. He got very
20 frustrated.

21 **Q I guess when I'm thinking of investor, I'm
22 thinking of someone would puts in money but not to
23 get product back, but is maybe looking at getting
24 interest or an equity share or something like that,
25 more like that.**

1 A Yeah. Well, (b)(6); (b)(7)(C) was promised all of
2 the above. So he was a product or service for his
3 things, which he had, basically, whatever funding he
4 gave (b)(6) at the time included the development of the
5 web pages and the domains. It also included that he
6 was promised an equity share of the company. He was
7 also promised high-level returns for the use -- for
8 him -- he had a large chunk of domain names, too, and
9 they jointed those, the main names, with (b)(6); (b)(7)(C).

10 **Q You said he was promised a high return?**

11 A Uh-huh (affirmative).

12 **Q What was it?**

13 A I'm not exactly sure what his portion was,
14 although I think I may have written it down. But (b)(6)
15 often promised 40 times the funding. And I remember
16 that was a very sore spot between (b)(6); (b)(7)(C) and I, the
17 unrealistic claims, and it was always short-term.

18 **Q I was going to ask about that.**

19 A (b)(6) promised the high returns for
20 short-term use of funds.

21 **Q About what term would that be?**

22 A I think it varied. In fact, I know it
23 varied. I don't think it was a consistent term. I
24 never saw those documents, although I was told that
25 there were promissory notes or agreements in writing.

1 I never -- I don't recall ever seeing those.

2 **Q Were those returns paid?**

3 A No, not to my knowledge. But (b)(6); (b)(7)(C) would
4 make a payment, or (b)(6); (b)(7)(C) would make one or two payments
5 back to the people who had provided funding to
6 indicate that he was going to pay them back, and then
7 there was nothing else to pay. I did find out that
8 (b)(6); (b)(7)(C) was using those funds to repay people who had
9 previously loaned him money, and that became another
10 very sore spot between (b)(6); (b)(7)(C) and I, because I would be
11 told, for operational purposes, that we had funding
12 coming, and a certain amount of funding. And I was
13 told to let everybody know that that funding was
14 coming.

15 And so I would get on the phone and say
16 we've got this funding coming, and then it would be a
17 tenth of that or less. I shouldn't say a percentage.
18 I'm just saying it would be significantly less than
19 what was promised, and we never had enough money to
20 ever pay the people what we had promised them that we
21 would pay them. And so I was -- so I got very nosy
22 and told him as (b)(6); (b)(7)(C) I was entitled
23 to know where the funding was going to and why we
24 weren't using it. I kept telling him we cannot be
25 successful, we can't sustain our operations or

1 personnel without the funding. And so that's when I
2 found out that as funds were coming in, they were
3 going out at almost the same time that they were
4 coming in to people who had previously invested or
5 loaned (b)(7)(C) funding.

6 **Q Was that (b)(6) answer to you?**

7 A Yeah, (b)(6) answer was I didn't understand
8 that this was far bigger than me or him, and that
9 these were promises that -- and commitments that were
10 made long before the academy was launched, and that
11 these were his friends and these were his partners
12 and these were -- (b)(7)(C) I believe that (b)(7)(C) believed
13 that he would repay them. But it never happened, to
14 my knowledge.

15 **Q Do you need to take a break? Would you
16 like some water or something? You're doing a lot of
17 talking.**

18 A I think I'm okay. I don't think so.

19 (b)(6); (b)(7)(C) Okay.

20 MR. WASHBURN: (b)(6); turned the lights
21 down. She usually has a big, bright spotlight.

22 THE WITNESS: I appreciate that.

23 (b)(6); (b)(7)(C) We rely on the lack of
24 ventilation.

25 THE WITNESS: May I say something off the

1 were rumors of some consistent funds that were coming
2 in every month from a trust, but I don't know if
3 that's true or not.

4 **Q Do you know anything else about the trust?**

5 A Only that it was a personal trust with (b)(6);
6 I heard stories, but I really -- I did not have
7 knowledge of that from any of my conversations. I
8 mean, I knew that a trust existed between (b)(6); or for
9 (b)(6); because at one point (b)(6); asked me for another
10 loan of some short-term funding and promised me that
11 he would pay me from the trust. And I refused to
12 provide those funds and told him that I was done
13 doing that. And that's how I found out about the
14 trust.

