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Mauricio Chavez responds to the Receiver's Motion to Compel Chavez to turn over certain records and electronic devices (ECF No. 71) and would respectfully show the Court as follows.

I. Introduction and Summary of Argument

The Receiver seeks to compel the production of Mr. Chavez's personal electronic devices¹ and documents relating to other business entities Mr. Chavez established on LegalZoom. The electronic devices containing Mr. Chavez's personal information and production of them are protected by the Fourth and Fifth Amendments and the attorney-client privilege. With respect to the other businesses, they have no offices or employees and the Receiver already has the few records Mr. Chavez had for those companies.

II. Factual Background

A lot of people lost their hard-earned money in CryptoFX. As with most tragedies, it had multiple causes, including the public mania for crypto, the uncontrolled and unmanageable growth of CryptoFX, the untimely rupture of a friendship, and the tragic death from Covid of one of CryptoFX's founders. But, contrary to what some have suggested, it was not caused by any desire by Mauricio Chavez to defraud or hurt anyone. Mauricio Chavez believed in CryptoFX and he feels horrible for all who have lost money in its collapse.

A. CryptoFX

Mr. Chavez started trading cryptocurrency for his own account in 2015 at the age of 36. People he knew asked him if he could show them how to buy Crypto and that grew into him giving seminars at Denny's restaurants explaining to people how they could open a bitcoin wallet and trade and invest. As part of those classes, he would sometimes conduct live trades using his own bitcoin wallet. Those trades were often profitable. When the students saw this, they started asking

¹ Since December 28, 2022, the devices have been in the safekeeping of a forensic computer expert, who has been ordered to preserve them in accordance with this Court's order.

if they could just give him money to trade for them.

In early 2020, Mr. Chavez started CryptoFX along with Eduardo Taffinder and Gustavo Gomez. With CryptoFX, in exchange for a payment, students gained access to classes on how to trade crypto or forex and the chance for a return on what they had paid. This was recorded in single-page carbon paper forms they called a “Venture Agreement,” that had only the barest of terms. The forms had handwritten in the student’s name, the amount they were contributing and whether they wanted their potential reward monthly, every three months, or six months. The papers show generous potential returns that varied but were most often 15% per month.²

The forms they used included strong disclaimers warning of the risks involved, including, for example, that crypto is “VERY SPECULATIVE AND RISKY,” that “CRYPTOFOX LLC IS A SIMPLE EDUCATIONAL ACADEMY,” that it is “NOT REGISTERED” with the “SECURITY AND EXCHANGE COMMISSION AS A DEALER OR AS AN AGENT,” and that that “THERE IS NO INVESTMENT PLAN.”³ Testimony has confirmed that the students were told and understood that “they could get 15 percent or they might get zero.”⁴

B. CryptoFX’s Classes

While the Receiver argues that “attendance at the classes was ‘optional’ and “[m]any of the presentations were promotional in nature,” the classes were not some pretext to solicit financial participation, they were real. CryptoFX had classes six days a week during the day and Zoom classes in the evening.⁵ They even taught classes in the early morning and at 10 pm, so the students could see live trades on various markets.⁶ One teacher testified that there were six teachers and he

² Ex. 25.

³ Ex. 25.

⁴ Ex. 1 (“Saravia Tr.”) 218:16 to 218:24; Ex. 5 (“Gonzalez Tr.”) 254:9 – 257:17.

⁵ Ex. 2 (“Benvenuto Tr.”) 30:25 – 33:22.

⁶ Benvenuto Tr. 30:25 – 33:22.

said students found his classes “valuable.”⁷ One student who was deposed explained that she “took a lot of classes” and “learned to open bitcoin wallets” and to “buy and sell bitcoin.”⁸ Another testified she attended a forex class and three one-and-a-half hour-long crypto classes.”⁹ Mr. Benvenuto testified that the classes covered various topics like Ethereum and Shiba and “how do you set up a virtual wallet.”¹⁰ He did not recall “a pitch for investment or trading with CryptoFX . . . being part of the classes.”¹¹ “[I]t was a true learning experience.”¹² After the Receiver shut down the CryptoFX office, some people wanted their money back, but “[s]ome people were concerned about the – the classes.”¹³

C. CryptoFX’s Returns were far Below What Crypto was Offering.

The 15%, or in some cases 20%, potential returns referenced in CFX’s venture agreements may look generous in hindsight, but they looked skinny at the time given what was happening in the crypto market. In the 20 months from March 2020 to November 2021, bitcoin’s price went up 1,125%. It was not unreasonable for Mr. Chavez and the others at CryptoFX to believe they could provide the referenced returns. Crypto had been soaring and many sophisticated financial voices were sure it was just the beginning. People were getting rich investing and trading in crypto. One witness testified that Mr. Chavez once told him he had made \$50,000 in five minutes and then showed him the transaction on his phone.¹⁴ Texts that a CryptoFX forex trader sent to Mr. Chavez

⁷ Ex. 3 (“Taffinder Tr.”) 369:2 to 370:23; Gonzalez Tr. 257:18 – 258:12 (Saw “a lot of people there . . . attending classes” and heard people “speak positively about learning a lot.”)

⁸ Saravia Tr. 218:25 - 219:3.

⁹ Ex. 4 (“De La Cruz Tr.”) 22:13 to 23:2; see also Taffinder Tr.54:7 to 55:3 (“she had a lot of knowledge.”).

¹⁰ Benvenuto Tr. 32:23 – 33:22.

¹¹ Benvenuto Tr. 32:13-32:22.

¹² Benvenuto Tr. 32:13-32:22.

¹³ Taffinder Tr. 36:1 – 36:6.

¹⁴ Taffinder Tr. 111:21 – 112:20.

include statements like, “24 hours back in the market and we have done 27% not bad,” “\$1.5M [profit] this week,” “2.2 this week brother,” and a profit of “2,120,000.00” over two days.¹⁵

D. CryptoFX Grew Beyond Its, or Mr. Chavez’s, Management Capabilities.

The soaring values for crypto fed public obsession. It seemed everyone wanted in and word of mouth spread that CFX was a way to get in. The CFX “office” grew from a few guys working at a table at Panera Bread and teaching classes in a motel conference room to having an office where “building management threaten[ed] to cancel CryptoFX’s lease as a result of too much uncontrolled foot traffic caused by the increased business.”¹⁶ CFX moved to a much larger space but even there parking was still a problem.¹⁷

Mauricio Chavez’s role was to trade crypto (and to some degree forex).¹⁸ The administration of the office was more the role of Gustavo Gomez and Eduardo Taffinder. Mr. Taffinder “primarily, he handled more of the day-to-day -well, what I would – it appeared to me he handled the day-to-day operations of that business.”¹⁹ “Eduardo [Taffinder] ran the office environment; Mauricio ran the trading as it were; and I understood that Gustavo [Gomez], I guess handled the education piece, slash, the crypto trading as well.”²⁰ But in the first half of 2021, Mr. Chavez and Mr. Gomez had a falling out and Mr. Gomez left the firm, which left only Mr. Taffinder to handle the administration of the business.²¹ But then a few months later, tragically Mr. Taffinder - “the guy that kind of held it together,²² - contracted COVID and fell into a coma and died.²³ So Mr. Chavez was left alone with a management nightmare for which he was terribly

¹⁵ Ex. 7 (excerpts).

¹⁶ Benvenuto Tr. 88:13 – 88:24 and 49:25 – 52:16.

¹⁷ Ex. 6 (“Turcios Tr.”) 78:20 – 79:14.

¹⁸ Benvenuto Tr. 28 (Chavez “was the main trader at that point because he didn’t actually do any teaching.”)

¹⁹ Benvenuto Tr. 27-28.

²⁰ Benvenuto Tr. 51.

²¹ Ex. 5 (“Gonzalez Tr.”) 260:8 – 261:9.

²² Benvenuto Tr. 120:5 – 120:10.

²³ Gonzalez Tr. 260:8 – 261:9.

ill-suited.

CryptoFX's operation had no real management structure and almost no systems or formal procedures. CryptoFX was taking in and paying out ever growing sums – mostly in cash - and its primary record-keeping method was still the single-page carbon paper forms that were filled in by hand when money was received and then annotated - again in handwriting - when funds were paid out. The business was understaffed. “I will take anybody you throw at us but we need more admin help.”²⁴ The firm had a few people assigned to bookkeeping and some of them apparently made spreadsheets and some effort to track transactions, but the business lacked any central or effective method of tracking how much it was taking in and how much it planned to try to pay out. It had no CPA, no HR program (the late Mr. Taffinder had handled that), and no real CRM system. Because the company had “crypto” and “FX” (a/k/a foreign exchange) in its name, it could not even keep a bank account. It had to change banks at least three times.²⁵ As the Receiver notes, the business did not even “send investors any type of statement.”²⁶ The people assigned to receive and pay out all this cash to investors kept their own ad hoc records, like spiral notebooks, that they kept in their own possession.²⁷ At least two of those people kept their own safes to store cash.²⁸ The people who would receive and pay out all this cash did not even have set hours. “Yes, we didn't have a schedule.”²⁹

CFX had no IT department, or even an IT person. One of the crypto teachers explained that if people had IT problems, and he happened to be at the office, “[p]eople would ask me for

²⁴ Ex. 8.

²⁵ Benvenuto Tr. 112:6 – 112:15.

²⁶ Receiver's Motion to Compel [ECF No. 3] at p. 4.

²⁷ Turcios Tr. 116:3 - 116:20.

²⁸ Turcios Tr. 113:19 – 113:21; Saravia Tr. 197:8 - 198:16.

²⁹ Saravia Tr. 149:15 – 149:17.

assistance as the crypto teacher.”³⁰ Passwords were “individually managed by the device owner . . . each employee would manage their own computer.”³¹

Mr. Chavez was in no way prepared to try to manage this chaotic mess. In 2021 his marriage was failing and after his falling out with Mr. Gomez, Mr. Gomez threatened him physically, so Mr. Chavez had to pretty much stop coming into the office. As Mr. Benvenuto testified, Mr. Chavez was “looking like he’s stressed out” and “at that point, I knew something was up, and I could see the office becoming more disorganized as he did not appear – did not make appearances at the office any longer.”³² “CryptoFX, had evolved to the point they – they needed more bodies, they needed more staff. And unfortunately, because of what was going on in Mauricio [Chavez]’s personal life, he didn’t witness what I witnessed.”³³ The text messages produced are full of pleas to Mr. Chavez like, “Everybody is looking for you”³⁴ and “[I] have been trying to reach out multiple times and there has been no communication in return at all. . . . I understand you may be going through many things right now.”³⁵ While Mr. Chavez would improve some with time and others, including Julio Taffinder (the son of Mr. Chavez’s late partner, Eduardo Taffinder) and Mr. Benvenuto, tried to help out, the company was still mostly unmanaged. Julio Taffinder said that in his months at CryptoFX, he only saw Mr. Chavez in the office during business hours one time.³⁶

CryptoFX’s two-tiered referral system (also tracked primarily via the paper forms) and its two bonus programs complicated things further.³⁷ One witness testified that he had no idea what

³⁰ Taffinder Tr. 330:23 – 331:7.

³¹ Taffinder Tr. 331:15 – 331:22.

³² Benvenuto Tr. 49:12 – 49:24.

³³ Benvenuto Tr. 71:11 - 72:10.

³⁴ Ex. 9.

³⁵ Ex. 10.

³⁶ Taffinder Tr. 370:24 – 371:13.

³⁷ SEC Complaint [ECF No. 3] ¶ 21.

would happen to the referral fee if someone lost the paper form³⁸ and when he was asked how he kept track of commissions, he explained, “You cannot have ever something exact or a correct amount.”³⁹

As if all of that were not enough, the crypto rocket that had fueled the uncontrolled growth of CryptoFX, came crashing back to earth. The new “gold” that JP Morgan predicted could reach \$146,000 and that Fidelity was allowing in its 401(k) accounts and that El Salvador had made legal tender, fell to about \$20,500.⁴⁰ Despite those devastating declines, CryptoFX still paid returns to all its investors until it was shut down by the Receiver.⁴¹ As the Receiver concedes, CFX “actually paid many [investors] 15-20% monthly returns on their investments.”⁴²

E. The Candid Texts and Mr. Chavez’s Investments Belie Any Claim of Fraud.

In all of the evidence gathered to date, there is not a single reference to Mr. Chavez trying to target, or cheat, or defraud anyone. To the contrary, the evidence reflects Mr. Chavez and Mr. Benvenuto’s concerns that the company might not be complying with TWC and IRS regulations and their desire to bring it into regulatory compliance and obtain a license from the SEC.⁴³

Mr. Chavez also did not attempt to hide any assets. The few corporate entities he formed (using LegalZoom) are all registered in his own name on the records and website of the Texas Secretary of State.⁴⁴ The SEC itself alleges that the defendants “diverted several million dollars in investor funds to the Relief Defendant, CBT Group, LLC (“CBT Group”), a real estate

³⁸ Turcios Tr. 68:6 – 68:9.

³⁹ Turcios Tr. 70:17 – 70:20.

⁴⁰ Exs. 11, 12, and 13.

⁴¹ Saravia Tr. 220:2 – 220:5; Benvenuto Tr. 194:14 – 195:1; Turcios Tr. 66:7 – 66:9.

⁴² Receiver’s Motion to Compel [ECF No. 71] at p. 3.

⁴³ Ex. 14.

⁴⁴ *See, e.g.*, Ex. 15; Ex. 16.

development company they co-own.”⁴⁵ CBT was registered with both the Texas Secretary of State and the United States IRS with Mr. Chavez’s name. CBT’s primary assets are immovable real estate in Texas that the Receiver has had no difficulty locating. Indeed, the Receiver has already listed two of the properties for sale.⁴⁶ The Receiver also recovered over \$440,000 of cash from the CryptoFX offices and over \$3.5 million in various bank and crypto accounts.⁴⁷

F. Mr. Chavez is not Trying to Impede the Receiver.

In the investigation phase of this case, Mr. Chavez testified in deposition for a full day. On the same day that all of the assets of CFX were seized, Mr. Chavez spent hours at the CFX offices introducing the Receiver to people there and explaining what he knew of its operations. He even showed the Receiver CFX’s security camera system and gave him the name of the person who set it up and who had the password to it. The Receiver seized a desktop computer that was in Mr. Chavez’s office. The Receiver has now served 83 subpoenas and Mr. Chavez has not raised a single objection to a single one. So, it is not as though Mr. Chavez is trying to keep the Receiver from discovering records it may need. But Mr. Chavez has rights under the Fourth and Fifth Amendments and the attorney-client privilege that he obviously wants to preserve.

III. Argument and Authorities

A. Mr. Chavez’s Constitutional Rights

This Court was careful to note in its orders and in its comments at the hearing regarding appointment of the Receiver that the Receiver “shall not have the power to waive the Fifth Amendment rights of the individual defendants; nor can he compel a waiver of their attorney-client

⁴⁵ SEC Complaint [ECF No. 3] ¶3.

⁴⁶ Receiver’s First Interim Report [ECF No. 33] ¶ 25.

⁴⁷ Receiver’s First Interim Report [ECF No. 33] ¶¶ 4 and 15 and [ECF No. 33-9] at 2.

privilege.”⁴⁸ “The receiver can’t waive the privilege either. . . I think he would know that instinctively, but if he didn’t, I’m saying it now.”⁴⁹

The Receiver argues at some length that the business records it seeks are records of CryptoFx, which is a collective entity that does not have Fifth Amendment rights.⁵⁰ To be clear, Chavez is not attempting to assert any Fifth Amendment privilege on behalf of CryptoFX or any other collective entities. The Receiver also argues that the records were created voluntarily and therefore they are not protected by the Fifth Amendment,⁵¹ but again, Chavez is not claiming that the records themselves are protected by the Fifth Amendment. What Chavez is asserting is that the act of producing his laptop and cell phones is testimonial and that is protected by the Fifth Amendment. As the Receiver acknowledges in its motion, “The Supreme Court has held that ‘[t]he act of producing evidence in response to a subpoena . . . has communicative aspects of its own, wholly aside from the contents of the papers produced.’ *Fisher [v. United States]*, 425 U.S. [391] at 410. And ‘compliance with a request for evidence may ‘tacitly concede[] the existence of the documents demanded and their possession and control by the [defendant].’ *Id.*”⁵² As the Receiver further candidly acknowledges, “‘When the production of evidence does concede the existence, custody, and authenticity of that evidence, the Fifth Amendment privilege against self-incrimination applies because that production constitutes compelled testimony.’ *United States v. Apple MacPro Computer*, 851 F.3d 238, 247 (3d Cir. 2017).”⁵³ Where the Receiver and Chavez disagree is that the Receiver argues that the act of production privilege does not apply under the foregone conclusion doctrine.

⁴⁸ Order Appointing Receiver [ECF No. 11] ¶ 7L.

⁴⁹ September 29, 2022 Hearing Transcript at p. 16.

⁵⁰ Receiver’s Motion to Compel [ECF No. 71] at pp. 12-15.

⁵¹ Receiver’s Motion to Compel [ECF No. 71] at pp. 15-16.

⁵² Receiver’s Motion to Compel [ECF No. 71] at p. 17.

⁵³ Receiver’s Motion to Compel [ECF No. 71] at p. 17.

B. Some of the Receiver's Claims about the Devices and Passwords are not Correct.

Some of the Receiver's factual assertions regarding the materials the Receiver seeks are not actually correct. First, it should be noted that the laptop and two cell phones at issue were Mr. Chavez's personal devices.⁵⁴ He purchased them with his own funds. They were not purchased by CryptoFX.⁵⁵ Second, while the Receiver asserts that "it is uncontroverted that Chavez used his cell phone and WhatsApp to communicate with his employees, business partners, sponsors, and investors,"⁵⁶ that is only true for one of the two cell phones. With the explosion of activity at CryptoFX, Mr. Chavez purchased a second cell phone that he used only for personal matters. Third, the Receiver states that "Chavez's production of the passwords to the CryptoFX Google Drive and the devices is not testimonial because Chavez's knowledge of the passwords is a 'foregone conclusion.'"⁵⁷ That is not correct, at least as to the CryptoFX Google drive. The undersigned counsel's understanding is that someone at CryptoFX set up access to the Google drive on Mr. Chavez's laptop for him. The password may be resident on Mr. Chavez's laptop and the person who set it up may know the password, but counsel's understanding is that Mr. Chavez does not.⁵⁸

⁵⁴ Mr. Chavez has a legitimate privacy interest in the devices he purchased. He has never given the Receiver or anyone else permission to access their contents. To this day, the devices are protected by passwords.

⁵⁵ The Receiver does not contest Chavez's claim that the devices contain personal and intimate information and the Receiver concedes that such information should be redacted from any production. (Receiver's Motion to Compel [ECF No. 71] at 12).

⁵⁶ Receiver's Motion to Compel [ECF No. 71] at p. 8.

⁵⁷ Receiver's Motion to Compel [ECF No. 71] at p. 17.

⁵⁸ This is similar to how the security system at the Blalock office was set up. The password was created by the person who installed the system. Mr. Chavez provided the Receiver with that person's name and number and the password when the Receiver came to that office with Mr. Chavez.

C. The Receiver Has Not Described the Materials Sought with the Particularity Required for the Foregone Conclusion Exception.

The Receiver does not and cannot contest that for the foregone conclusion exception to the act of production privilege to apply, “the Government must be able to ‘describe with reasonable particularity’ the documents or evidence it seeks to compel.” *United States v. Apple MacPro Computer*, 851 F.3d 238,247 (3d Cir. 2017) (quoting *United States v. Hubbell*, 530 U.S. 27, 30 (2000)). In the leading appellate court opinion on this issue, the Eleventh Circuit found that “the decryption and production of the hard drives would require the use of the contents of [the Defendant’s] mind and could not be fairly characterized as a physical act that would be nontestimonial in nature.” *In re Grand Jury Subpoena*, 670 F.3d 1335, 1346 (11th Cir. 2012). The court also rejected the application of the foregone conclusion doctrine because the government could not show that it knew with any specificity what was on the hard drives. 670 F.3d at 1347. In doing so, the court relied upon the Supreme Court’s holding in *United States v. Hubbell*, 530 U.S. 27 (2000), that the government would have to show it knew of the existence and location of the files it seeks and held that “[t]he Government cannot cure this deficiency through the overbroad argument that a businessman like respondent will always possess general business and tax records that fall within broad categories described in this subpoena.” 670 U.S. at 45.

But the Receiver here seeks the wholesale turnover of Mr. Chavez’s personal devices claiming that they contain “business records” of CryptoFX. Those devices most certainly contain personal and intimate information and the Receiver has identified few if any specific files that are supposed to be on those devices. The Receiver states only that Mr. Chavez had used his phone (without specifying which one) and his laptop to conduct CFX business and that he used his laptop to access CFX’s Google cloud drive. The closest the Receiver comes to identifying even a type of file that might be on the devices is when he claims that “Leader Spreadsheets” were on the

Google drive, but the Receiver does not even claim that Mr. Chavez downloaded any such Leader Spreadsheets to his laptop.⁵⁹ Thus, all the Receiver offers is the sort of “categorical requests for documents the Government anticipates are likely to exist” that “will not suffice,” *In re Grand Jury Subpoena*, 670 F.3d at 1346, and the speculation that the laptop may have been used to access a shared drive and it might have been used to download “Leader Spreadsheets” from that cloud drive. What is, or isn’t, on any of the devices is thus far from any foregone conclusion and it contrasts sharply with what the government showed in the *U.S. v Apple MacPro Computer* case the Receiver relies upon. In that case, the government had already found one unencrypted file of the sort they were seeking on the device and the defendant’s sister had testified that the defendant had shown her hundreds of others using the same device. *U.S. v Apple MacPro Computer*, 851 F.3d 238, 248-49 (3d Cir. 2017).

The Receiver also relies upon this Court’s own opinion in *United States v. Cheng*, 2022 WL 112025 (S.D. Tex. 2022). But the situation in *Cheng* was far different than the scenario now before the Court. Mr. Cheng was a defendant in a criminal case where the Court was considering a motion to suppress under the exclusionary rule. Mr. Cheng had already produced the devices and their passwords to the government, *Id.* at *6. The Court found that Cheng had engaged in an act of production and that his Fifth Amendment rights were violated, but denied the motion to suppress because it found that the discovery of the information was “inevitable.” *Id.* at *9. In reaching that conclusion, the Court considered such facts as that an arrest warrant had already been issued for Mr. Cheng, the government was already aware of certain contents that would be on the devices, the agents had obtained a search warrant prior to searching the devices, and Mr. Cheng

⁵⁹ Receiver’s Motion to Compel [ECF No. 71] at p. 7.

did not challenge the validity of that warrant. *Id.* at *2, *4 and *8 n.12;⁶⁰ *see also Apple MacPro Computer*, 851 F.3d at 241 (Government already had possession of the devices from executing a search warrant whose validity the defendant did not challenge.). Here, there has been no arrest and no search warrant and no showing that would justify disregarding Mr. Chavez’s Fourth and Fifth Amendment rights.

D. The Devices Likely Contain Attorney-Client Privileged Material.

The devices the Receiver seeks may, and in some cases very likely will, have attorney-client privileged communications, including communications with the undersigned counsel.⁶¹ These are not privileges belonging to CryptoFX or any other collective entity. They are communications with Mr. Chavez’s personal counsel of the very sort this Court was careful to protect in its prior orders. The Receiver acknowledges that Mr. Chavez should be permitted to withhold such materials.⁶²

Wholesale production of the entire devices would be a wholly unwarranted invasion of Mr. Chavez’s privileges and his Constitutional rights under the Fourth and Fifth Amendments. At the very most, the Court should order Mr. Chavez to produce any Leader Spreadsheets on the laptop and any login credentials the laptop may contain for the Google Drive. This would substantially lessen the invasion of Mr. Chavez’s privacy and constitutional rights and the burden of production. The devices could remain in the possession of the forensic expert who currently holds them in a secure location.

⁶⁰ *See also, Hoffman v. United States*, 341 U.S. 479, 486 (1951) (Fifth Amendment privilege extends not only to incriminating evidence, “but likewise embraces those which would furnish a link in the chain of evidence.”)

⁶¹ They may also contain attorney work product or otherwise privileged information.

⁶² Receiver’s Motion to Compel [ECF No. 71] at p. 12.

E. The Records of Other Business Entities.

The Receiver also seeks to compel the production of records regarding Maurizio Group LLC, JM Monarchy LLC, Hair News Color N Cuts, LLC,⁶³ and Luxury Real Estate, LLC.⁶⁴ These were entities established using LegalZoom.com. They have no offices (except a small, closed hair salon), no employees, no corporate minutes, and no bank accounts (other than those the Receiver already has). Mr. Chavez produced the corporate formation documents for Maurizio Group and CBT Group to the SEC during its investigation and Mr. Chavez sent the Receiver the company agreement for Hair News. Aside from such corporate formation documents that the Receiver already has or could obtain from the Secretary of State's website (or from LegalZoom), Mr. Chavez has no documents.⁶⁵

IV. Conclusion

For the reasons stated above and in Mr. Chavez's prior briefing,⁶⁶ the Receiver's Motion should be denied, or at most, Mr. Chavez should be ordered to produce any Leader Spreadsheets on his laptop and any login credentials for the Google shared drive that are on the laptop.

⁶³ The SEC already knew about Mr. Chavez's purchase of this hair salon for \$30,000 when it filed this action. (See Complaint [ECF No. 3] ¶ 40). As counsel previously informed the Receiver, before this action was filed the salon had already been shut down after the stylist moved away and the salon had a bank account at Regions Bank with a few hundred dollars that was seized by the Receiver. (See Ex. 17). The Receiver has already obtained documents confirming this from Regions Bank

⁶⁴ Receiver's Motion to Compel [ECF No. 71] at pp. 9-11.

⁶⁵ JM Monarchy and Luxury Real Estate each owned a house. The Receiver already knows about that and has the records relating to those houses.

⁶⁶ ECF Nos. 45, 51, and 61.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was served on all counsel of record via the Court's CM/ECF electronic service of process on or before May 16, 2023.



Paul D. Flack

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

SECURITIES AND EXCHANGE))
COMMISSION,))
Plaintiff,))
vs.)) Case No. 4:22-cv-3359
MAURICIO CHAVEZ,))
GIORGIO BENVENUTO, and))
CRYPTOFOX, LLC,))
Defendants.))
and))
CBT GROUP, LLC,))
Relief Defendant.))

ORAL AND VIDEOTAPED DEPOSITION OF
MARIA SARAVIA
DECEMBER 15, 2022

ORAL AND VIDEOTAPED DEPOSITION OF MARIA SARAVIA,
produced as a witness at the instance of the PLAINTIFF,
and duly sworn, was taken in the above-styled and
numbered cause on DECEMBER 15, 2022, from 9:17 a.m. to
6:19 p.m., before Donna L. Garza, CSR, in and for the
State of Texas, reported by machine shorthand, at the
law offices of Shook, Hardy & Bacon, LLP, 600 Travis
Street, Suite 3400, Houston, Texas, pursuant to the
Federal Rules of Civil Procedure and the provisions
stated on the record or attached hereto; that the
deposition shall be read and signed before any notary
public.
JOB No. 221215WWC

1 Q. Where is Ascira headquartered?

2 A. In Dubai.

3 Q. Did you ever get to travel to Dubai?

4 A. But I've won a trip to go there in February
10:23 5 for my husband and me.

6 Q. How did you win a trip to Dubai through
7 Ascira?

8 A. You have to invite nine people, and I did.

9 Q. Does everyone who invites nine people get to
10:23 10 go to Dubai?

11 A. They go to Dubai. If you want to come with
12 me...

13 Q. How do I get in touch with these people? I'm
14 serious. How do I get in touch with these people?

10:24 15 A. Well, you have my telephone.

16 Q. Do you know who I -- so, their contact
17 information is listed under Ascira on your telephone
18 number?

19 A. That's through the Internet. But I have
10:24 20 photographs there of what I won, if you want to see
21 them.

22 Q. Who -- who here got you into Ascira?

23 A. The husband of my sister invited me. He also
24 won the trip.

10:24 25 Q. Are you going at the same time?

1 bonus or commission payment from CFX?

2 A. Yes. After that, I wasn't paid.

3 Q. Do you --

4 A. That's why I'm mad.

14:45 5 Q. Do you believe that you received \$10,000 in
6 bitcoin?

7 A. He was going to send it to me in bitcoin, but
8 I didn't want it. He gave it to me in cash. I didn't
9 want him to send that.

14:46 10 Q. And when you say "He was going to send it,"
11 who are you talking about?

12 A. Mauricio.

13 Q. Okay. Did you have a personal conversation
14 with Mauricio about whether this would be in bitcoin or
14:46 15 in cash?

16 A. Yes.

17 Q. What does \$80,000 in "contratos" mean here?

18 A. I don't know -- I don't know what it is
19 referring to, but it was bonuses that I was paid. And
14:47 20 bonuses and contracts, perhaps that's why they put it in
21 there.

22 Q. So, are -- are you saying to us today that
23 this \$90,000 includes both bonus and commission payments
24 to you and contract payments?

14:47 25 A. Yes.

1 Q. Okay. Is -- would this be broken out anywhere
2 so we could know what belonged to what?

3 A. No.

4 Q. Did you believe that this \$90,000 had been
14:47 5 correctly calculated?

6 A. I don't remember, because I don't even
7 remember this date.

8 Q. Do you remember getting paid \$90,000?

9 A. Yes.

14:48 10 Q. And did you think that's what you were owed?

11 A. I believe so. I don't -- I don't remember, to
12 tell you the truth.

13 Q. Do you think you would recall -- do you think
14 you would have known if Mauricio was shortchanging you?

14:48 15 A. I don't remember. I'm not able to tell you
16 "yes" or "no."

17 Q. After this date in February, did you earn more
18 bonuses that haven't been paid?

19 A. Bonuses I have not been paid. I don't
14:49 20 remember. I don't remember contracts. Bonuses, I have
21 not been paid.

22 (Marked Saravia Exhibit 47.)

23 Q. (BY MR. GULDE) Okay. I'm going to hand you
24 what I put exhibit sticker No. 47 on. And it's a
14:50 25 collection of documents, some of which have been

1 A. Yes.

2 Q. Were you just scheduled not to come in that
3 day?

4 A. I would go Tuesday and Wednesdays.

15:29 5 Q. Okay. Who kept that schedule, by the way?
6 How did -- how did CFX know who was going to show up?

7 A. I would go Tuesdays and Wednesdays. Because
8 on Wednesdays, I would stay for the classes. That's why
9 I scheduled it what way.

15:29 10 Q. My question to you is: Was there someone at
11 CFX who organized various shifts that people worked?

12 A. That was if I wanted to go, I would go. If
13 not, not.

14 Q. Were there ever days when nobody showed up to
15:30 15 work?

16 A. Yes. Nobody showed up to make contracts, or
17 do you mean to work?

18 Q. Either one. Let's talk about contracts.

19 So, were there days when people didn't
15:30 20 show up to -- to become -- to create a contract for
21 themselves?

22 A. Yes. There were days that nobody would show
23 up.

24 Q. Were there days when CFX was just
15:30 25 understaffed?

1 A. Yes, inside a cabinet.

2 Q. Was it like a white or a black cabinet? Do
3 you recall the color?

4 A. The cabinet was white, but the safe was black.

17:23 5 Q. And that's the only safe that you saw at the
6 Blalock office?

7 A. Yes. That's the only one, the only I saw.

8 Q. Who had the codes to that safe or the keys?

9 A. I.

17:24 10 Q. Did anybody else have the keys or the codes to
11 the safe?

12 A. No. Only I so they wouldn't steal.

13 Q. And who gave you the codes to the safe?

14 A. Where it was bought, the code was with it.

17:24 15 Q. How come Norma, the accountant, didn't have
16 the codes to that safe?

17 A. Because that's where I kept my money. If all
18 of a sudden it was stolen, they wouldn't know if it was
19 her or if it was me.

17:25 20 Q. And, so, you -- in all of CFX employees and
21 representatives, you were the only person who had the
22 codes to that safe?

23 A. Yes.

24 Q. Okay. And who knew that you were the only
17:25 25 person who had the codes to that safe?

1 A. Norma. I told her because she was the
2 manager.

3 Q. And did Mauricio also know that you were the
4 one who had the codes to that safe?

17:26 5 A. I don't remember if I told -- I told him, too.
6 But I informed her so that she would know.

7 Q. Now, if Mauricio wanted to have access to that
8 safe, what would he have to do?

9 A. He would have asked. He would have had to ask
17:26 10 me for the number.

11 Q. Would you have given it to him?

12 A. If I would be present, yes. If not, no.

13 Q. And why is that?

14 A. For my safety. If it was lost, then they
17:27 15 would want -- if it was lost, they -- then they would
16 want me to pay it back.

17 Q. Okay. And the other leaders at CFX, did they
18 have their own safes?

19 A. No.

17:27 20 Q. Okay. So, why were you so special to have
21 your own safe?

22 A. Because I asked for it for safety. Because if
23 they -- if they asked me to work and if there was nobody
24 upstairs, then who is going to manage that money?

17:27 25 Q. What do you mean "if there was nobody

1 A. No. I didn't know you.

2 Q. Okay. Let me first say congratulations on
3 paying off your house.

4 Now, you mentioned several companies that
18:12 5 you were involved with. I believe it was Melaleuca,
6 Zurvita, Ambit, Organo Gold?

7 A. No. Organo Gold, no.

8 Q. You were not involved.

9 But you were with the other three?

18:13 10 A. Correct.

11 Q. And I think you mentioned with Melaleuca, you
12 went to a sales meeting?

13 A. Yes.

14 Q. People speaking very positively about the
18:13 15 company and its products?

16 A. Correct.

17 Q. And then with Ascira, that's the one you're
18 doing currently and you're expecting to take a trip to
19 Dubai in February; is that correct?

18:13 20 A. Yes, sir.

21 Q. And with each of those, you receive some
22 compensation if you bring other people to the company,
23 correct?

24 A. Yes, sir.

18:13 25 Q. Okay. And I think during a break, I heard you

1 say you also sold Amway long ago, correct?

2 A. Yes, in the '90s.

3 Q. And did you receive compensation if you
4 brought other people to Amway?

18:14 5 A. Everywhere they have paid me.

6 Q. And Amway is still operating today, correct?

7 A. No, not anymore.

8 Q. You're not doing Amway anymore, or the company
9 is no longer operating?

18:14 10 A. No. Amway still functions, but I don't work
11 with it anymore. Amway has been around for 50 years.

12 Q. Right. And those other companies we
13 mentioned -- Melaleuca, Zurvita, Ambit, and Ascira --
14 all those are still operating, correct?

18:14 15 A. Yes, sir.

16 Q. Okay. Now, I want to make sure I heard this
17 right. When you first heard about CryptoFX, it was
18 explained to you that you might get 15 percent, that you
19 might not get anything, correct?

18:15 20 A. From zero to 15.

21 Q. And did you explain to the people that you
22 told about CFX that they had the same situation; they
23 could get 15 percent or they might get zero?

24 A. Yes, sir.

18:15 25 Q. And you took a lot of classes at CFX, correct?

1 A. Yes, sir.

2 Q. You learned to open bitcoin wallets?

3 A. Yes, to buy and sell coins.

4 Q. And you started with CFX, you believe, in June
18:16 5 of 2020?

6 A. Yes.

7 Q. But I think we saw some documents that said it
8 might have been as late as December 2020, you thought?

9 A. The contract was with that date. I don't know
18:16 10 why. I started before.

11 Q. But in any case, you had no knowledge of CFX
12 prior to June of 2020, correct?

13 A. No.

14 Q. And did you ever meet or communicate with
18:17 15 Gustavo Gomez?

16 A. I saw him two or three times at the office.

17 Q. And what did you understand him -- his role to
18 be at CFX?

19 A. I -- I know that he was part of CFX. I never
18:17 20 knew if he was owner or whatever.

21 Q. Okay. Do you have any knowledge of whether
22 Mauricio Chavez was successful in trading bitcoin?

23 A. Yes, sir.

24 Q. And what did you know about that?

18:18 25 A. That he earned a lot of money with the

1 purchase and selling of coins.

2 Q. And up to mid-September of 2022, had CFX, to
3 your knowledge, made all the payments it was supposed to
4 make on all the contracts that students had?

18:18 5 A. Yes. They always paid because I always paid.

6 MR. FLACK: Okay. Thank you. I don't
7 have any further questions.

8 MR. GULDE: We can close?

9 MR. FLACK: You can take off your
18:19 10 microphone.

11 THE VIDEOGRAPHER: Off the record at
12 6:19 p.m.

13 THE COURT REPORTER: Are you getting a
14 copy?

18:19 15 MR. FLACK: Yes.

16 MS. AGUILAR: Yes, please.

17 MS. THEMELI: Yes.

18 (The deposition concluded at 6:19 p.m.)

19

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21

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23

24

25

1 THE STATE OF TEXAS)
2 COUNTY OF POLK)

3
4 I, Donna L. Garza, Certified Shorthand
5 Reporter in and for the State of Texas, do hereby
6 certify that the above and foregoing contains a true and
7 correct transcription of all portions of evidence and
8 other proceedings in the above-styled and numbered
9 cause, all of which occurred and were reported by me.

10 I further certify that I am neither counsel
11 for, related to, nor employed by any of the parties or
12 attorneys in the action in which this proceeding was
13 taken, and further that I am not financially or
14 otherwise interested in the outcome of the action.