15 **Q But you don't know anything else about the
16 trust, really?**

17 A No.

18 **Q So did (b)(6) get a salary from his companies?**

19 A No.

20 **Q Was he paid in some way?**

21 A No. He included the figures for a salary
22 that when we got funding, that he would be paid. But
23 I don't believe so. He took a portion of the funds
24 for his personal use always.

25 **Q I was going to ask about that because it**

1 record?

2 (b)(6); (b)(7)(C) If you want to go take a
3 break and speak to Mr. Washburn.

4 THE WITNESS: No, I don't.

5 MR. WASHBURN: Are you sure? Let's step
6 out and just talk a minute.

7 (b)(6); (b)(7)(C) We'll go off the record for a
8 minute.

9 (A discussion was held off the record.)

10 (b)(6); (b)(7)(C) We'll go back on the record
11 at five after 2:00.

12 BY (b)(6); (b)(7)(C)

13 **Q And while we were taking a break, you and I
14 didn't talk about this case, did we?**

15 A No, not at all.

16 **Q So while you were working part time or full
17 time with (b)(6); do you have a sense of how
18 much was raised from investors or in the form of
19 loans? If you do know.**

20 A Yeah, I don't think I know. I do know that
21 the funds that I was given knowledge of was not all
22 of the funds that were coming in.

23 **Q There were funds coming in that you didn't
24 know about?**

25 A Yeah, the amount of funds coming in. There

1 seems like ManyOne paid some expenses. Not just
2 ManyOne but the academy and the affiliated entities
3 paid some expenses, paid (b)(6); something. So where
4 did that money come from?

5 A From the loans and from family. I think
6 they were mostly loans from family and friends.

7 **Q Do you know who, what family and friends?**

8 A (b)(6); was a big provider of those
9 funds, (b)(6); (b)(7)(C) and his (b)(6);
10 I remember her first name. I don't recall her last
11 name (b)(6);

12 **Q Is it (b)(6); ?**

13 A Yes, it is, yes.

14 **Q Do you know, I guess, what money (b)(6); was
15 receiving from loans and investments, you know, for
16 his own expenses, how much?**

17 A For his own expenses, I don't know.

18 **Q Let me ask you about some of the other
19 people in the companies. So what was the role of
20 (b)(6); (b)(7)(C) ?**

21 A (b)(6); held -- titles were really
22 important to (b)(6); Can I just say that? And I think
23 they weren't very -- they maybe weren't as important
24 to (b)(6); as he felt they were important to people
25 looking at the academy. And so (b)(6); - she was first

1 (b)(6); (b)(7)(C) of the Academy of Arts and
2 Science, I think. It might have been ManyOne. She
3 held the title of (b)(6); and then she was --
4 her titles changed often with different media
5 releases and different things. (b)(6); (b)(7)(C)
6 (b)(6); (b)(7)(C)

7
8
9 **Q Why was that?**

10 A Because (b)(6) said his credit was such that
11 and he was under such scrutiny, that were he to open
12 accounts in his name, that they might be subject to
13 seizure or other things. I know one particular bank
14 that he had banked with before, a very large bank --
15 I'll just mention it, Wells Fargo -- had closed his
16 accounts. He reopened those accounts, and we had at
17 one point when we had a large source of funds come
18 into the academy, Wells Fargo seized a large portion
19 of those funds for something that had happened in the
20 past, and so we were left with significantly less
21 funds than we had coming in.

22 And upon inquiry of wanting to know what
23 had happened to those funds, I found out that it was
24 from some previous -- something that had happened
25 previously between Wells Fargo and (b)(6). And that

1 made me believe that similar things had happened with
2 other banking institutions, and that's why it was
3 always in (b)(6); name, or there was always --
4 (b)(6); had personal accounts and the business
5 accounts. I mean, (b)(6); was always the primary
6 signer on the business accounts.

7 **Q Was (b)(6) a signer as well?**

8 A Never, to my knowledge.

9 **Q Did (b)(6); act at the direction of (b)(6) do
10 you know?**

11 A Always, yes. And there were times when she
12 did not want to do what was requested of her because
13 she knew that the funding was not available at that
14 time.

15 **Q What sorts of things were being asked of
16 her?**

17 A To issue checks, paychecks for people for
18 their services, to lessors of property, to different
19 things of that nature, to write checks for when they
20 knew that there were not funds to cover them.

21 **Q But would she do it anyway?**

22 A Yes. And (b)(6) would say that funding would
23 be there before those checks would clear the bank.

24 **Q Did it happen?**

25 A It may have a few times, but I don't think

1 often.

2 **Q I saw on page 2 of Exhibit 7 you say that
3 for a little while (b)(6); (b)(7)(C)
4 (b)(6); (b)(7)(C) so that you could see what was
5 happening.**

6 A Yes.

7 **Q What accounts were those, if you remember?**

8 A I believe it was with KeyBank. I'm not
9 sure. I believe it was with KeyBank in Orem -- or
10 no, I'm sorry, it wasn't in Orem, it was in Salt
11 Lake. But I lived in Orem so I would often access
12 the funds from the branch in Orem.

13 **Q Did you ever see cash being withdrawn from
14 the bank accounts, or cashier's checks?**

15 A Often I saw cash. It was primarily always
16 cash. (b)(6) paid people frequently in cash.

17 **Q Is there a reason for that?**

18 A That's a very good question. I think part
19 of it was out of -- because that's the way the funds
20 came in, was in cash. And so he would distribute the
21 cash, but also because many people who were working
22 for (b)(6) refused to work for him full time but would
23 donate their services, such as IT professionals, on a
24 cash only basis. They wouldn't accept checks. I
25 know that the manufacturer and the -- on the Motion

1 Sciences realm for the device that was being
2 fabricated was -- they would not take checks from (b)(6);
3 anymore, and they required him to pay back payments
4 of funds that they owed him before they would
5 continue to make alterations or revisions to the
6 science device.

7 **Q Weren't there some expenses that had to be
8 paid by check, like, I don't know, lease payments?**

9 A Yes.

10 **Q And then in those situations, would he pay
11 by check?**

12 A Yes. Those checks would often bounce. And
13 I only know that from the fact of the property that
14 we were leasing at the time, they had a long-term
15 relationship with (b)(6); I think that that was with
16 one of his first companies, that they had started
17 with that leasing company. And so (b)(6) from the time
18 he was very young, had had relationships, and he
19 often went to them for property to use. And so I
20 noticed -- I know that they were really upset when
21 the checks didn't clear. And then (b)(6); would run
22 down and pay them in cash to clear the checks. So
23 that's why I know that they were issued.

24 **Q And so you mentioned that (b)(6); was, as
25 well as being a banker, she was (b)(6); (b)(7)(C)**

1 (b)(6); (b)(7)(C) company?

2 A Uh-huh (affirmative).

3 Q And did she create financial statements; do
4 you know?

5 A I don't think I have firsthand knowledge of
6 that. I don't know.

7 Q Do you know if his companies had financial
8 books and records?

9 A I know (b)(6); said that before I came to
10 work there that she kept very accurate books, ledgers
11 of all of their doings. But I only know that because
12 she said that.

13 Q You didn't see them?

14 A No. In fact, at one time I thought it was
15 just the opposite, that they were not keeping track
16 of anything. And that's when, for a portion of time,
17 I kept track of some of the funds. Only those funds
18 that I was given to pay people's salaries.

19 Q Any other roles that (b)(6); had?

20 A She was referred to sometimes as a
21 (b)(6); She was keeping records of their journey
22 through the scientific research and things, and they
23 were talking about making a movie from that. They
24 said it would be -- I think, you know, for several
25 purposes, just for historical purposes and also for

1 paid." I just wondered if you remembered who those
2 were.

3 A Sure. People from (b)(6) past, some of them
4 with U.S. Web, some of them with ManyOne, the
5 original ManyOne back in the late 1990s time frame.
6 My name just happened to get out among people, and I
7 did try to help people. I did try to look into
8 things for them when I was contacted.