15 GIVEN UNDER MY HAND AND SEAL OF OFFICE, on
16 this, the 20th day of December, 2022.

17
18 *Donna Garza*
19 _____



DONNA L. GARZA, TEXAS CSR NO. 4785

Expiration Date: 12-31-22

20
21
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23
24
25

1 **trade, or would you pay \$100,000 for them to trade for**
2 **you?**

3 A The -- and so the contract was offered as a -- an
4 incentive to more or less do what you are suggesting,
5 which is them trading on my behalf, because I felt
6 completely uncomfortable. But I was educating myself in
7 that area, you know, YouTube and Google and I've been
8 following several crypto channels at that point. And I
9 just felt that it was an opportunity at the beginning
10 wave of this Bitcoin phenomenon, and I felt comfortable
11 enough that these people knew what they were doing. And
12 so yeah, I went made the decision to "go ahead, just
13 pull the trigger".

14 **Q Gio, I appreciate that. But that was not a clear**
15 **answer, so I'd like to have you help me clarify. You**
16 **said that you attended classes, but you also said that**
17 **the contract was an incentive to have them trade on your**
18 **behalf. Did you give them \$100,000 to attend classes,**
19 **or did you give them \$100,000 for them to trade for you?**

20 A The ability to attend classes, again, you'd --
21 you would open a contract of whatever amount -- the
22 minimum amount of whatever that was, and then you are
23 offered the classes as a result of being a member of the
24 academy.

25 **Q Okay. That's helpful. So you give them**

1 **\$100,000, but they trade for you. But you also get the**
2 **benefit of the classes, correct?**

3 A Yes.

4 **Q Okay. Who was teaching the classes?**

5 A There were three individuals. Obviously,
6 educators have changed positions since then. I'm trying
7 to remember the name of the gentleman over Forex.
8 Forgive me. But at any rate, he was very good, very
9 talented at what he did. He would even have classes --
10 Zoom classes at the one a.m. hour to catch the London
11 trade sessions. And I could see his face but I can't
12 recall his name at the moment. I'm sorry.

13 **Q That's correct. I don't want you to speculate.**
14 **Was his name John Fernandez?**

15 A No.

16 **Q Okay. So there were three educators. Was it**
17 **Gustavo?**

18 A I'm sorry. Then that would mean -- that would
19 mean four. Gustavo was more -- yes, he was an educator
20 in the crypto space. But he was more obviously a
21 business partner with -- the original business partner
22 with Mauricio and Eduardo.

23 **Q Was Eduardo Taffinder an educator?**

24 A Yes, he was. But primarily, he handled more of
25 the day-to-day -- well, what I would -- it appeared to

1 me he handled the day-to-day operations of that
2 business. You got -- so just that reference, CityCentre
3 when they moved there -- CityCentre is structured in
4 such a way where all rooms, including the conference
5 room which is centrally located, have all-glass walls.
6 So you can literally see everybody's business, hallway
7 traffic, all that good business.

8 So, you know, I got to see some of that stuff
9 because I was there pretty much regularly because I was
10 interested in learning about Forex. So I -- I took on
11 everything they offered. So just so you understand, you
12 know, if you're questioning how did I find out about the
13 business or know so much about the business, it's
14 because I was around it a lot as a student.

15 **Q Okay. That's helpful.**

16 **So we have three educators: Gustavo, Eduardo --**
17 **was Mauricio an educator?**

18 A No. Mauricio, I would think he was the main
19 trader at that point because he didn't actually do any
20 teaching. But Eduardo and Gustavo would be the two
21 others. They actually had three full-time traders on
22 top of those two individuals, so three other traders --
23 three other educators. Sorry.

24 **Q I want to stick with the educators for now --**

25 A Yeah.

1 **Q -- and then we can go to the traders.**

2 **You said we have four educators. Who are the**
3 **four educators? We have Gustavo, Eduardo. I know**
4 **there's one you can't think of. Who is the third one?**

5 A I remember there being a gentleman by the name of
6 Marco and another one by the name of Adam.

7 **Q You've already named four. So we have Marco --**

8 A I -- forgive me.

9 **Q Gio, this will go much easier if we don't**
10 **interrupt each other.**

11 **You said that there were four educators? You**
12 **named four. But then you also said there was one that**
13 **you couldn't remember?**

14 A Right. So there's five in total.

15 **Q Okay. Marco, Gustavo, Adam, and Eduardo are the**
16 **four of the five people teaching classes; is that**
17 **correct?**

18 A Correct.

19 **Q So --**

20 A I will -- sorry.

21 **Q Go ahead.**

22 A I'll preface this with saying that although I've
23 witnessed Gustavo and Eduardo perform functions as
24 educator, they were more involved in running the
25 business. So they had primary -- three primary

1 educators that were doing just that, educational.
2 **Q Okay. They are teaching classes in Forex trading
3 and cryptocurrency trading, correct?**

4 A Yes.

5 **Q And when you go into City Center, do they have
6 different terminals or do you bring in your own
7 computer?**

8 A No, you bring in your own laptop.

9 **Q Okay. Did all the students -- were all the
10 students also investors? Were some people just there to
11 learn?**

12 A Jill, I can only comment on what I did. I -- you
13 know, I met many of them, but I never got into any of
14 their business. So if they did, that was their
15 decision. But if you're asking me if they were there,
16 were they a member? Yeah, they were a member.

17 **Q Understood. Were the classes held in English or
18 Spanish?**

19 A Primarily in Spanish. Most of the -- most of the
20 members are Spanish-speaking. I do not speak Spanish.
21 They did accommodate the English-speaking folks, which
22 at the time I joined was a pretty small group. But
23 I'm -- I believe it has grown since then, but it's
24 primarily Latino.

25 **Q How often were the classes held?**

1 **Do you know how many people would attend the
2 WhatsApp classes?**

3 A I don't know the exact numbers. But you know how
4 you see people pop up on a WhatsApp? There were --
5 there were quite a few involved taking those classes at
6 night.

7 **Q Any estimate on the number?**

8 A It had to have been over -- on average, at least
9 80 to 100. But I -- you know, I remember, like, the --
10 again, I don't expect you to follow this, but when this
11 Bitcoin having occurred, there was a spike. I mean,
12 there was, like, 300 people or something on because they
13 needed to understand or wanted to understand what was
14 the significance of this event. You know, again, it was
15 the beginning of this Bitcoin wave scenario that
16 everyone needed -- from my experience, that is, I wanted
17 to understand "what is the importance of this, what is
18 Bitcoin, how does it affect, you know, other
19 cryptocurrencies and what not. And that's what they
20 pretty much provided that education in understanding
21 what these cryptocurrencies were; what they were
22 attached to; you know, projects, this type of scenario.

23 **Q Describe the substance of the classes. Was it
24 understanding cryptocurrency, or was it understanding
25 how to trade cryptocurrency?**

1 A Daily -- every day except Sunday.

2 **Q One class per day?**

3 A Yes.

4 **Q How long were the classes?**

5 A Classes were approximately an hour but typically
6 would go over that. And of course, to complement the
7 in-person daytime learning, they would also have
8 nighttime Zoom classes. So if you couldn't attend day,
9 you'd log on at night.

10 **Q How would one have access to the Zoom classes?**

11 A An invite through -- I believe it was WhatsApp
12 that they were using. So there would be, like, a
13 channel with over 100 or whatever -- a large number of
14 people. They would send this blast notification out,
15 and I simply was included.

16 **Q How many people were attendance in the in-person
17 classes?**

18 A The conference room was limited to roughly, I'm
19 going to say, a max of 20 people. But again, most --
20 most people, assuming they had a daytime life, or let's
21 call it a job, this is why the evening sessions were
22 offered. At the time I had much more flexibility. So I
23 chose to be -- I'm a better learner in person than I am
24 online.

25 **Q We have that in common.**

1 A You had a variety of classes that were offered
2 throughout the week. Ones were more directed toward
3 what cryptocurrency was about, and others were more
4 about, you know, how do you set up a virtual wallet;
5 what are exchanges; what do they mean; how useful are
6 they to you. And of course the bigger player in the
7 alternate coin markets, you know, you'd come out with
8 these -- like Ethereum and Shiba and whatever, again, to
9 me they're just, like, terms. But apparently, they are
10 attached to projects that mean something that are of
11 value. And so that's my understanding of what an
12 altcoin is and how it establishes value.

13 **Q At any time during these classes, would there be
14 a pitch for investment or trading with CryptoFX?**

15 A I don't recall that being part of the classes. I
16 mean, it was a -- it was a true learning experience.
17 Actually, some of the classes caught -- I remember some
18 of the classes caught the New York session, which begins
19 at the -- I believe it's a 6:30 a.m. So we'd have class
20 early in the morning, those who were willing to come to
21 actually listen to trades live, to understand the
22 concept of trading.

23 **Q Were any of the classes reported?**

24 A Some were; not all.

25 **Q Do you know where we could find these reportings?**

1 the initial investment, I'm probably going to be more
2 comfortable telling you because I don't want to perjure
3 myself. I want to say that I paid them or reopened that
4 contract with cash again. Because I had, of course.

5 **Q Were there any disclosures about the trading
6 practices with that second investment?**

7 A No, nothing that I recall that stood out.

8 **Q Were there any disclosures about management fees?**

9 A As I recall.

10 **Q I apologize. I didn't catch your answer. Were
11 there any disclosures about management fees?**

12 A Not as I recall, ma'am.

13 **Q Thank you.**

14 **When you signed these contracts, do you recall
15 anything on the contract? And I unfortunately don't
16 have your contract. Do you recall any signatures
17 related to a CryptoFX representative or a CryptoFX
18 receiver?**

19 A Yes. I remember the last part of the contract,
20 there would be -- you know, obviously, I would sign and
21 then of course, the CryptoFX representative, I'm
22 assuming, was one of the admin staff signed verifying
23 that I had, you know, purchased this contract.

24 **Q Do you know what these individuals did?**

25 A As I understood it, they were administrative-type

1 roles. Either they were helping fill out new contracts
2 or paying out existing maturing contracts. And again,
3 this is me just seeing the activity.

4 **Q Okay.**

5 A And of course, there was the -- sorry.

6 **Q Apologies. Go ahead.**

7 A Again, and all this as a result of the third
8 piece which is the educators. So if you're asking me
9 components of the company, primarily administration-type
10 duties of. Filling out contracts, some folks would do
11 that. I see other folks responsible for fulfilling the
12 contracts. And then, of course, there were the
13 educators that did their all.

14 **Q So you don't actually know what a CFX
15 representative or a CFX receiver actually did?**

16 A That information was not privileged to me.

17 **Q Okay. Were you a VIP investor?**

18 A I remember the initial offering, something being
19 mentioned about a founders club. I don't believe that
20 ever materialized on -- to -- you know, to recall, that
21 never materialized in any way. It was mentioned that
22 they would -- and again, we're talking the group had --
23 who were looking at doing something like that, although
24 I don't believe it ever culminated to anything.

25 **Q Okay. I want to make sure that the record's**

1 **clear: At no point did anyone at CFX represent to you
2 that you, Gio, were a VIP investor?**

3 A No, no.

4 **Q Did anyone ever represent to you that you were a
5 member of the founders circle?**

6 A They were attempting to do something like that,
7 and I had inquired. But I -- I don't believe I was part
8 of that group either.

9 **Q Understood. And I know, Gio -- and we're going
10 to get into this a little bit later -- that you became
11 more involved with the company. So when you became more
12 involved with the company, did you have any discussions
13 about creating a VIP club or creating a founders circle?**

14 A At the time I -- I asked Mauricio -- you know,
15 again, we were pretty close at that point, and I
16 observed some inconsistencies with -- with what was
17 happening. I simply asked him what I could do to help
18 because of other factors that were affecting him and
19 what I perceived to be his business in a negative way.

20 **Q I appreciate that. I'm not quite sure you
21 answered my question. Was there any discussion when you
22 were more involved with CFX about a VIP or a founders
23 club?**

24 A No.

25 **Q So you have no insight on that?**

1 A No.

2 **Q Okay. Thank you.**

3 **With your second investment, how long did it take
4 for you to get paid out that 18 percent?**

5 A Of that contract, again, I -- I -- I signed up
6 for a six-month interval, so six months from that time
7 frame.

8 **Q So you've now made two investments. You get a
9 return. We're around mid 2021, correct?**

10 A And I'm just kind of doing the quick math. So
11 that would have been the August so, yeah, mid-2021.

12 **Q At what point do you start getting more involved
13 with CFX?**

14 A So again, forgive me. I'm going to look at the
15 time line to make sure I'm accurate about this.

16 So -- so it was about the April 2021 time frame.

17 I observed Mauricio at that point, considering him my
18 friend, just not being himself and what appeared to me
19 having -- looking like he's stressed out. Yeah. So
20 that -- at that point, I knew something was up, and I
21 could see the office becoming more disorganized as he
22 did not appear -- did not make appearances to the office
23 any longer.

24 If you want me to go further into why.

25 **Q You previously testified that you saw**

1 **inconsistencies with the business. Please elaborate.**
 2 A Again, as a result of the setup of City Center
 3 with the glass walls, what I saw were potential
 4 customers, I'm assuming, or I'm going to guess that they
 5 were referrals. But they would -- they would simply
 6 come on into the office, disregard any type of an
 7 appointment-type scenario or structure that I understood
 8 was in place, wanting to be involved. So it appeared
 9 that the business was more or less exploding, and I'm
 10 assuming because word got out.

11 So that being said, unfortunately, these folks
 12 with -- you know, Latinos bringing their family's kids
 13 in a -- what I considered a corporate environment and
 14 the other tenants on the floor complained and eventually
 15 got back to building management. And so they had
 16 received, I think, two or three violations at that point
 17 as far as, you know, protocols for the building as it
 18 were. And so that -- I didn't see anyone really kind of
 19 take charge, and I didn't want my friend's business to
 20 fail.

21 Call it selfish but I -- you know, clearly, I was
 22 vested as to why. But it was because, predominantly,
 23 he's my friend. I didn't want it to fail. So I simply
 24 asked him what I could do to help. So he, knowing my
 25 background, simply turned to me and said, "Can you

1 please be more visible?" And I go, "What do you mean?"
 2 He said, "I can't come to the office." I said, "Why?"
 3 Well, later, he divulges to me that there's a reason.

4 And Gustavo had split at this point, he left.
 5 And also, with Gustavo leaving, Eduardo contracted COVID
 6 and he was hospitalized at that point. So this left
 7 Mauricio trying to run this business. And my
 8 understanding was Eduardo ran the office environment;
 9 Mauricio ran the trading as it were; and I understood
 10 that Gustavo, I guess, handled the education piece,
 11 slash, the crypto trading as well. But clearly, it had
 12 seemed to me that Mauricio -- this was not his strong
 13 suit.

14 And so he came to me and said, "Hey, can I -- can
 15 I just get you to be more visible in the office and look
 16 after things?" I go, "What do you mean by that?" So,
 17 you know, I became -- I guess we'll call it an advisor
 18 and kind of an office resource, sometimes a glorified
 19 bouncer because of all the foot traffic that was
 20 happening, and then eventually, I guess we'll term it a
 21 legal facilitator because I started educating myself
 22 about different subjects that could potentially affect
 23 the business as, obviously, I was really interested in
 24 helping him. So I became a legal facilitator as well.

25 I mean, that -- I led him to -- to Robert as a

1 result of all of this. So that would have been one
 2 aspect of it. So it was just an effort to control
 3 what's happening. I mean, I get it, the business was
 4 exploding, but we still needed to maintain some type of
 5 corporate environment, which no one was abiding by,
 6 meaning our membership base or, you know, the potential
 7 customers that came in that wanted to open up new
 8 contracts. So that -- that was the reason. And of
 9 course, it eventually culminated with management
 10 absolving his lease, we had to move, and I knew he was
 11 stressed as a result of it.

12 Going back to Gustavo, unfortunately, it was a
 13 result of what I came to later learn, that alleged
 14 affair between Gustavo's wife and Mauricio. I believe
 15 that was the main issue why Gustavo said, "We're done,"
 16 and understandably so.

17 **Q Okay. So I understand why you started helping.
 18 But you previously testified as to inconsistencies.
 19 Talk to me about what inconsistencies you saw with the
 20 business.**

21 A Meaning when -- when I refer to that, meaning as
 22 I was attending these classes -- you know, again, a
 23 mirrored wall, I would see all this commotion in the
 24 hallways and people barging into offices that I knew
 25 that was not the protocol, I knew that was not how they

1 handled members. So at that point, I realized
 2 something's up. Nobody is trying to control the
 3 situation, and I -- I felt that I needed to do
 4 something.

5 So that's -- that's when I asked him, "What I can
 6 I do?" So he was very much involved -- he was very much
 7 involved, don't get me wrong. Because of what happened
 8 with Gustavo, I mean, obviously, it became public
 9 knowledge so he couldn't show his face, and I believe
 10 that's the reason he asked me to be present on his
 11 behalf. But he was very much involved remotely.

12 **Q Okay. And he is still the main trader at this
 13 time?**

14 A I believe, yes. I believe the only trader at
 15 this point.

16 **Q Okay. You pin this around April of 2021. But
 17 you were also involved with him as a business partner in
 18 CBT in July of?**

19 A No. The company was formed in October of 2020 if
 20 we're looking at the time line -- I'm sorry. That would
 21 have been the official formation of the company.
 22 Forgive me.

23 **Q No, forgive me. You're right. I got CBT and CFX
 24 mixed up. CBT started in October of 2020. Okay. I
 25 want to clarify that because it seems like there might**

1 **did you ever attend a class where CFX taught people how**
2 **to purchase cryptocurrency?**

3 A I attended -- I remember attending a class or
4 several classes because I'm a -- I'm a poor learner.
5 But regardless, attempting to learn how to open a
6 digital wallet, which is still a bit of a mystery to me.
7 But as far as your direct question, no. And I -- I
8 clearly remember the educator stating the -- again, this
9 is not -- I remember the disclaimer putting out there
10 "hey, we're not giving trading advice. This is simply
11 meant for educational purposes". You know, that
12 disclaimer was always out there.

13 **Q When you say "it was always out there", where was**
14 **it?**

15 A Meaning any class that was given. I remember
16 the -- that phrase would keep coming up, and now looking
17 back in retrospect, I get why.

18 **Q Did you ever observe Mr. Chavez with an investor**
19 **that he was trading on behalf of?**

20 A No, ma'am.

21 **Q Okay. But he did trade on behalf of some**
22 **investors?**

23 A I -- I will not disagree with what you said,
24 although I cannot confirm it because I did not witness
25 it.

1 **Q Okay. But that is part of the business model?**

2 A Yeah.

3 **Q Okay. Do you have any idea of how much money**
4 **CryptoFX had raised?**

5 A I couldn't tell you. I know, or at least I feel
6 comfortable saying that he's been pretty profitable. If
7 everyone is getting paid out, he's got to be making
8 money in my position. Otherwise, you'd have some pretty
9 angry Latinos after you, and they're not afraid of
10 showing that.

11 **Q Did you ever witness anyone complain about not**
12 **being paid out or not getting their return or anything**
13 **like that?**

14 A No. If there were any complaints that I could
15 talk about was more, you know, scheduling. Because
16 clearly, to me, you know, CFX, or rather CryptoFX, had
17 evolved to the point they -- they needed more bodies,
18 they need more staff. And unfortunately, because of
19 what was going on in Mauricio's personal life, he didn't
20 witness what I witnessed. Even though I would tell him,
21 you know, what was happening, he just -- you know, he
22 didn't -- he didn't act on my advice about "hey, maybe
23 we should bring on some more people because you're
24 starting to get a backlog in appointments". So that was
25 a frustrating point for most. But I mean, you know,

1 again, I felt that they'd understood. You'd get the odd
2 person saying "hey, why is this happening?" And I'd sit
3 there and kind of tilt my head, "Is this really" -- you
4 have to ask this question, look around you when there's
5 a line out the door. So I mean, again, I'm not -- I'm
6 being somewhat sarcastic here, but that was my way of
7 handling somebody who was frustrated about the
8 situation. I'd go, "This is a good thing to have. If
9 all you're frustrated about is when you're going to be
10 seen, just know you will be seen. That's all."

11 **Q So were there ever complaints about payments**
12 **being late?**

13 A Not that I'm aware of.

14 **Q You just described being backlogged and a line**
15 **out the door. Can you imagine some complaints about**
16 **payments being late?**

17 A If they were verbalized, I never got wind of it.

18 **Q Okay. Fair enough. Have you ever had any**
19 **conversations with Mauricio about how much money he's**
20 **made?**

21 A No, no. It was never -- again, Mauricio was
22 pretty protective about financial information, so
23 clearly, that was a topic that I never -- I never spoke
24 to him about. I mean, I -- I had my hands full. I was
25 running another company.

1 **Q Do you have any idea of how much money he's made?**

2 A No idea, ma'am.

3 **Q Do you know whether he has been paying himself**
4 **any commissions, bonuses, salaries?**

5 A I will not even begin to speculate on that
6 answer. I don't know.

7 MS. HARRIS: All right. We have been going
8 about another hour. I'm going to propose we take a
9 forty minute lunch.

10 MR. BURFORD: Okay.

11 MS. HARRIS: Let's just take it to the hour.
12 Let's come back at one p.m., if that's okay with
13 everyone. So let's go off the record at 12:15 and come
14 back at one.

15 (Whereupon, a luncheon recess was taken from
16 12:15 p.m. to 1:02 p.m.)

17 AFTERNOON SESSION

18 MS. HARRIS: Let's go back on the record at
19 1:02 p.m. Central Time.

20 **Q All right, Gio. When we left before lunch, we**
21 **were talking about CryptoFX, what you were doing at**
22 **CryptoFX, helping out the company, and you were paid for**
23 **that. You were helping organize. You were doing a lot**
24 **of things. And --**

25 A The -- forgive me.

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1 A It wasn't going to -- yeah. Correct.

2 **Q You see these funds come in the checks with CBT**

3 **written out to -- excuse me. Strike that.**

4 **You see these funds come in with individuals**

5 **writing checks to CBT Group. Do you ask Chavez, "Hey,**

6 **are these people also investors in CFX?"**

7 A So if you're asking me to turn away money, the

8 answer is "no". If you're asking me "am I going to

9 probe him about his financial affairs and his business",

10 the answer, again, is "no". So if you've asked me what

11 my role in CBT Group is, I just told you I manage the

12 company. So that's the extent of my knowledge

13 financially from Mr. Chavez's side. I couldn't verify

14 or deny who these people are. All I know is it's an

15 individual that made a check to CBT. I will take that

16 and run.

17 **Q I didn't ask you any of those things, actually.**

18 A Yeah, I know.

19 **Q I asked you -- and I'd like a direct answer to my**

20 **question. I asked you did you ask Mr. Chavez who these**

21 **people were?**

22 A No.

23 **Q Thank you. Okay.**

24 **Do you know if Gabriel Torres was out trying to**

25 **get investors from -- excuse me -- if Gabriel Torres was**

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1 **actually out trying to solicit investors for CBT?**

2 A He is our contractor. So remember, he runs his

3 own full-time business. So in an effort to be my

4 contractor, I gave him the five percent of the business

5 to incentivize him. He doesn't need us; we need him.

6 **Q Okay. That wasn't an answer to my question. Do**

7 **you know if he was out trying to get investors for CBT?**

8 A No.

9 **Q "No", you don't know or "no", he was not doing**

10 **that?**

11 A No, he wasn't doing that.

12 **Q Okay. So he took a very small nonoperational**

13 **role in the management and fundraising of CBT, correct?**

14 A No management, no fundraising. He's my

15 contractor.

16 **Q Got it. Okay.**

17 **Let's talk about the lease at 1124 Blalock: So**

18 **we talked about the Town and Country address, and you**

19 **alluded to before there's a lot of foot traffic, there**

20 **were a lot of complaints, you got kicked out. Tell me**

21 **what happens next with the offices of CFX.**

22 A And CBT because it affected me directly.

23 MR. BURFORD: I'd just like to -- you said

24 he got kicked out, and I don't think --

25 MS. HARRIS: Okay. Fair enough. Let me

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1 clarify.

2 MR. BURFORD: Just change the companies or

3 the people.

4 MS. HARRIS: Sure.

5 **Q I think, Gio, I might be mischaracterizing your**

6 **statement unfairly. I believe you said CFX got -- their**

7 **lease was terminated. Is that a fair statement?**

8 A That is a fair statement, CryptoFX.

9 **Q I apologize. I may have been sloppily**

10 **characterizing your testimony, and that's my fault.**

11 MS. HARRIS: Thank you, Mr. Burford, for

12 correcting me.

13 **Q Their lease was terminated. When did that**

14 **happen?**

15 A I couldn't pinpoint a date, but I'm looking at

16 the time line.

17 **Q If it helps you out, you obtained the new lease**

18 **on 1124 Blalock in September of 2021.**

19 A It was -- so I'm going to say it was the

20 August -- yeah, here it is: 2021/08/31, "CityCentre

21 building management threatens to cancel lease as a

22 result of too much uncontrolled foot traffic caused by

23 the increased business." So about that time range.

24 August, we'll call it.

25 **Q I see that. I'm going to put your time line of**

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1 **events -- if your counsel is okay with this, I'm going**

2 **to put your time line of events and mark it as**

3 **Exhibit 58 since you're referring to this. This is a**

4 **helpful time line.**

5 (SEC Exhibit No. 58 was marked.

6 for identification.)

7 **Q And you're referring to the date at the top of**

8 **page 2. I see that. So that happens in August of 2021,**

9 **and you move to the 1124 -- "you" being CBT and CFX move**

10 **to 1124 Blalock in September of 2021; is that correct?**

11 A Yes. And just -- sorry. Just to clarify a

12 little bit further, these days reflect the information

13 that is on the WhatsApp dialogue that was provided to

14 me. So that's why I'm referring to these time lines, to

15 make sure it's reflective of these WhatsApp dialogues.

16 **Q Absolutely. And for further clarification, the**

17 **WhatsApp dialogue that you're referring to is Exhibit**

18 **35, which we will get into later.**

19 **Who held the lease on 1124 Blalock?**

20 A So the lease agreement was between BZO Wheel and

21 Tire, which is the owner. His name: Daniel Sun, S-U-N,

22 is the owner of the property. He leased Suite A to CBT

23 so that I could renovate the space for office use.

24 **Q Am I correct in saying that CryptoFX was never**

25 **a -- strike that.**

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1 **Q Okay. Got it. There was also a Cadence account**
 2 **for the Maurizio Group. But you did not have access to**
 3 **this account; is that right?**
 4 A I did not.
 5 **Q Do you remember making out a check to Maurizio**
 6 **Group?**
 7 A I can't recall if I did that, ma'am. I'd have to
 8 see -- I'd have to see the check.
 9 **Q Okay. We'll circle back to that one.**
 10 **There's also, as we previously spoke about, a**
 11 **personal checking at Cadence, bank account, for**
 12 **Mr. Chavez's. But you did not have access to that; is**
 13 **that correct?**
 14 A That is correct.
 15 **Q At some point in -- at some point the bank**
 16 **accounts were switched from Cadence to Lone Star. Can**
 17 **you describe to me why that happened?**
 18 A I was -- and I forget what time frame. I'm sure
 19 we can deduct that information from the ending of one
 20 account and the start of the other. That was all
 21 submitted. But I was informed at some point that the
 22 account at Cadence was closed, reasons not divulged to
 23 me. As I recall, we were in the midst of this Tomball
 24 project, so we were scrambling to open another account
 25 so I could conduct business.

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1 MS. HARRIS: Okay. Let's take a five-minute
 2 break. Let's come back at -- actually, let's come back
 3 at 2:20, and we will pick up with the Lone Star account.
 4 We will go off the record at 2:13 p.m. Central Time.
 5 Thank you.
 6 (Whereupon, a brief recess was taken.)
 7 MS. HARRIS: Let's go back on the record at
 8 2:24 p.m. CT.
 9 **Q Okay. So before we left off before, I said we**
 10 **were going to go to Lone Star Bank, but I have one more**
 11 **question about Cadence: You said that Mr. Chavez had**
 12 **signing privilege as well on the Cadence CBT account; is**
 13 **that correct?**
 14 A That is correct.
 15 **Q Okay. When did he get signing privileges?**
 16 A When we opened the account at Cadence. I think
 17 you may have displayed that document initially, did you
 18 not?
 19 **Q I may have. In this case, it's your testimony**
 20 **that he always had signing privileges; is that correct?**
 21 A Yes.
 22 **Q Okay. Thank you.**
 23 **Tell me about why you opened up a Lone Star Bank**
 24 **account.**
 25 A Well -- and again, you'd have to look at the

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1 records. Don't pin me on a date. But at some point, I
 2 was informed that the Cadence Bank accounts were being
 3 closed. So in a scramble had to find another bank to --
 4 to -- you know, obviously, to conduct business for CBT
 5 as well as his side or CFX.
 6 **Q Were you given a reason why the Cadence Bank**
 7 **accounts were closed?**
 8 A No specific reason. But personal commentary:
 9 Banks don't like the word "crypto", so I assume it has
 10 something to do with the name CryptoFX, you know this
 11 type of scenario -- again this -- I'm take making this
 12 commentary because I have a couple of friend in the
 13 financial realm that tell me this. So I'm thinking,
 14 "Oh, okay. I guess I can relate." These friends, by
 15 the way, being in Canada.
 16 **Q Did you see any documents for anything related to**
 17 **the account closure?**
 18 A No, no.
 19 **Q Okay. I'll put up -- let's put up Exhibit 50,**
 20 **please, Lone Star.**
 21 (SEC Exhibit No. 50 was marked
 22 for identification.)
 23 **Q So was it your understanding that -- before we**
 24 **get into the exhibit, first, let me ask was it your**
 25 **understanding that CBT and CryptoFX opened up an account**

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1 **at Lone Star Bank?**
 2 A Yes. But I'm going to correct you: If I -- if I
 3 recall -- again, we'd have to look at the records to
 4 verify. But at this point, I think it's CFX Lifestyle,
 5 but I'm not entirely sure. But yes, you're correct.
 6 **Q Our records show that Maurizio Group, CBT, and**
 7 **Mr. Chavez personally opened up bank accounts at Lone**
 8 **Star Bank. Does that sound right to you?**
 9 A I was only aware of the CBT Group, yes, not the
 10 others.
 11 **Q Okay. Does it sound correct to you that CFX or**
 12 **CryptoFX or CFX Lifestyle did not open up an account at**
 13 **Lone Star Bank?**
 14 A I'm going to have to agree. If you're telling me
 15 the other banks are -- what their names are and you
 16 haven't mentioned CFX Lifestyle, then I'm going to guess
 17 that one CFX Lifestyle was not opened up.
 18 **Q Was there any conversation about why CryptoFX or**
 19 **CFX Lifestyle did not open an account at Lone Star Bank?**
 20 A No.
 21 **Q No?**
 22 A No, there was not.
 23 **Q Okay. So can you look at Exhibit 50? I'll give**
 24 **you some time.**
 25 A If you could scroll down a little bit. Scroll

1 I'm misquoting this: But since we both had the account,
2 obviously, he had signing privileges. It appears he
3 wrote a check to this person.

4 **Q Some of these are your signature?**

5 A Me?

6 **Q One of them is your signature.**

7 A The Frank Comiskey?

8 **Q Yes.**

9 A Yeah. Would you like me to comment on that?

10 **Q Let me take a couple steps back here. But**
11 **essentially yes. Would he ask you to wire people from**
12 **this account, this Lone Star account?**

13 A Again, unless I look at the actual records -- I
14 know it has happened with this current account -- excuse
15 me -- with the Spirit of Texas account. He's asked me
16 to do that. I can't -- unless I look at the records, I
17 can't verify if it happened in the Lone Star time frame.

18 **Q Okay. Fair enough. You said it was his money.**
19 **Is it your understanding that the money that he put in**
20 **from those checks that went into the Cadence Bank**
21 **account that then went into the Lone Star account was**
22 **Mr. Chavez's money, or is it your understanding that it**
23 **was investor money?**

24 A Frankly, I never cared to ask deeper questions
25 than what you're proposing, and I may have in -- may be

1 misreferencing because you could be pointing to "yeah,
2 it could be member money". Again, I -- I can't verify
3 it. I'm sorry.

4 **Q That's okay. Thank you.**

5 **Can you now speak to the check that you wrote to**
6 **Frank Comiskey?**

7 A Yeah. Frank Comiskey is an insurance agency of
8 which we required to have insurance for the labor that
9 was being performed on the Tomball property. So there
10 had to be a rider in the event of a slip and fall, that
11 type of thing.

12 **Q Thank you. That's helpful.**

13 **Did you ever ask Mr. Chavez about why he was**
14 **writing checks to individuals on the CBT account?**

15 A I never did, no.

16 **Q Okay. I don't want you to speculate too much.**
17 **But I don't want you to look at the amounts that he's**
18 **writing with these checks on Exhibit 51. Are these**
19 **amounts the amounts that Mr. Chavez in the CryptoFX**
20 **business would pay out in returns?**

21 A Sorry. I could not verify that either way.

22 **Q Okay. That's fine. Do you know why Mr. Chavez**
23 **never memorializes any of these payments? And when I**
24 **say "memorializes", he doesn't appear to put a lot of**
25 **detail in the memo line, if any.**

1 A Yeah, and I've never asked him why. You know,
2 again, what you and I consider normal business-keeping
3 practices, clearly, that should not be applied to all.

4 **Q Okay.**

5 **A Just to remind you, back in the CityCentre-era**
6 **days, I mean, what I saw, you know, his -- his office**
7 **guy really, the guy that kind of held it together, in my**
8 **opinion, was Eduardo Taffinder.**

9 **Q Okay.**

10 **A I mean, I know that that's what he excelled at.**

11 MS. HARRIS: Okay. Tawnya, let me ask you
12 to put up Exhibit 52, please.

13 (SEC Exhibit No. 52 was marked
14 for identification.)

15 **Q Gio, take your time with this. But I'm just**
16 **going to signal to you, this is a closing document to**
17 **close the account that we were looking over previously,**
18 **the CBT account at Lone Star Bank. And I will note that**
19 **this account was open from May 5th, 2021, to May 28th,**
20 **2021, so it was only open a couple of weeks.**

21 A Yes. Well, less than a month, yeah -- I'm sorry.
22 Your question to me now?

23 **Q I want to you to take your time with the document**
24 **and just let me know whenever you're done.**

25 A I've read it.

1 **Q Why did you close this account?**

2 A Well, it -- we didn't voluntarily. And sorry.
3 Let me ask, which account is this?

4 **Q This is the CBT account.**

5 A Yeah. I didn't voluntarily ask to close this
6 account. As I recall, I was informed that we had to
7 close the account because Mauricio's name was on it.
8 And I suspect, you know, it has to do with something
9 with crypto-related. Again, the whole "banks don't like
10 the word 'crypto'".

11 **Q But this account did not have crypto on it?**

12 A No. But it had his name on it.

13 **Q Okay. And it was your understanding that he is**
14 **so intertwined with crypto, that's why they closed the**
15 **account?**

16 A If I had to guess why we had such a short
17 relationship with Lone Star, at some point I'm -- I'm to
18 guess that -- you know, that they -- either he
19 inappropriately wrote the word or, you know, they saw
20 the word attached to his name and so they asked him to
21 remove all the assets including the one with me.