9 And when I said that I was often contacted,
10 I would just get a phone call. I don't know how they
11 got my phone number, and I'd often ask, and sometimes
12 they would indicate where they got it, or sometimes
13 they said -- they were told a variety of things.

14 Sometimes (b)(6) told them to call me. Sometimes they
15 were -- just so I could give them a rundown of what
16 we were, you know, trying to do. And other times
17 they were people saying that hey, you know, that (b)(6);
18 owed them money, and if they -- if we had any
19 funding, you know, they felt they were owed some
20 recompense.

21 Q So it sounds like it was --

22 A I'm just trying to think of names.

23 Q Yes, if you know any names. Maybe if you
24 could look at your notebooks, and if any of them have
25 names of investors or lenders, you could copy that

1 investment purposes. They talked about producing a
2 film. It never happened while I was affiliated with
3 the academy.

4 Q How about (b)(6); (b)(7)(C)? We talked about
5 him a little bit before we started today. What were
6 his responsibilities?

7 A He's an interesting character. I don't
8 know how (b)(6) met him. One day (b)(6); just mentioned he
9 would be joining our operations. And then on a big
10 conference call with members of the board and stuff,
11 he introduced him as the president of ManyOne. But I
12 didn't have a very good relationship with (b)(6); and
13 I never tried to develop one. I didn't trust him and
14 I didn't like his ideas, and I -- something just -- I
15 can't explain it. There was just something about him
16 that did not ever set right with me.

17 Q Was he in Salt Lake?

18 A No, he was in (b)(6); (b)(7)(C)

19 Q The whole time you were with (b)(6);

20 A Uh-huh. Yes.

21 Q On your -- in your statement here, on the
22 second page in the second paragraph, you say: "The
23 more I got involved in academy operations, the more I
24 was contacted by prior contributors and financial
25 backers who were upset because they hadn't been

1 page and give it to Mr. Washburn to send to me.

2 A Okay. Okay.

3 Q All right, great. So at the very end of
4 your statement here you say that there was a cycle of
5 acquiring new investors to repay older backers. Is
6 that a practice you saw repeated very often?

7 A Yes. And I made that statement because of
8 two investors in particular (b)(6); (b)(7)(C)

9 Q Oh, I was going to ask about them, too.

10 A They had invested with (b)(6); repeatedly
11 through the years, and according to statements that
12 they provided to me and statements that (b)(6); and
13 (b)(6); provided to me, (b)(6); had made them over,
14 through the years, millions of dollars, or at least
15 hundreds of thousands of dollars. And so (b)(6); often
16 referred to them as loan sharks, but he said, you
17 know, he went to where he needed to get the funding,
18 and they would provide funding.

19 And so sometimes they would give small
20 increments of funds to the tune of maybe between
21 \$10,000 and \$20,000 a paycheck, enough for us to pay
22 the people who were involved maybe \$500 to \$1,000
23 each. Usually less than that, and usually less than
24 \$1,000, I need to say.

25 And so I would know that we received those

1 portions, but when we got larger sums of money, the
2 repayment of those funds went back to the (b)(6);
3 And so, for example, I'm going to use this
4 figuratively. I don't recall the exact dollar
5 amounts at this time. But let's say we received some
6 funding of \$30,000. Fifteen, half of that or a third
7 of that would often go someplace. We never -- I
8 never knew where. And then we were only given a
9 portion of those funds to continue our day-to-day
10 operations. And then I, at one moment a couple
11 different times, in some heated discussions with (b)(6);
12 I found out that the funding went back to the (b)(6);
13 (b)(6);

14 And once on a conference call with them I
15 got angry and I told them to back off of (b)(6) and back
16 off of the academy, because I felt they were one of
17 the main reasons that we were inhibited from going
18 forward and being successful, was because they were
19 always exacting their share off the top of any
20 funding that we got. And it was very frustrating to
21 me.

22 Q What did they say when you said that?

23 A Oh, we had a major falling out, yeah.
24 Things were never the same between the (b)(6); and I
25 after that point. And I expressed with them -- but I

1 would go to pay people who were owed, who were owed
2 money back and had put money in before?