22 **Q Okay. Is that your signature on the first page?**

23 A Looking at what appears to be Mr. Mauricio's
24 signature where it says "cashier's check"?

25 **Q Yes.**

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1 A Yes. Richmond, Texas.
 2 MS. HARRIS: Okay. That is the end of my
 3 questions for you today. Thank you, Gio.
 4 THE WITNESS: Okay Jill.
 5 MR. BURFORD: All right, Jill. I've got
 6 just a few.
 7 MS. HARRIS: Sure.
 8 MR. BURFORD: Just make sure the record's
 9 clear on a couple points.
 10 You have testified, I think, that you've
 11 been in the offices of -- the CFX Lifestyle offices for
 12 quite some time, correct?
 13 THE WITNESS: Correct.
 14 MR. BURFORD: And during that time, have you
 15 ever heard of any member voice a complaint that they had
 16 not been paid according --
 17 THE WITNESS: No.
 18 MR. BURFORD: -- to an agreement?
 19 THE WITNESS: Sorry for cutting you off.
 20 No, I've not heard any complaints, Robert.
 21 MR. BURFORD: Have you ever heard anyone
 22 complain about the amount of the return that they
 23 received on the amount of money that they gave to the
 24 company?
 25 THE WITNESS: No, I've not heard any

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1 complaints related to that either.
 2 MR. BURFORD: Okay. Now, you now know that
 3 it certainly appears that members of crypto company paid
 4 moneys that were put into CBT, true?
 5 THE WITNESS: Yes.
 6 MR. BURFORD: Mr. Mauricio Chavez, has he
 7 told you anything about whether or not those members had
 8 been repaid the amount of money that was put into CBT?
 9 THE WITNESS: He did share with me that they
 10 were paid from the CFX -- were compensated through CFX,
 11 yes.
 12 MR. BURFORD: All right. Have you received
 13 any complaint from any of the people that wrote checks
 14 to CBT?
 15 THE WITNESS: No.
 16 MR. BURFORD: Are you aware that there are
 17 any dissatisfied individual members of either of the
 18 crypto companies?
 19 THE WITNESS: Never been voiced to me at
 20 either company.
 21 MR. BURFORD: All right. Now, you discussed
 22 a period of time when there was a disorganization of the
 23 business, I think during the period in which one of the
 24 partners of CFX crypto was in the hospital and
 25 ultimately died, and the other partner was -- had left

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1 the agreement -- partnership or was terminated somehow
 2 and that it created a lot of personal animosity between
 3 that partner and Mr. Chavez, correct?
 4 THE WITNESS: Yes.
 5 MR. BURFORD: And that you then -- at least
 6 you perceived a lot of disorganization around the
 7 offices?
 8 THE WITNESS: Yes.
 9 MR. BURFORD: Now, during that period of
 10 time, despite the fact that you perceived
 11 disorganization, did you hear anyone complain that they
 12 weren't being paid back in a timely manner?
 13 THE WITNESS: There was no complaints to
 14 that effect. And I know, you know, because I kept
 15 with -- in touch with Mauricio, he was still actively
 16 trading on behalf of the company. I knew that. And he
 17 just felt he couldn't show his face around the office.
 18 It just made life easier for him and allowed him to
 19 concentrate on what he did, which was trading. And
 20 that's why he asked me for my help. I'm sorry.
 21 MR. BURFORD: I want to make sure this is
 22 clear: Has Mauricio indicated to you that he is worried
 23 about any inability to pay back current investors?
 24 THE WITNESS: No, he's never expressed that.
 25 In fact, he's rather optimistic about paying everyone

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1 back, which leads me to believe that the company is
 2 profitable.
 3 MR. BURFORD: I think I don't have any
 4 further questions at this point.
 5 THE WITNESS: And I guess I'll -- forgive
 6 me. I just ask --
 7 MR. BURFORD: You may have some things you
 8 want to say, but I'm done.
 9 THE WITNESS: Again, so you know Jill has
 10 been asking -- and I -- and I understand the nature of
 11 the questions. But, you know, the -- I guess the ball I
 12 want to throw back to your side of the court, Jill, is
 13 would I really -- you know, would I, at 55, get involved
 14 with a crook? I mean, obviously, I trust this guy.
 15 Again, this is my personal opinion here. But I believe
 16 I'm an educated individual enough to know between right
 17 and wrong and kind of, you know, who's not on the up and
 18 up. But I've been around the block a little bit.
 19 So that was my characterization about
 20 Mauricio, which I -- honestly, for me, he just seemed
 21 like a good guy. He has very good intentions. Clearly,
 22 there was some trouble, and I just felt like I couldn't
 23 abandon it.
 24 MS. HARRIS: Okay. Thank you.
 25 **Q I want to clarify one thing you said about the**

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1 payouts to people who wrote checks to CBT: You just
 2 testified that Mauricio told you that all the people who
 3 wrote checks to CBT had been paid back; is that right?
 4 A That's in light of, you know, providing
 5 information --
 6 THE WITNESS: If I can share this, Robert.
 7 A -- providing information to our attorneys, that
 8 question came up and he did state exactly that.
 9 **Q But you don't have personal knowledge that all**
 10 **the people who wrote checks to CBT were actually paid**
 11 **back?**
 12 A No. This is just a comment that, "yes, everyone
 13 was paid back". That was my understanding.
 14 **Q Do you know where -- do you know how they were**
 15 **paid back?**
 16 A Again, that would have been taken care of with
 17 him, and I assume it was through CFX.
 18 **Q Did he comment to you what account that they were**
 19 **paid back from?**
 20 A No.
 21 **Q Okay. Did he comment to you if they were paid**
 22 **back via cash or via check?**
 23 A No. He just made the comment that they were paid
 24 back.
 25 **Q Okay.**

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1 A Yeah.
 2 MS. HARRIS: I don't have any further
 3 questions. But at this time, I always like to kick it
 4 to my paralegal who's has been taking notes and who
 5 might have just some clarify questions and stuff like
 6 that for the glossary. So with that, Tawnya, any
 7 questions or any follow-up?
 8 MS. GODSEY: No. I believe we're all good.
 9 MS. HARRIS: Nicole, any questions or
 10 follow-up?
 11 THE COURT REPORTER: No. Thank you. I have
 12 all the spellings.
 13 MS. HARRIS: Then we will go off the record
 14 at 5:55.
 15 (Whereupon, at 5:55 p.m., the examination
 16 was concluded.)
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Page 200

1 PROOFREADER'S CERTIFICATE
 2
 3 In the Matter of: CRYPTO FX LLC
 4 Witness: Giorgio Benvenuto
 5 File Number: FW-04464-A
 6 Date: Thursday, May 12, 2022
 7 Location: Fort Worth, Texas
 8
 9 This is to certify that I, Christine Boyce,
 10 (the undersigned), do hereby certify that the foregoing
 11 transcript is a complete, true and accurate transcription
 12 of all matters contained on the recorded proceedings of the
 13 investigative testimony.
 14
 15
 16 _____
 17 (Proofreader's Name) 5-19-2022
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1 CERTIFICATION
 2
 3 I, NICOLE WEXLER, a Notary Public in and
 4 for the State of New York, do hereby certify:
 5 THAT the witness(es) whose testimony is herein
 6 before set forth, was duly sworn by me; and
 7 THAT the within transcript is a true and
 8 accurate record of the testimony given by
 9 said witness (es).
 10 I further certify that I am not related either
 11 by blood or marriage, to any of the parties
 12 to this action; and
 13 that I am in no way interested in the outcome
 14 of this matter.
 15 IN WITNESS WHEREOF, I have hereunto
 16 set my hand this 12th day of May 2022.
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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

vs.) Case No. 4:22-cv-3359

MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)

Defendants.)

and)

CBT GROUP, LLC,)

Relief Defendant.)

ORAL VIDEOTAPED DEPOSITION

ORAL VIDEOTAPED DEPOSITION OF

MR. JULIO E. TAFFINDER

December 14, 2022

ORAL VIDEOTAPED DEPOSITION OF MR. JULIO E.

TAFFINDER, produced as a witness at the instance of
the Plaintiff and duly sworn, was taken in the
above-styled and numbered cause on the 14th day of
December, 2022, from 9:15 a.m. to 6:43 p.m., before
Michelle Hartman, Certified Shorthand Reporter in and
for the State of Texas and Registered Professional
Reporter, reported by computerized stenotype machine

1 at the offices of Shook, Hardy & Bacon, LLP, JPMorgan
2 Chase Tower, 600 Travis Street, Suite 3400, Houston,
3 Texas 77002, pursuant to the Federal Rules of Civil
4 Procedure and the provisions stated on the record or
5 attached hereto.

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1 Q. In general, were people more concerned
2 about the classes continuing or the money getting
3 paid back?

4 A. Some people were concerned about the --
5 the classes, and then some people obviously wanted
6 their -- their money back.

7 Q. Can you -- can you say what people were
8 more concerned about?

9 A. I mean, after this was published, it is
10 evident that people wanted their -- their student
11 membership back.

12 Q. And what do you mean by "student
13 membership"?

14 A. So whatever they purchased, so like the
15 5,000, they wanted it back.

16 Q. They wanted their money back?

17 A. Yes, sir.

18 Q. Okay. Looking at that last entry, just
19 to help me understand the way you would talk to
20 Mauricio, you're asking him for a specific number of
21 BitCoin here, right?

22 A. Yes, sir.

23 Q. And BitCoin -- at this time in early June
24 of 2022, was a BitCoin worth about \$30,000?

25 A. I don't remember, sir.

1 together an event and make it a gala.

2 MR. PATEL: Just so -- just so it's
3 clear, when you say his friend, who's the "he" in
4 there?

5 THE WITNESS: Oh, Henry Pineda.

6 MR. PATEL: And whose friend is it?

7 THE WITNESS: Mauricio's friend.

8 MR. PATEL: Okay.

9 Q. (BY MR. GULDE) So he asked you and
10 Carlos?

11 A. Uh-huh.

12 Q. What is Carlos' last name?

13 A. Campos. C-A-M-P-O-S.

14 Q. And what was -- what was Carlos' Campos'
15 day job?

16 A. Marketing.

17 Q. Okay. And then you also mentioned Henry
18 Pineda, P-I-N-E-D-A?

19 A. Yes, sir.

20 Q. And what was Henry's day job?

21 A. He didn't work at CFX, sir.

22 Q. Do you know what he did?

23 A. He was Mauricio's friend and was there
24 for support.

25 Q. Is he someone that you had interacted

1 with before?

2 A. Not previous to CFX, no, sir.

3 Q. Okay. How about during your -- your
4 activity with CFX?

5 A. Yes, sir.

6 Q. Okay. What did you see -- what kinds of
7 things did you see Henry Pineda doing?

8 A. He would provide guidance on business.
9 For example, he mentioned that he thought that
10 Mauricio was spending too much money on -- on lunch
11 for the company. So there was lunches that were
12 provided for the employees -- employees on a daily
13 basis.

14 Q. And who would he give that advice to?

15 A. Mauricio, sir.

16 Q. And how would you become aware of it?

17 A. Because he would tell me, sir.

18 Q. Because he, Mauricio, would tell you?

19 A. No, sir. Because Henry would -- would
20 share that, too.

21 Q. Okay. Was there any other business
22 advice that you know that Henry gave to Mauricio?

23 A. No, sir, other than general advice like
24 that.

25 Q. Okay. So Henry Pineda, other than being

1 names or any contract number in the text message,
2 right?

3 A. No, sir. No, there is -- there's a
4 document that is mentioned here that shows the
5 request amount that I would send him, and I needed
6 for him to see it so he could see the urgency.

7 Q. And did that document reside in Google
8 Drive?

9 A. Yeah, you guys can now have access to it.

10 Q. And it is still there as far as you know?

11 A. Yeah, everything should still be there.

12 Q. Is that a running document that was
13 altered as you go or would there be a September
14 version of that document?

15 A. There should be different iterations of
16 the document based on the dates of that document.

17 Q. Okay. Do you know anything about the
18 color codes on the rows here?

19 A. Oh, that was customer service, sir.

20 Q. Did they say anything to you?

21 A. Those were the ones they would highlight
22 that would call very often, sir.

23 Q. Okay. Which --

24 A. They're --

25 Q. Do you know which color indicated more

1 them?"

2 A. I was asking -- I was trying to
3 understand what was going on with that situation,
4 because I had never come across it, sir.

5 Q. Yeah. And what did you end up finding
6 out about that?

7 A. I don't exactly remember. I believe they
8 were, but did not seem to have answered my question.

9 Q. Now, does that 18 percent mean that they
10 were better at trading BitCoin than L.A.?

11 A. I don't know where it came from, sir.

12 Q. What's your understanding of how CFX was
13 able to pay any percent of return on amounts invested
14 by student investors?

15 A. Mauricio would conduct trading, sir.

16 Q. And you said trading, not training?

17 A. Trading, yes.

18 Q. Okay. So Mauricio would conduct trading
19 in -- in what assets?

20 A. I don't know, sir.

21 Q. Now, do you know if Mauricio conducted
22 trades in -- in crypto currency?

23 A. I witnessed a Coinbase Pro account once.

24 Q. And do you have any details of that
25 Coinbase Pro account?

1 A. No. He just mentioned that he had made
2 \$50,000 in five minutes once and then he showed the
3 transaction.

4 Q. When was this transaction?

5 A. It was when I was joining, sir.

6 Q. Would that have been around -- or when
7 was that?

8 A. It should have been around -- I started
9 volunteering for classes in February, so around that
10 time, sir.

11 Q. And this is February of 2022?

12 A. Yes, sir.

13 Q. And Mauricio -- Mauricio was telling you
14 that he just made \$50,000 in five minutes?

15 A. Yes, sir.

16 Q. And did he spin his monitor around and
17 show you?

18 A. Oh, no, he showed me on his phone, sir.

19 Q. On his phone?

20 A. Yeah.

21 Q. And is this something Mauricio did more
22 than once?

23 A. No, sir, I only saw it once.

24 Q. Did you ever see any -- anything on his
25 phone or in documentation that reflected other crypto

1 issues?

2 A. No, ma'am.

3 Q. What did y'all do when there were IT
4 issues? I have IT issues all the time. I cannot
5 live without IT, so that's why I wanted to --

6 A. People would ask me for assistance as the
7 crypto teacher.

8 Q. So were you always there to help?

9 A. No.

10 Q. Okay. And who would help them with
11 resetting passwords or anything like that?

12 A. Oh, that was their -- their own doing.

13 Q. Did CFX give anyone a laptop and I mean,
14 as a company laptop?

15 A. Yeah, people had company laptops.

16 Q. And who had company laptops?

17 A. Customer service had their company
18 laptop.

19 Q. Okay. Anyone else other than the
20 customer service employees?

21 A. No, ma'am, just that.

22 Q. What about the accounting personnel?

23 A. I recall them having the desktop, ma'am.

24 Q. Tell me about the security system at the
25 CFX offices of Blalock.

1 November 2021.

2 Q. Okay. Do you recall -- you were asked
3 about classes and I know you gave classes. Did
4 people find your classes valuable?

5 A. Yes, sir.

6 Q. How many classes do you think you gave to
7 them?

8 A. So I started off -- I slowly ramped up,
9 so --

10 Q. And I'm not looking for a hard number,
11 just a rough idea.

12 A. Over the last -- I mean, it started off
13 as once a week, and then it ramped up to twice a
14 week, and then it ramped up to three times a week;
15 and then it ramped up to three times a week, plus the
16 Chicago event or the L.A. event.

17 Q. Okay. So total overall, 30, 40, over 50?

18 A. I would say over 30, just high-level
19 ballpark off the top of my head.

20 Q. Was there a teacher that you replaced?

21 Was someone doing it before you came in,
22 giving classes I mean?

23 A. Yes, sir.

24 Q. And was there a particular person you
25 replaced or --

1 A. No, sir.

2 Q. And were there others giving classes at
3 the same time you were?

4 A. Yes, sir.

5 Q. How many others were giving classed?

6 A. So you have Juan Puac doing forex. You
7 have Marco, at the time he was doing forex as well.
8 Marco Barron. You have Eddie Carmona doing classes,
9 too. You have myself. You have Juan Lemus doing
10 motivational classes; and then you have Tony, at one
11 point Tony Lemus developing business talk, personal
12 development classes as well.

13 Q. And were you aware of there being -- I
14 heard there being forex classes that they would give
15 in the middle of the night so they could be giving
16 them while the exchange in London was active.

17 Were you aware of that?

18 A. Juan Puac starts them at 10:00 p.m., sir.

19 Q. And that was so they could see the market
20 moving live and demonstrate trades live?

21 A. I know they demonstrate trades live, but
22 I have never jumped in and witnessed anything other
23 than the time at the Chicago event.

24 Q. Okay. Now, if I heard correctly, you
25 said Mr. Chavez was not there very much or not there

1 very much during the day at the office on Blalock; is
2 that right?

3 A. That is correct, sir.

4 Q. Did you ever see him there during --
5 during normal business hours?

6 A. Only once, sir.

7 Q. And when was that? Or what was the
8 occasion?

9 A. It was August, sir. He came to inspect.

10 Q. Inspect what?

11 A. The -- the company.

12 Q. Okay. And how long was he there?

13 A. A full day.

14 Q. Okay. Now the 79 -- sorry -- 79 Protons
15 people, is that business still operating as far as
16 you know?

17 A. 79 Protons?

18 Q. Yeah.

19 A. I don't really know, sir.

20 Q. Okay. At the time when it was being
21 offered through CFX or CryptoFX, did you believe that
22 the product they were offering was, indeed, going to
23 be backed by gold?

24 A. Based on the information they provided
25 and their asset -- their -- the gold examples, that

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STATE OF TEXAS
COUNTY OF HARRIS

REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MR. JULIO E. TAFFINDER

December 14, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

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SUBSCRIBED AND SWORN TO under my hand and seal of office on this 19th day of December, 2022.

Michelle Hartman



Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23

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

SECURITIES AND EXCHANGE))
COMMISSION,))
Plaintiff,))
vs.)	Case No. 4:22-cv-3359
MAURICIO CHAVEZ,))
GIORGIO BENVENUTO, and))
CRYPTOFOX, LLC,))
Defendants.))
and))
CBT GROUP, LLC,))
Relief Defendant.))

ORAL VIDEOTAPED DEPOSITION
MS. CARMEN DE LA CRUZ
December 9, 2022

Reported by:
Michelle Hartman
JOB No. 221209WWC

1 ORAL VIDEOTAPED DEPOSITION OF MS. CARMEN DE LA
2 CRUZ, produced as a witness at the instance of the
3 Plaintiff and duly sworn, was taken in the
4 above-styled and numbered cause on the 9th day of
5 December, 2022, from 9:12 a.m. to 1:14 p.m., before
6 Michelle Hartman, Certified Shorthand Reporter in and
7 for the State of Texas and Registered Professional
8 Reporter, reported by computerized stenotype machine
9 at the offices of Shook, Hardy & Bacon, LLP, JPMorgan
10 Chase Tower, 600 Travis Street, Suite 3400, Houston,
11 Texas 77002, pursuant to the Federal Rules of Civil
12 Procedure and the provisions stated on the record or
13 attached hereto.

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1 Q. Where did you meet Mauricio Chavez?

2 A. I met him at a class about crypto and
3 forex that was taking place in the academy.

4 Q. Were you already an investor in CryptoFX
5 at this time?

6 A. Yes.

7 Q. And did you speak with Mauricio Chavez?

8 A. I just asked him because we had a chat
9 about people that were receiving the classes and we
10 needed to know the schedule and the times. I asked
11 him about that, about the times, and told him that I
12 was interested in learning.

13 Q. And did you attend the classes?

14 A. Yes.

15 Q. And have you learned about crypto --
16 crypto trading?

17 A. No, I just went, but I didn't learn.

18 Q. How many classes did you attend?

19 A. I went like three times.

20 Q. And how long were the classes?

21 A. Like one hour and a half, more or less,
22 with a crypto teacher.

23 Q. And do you know who the crypto teacher
24 was?

25 A. Yes, Julio Taffinder, Taffinder, yes,

1 something like that, and a forex one, too, a forex
2 teacher.

3 Q. Do you know who the forex teacher was?

4 A. Yes, Juan Puac.

5 Q. And that last name is spelled P-U-A-C?

6 A. Yes.

7 Q. But as you are sitting here today, you
8 can't tell us what you learned?

9 A. Well, I learned is that the BitCoin is
10 like a crypto currency that is the most famous crypto
11 currency, and those who invest in BitCoin are
12 investing for the future, and that the BitCoin was
13 what they were doing with the money. I was listening
14 to that, that they were using our money to invest in
15 BitCoin.