3 A No, no, not to my knowledge. And may I
4 caveat that? I believe that most of those
5 conversations were behind closed doors with (b)(6) and
6 the investors. So we were there to facilitate the
7 meetings and to demonstrate sometimes the device on
8 the Black Logo side, the science side, and then those
9 conversations would happen behind closed doors or at
10 (b)(6); personal residence, away from the office.

11 Q So do you believe that (b)(6) personally
12 pitched investors, as a rule?

13 A Yes.

14 Q Himself?

15 A Yes.

16 Q And do you know whether prospective
17 investors were told that the companies were
18 profitable?

19 A I don't know. I do know that (b)(6) often
20 discussed the amount of money that would be made and
21 provided facts and figures from off of his head. I
22 don't think that there were ever documents that were
23 generated. I saw a lot of potential investors walk
24 away because there wasn't something in writing that
25 they could -- in black and white that they would hold

1 just -- I insisted that they just back off of (b)(6) and
2 let us do our job, and that we would never succeed
3 with them -- they would call (b)(6) eight or nine times
4 a day, one or the other, and it was just very
5 frustrating when we were trying to do things. And
6 they were never pleasant conversations.

7 Q Well, did new investors know that they were
8 being -- that their money would go to pay prior
9 investors?

10 A I do not believe so. Not to my knowledge.
11 MR. WASHBURN: And just to be clear, when
12 she says investors, would that be the same -- if we
13 say a loan is an investment, the same answer to her
14 question as before?

15 THE WITNESS: Yes. Yes.

16 BY (b)(6); (b)(7)(C)

17 Q Did you ever hear (b)(6) make a sales pitch to
18 someone who might put money in? Did you ever hear
19 what he said to them?

20 A I believe that I was on some conference
21 calls when (b)(6) was pitching. I was involved, to some
22 extent, when people were flown in personally to the
23 Salt Lake area, or came or lived locally and came
24 into our offices.

25 Q And he didn't tell them that their money

1 to.
2 Bu (b)(6) had a great way of presenting his
3 ideas, and it was usually, to my knowledge, upon the
4 promise of returns that would be generated, how
5 important their funding would be to get us over the
6 fence, or maybe over the next hurdle would be a
7 better word, just a little further down the road,
8 that it was at a key time. He indicated often that
9 it was at a key moment of their research.

10 Q So you eventually quit again?

11 A Yes.

12 Q And that was in 2013?

13 A Yes.

14 Q And did you speak to (b)(6) after that?

15 A No. In fact, I actually -- although I
16 stayed through -- I stayed through 2013 basically,
17 maybe, on -- if you can even say on paper, because
18 I'm not sure there was even any paper. But there was
19 some talk of a large amount of funds coming before
20 the end of the calendar year, and I was asked to hang
21 on just until then. And I actually was not very
22 involved with the company that last quarter of 2013.
23 So I came back for about a quarter, and then the last
24 quarter of 2013 I was not -- I was involved to some
25 degree on some conference calls and some other

1 things, but I was not involved in the day-to-day
2 operations. We had no office to work out of. We
3 came to work one day and the locks had been changed.
4 Everything was seized because (b)(6) had not paid the
5 lease. And so I was working from home, which we all
6 often did, worked from home.

7 **Q** So you haven't talked to (b)(6) since you
8 quit; is that right?

9 A Yes.

10 **Q** How about (b)(6)?

11 A No, I have not had a single conversation
12 that I recall with them, which really surprises
13 everybody. And so I was often told that there was a
14 lump of money that had come in and that I should
15 contact (b)(6) to be paid. And I just said well, (b)(6),
16 knows my phone number, (b)(6) knows how to get in touch
17 with me. And he never did. And I never reached out
18 to him, and not because I had hard feelings but I
19 just really -- I suffered a lot financially in that
20 time period, and basically, you know, there was a lot
21 of long-term ramifications that occurred financially
22 because of the time I spent with (b)(6). And I just
23 tried to move forward.

24 **Q** Had you originally planned to go back to
25 work after you (b)(6); (b)(7)(C)?

1 A Oh, to go back to work?

2 **Q** Well, like your job at (b)(6) now. When you
3 left (b)(6); had --

4 A No, no.

5 MR. WASHBURN: Hold on. Let her finish her
6 question. No, no, I just wanted to let you finish
7 your question.

8 BY (b)(6); (b)(7)(C)

9 **Q** I'm trying to think what I want to ask you.
10 I want to say when you left (b)(6); were you
11 going to retire fully then? Or how did you -- it
12 sounded as if you had gone to (b)(6); because of some
13 of the losses you had with (b)(6)

14 A That's the only reason I did, yes. No, I
15 had planned -- I wanted to do something that I wanted
16 to do that was of interest to me personally. I
17 didn't think I would just never work again, but I
18 wanted for work for myself instead of for somebody
19 else.

20 **Q** Well, I don't know if I have any more
21 questions for you today, but thank you very much for
22 coming in. Do you have anything you want to add that
23 I should have asked you about? Or if Mr. Washburn
24 wants to ask you anything, he can.

25 A No. Only from a financial perspective,

1 things were very close-hold between (b)(6) and (b)(6);
2 always. But I did have knowledge of people who came
3 and who either were going to align their business or
4 their company with the Academy of Arts and Science
5 and suffered tremendous financial losses because of
6 that.

7 In particular one company out of Denmark
8 that -- it just -- I could never look at (b)(6) the same
9 way because of the things that he promised them. And
10 I don't know if he actually believed them or if he
11 just did it to get them to temporarily buy in. But
12 they suffered huge financial losses and their company
13 went bankrupt, and their relationships deteriorated
14 because of that.

15 These were just people who believed in what
16 (b)(6) promised. He promised to buy their company at a
17 huge profit. And I think he made -- might have made
18 one payment towards that, and the agreed-to funds
19 never came. And they had banked everything on that,
20 and as a result, that was a very devastating loss.

21 And there were people, individuals like
22 that, besides businesses, who put -- sometimes they
23 had -- they were very affluent and they had the money
24 to give, and other times it was -- they were not as
25 affluent as they had been, and it caused them a huge

1 A Oh, to go back to work?

2 **Q** Well, like your job at (b)(6) now. When you
3 left (b)(6); had --

4 A No, no.

5 MR. WASHBURN: Hold on. Let her finish her
6 question. No, no, I just wanted to let you finish
7 your question.

8 BY (b)(6); (b)(7)(C)

9 **Q** I'm trying to think what I want to ask you.
10 I want to say when you left (b)(6); were you
11 going to retire fully then? Or how did you -- it
12 sounded as if you had gone to (b)(6); because of some
13 of the losses you had with (b)(6)

14 A That's the only reason I did, yes. No, I
15 had planned -- I wanted to do something that I wanted
16 to do that was of interest to me personally. I
17 didn't think I would just never work again, but I
18 wanted for work for myself instead of for somebody
19 else.

20 **Q** Well, I don't know if I have any more
21 questions for you today, but thank you very much for
22 coming in. Do you have anything you want to add that
23 I should have asked you about? Or if Mr. Washburn
24 wants to ask you anything, he can.

25 A No. Only from a financial perspective,

1 financial hardship when (b)(6) was unable to repay them.

2 **Q** Well, if you remember some of those names
3 or if you see them in your notes, can you pass them
4 along?

5 A Yes.

6 (b)(6); (b)(7)(C): That would be good. All
7 right, so we're off the record at 2:35.

8 (Whereupon, at 2:35 p.m., the examination
9 was concluded.)

10 *****

PROOFREADER'S CERTIFICATE

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In The Matter of: MANYONE NETWORKS, INC.

Witness: (b)(6);

File Number: SL-02742-A

Date: Monday, March 20, 2017

Location: Salt Lake City, UT

This is to certify that I, (b)(6);

(b)(6); (the undersigned), do hereby swear and affirm that the attached proceedings before the U.S. Securities and Exchange Commission were held according to the record and that this is the original, complete, true and accurate transcript that has been compared to the reporting or recording accomplished at the hearing.

(Proofreader's Name) (Date)

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