16 Q. And were you involved in any of the
17 decisions about what was done with the actual trades?

18 A. No.

19 Q. Did you learn how to make any of the
20 trades yourself?

21 A. No, never.

22 Q. Did you learn how to make any forex
23 trades?

24 A. No.

25 Q. So did they describe what they were doing

1 STATE OF TEXAS
2 COUNTY OF HARRIS

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REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MS. CARMEN DE LA CRUZ
December 9, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

1 SUBSCRIBED AND SWORN TO under my hand and
2 seal of office on this 14th day of December, 2022.

3
4
5 *Michelle Hartman*



6 Michelle Hartman, CSR, RPR

7 Texas CSR 7093

8 Expiration: 12/31/23
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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
vs.) Case No. 4:22-cv-3359
)
MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)
)
Defendants.)
)
and)
)
CBT GROUP, LLC,)
)
Relief Defendant.)
_____)

ORAL VIDEOTAPED DEPOSITION
MS. JANETTE HERNANDEZ-GONZALEZ
December 7, 2022

Reported by:
Michelle Hartman
JOB No. 221207WWC

1 ORAL VIDEOTAPED DEPOSITION OF MS. JANETTE
2 HERNANDEZ-GONZALEZ, produced as a witness at the
3 instance of the Plaintiff and duly sworn, was taken
4 in the above-styled and numbered cause on the 7th
5 day of December, 2022, from 9:19 a.m. to 4:38 p.m.,
6 before Michelle Hartman, Certified Shorthand Reporter
7 in and for the State of Texas and Registered
8 Professional Reporter, reported by computerized
9 stenotype machine at the offices of Shook, Hardy &
10 Bacon, LLP, JPMorgan Chase Tower, 600 Travis Street,
11 Suite 3400, Houston, Texas 77002, pursuant to the
12 Federal Rules of Civil Procedure and the provisions
13 stated on the record or attached hereto.

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1 looked at the same kind of properties as the Maurizio
2 Group?

3 A. Approximately.

4 Q. Okay. And so did you also help them make
5 appointments like you did at the Maurizio Group?

6 A. Yes.

7 Q. Okay. Did you have any roles to play in
8 transactions with Luxury Real Estate Group?

9 A. No.

10 Q. And so other than helping Mauricio make
11 appointments and conducting market research, did you
12 do anything else at Luxury Real Estate Group?

13 A. No.

14 Q. Is there an office for Luxury Real Estate
15 Group?

16 A. No.

17 Q. There is no central office for that
18 business?

19 A. I don't know the office. I just know
20 that I worked from my house.

21 Q. Okay. Were you ever present for meetings
22 that Mauricio had as part of the Luxury Real Estate
23 business?

24 A. No.

25 Q. How did you present your market research

1 Q. So you're saying the 3,500 was a direct
2 deposit to your bank account?

3 A. Yes.

4 Q. Were there any other employees at Luxury
5 Real Estate?

6 A. Not that I know of.

7 Q. Did you negotiate this pay range with
8 Mauricio Chavez?

9 A. Yes.

10 Q. Did you ask for more money?

11 A. No.

12 Q. Who suggested the number 3,500?

13 A. Himself.

14 Q. Okay. And that was fine with you?

15 A. That was fine with me, yes.

16 Q. How many hours would you work per -- per
17 day and per -- per week for the Luxury Real Estate
18 Group?

19 A. It was from 9:00 to 5:00. So 9:00 to
20 5:00 five days a week.

21 Q. That is a pretty big pay cut from what
22 you made at the Maurizio Group; is that right?

23 A. Yes.

24 Q. Yeah. How did you -- but roughly the
25 same hours; is that right?

1 testified earlier that this is your current
2 residence, correct?

3 A. Correct.

4 Q. And this was also a new construction when
5 the house was purchased?

6 A. Yes.

7 Q. Now, in August -- so the house was
8 purchased in April of 2022 from Perry Homes, and then
9 in August 11th, 2022, it was transferred from Luxury
10 Real Estate to Janette Gonzalez as trustee of the JJ
11 Trust. Does that sound correct to you?

12 A. I don't remember the dates, but I know
13 that we did that transfer.

14 Q. What is the JJ Trust?

15 A. It is a trust fund that I created for my
16 son's future.

17 Q. Is there a co-trustee, another trustee to
18 this trust?

19 A. Just myself.

20 Q. And did you hire an attorney or some
21 other professional to help you create the JJ Trust?

22 A. Yes, through LegalZoom.

23 Q. And what type of trust is this?

24 A. I believe it is a -- I don't remember to
25 be honest. I would have to check because I don't

1 trust from the one that we discussed previously --

2 A. Yes.

3 Q. -- correct?

4 And this trust is called JCA Trust?

5 A. Yes.

6 Q. Okay. And when did you create this
7 trust?

8 A. I don't remember the -- the date.

9 Q. Well, the property records show that the
10 house was transferred from JM Monarchy, LLC to
11 Janette Gonzalez as trustee of the JCA Trust in
12 January of 2022.

13 Does that sound correct to you?

14 A. I don't remember if it was that day.

15 Q. Okay. What type of trust is JCA Trust?

16 A. JCA Trust is a living trust, and I don't
17 recall very much.

18 Q. So it's a -- but you recall it's a living
19 trust?

20 A. It's a living trust from what I remember.

21 Q. And the other trust, the JJ Trust, is
22 that a living truth as well?

23 A. I'm sorry?

24 Q. The other trust we discussed, is that a
25 living trust as well?

1 A. I believe so. I have the documents and
2 it was -- I can send them to you so you can check.

3 Q. And are you the only trustee for JCA
4 Trust?

5 A. Yes.

6 Q. And did you use LegalZoom for this trust
7 as well?

8 A. Yes.

9 Q. And who are the beneficiaries of this
10 trust?

11 A. From my recollection, I put my brother,
12 two of them, but I don't remember which -- who
13 they -- who they were.

14 Q. And other than this house, what other
15 assets does this trust own?

16 A. No other assets.

17 Q. Is the Polaris house insured?

18 A. Not from my recollection.

19 Q. And there is no note on that house,
20 right? There's no mortgage or anything like that?

21 A. No, ma'am.

22 Q. And what about the property taxes, do you
23 receive the bill for this house?

24 A. Yes. I paid it.

25 Q. And you paid it?

1 A. Yes, through the company's bank.

2 Q. What -- what do you mean?

3 A. I paid it. I don't remember to be
4 honest. I'm so sorry, I'm just tired.

5 Q. That's okay. I understand. We're all a
6 little bit tired today.

7 You said you paid the property taxes for
8 Polaris Lane house through the company's bank
9 account?

10 A. No. I'm sorry. I made the payment. I
11 don't remember how, but I have all the receipts that
12 I can show it where -- how I made it.

13 Q. Is there a bank account associated with
14 the JCA Trust?

15 A. No.

16 Q. Do you own any other houses or real
17 estate properties we have not discussed?

18 A. No.

19 Q. What type of vehicle do you drive?

20 A. A Lexus ES 350.

21 Q. And when did you have purchase the Lexus?

22 A. I don't remember the date.

23 Q. Did you personally purchase the Lexus?

24 A. Myself, I didn't purchase the Lexus.

25 Q. And when -- let's -- let's -- let me ask

1 you this: When did you come to get possession of
2 this Lexus 350 -- did you say 350?

3 A. Yes.

4 Q. Is that an SUV or a sedan?

5 A. Sedan.

6 Q. Okay. What year is the car?

7 A. 2021.

8 Q. 2021. Okay. So when -- when did you
9 take possession of the -- of this car?

10 A. My company, JM Monarchy, purchased it
11 from Mauricio, but I don't remember when exactly.

12 Q. When did you start driving it?

13 A. Since I purchased the car. Well, since
14 the company purchased the car. I don't remember what
15 date.

16 Q. Was it sometime in 2021?

17 A. I don't remember.

18 Q. So you were saying JM Monarchy purchased
19 the car?

20 A. Yes.

21 Q. What funds did JM Monarchy use to pay for
22 the Lexus?

23 A. The funds were from the bank.

24 Q. What bank account?

25 A. B -- Bank of America.

1 Q. And were you there when the car was
2 purchased?

3 A. No, I was not there.

4 Q. And do you know what dealership it was
5 purchased from?

6 A. No.

7 Q. And do you know how much the car -- how
8 much JM Monarchy paid for the car?

9 A. Yes, I believe he said \$35,000 from my
10 recollection.

11 Q. Who said that?

12 A. Mauricio. That's the amount he sold it
13 to me for approximately.

14 Q. I'm sorry?

15 A. That's the amount he approximately sold
16 it to me for.

17 Q. Okay. Let's take a step back.

18 So JM Monarchy sometime in 2021 purchased
19 this Lexus, correct?

20 A. Yes.

21 Q. And then at some point Mauricio sold you
22 the car?

23 A. No, Mauricio was the first one to
24 purchase the car --

25 Q. Okay.

1 A. -- and I -- well, JM Monarchy purchased
2 it from Mauricio.

3 Q. Okay. So JM Monarchy paid Mauricio
4 \$35,000 for the Lexus?

5 A. Yes.

6 Q. Is this car insured?

7 A. No.

8 Q. There's no liability insurance on the
9 car?

10 A. No.

11 Q. So you're driving without an insurance
12 card?

13 A. Yes, ma'am.

14 Q. Is there a reason for that?

15 A. I haven't got the insurance. I forgot to
16 get it.

17 Q. When was the last time that the car was
18 insured?

19 A. I don't remember.

20 Q. And when did JM Monarchy purchase the
21 car, this Lexus car, from -- from Chavez?

22 A. I don't remember the date, but I do have
23 the cashier's check in my history that I can check
24 for you and give you an exact date.

25 Q. Do you drive your son in this car?

1 MR. FLACK: Okay. I have just a few.

2 EXAMINATION

3 Q. (BY MR. FLACK) For the record, I'm Paul
4 Flack. I represent Mauricio --

5 A. Okay.

6 Q. -- Cavales -- or Chavez. Sorry.

7 We have not met before today, correct?

8 A. I have never met you.

9 Q. Okay. And you entered into a contract
10 with CFX, correct?

11 A. Yes.

12 Q. And do you have in front of you
13 Exhibit 6?

14 A. Yes, I can get it. Yes, I have it.

15 Q. Okay. Counsel for the SEC asked you some
16 questions about this document and he referred to some
17 parts that are small print, but to me they look like
18 reasonably sized print, so let me just ask you.

19 Do you see the part where it says, "I,
20 Janette Gonzalez, fully decided to contribute to
21 CryptoFX -- CryptoFX, LLC the amount of \$140,000"?

22 A. Yes, plus the 2 -- 20,000 that states
23 there.

24 Q. Okay. And you recall seeing similar
25 language to this in the first one you signed,

1 correct, the first contract you signed for CryptoFX?

2 A. Yes.

3 Q. And I think you said you read it that
4 time but you didn't read it the other time?

5 A. Yes.

6 Q. Okay. And do you recall whether that
7 first one that you read said, "We are taking your
8 money and investing on our behalf. If we received
9 enough return on crypto currency, we will repay the
10 student a portion of the total tuition"?

11 Do you recall reading that when you first
12 invested with CFX or something to that effect?

13 A. The first time that I had the contract,
14 yes.

15 Q. Okay. And do you see the part where it
16 says, "The venture is very speculative and risky.
17 Foreign exchange and crypto currency trading is
18 highly speculative and the student understand and is
19 willing to assume the economic, legal and other risks
20 involved and (B) is financially able to assume
21 losses"?

22 Do you remember reading something like
23 that when you first invested?

24 A. Something like that, but --

25 Q. Okay. You recall --

1 A. -- to me that --

2 Q. -- reading warnings about the risk of the
3 investment?

4 A. Yes.

5 Q. And did you understand when you invested
6 that there was risk?

7 A. Yes.

8 Q. And then it says, "The student
9 understands that CryptoFX is a simple educational
10 academy, not registered with the Texas Workforce
11 Commission, nor has any registration with the
12 Security and Exchange Commission as a dealer or as an
13 agent nor has any insurance coverage."

14 Do you recall reading something like that
15 when you first invested?

16 A. I don't recall at this time, but I might
17 have read it at that first time.

18 Q. Okay. And then skipping down to the part
19 underneath "Confidential Agreement," there's again a
20 paragraph that begins, "I, Janette Gonzalez," and
21 then the second paragraph, "the student" --

22 That would be you, correct?

23 A. Yes.

24 Q. -- "further understand there is a high
25 risk in trading foreign currencies and acknowledges

1 he/she does not know nor understand the fees involved
2 in trading foreign currencies."

3 Do you recall reading something like that
4 when you first got involved with CryptoFX?

5 A. Yes.

6 Q. And there's the next paragraph, "The
7 student further understand there is a high risk with
8 the crypto currency and in trading in crypto
9 currencies because the volatility of the price may
10 decrease over a short period of time, resulting in
11 significant loss for the student. A possible hacking
12 incident from malicious attack may negatively impact
13 the price of the crypto currencies, and in the event
14 of theft or fraud are difficult to trace or recover."

15 Do you recall reading something like that
16 when you first invested?

17 A. Something like that.

18 Q. Now, it refers -- it talks some about
19 classes that investors were in. You understood that
20 you could take classes as part of this involvement
21 you were having with CryptoFX?

22 A. Yes.

23 Q. And did you understand that those classes
24 would teach you about crypto currency and how to
25 invest in them?

1 A. Yes.

2 Q. Did you see other people attend such
3 classes at CryptoFX?

4 A. During the day that I was in the office,
5 yes, I saw a lot of people there.

6 Q. Okay. And a lot of those people were
7 attending classes?

8 A. Yes.

9 Q. Did you ever see -- hear anyone speak
10 positively about learning a lot in any of those
11 classes?

12 A. Yes.

13 Q. Did CFX have a website?

14 A. Yes.

15 Q. And did it explain the programs and
16 classes that CFX offered?

17 A. Yes.

18 Q. As far as you know, was it available for
19 anybody to look at?

20 A. Yes.

21 Q. 24 hours a day?

22 A. Yes.

23 Q. Did CFX also give presentations to your
24 understanding that were open to the public where
25 anybody could come and learn about what their program

1 Q. Did that stop when the SEC filed its suit
2 in September of this year?

3 A. One contract still hasn't been paid.

4 Q. Right. And you haven't received a
5 payment on that contract, but you did on all the
6 prior ones, correct?

7 A. Yes.

8 Q. Who was Eduardo Taffinder?

9 A. One of the founders.

10 Q. And what happened to him?

11 A. He passed away.

12 Q. From Covid?

13 A. Yes, from Covid-19.

14 Q. And what was his role at CryptoFX to your
15 understanding, obviously prior to when he got sick
16 and passed away?

17 A. From my understanding, he was there with
18 Mauricio managing the company.

19 Q. Okay. So the company was being led by
20 Mauricio Chavez, Eduardo Taffinder, and who is the
21 third person?

22 A. Gustavo Gomez.

23 Q. And Mr. Taffinder got sick with Covid
24 and subsequently died, correct?

25 A. Yes.

1 Q. And Gustavo, he stepped back from the
2 company?

3 A. Yes.

4 Q. So that left just Eduardo -- or just
5 Mauricio to try to run things, correct?

6 A. Just Mauricio, yes.

7 Q. Okay. Was the office when you were there
8 a pretty hectic place at -- at Town & Country?

9 A. It was pretty busy.

10 Q. Okay. Was it your understanding that
11 Mauricio Chavez was trading BitCoin?

12 A. Not my fully understanding.

13 Q. Okay. Do you have any idea how much he
14 might have made trading BitCoin over the time --

15 A. No.

16 Q. -- he was at the company?

17 A. No, sir.

18 Q. Was it your -- did you have any
19 understanding whether he was very successful in
20 trading BitCoin?

21 A. Yes. From what he stated, he was.

22 Q. But you have no idea how much he made?

23 A. No, sir.

24 Q. Okay. I think that's all the questions I
25 have.

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STATE OF TEXAS
COUNTY OF HARRIS

REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MS. JANETTE HERNANDEZ-GONZALEZ
December 7, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

1 SUBSCRIBED AND SWORN TO under my hand and
2 seal of office on this 12th day of December, 2022.

3
4
5 *Michelle Hartman*



6 Michelle Hartman, CSR, RPR

7 Texas CSR 7093

8 Expiration: 12/31/23
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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

vs.) Case No. 4:22-cv-3359

MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)

Defendants.)

and)

CBT GROUP, LLC,)

Relief Defendant.)

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

Reported by:
Michelle Hartman
JOB No. 221208WWC

1 ORAL VIDEOTAPED DEPOSITION OF MR. ORLIN W.
2 TURCIOS-CASTRO, produced as a witness at the instance
3 of the Plaintiff and duly sworn, was taken in the
4 above-styled and numbered cause on the 8th day of
5 December, 2022, from 9:17 a.m. to 6:18 p.m., before
6 Michelle Hartman, Certified Shorthand Reporter in and
7 for the State of Texas and Registered Professional
8 Reporter, reported by computerized stenotype machine
9 at the offices of Shook, Hardy & Bacon, LLP, JPMorgan
10 Chase Tower, 600 Travis Street, Suite 3400, Houston,
11 Texas 77002, pursuant to the Federal Rules of Civil
12 Procedure and the provisions stated on the record or
13 attached hereto.

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

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

6 A. No.

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

9 A. No.

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

12 A. Not that I know.

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

15 A. Yes.

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

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

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

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

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

1 yellow piece of paper with the same information?

2 A. Yes.

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

5 A. I never saw that.

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

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

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

12 A. No.

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

15 A. They also had a two percent.

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

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

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

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

1 three, and I would stop receiving.

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

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

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

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

11 A. Tops, eight to ten people.

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

14 A. For the first referral.

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

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

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

23 A. Yes.

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

1 A. The ones that were referred by them.

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

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

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

16 A. Yes.

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

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

21 Q. Who was keeping track?

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

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

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

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

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

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

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

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

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

23 A. Yes.

24 Q. For Hans?

25 A. Yes.

1 record.

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

4 (Recess taken)

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

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

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

14 (Phone buzzes)

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

16 THE VIDEOGRAPHER: Pardon?

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

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

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

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

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

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

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

20 Q. Okay.

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

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

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

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

15 Q. Okay.

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

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

24 A. Yes.

25 Q. When was that?

1 A. Now I do.

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

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

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

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

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

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

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

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

19 Q. Did you have a safe?

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

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

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

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

3 A. Yes.

4 (Exhibit 17 marked)

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

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

9 MR. GULDE: Huh?

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

11 MR. GULDE: Yes.

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

14 A. Yes.

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

18 A. Okay.

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

21 A. Oh, yes.

22 Q. Okay. What is it?

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

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

2 A. Yes.

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

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

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

11 A. No, I have one more.

12 Q. You have another notebook like this?

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

14 Q. You didn't bring it today?

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

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

21 A. That's fine.

22 (Information to be supplied)

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

1 A. Yes.

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

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

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

13 A. No.

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

16 A. Yes.

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

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

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

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

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

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

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

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

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

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

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

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

4 A. Yes.

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

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

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

17 A. Yes.

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

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

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

1 A. Yes.

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

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

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

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

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

14 A. Yes.

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

17 A. Yes.

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

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

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

1 Q. Can you give me the receipt number?

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

3 Q. Uh-huh.

4 A. -- 233.

5 Q. Got it.

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

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

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

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

25 A. Yes.

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

5 A. Yes.

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

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

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

13 A. Yes.

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

17 A. Yes.

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

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

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

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

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

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

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

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

20 A. Yes.

21 Q. Explain that.

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

25 Q. To the Blalock office?

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

3 Yes.

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

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

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

12 A. No, I would not pay them.

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

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

19 Q. It is something you did regularly?

20 A. Yes.

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

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

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

3 A. Yes.

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

9 A. Yes.

10 (Exhibit 18 marked)

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

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

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

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

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

23 A. Yes, yes.

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

1 and we are off the record.

2 (Discussion off record)

3 THE VIDEOGRAPHER: The time is 4:52 p.m.,
4 and we are on the record.

5 Q. (BY MR. GULDE) Do you recognize what I
6 have labeled Exhibit 24?

7 A. Yes.

8 Q. And what is it?

9 A. It is a text message that was posted in
10 the chat.

11 Q. And by "the chat," do you mean -- is it a
12 WhatsApp chat?

13 A. Yes.

14 Q. And were the members CFX investors?

15 A. Yes.

16 Q. Had this chat existed before our lawsuit?

17 A. Yes.

18 Q. Do you know who wrote this particular
19 message?

20 A. Yes.

21 Q. Who was that?

22 A. Okay, this message -- message does not
23 come directly from the academy. When they say that
24 people could be helped, then I talked to my friend
25 Ena and together we created this message so that

1 people knew that it was no -- nothing personal of me,
2 but it was a message that we received from the
3 academy. Because people were looking at me like I
4 was the responsible one. People are looking at me
5 like I am the owner of the academy.

6 Q. So you got together with -- with Ena and
7 wrote this?

8 A. We talked on the phone and we put it
9 together.

10 Q. Which one of you hit send?

11 A. Well, since it is in the chat, we just
12 uploaded it there.

13 Q. Who uploaded it, you or her?

14 A. Well, we saw it, then I posted it.

15 Because people were pressuring me that they needed
16 information and I didn't have any other information
17 other than that.

18 MR. GULDE: Okay. Can I have the
19 translator go ahead and read it directly --

20 THE INTERPRETER: Uh-huh.

21 MR. GULDE: -- or translate it into
22 English.

23 THE INTERPRETER: "Good night, family.
24 We apologize for the delay of the academy, trying to
25 look for a way to initiate your process in a safe and

1 be."

2 "Three, if you decide to stay in the
3 academy and you have not received a pending payment
4 or payable payment, please bring the copy of your AP
5 and a copy of the contract to initiate the process of
6 your payment. The academy asked you that it is
7 important for all of us to collaborate in order to be
8 able to resolve this situation as quickly as
9 possible. Remember, family, that the academy has not
10 closed. Everything is normal and operating in other
11 cities and states."

12 "And, quote, this service will be
13 exclusively for the group of the Office Park Drive."

14 "Very good night and blessing."

15 Q. (BY MR. GULDE) When you say, Mr. Turcios,
16 that everything is still normal and operating in
17 other cities and states, what basis did you have to
18 say that?

19 A. Well, based on the information provided
20 to us by the academy, like that Chicago was
21 operating, that California was operating, and I just
22 transmitted that information.

23 Q. Who at the academy was telling you that
24 other cities were operating?

25 A. It was something from the academy, we

1 were called.

2 Q. You were called?

3 A. Yes.

4 Q. And you spoke to a human being?

5 A. Yes, yes.

6 Q. Who was it?

7 A. The person that called me that day to
8 give me that information was Nancy that I spoke to.

9 Q. Did you gave us Nancy's phone number
10 before? Do you have it?

11 A. I think so.

12 Q. And do you know Nancy's last name?

13 A. No. 346-577-6786.

14 Q. So your testimony is that in October,
15 Nancy, the same person who would later give you
16 \$38,000 after you called Mauricio, called you and
17 said that CFX is not closed and that everything is
18 still normal and operating in other cities and
19 states?

20 A. She said that they were working in those
21 states, yes.

22 Q. And that CFX had not closed?

23 A. No. That it was a civil lawsuit and that
24 it was a process, that was it.

25 Q. What else did Nancy say in this

1 conversation?

2 A. No, it was brief.

3 Q. Well, she said that it's a -- the lawsuit
4 is just a civil case and that the company is still
5 operating in other cities and states.

6 Did she say anything else?

7 A. No, that the lawsuit was going to be
8 resolved.

9 Q. Did she say anything about Mauricio?

10 A. No.

11 Q. Did you understand that this information
12 came from Mauricio?

13 A. Yes.

14 Q. And why did you understand that?

15 A. Because I believe that Nancy's not going
16 to come up with anything, that's all.

17 Q. Was that your experience with her role in
18 the past?

19 A. Yes.

20 Q. Now, this idea in the numbered paragraphs
21 that you guys gave to investors, that people would
22 not be able to obtain interest if they decided to
23 leave the academy, who came up with that?

24 A. That is information that I received from
25 Mauricio.

1 Q. When did Mauricio tell you this?

2 A. It was a brief call. In those calls that
3 I was making to him after everything happened, we
4 talked about that.

5 Q. Let's look at paragraph number two.

6 When you told people to come with printed
7 copies of their contracts, you told them that you
8 would be telling them how -- how the cash payments
9 would be handled; is that right?

10 A. No. What it says here is we are going to
11 be communicating how the reimbursements of the
12 capital are going to be, but I have no idea.

13 Q. Okay. At that point, did you know how
14 the reimbursements would happen?

15 A. No. No.

16 Q. Did Mauricio give you any idea about how
17 reimbursements might happen?

18 A. No, he didn't neither.

19 Q. And then similarly with the next
20 paragraph, when you tell people that they can start
21 their payment process, did you have any idea how that
22 payment process would start?

23 A. No, I didn't know.

24 Q. Did you run any of this by Mauricio
25 before you sent it?

1 A. No. No, because it was just based on the
2 conversation that I had with him, and I sent it to
3 the people.

4 MS. AGUILAR: Can we go off the record
5 for a minute?

6 MR. GULDE: Sure.

7 THE VIDEOGRAPHER: The time is 5:07 p.m.,
8 and we are off the record.

9 (Discussion off record)

10 THE VIDEOGRAPHER: The time is 5:08 p.m.,
11 and we are on the record.

12 Q. (BY MR. GULDE) Did you discuss that with
13 Carmen and Rossy?

14 A. Not really with Rossy. Because Rossy was
15 very affected by this issue. I think she needed
16 medical intervention because she had an anxiety
17 problem.

18 Q. Has she been involved in any discussions
19 since October?

20 A. No, she -- immediately given her
21 situation, she withdraw from the issue and she sent
22 me a text saying she is still sick.

23 (Exhibit 25 marked)

24 Q. (BY MR. GULDE) I am going to hand you a
25 photograph that's been labeled Exhibit 25. Can you

1 (Discussion off record)

2 THE VIDEOGRAPHER: The time is 6:05 p.m.,
3 and we are on the record.

4 Q. (BY MS. THEMELI) Mr. Turcios, are you
5 aware of any person who has or may possess
6 information regarding receivership assets, and by
7 that I mean assets that you think belong to Mauricio
8 Chavez or CFX, including documents or records?

9 A. No, I know nothing.

10 Q. Did you know where Mauricio lives?

11 A. Not at all.

12 MS. THEMELI: Thank you. I don't have
13 any other questions.

14 MR. FLACK: I have got just a few, but I
15 need somebody's microphone.

16 THE VIDEOGRAPHER: Pass him a microphone.

17 EXAMINATION

18 Q. (BY MR. FLACK) Mr. Turcios, my name is
19 Paul Flack, and I represent Mauricio Chavez; and let
20 me say, first of all, I'm very sorry to hear about
21 the threats and the other bad things that happened to
22 you in connection with CFX, and I appreciate your
23 being here this evening.

24 A. Thank you.

25 Q. Well, let me ask you first with respect

1 to -- you talked about a call you had with Mr. Chavez
2 regarding a threat with Ms. de la Cruz, correct?

3 A. Yes.

4 Q. In that call, did Mr. Chavez mention to
5 you that he had also received threats in connection
6 with CFX?

7 A. Yeah, he told me that he had been
8 threatened.

9 Q. Okay. Have you ever met or communicated
10 with Eduardo Taffinder?

11 A. No. Are you talking about father or son?

12 Q. Well, let's start with the father.

13 A. I saw him the very first time I went, but
14 I never had communication with him, and I know that
15 he died.

16 Q. Okay. What about the son?

17 A. I haven't had communication with him. I
18 saw him several times in there and I just said
19 "hello."

20 Q. Okay. What about Gustavo Gomez, have you
21 ever communicated with him?

22 A. No.

23 Q. Do you ever see him?

24 A. When I first arrived in October, somebody
25 pointed out "that this was Gustavo." I don't know

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STATE OF TEXAS
COUNTY OF HARRIS

REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MR. ORLIN W. TURCIOS-CASTRO
December 8, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

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SUBSCRIBED AND SWORN TO under my hand and
seal of office on this 13th day of December, 2022.

Michelle Hartman



Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23

Messages - John Fernandez TRADER

Yes lets do 4:45

Ok perfect 🙄👉

1/13/21, 4:45 PM

On the way boss

Hey boss I'm here

On the 3rd floor

1/14/21, 2:01 PM



Done for today

24 hours back in the market and we have done 27% 🙄👉 not bad

1/15/21, 8:18 AM

Hey bro we need to contact kot

They are messing up bad in your account

Ok brother lets contact them today

You see what happened ?

Messages - John Fernandez TRADER

Ok yeah send me the log in info imma screenshot all the balances and account numbers and I'm gonna contact them form mine as wel

Attachment stored in iCloud: IMG_8911.HEIC (Image)

We can fix it if the chat is open like that

Attachment stored in iCloud: 63331038491__C386A693-B466-4BC9-BEAB-A979C76C48C4.HEIC (Image)

Yeah I'll be there around 6:30

On my way !

1/26/21, 7:00 AM



256%

1/26/21, 8:31 AM

Thats crazy bro

Congratulations bro

Attachment stored in iCloud: IMG_0258.jpeg (Image)

1.5M this week

I'll be at the office at 11:30

Messages - John Fernandez TRADER

Don't forget to send me the log in brother

Imma be up tonight again

1/26/21, 7:53 PM

Attachment stored in iCloud:
IMG_0322.jpeg (Image)

Woww brother

On our way to 1.5

1/26/21, 9:29 PM

Hey brother you still sending me the other account log in for me to trade it tonight?

1/27/21, 5:42 AM

Attachment stored in iCloud:
IMG_0346.jpeg (Image)

Damm bro

Are you taking profits

Ia already 500

No not yet

Lol remember trust me !

1.4 is easy

2.2 this week brother

It's already done

Don't forget to bring that bottle lol

Because we where able to get more entries we will hit it in half the time and distance

Wow bro amazing thats so crazy

Congratulations brother

Messages - John Fernandez TRADER

Hey brother

Please do it ASAP

I don't wanna get margin out

Done

Perfect check the account now

2/1/21, 1:39 PM

+300 k so far

Wowwww

5Mill this week

It's done already

Wow awesome brother

Lol I'm gonna make your company as big as mine 🙏

1 man can change it all !

Yes sir

Attachment stored in iCloud:
IMG_0628.heic (Image)

Elite Generators INC

Do you think you can get it down today ?

2/1/21, 7:38 PM

Hey brother were you able to do the wire

2/2/21, 8:38 AM

1M down

I know bro

That's amazing

1/5 to our target

Messages - John Fernandez TRADER

Lol

By tonight or tomorrow morning we should be halfway

Lol shiii i already have mine booked remember 😂

1.3M down



1.6M

Ok brother sounds good go take care of you daughter !!

2,120,000.00

How is she bro ? Is she ok !

?*

🙏 I'm sure she will be fine brother

2/2/21, 11:28 AM

2151 fort Laramie dr Katy tx 77449

Woww bro we will take a vacation lol

That's awesome brother



Hopefully bro

They are going to check her

Thanks bro

Whats the address for the account

Here at the bank

[9/28/21, 8:40:02 AM] M GROUP: Had a death in the family
[9/28/21, 8:40:24 AM] M GROUP: Moms husband son past away
[9/28/21, 8:53:30 AM] Gio CFX: Sorry to hear that brother. I will meet with her today to make sure about our order anyway and will ask her to come back when you are available.
[9/28/21, 5:12:30 PM] Gio CFX: audio omitted
[9/28/21, 5:14:38 PM] M GROUP: audio omitted
[9/28/21, 5:15:46 PM] Gio CFX: audio omitted
[9/28/21, 5:16:26 PM] M GROUP: Thanks brother
[9/28/21, 5:16:29 PM] M GROUP: Appreciate that
[9/28/21, 5:16:41 PM] Gio CFX: I got you brother
[9/29/21, 8:48:46 AM] Gio CFX: image omitted
[9/29/21, 8:52:16 AM] M GROUP: audio omitted
[9/29/21, 8:53:35 AM] Gio CFX: audio omitted
[9/29/21, 12:25:39 PM] Gio CFX: audio omitted
[9/29/21, 12:26:37 PM] M GROUP: audio omitted
[9/29/21, 1:00:40 PM] Gio CFX: audio omitted
[9/29/21, 1:09:55 PM] M GROUP: Amazing bro
[9/29/21, 1:29:13 PM] Gio CFX: I understand you have hired one to assistance here at the office with writing up contracts correct?
[9/29/21, 1:29:34 PM] Gio CFX: Juan to assist us
[9/29/21, 1:29:38 PM] M GROUP: audio omitted
[9/29/21, 1:30:19 PM] Gio CFX: I will take anybody you throw at us but we need more admin help
[9/29/21, 1:30:34 PM] M GROUP: Ee are on it bro
[9/29/21, 2:27:38 PM] Gio CFX: image omitted
[9/29/21, 2:28:04 PM] M GROUP: You deleted this message.
[9/29/21, 2:28:53 PM] M GROUP: Can you send someone who ever the receipt for that asap
[9/29/21, 2:29:19 PM] Gio CFX: Explain what you mean please?
[9/29/21, 2:29:37 PM] M GROUP: Marcos and Adrian have to take it back
[9/29/21, 2:29:42 PM] M GROUP: I told them yesterday
[9/29/21, 2:30:05 PM] Gio CFX: I'm on it
[9/29/21, 2:30:13 PM] M GROUP: Thanks
[9/29/21, 2:31:21 PM] Gio CFX: Are we swapping that piece of shit out with something you've already picked out at Micro Center?
[9/29/21, 2:31:37 PM] Gio CFX: They probably won't do cash back at Micro Center by the way and it would probably have to be an exchange
[9/29/21, 2:31:40 PM] M GROUP: I am going to buy the other ones
[9/29/21, 2:31:49 PM] M GROUP: All they have to do is drop it off
[9/29/21, 2:31:53 PM] M GROUP: And get money back
[9/29/21, 2:34:09 PM] Gio CFX: Ok
[9/29/21, 2:34:38 PM] Gio CFX: And what if Micro Center will only allow for exchange?
[9/29/21, 2:34:59 PM] M GROUP: Tell them to get gift card
[9/29/21, 2:35:03 PM] M GROUP: I am on that
[9/29/21, 2:35:09 PM] Gio CFX: OK
[9/29/21, 2:35:48 PM] Gio CFX: If you have a particular model in mind let's just do a swap at Micro Center? We will be right there anyway.
A.D. knows exactly what we need

[5/28/21, 5:12:39 PM] M GROUP: Let me ask him in a couple of hours to go and get it
[5/28/21, 5:12:56 PM] M GROUP: I will call you in. 2 hours
[5/28/21, 5:13:01 PM] Gio CFX: Ok brother
[5/28/21, 5:13:11 PM] M GROUP: Sorry for the headache bro
[5/28/21, 5:14:37 PM] Gio CFX: It's been a rough day brother. I'm not going to lie.
[5/28/21, 5:20:22 PM] M GROUP: Sorry man
[5/28/21, 5:20:41 PM] M GROUP: I really thought that account was not going to be ready today
[5/28/21, 5:21:44 PM] Gio CFX: Just get me the check and I will handle that part. When are you back in town to be able to transfer the rest of the money? Tuesday or Wednesday?
[5/28/21, 5:22:05 PM] M GROUP: Tuesday night
[5/28/21, 5:22:44 PM] Gio CFX: I will let you know when the account is active if you can possibly transfer any funds from where you are?
[5/28/21, 5:22:47 PM] M GROUP: It will be done
[5/28/21, 5:22:57 PM] M GROUP: Ok perfect bro
[5/28/21, 5:23:34 PM] Gio CFX: Ok brother. Enjoy your time away. I know you've been stressed too.

I really need your head in the game when you get back my brother.

[5/28/21, 5:24:12 PM] M GROUP: Yes brother thats tbe reason I did it bro
[5/28/21, 5:24:17 PM] M GROUP: Too much going on
[5/28/21, 5:25:33 PM] Gio CFX: I get it brother but you really need to tell me what you're up to so that I don't go bat shit crazy when you're gone. Lol
[5/28/21, 5:27:05 PM] M GROUP: Yes bro
[5/28/21, 5:27:12 PM] M GROUP: It won't happen again
[5/28/21, 5:27:22 PM] M GROUP: I did not tell anyone
[5/28/21, 5:27:30 PM] M GROUP: Hope you didnt bro
[5/28/21, 5:27:36 PM] Gio CFX: I know. Everybody is looking for you
[5/28/21, 8:44:27 PM] M GROUP: Contact card omitted
[5/28/21, 8:44:42 PM] M GROUP: audio omitted
[5/28/21, 8:45:00 PM] Gio CFX: On it
[6/1/21, 11:45:54 AM] Gio CFX: image omitted
[6/1/21, 11:46:22 AM] Gio CFX: image omitted
[6/1/21, 11:48:04 AM] Gio CFX: Please call me tonight. We need to take care of this tomorrow morning in order to make our deadline.

Fernando is wanting to meet with us both with regards to all of your accounts and how things should be handled to protect us and you specifically.

[6/1/21, 8:58:05 PM] Gio CFX: Contact card omitted
[6/1/21, 9:00:04 PM] Gio CFX: audio omitted
[6/2/21, 10:45:55 AM] Gio CFX: FYI: Jorge Moreno is able to expedite fund confirmations on wire transfers only.

We need to go to Magnolia if you want Maurizzio group account to be opened.

[6/2/21, 11:35:56 AM] Gio CFX: audio omitted
[6/2/21, 11:40:22 AM] M GROUP: Where arw you
[6/2/21, 11:40:29 AM] M GROUP: Can you come to the office
[6/2/21, 11:41:43 AM] Gio CFX: audio omitted
[6/2/21, 4:41:38 PM] Gio CFX: audio omitted

Messages - John Fernandez TRADER

4/6/21, 9:33 PM

?

4/7/21, 11:37 AM

What's the plan brother ?

4/8/21, 10:20 AM

?

4/8/21, 7:35 PM

Good Evening boss,

I was reaching out to let you know that i am going to proceed and begin trading for my 2 clients.

I can honestly say that i have been trying to reach out multiple times and there has been no communication in return at all.

I understand you may be going through many things right now and honestly brother i hope and pray that everything works out for you.

I would love to continue to do business. But the communication has been terrible.

Let me know if you want to talk about it. As of right now the lack of communication does not assure me in anything, so i will Continue to move forward.

Sincerely,
John

4/12/21, 8:54 AM

The .20 lot you place som US30

On*

Hold it

Us30 is going to fall nasty

Morning brother ok thanks bro

🙏🥰 how is everything going with the family brother ? Getting better ?

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DONATE

BUSINESS

El Salvador Just Became The First Country To Accept Bitcoin As Legal Tender

September 7, 2021 · 4:57 PM ET

JOE HERNANDEZ



El Salvador's President Nayib Bukele (shown here at a news conference in May 2020) spearheaded efforts to make Bitcoin legal tender in his country.

Yuri Cortez/AFP via Getty Images

El Salvador has become the first country in the world to make the cryptocurrency Bitcoin legal tender.

Advocates of the digital currency, including the country's president, Nayib Bukele, say the policy that took effect Tuesday morning was historic.

But the first few hours of Bitcoin's official status in El Salvador were marred by technological hiccups as the country opened its digital wallet app to residents and consumers for the first time.

Why El Salvador is choosing Bitcoin

Bukele previously suggested that legalizing Bitcoin would spur investment in the country and help the roughly 70% of Salvadorans who don't have access to "traditional financial services."

"We must break with the paradigms of the past," he said Monday in a statement translated from Spanish. "El Salvador has the right to advance toward the first world."

Bukele also has said that using Bitcoin would be an effective way to transfer the billions of dollars in remittances that Salvadorans living outside the country send back to their homeland each year, the Associated Press reported.

El Salvador's government holds 550 Bitcoin, Bukele said, which is equivalent to about \$26 million.

The country's other currency is the U.S. dollar.

The rollout included success stories and tech hang-ups

Among the stories on social media Tuesday were those of people successfully using Bitcoin to pay for goods.

"Just walked into a McDonald's in San Salvador to see if I could pay for my breakfast with bitcoin, tbh fully expecting to be told no," Aaron van Wirdum said in a tweet that was retweeted by Bukele.

"But low and behold, they printed a ticket with QR that took me to a webpage with

Lightning invoice, and now I'm enjoying my desayuno traditional!" he added.

Still, there were some minor hiccups during the official introduction of the new currency.

After the launch Tuesday morning, officials took down Chivo, El Salvador's virtual Bitcoin wallet, so they could attempt to increase the capacity of the image capture servers.

Opposition to Bitcoin ... and to Bukele

While much has been made across the world of El Salvador's historic economic move, excitement within the country may be much lower.

A recent poll by the Universidad Centroamericana José Simeón Cañas, a Jesuit college based in El Salvador, found that 67.9% of people disagreed with the decision to make Bitcoin legal tender. Many respondents said they didn't know how to use the cryptocurrency, the poll found.



BUSINESS

Tougher Rules Are Coming For Bitcoin And Other Cryptocurrencies. Here's What To Know

Critics of the experiment — including some of Bukele's political opponents — wore T-shirts to parliament on Tuesday to express their opposition to the new Bitcoin law.

But it's not just the economy. Bukele's government is also facing pushback from the international community over a recent court decision that was widely seen as unconstitutional.

On Friday, judges appointed by El Salvador's parliament, which is dominated by Bukele's party, concluded that the president could run for a second term in 2024, according to CNN. Experts say that is barred by the country's constitution.

The U.S. Embassy in El Salvador said in a statement that the decision "undermines

democracy" and "further erodes El Salvador's international image as a democratic and trustworthy partner in the region."

bitcoin el salvador

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January 5, 2021 7:50 AM Updated 2 years ago

Bitcoin emergence as 'digital gold' could lift price to \$146,000, says JPM

By Reuters Staff

3 Min Read

LONDON (Reuters) - Digital currency bitcoin has emerged as a rival to gold and could trade as high as \$146,000 if it becomes established as a safe-haven asset, investment bank JPMorgan (JPM) said on Tuesday.

Interest in the world's biggest cryptocurrency has soared this year, with investors viewing bitcoin as a hedge against inflation and an alternative to the depreciating dollar. The rush led to bitcoin prices more than tripling in the past six months to a record peak of \$34,800 on Jan. 2.

"Bitcoin's competition with gold has already started in our mind," the Wall Street bank's strategists said in a note, citing recent \$7 billion outflows from gold and more than \$3 billion of inflows into the Grayscale Bitcoin Trust.

That could mark a new dawn for the volatile digital currency after years as a play for speculators and retail punters.

"Considering how big the financial investment into gold is, a crowding out of gold as an 'alternative' currency implies big upside for bitcoin over the long term," JPM said.

Bitcoin is likely to outshine gold as millennials become a more important component of the investment market over time and given their preference for "digital gold" over traditional bullion, JPM added.

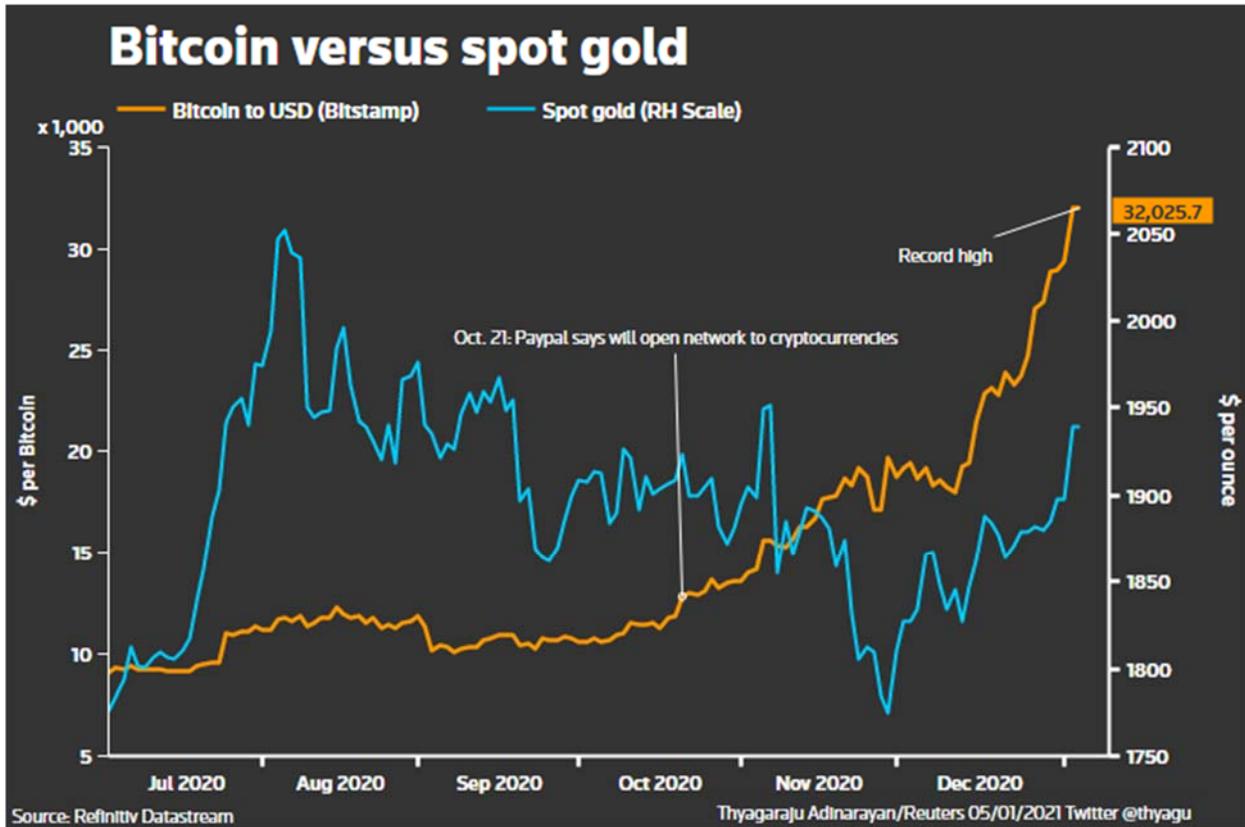
With a market capitalisation of \$575 billion, the bitcoin price would need a nearly fivefold jump to \$146,000 to match the value of private gold wealth held in gold bars, coins or exchange-traded funds, the bank's note added.

JPM strategists said the upside is conditional on the volatility of bitcoin converging with that of gold in the longer term.

Though JPM sees the possibility of "current speculative mania" propelling bitcoin to between \$50,000 and \$100,000, it warned that such levels would prove unsustainable until its volatility levels out.

“We note that the spectacular bitcoin rally of the past few weeks has moved bitcoin into more challenging territory, not only in terms of its positioning backdrop, but also in terms of its valuation,” the bank said.

For a graphic on Bitcoin versus gold:



Reporting by Thyagaraju Adinarayan; Editing by David Goodman

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YOUR MONEY

Fidelity will start offering bitcoin as an investment option in 401(k) accounts

April 26, 2022 · 12:06 PM ET

THE ASSOCIATED PRESS



A Bitcoin logo is displayed on an ATM in Hong Kong in 2017. More workers may soon be able to stake some of their 401(k) retirement savings to bitcoin.

Kin Cheung/AP

NEW YORK — More workers may soon be able to stake some of their 401(k) retirement savings to bitcoin, as cryptocurrencies crack even deeper into the mainstream.

Retirement giant Fidelity said Tuesday that it's launched a way for workers to put some of their 401(k) savings and contributions directly in bitcoin, potentially up to 20%, all from the account's main menu of investment options. Fidelity said it's the first in the industry to allow such investments without having to go through a separate brokerage window, and it's already signed up one employer that will add the offering to its plan later this year.



ECONOMY

Inflation has many retirees worried about outliving their savings

Fidelity's offering may be one of just a few for a while, given the substantial concerns about the riskiness of cryptocurrencies. The U.S. government last month warned the retirement industry to exercise "extreme care" when doing something like this, highlighting how inexperienced investors may not appreciate just how volatile cryptocurrencies can be, among other concerns.

Bitcoin had five days in the last year where it plunged by at least 10%. The stocks in the S&P 500, meanwhile, had only two such drops in the last 50 years. Beyond its volatility, there's still fundamental disagreement about how much a bitcoin is worth, or even if it's worth anything at all.

Proponents say cryptocurrencies can boost returns in a well diversified portfolio, without adding too much risk. That's because cryptocurrencies haven't always moved in the same direction as stocks and other investments, though they often have in recent months amid worries about rising interest rates.



WORLD

El Salvador's leader wants to go in even bigger on bitcoin

Some investors may believe in all those pros of bitcoin, but still prefer not having to open a new account to buy bitcoin, learn the intricacies of how to store them or deal

with taxes on gains made in the years running up to retirement. Or they may come around to that belief soon, and Fidelity wanted to be ready for them, said Dave Gray, Fidelity Investments' head of workplace retirement offerings and platforms.

"We have been developing this, anticipating some of the workforce trends that we see coming," Gray said. "Our clients expect us to be ahead and developing innovative solutions."

A big part of the thrill of crypto for some traders is just how volatile it can be. Not only did bitcoin quadruple over 2020, but traders can buy and sell it 24 hours per day. A regular day for stocks on Wall Street, meanwhile, lasts just six and a half hours.



YOUR MONEY

With federal rules unclear, some states carve their own path on cryptocurrencies

But the new Fidelity account won't offer that. It will update its price once per day, similar to traditional mutual funds. The account will also come with fees, which can range from 0.75% to 0.90% of assets. That means between \$7.50 and \$9 of each \$1,000 invested in the bitcoin account would go toward paying expenses every year. That's less than some specialty investments but more than vanilla stock index funds, which can be virtually free.

Other firms also want to offer cryptocurrencies in retirement accounts

Others in the industry are also working to offer similar products. At ForUsAll, a 401(k) provider, the company announced a product in June 2021 to allow workers to put some of their 401(k) in cryptocurrencies by sending it to a self-directed window.

CEO Jeff Schulte said the company spoke with the U.S. Labor Department throughout 2021 about marrying crypto and 401(k) accounts. Even after Labor's stern warning last month, Schulte said he still expects the product to launch this quarter. ForUsAll plans to require savers to take an interactive quiz about the risks of cryptocurrencies before

buying them, among other moves to educate investors.



LAW

DOJ arrests New York couple and seizes \$3.6 billion in bitcoin related to 2016 hack

"Protecting investors is paramount," he said. "We believe our solution meets all the fiduciary standards under ERISA," the federal law that oversees retirement plans.

Fidelity also places what Gray calls "digital speed bumps" in front of investors, forcing them to slow down and study the risks and rewards of crypto.

It may take a while for most employers to start offering something like this. The Plan Sponsor Council of America recently asked its members if the Labor Department's warning changed their minds at all in terms of considering crypto.

The majority — 57% — said that they would never consider crypto as a viable investment option regardless. Another third said the warning "simply affirms the concern we already had."

401(k) bitcoin

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[7/23/21, 12:10:44 PM] Gio CFX: Branch Mgr is assisting me

[7/23/21, 12:13:08 PM] Gio CFX: Can you provide me a phone number and contact for one cargo express?

They are asking me to verify the customer by phone

[7/23/21, 12:14:48 PM] Gio CFX: Missed voice call

[7/23/21, 12:30:58 PM] Gio CFX: Still here brother. Can you get me that phone number please???

[7/23/21, 1:02:58 PM] Gio CFX: image omitted

[7/23/21, 1:02:59 PM] Gio CFX: image omitted

[7/23/21, 1:04:48 PM] Gio CFX: Call me when you are free

[7/23/21, 1:07:19 PM] Gio CFX: image omitted

[7/23/21, 1:07:34 PM] M GROUP: Thanks

[7/23/21, 1:11:24 PM] Gio CFX: Admin needs at least two people to assist in processing these contracts.

I need physical bodies in the office. Niurka starts Monday.

Norma is aware.

[7/23/21, 1:14:58 PM] M GROUP: Brother

[7/23/21, 1:15:09 PM] M GROUP: audio omitted

[7/23/21, 1:21:08 PM] Gio CFX: I will be there in about 20 minutes. You have to let me fix the company brother.

We are committing so many violations and I'm really trying to avoid us getting into some serious trouble not only from the IRS but also the Texas workforce commission.

[7/23/21, 1:22:07 PM] M GROUP: audio omitted

[7/26/21, 8:36:19 AM] Gio CFX: Good morning brother,

I need to respond to that Kennedy email this morning and I'm going to decline their offer.

Let me know where you stand?

[7/26/21, 8:52:54 AM] M GROUP: audio omitted

[7/26/21, 8:54:14 AM] Gio CFX: I will call you at 9:30

[7/26/21, 9:22:41 AM] M GROUP: Ok

[7/26/21, 9:39:29 AM] Gio CFX: Call me please.

[7/26/21, 12:03:12 PM] Gio CFX: audio omitted

[7/26/21, 12:19:52 PM] Gio CFX: Can you get 100 K ready for tomorrow when I'm in?

[7/26/21, 1:24:30 PM] M GROUP: yes

[7/26/21, 1:27:28 PM] Gio CFX: What do you think of Bill Rapp becoming our broker when we actually are granted the license to be a dealer entity?

[7/26/21, 1:38:22 PM] M GROUP: Lets do it brother

[7/26/21, 1:41:22 PM] Gio CFX: Sounds awesome!

Let's submit your financials this week brother.

We are making all the right moves. I promise.

[7/27/21, 7:27:30 AM] Gio CFX: audio omitted

[7/27/21, 7:34:57 AM] M GROUP: Morning bro

[7/27/21, 7:34:59 AM] M GROUP: Yea

[7/27/21, 7:35:01 AM] M GROUP: Yea

[7/27/21, 7:35:08 AM] M GROUP: I willl bro

[7/27/21, 7:35:28 AM] Gio CFX: Thank you brother. I should be there by 8:30 AM

[7/27/21, 7:36:37 AM] Gio CFX: Please have this meeting in English for my benefit?

I really need to understand the issues in order to find a path to correct them with our attorneys help.

[7/27/21, 7:37:02 AM] M GROUP: Ok bro

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

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

CRYPTOFOX LLC

Article 2 – Registered Agent and Registered Office

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

United States Corporation Agents, Inc.

OR

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

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

**Street Address:
 9900 Spectrum Drive Austin TX 78717**

Consent of Registered Agent

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

OR

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

Article 3 - Governing Authority

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

OR

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

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

Manager 1: Mauricio Chavez	Title: Manager
-----------------------------------	-----------------------

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

Article 4 - Purpose

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

Supplemental Provisions / Information

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

Organizer

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

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

Effectiveness of Filing

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

OR

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

Execution

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

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

Signature of Organizer

FILING OFFICE COPY



Office of the Secretary of State

November 13, 2020

Attn: Legalzoom.com, Inc.

Legalzoom.com, Inc.
101 N. Brand Blvd, 10th Floor
Glendale, CA 91203 USA

RE: MAURIZZIO GROUP LLC
File Number: 803827371

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <https://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure

MC_00001

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FOIA Confidential Treatment Requested



Office of the Secretary of State

CERTIFICATE OF FILING OF

MAURIZZIO GROUP LLC
File Number: 803827371

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 11/12/2020

Effective: 11/12/2020



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs
Secretary of State

MC_000002

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Article 1 - Entity Name and Type

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

MAURIZIO GROUP LLC

Article 2 – Registered Agent and Registered Office

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

United States Corporation Agents, Inc.

OR

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

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

Street Address:

9900 Spectrum Drive Austin TX 78717

Consent of Registered Agent

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

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Article 3 - Governing Authority

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

OR

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

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

Managing Member 1: **Mauricio Antonio Chavez**

Title: **Managing Member**

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

Article 4 - Purpose

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

Signature of Organizer

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Paul Flack

From: Paul Flack
Sent: Tuesday, January 24, 2023 12:13 PM
To: Themeli, Sonila (SHB)
Cc: Scott Askue; Powell, Kierra K. (SHB)
Subject: RE: HAIR NEWS COLOR N CUTS LLC

Sonila,

I am checking on documents. It was a hair salon, but it shut down after the stylist moved away sometime before the SEC suit and never reopened. It had a bank account – probably at Regions – with a few hundred dollars in it that is frozen.

Paul D. Flack
(713) 705-3087

From: Themeli, Sonila (SHB) <STHEMELI@shb.com>
Sent: Monday, January 23, 2023 1:42 PM
To: Paul Flack <pflack@prattflack.com>
Cc: Scott Askue <saskue@haysconsulting.net>; Powell, Kierra K. (SHB) <kcpowell@shb.com>; Themeli, Sonila (SHB) <STHEMELI@shb.com>
Subject: HAIR NEWS COLOR N CUTS LLC

Hi Paul,

We have not received any information or documents about this business yet, and Mr. Chavez is the only member of this LLC. Ms. Gonzalez testified that she has no information about this entity and Mauricio is the one who is operating it.

Can you please send us as soon as possible all documents related to this LLC, including any general liability insurance information? If someone else is operating the business, then please send us the name and contact information of that person?

Thank you,

Sonila Themeli
Senior Counsel
Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



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