

1 MR. HARPER: Thank you for the  
2 clarification.

3 A. I recall for their own forecasting  
4 purposes they didn't go out very far because they  
5 didn't know what their -- there were discussions  
6 where they felt that they couldn't say beyond a  
7 certain time period.

8 BY MR. THOMPSON:

9 Q. With any sort of reasonable degree of  
10 certainty, is that the point?

11 MS. ACEVEDO: Objection to form.

12 A. I think their comments were more related  
13 to their own forecasts.

14 BY MR. THOMPSON:

15 Q. Yes.

16 A. They understood we had a task that was  
17 different than theirs. And our request of them was  
18 to help us complete our task with the best  
19 information they could give us at the time and they  
20 tried to be helpful.

21 Q. Did you always want the most up-to-date  
22 information when you were doing your valuation  
23 analysis?

24 MS. ACEVEDO: Objection to form.

25 MR. HARPER: Join. And lack of

1 foundation.

2 A. For the purposes of valuation, we wanted  
3 to have a short -- an updated forecast.

4 BY MR. THOMPSON:

5 Q. Why?

6 A. We wanted the valuation to reflect what  
7 was going on at that time for Treasury to record on  
8 its books. We expected inflows from the preferred  
9 stock purchase agreement.

10 Q. And I know this is a super basic  
11 question, so I apologize. But why, as someone  
12 who's working on this valuation team, was it  
13 important to the team to have up-to-date  
14 information as opposed to stale information?

15 MS. ACEVEDO: Objection to form and  
16 foundation.

17 A. You would have to speak with a valuation  
18 expert on this. Closer to the valuation date for  
19 the purpose of the valuation, you want, I believe,  
20 the information -- the closer to the valuation date  
21 for the purpose of the valuation the better.

22 BY MR. THOMPSON:

23 Q. And the more accurate?

24 MS. ACEVEDO: Objection to form.

25 MR. HARPER: Objection.

1 A. I couldn't say that.

2 BY MR. THOMPSON:

3 Q. Okay. You said it would be better.

4 Better in what way; more reliable?

5 MS. ACEVEDO: Objection to form.

6 Foundation.

7 MR. HARPER: Same objection.

8 A. Again, that's really a valuation  
9 technical issue that I don't really feel qualified  
10 to speak about.

11 BY MR. THOMPSON:

12 Q. Yes. But you said it would be better.  
13 How would it be better?

14 A. It's important, closer to the valuation  
15 date for valuation to reflect what a third party  
16 would see and know at that date.

17 MR. THOMPSON: The next one is going to  
18 be Eberhardt 9. It has a Bates number of  
19 UST 476954.

20 (Eberhardt Exhibit 9, e-mail dated  
21 8/1/11 with attachment bearing Production  
22 Nos. UST 476954 through 476962, was marked  
23 for identification)

24 BY MR. THOMPSON:

25 Q. This document says, subject, "GT

1 guarantee portfolio.

2 Q. You were trying to get the most  
3 up-to-date information possible for your  
4 September 30, 2011 report, is that right?

5 MS. ACEVEDO: Objection to form.

6 A. I think, given the timeframe, that seems  
7 reasonable, that that's what we were doing, as well  
8 as their estimated quarterly draw.

9 BY MR. THOMPSON:

10 Q. Was that standard operating procedure  
11 for Grant Thornton that when they did a valuation,  
12 they tried to get the most up-to-date information  
13 as of the date of the valuation?

14 MS. ACEVEDO: Objection to form.

15 A. Again, I can't speak for the valuation  
16 department, the valuation group and their  
17 standards. For the purpose of this valuation for  
18 Treasury, we tried to get the best information we  
19 could get, the most recent. We didn't always get  
20 it. I don't know if we ended up with this  
21 information from Fannie Mae. There were times we  
22 didn't get it, but we used what we had in the  
23 timeframe we had available.

24 BY MR. THOMPSON:

25 Q. Okay. Now, let's look at the third page

1 paragraph.

2 MS. ACEVEDO: Calls for a legal  
3 conclusion.

4 A. Okay. It seems, according to this  
5 paragraph, that we did consider the effect of  
6 paying taxes, what that would have been to the  
7 value of the senior preferred shares, and concluded  
8 that by the time those cash flows have been  
9 received after tax, the difference in the valuation  
10 was minimal. And accordingly, we decided -- we at  
11 Grant Thornton decided that we could essentially  
12 ignore it for this year's valuation.

13 BY MR. THOMPSON:

14 Q. And that was premised on an  
15 understanding that the companies would utilize  
16 their NOLs, right?

17 MR. HARPER: Objection as to lack of  
18 foundation and form.

19 Go ahead.

20 A. I believe that's correct, yes.

21 BY MR. THOMPSON:

22 Q. All right. Now, let's look at page 20,  
23 7737. This is, "Assumptions and Limiting  
24 Conditions." And we've got number one, "The  
25 conclusion of value arrived at herein pertains only

1 to the subject financial instrument, the stated  
2 value standard (fair value) as of the stated  
3 valuation date and only for the stated valuation  
4 purposes."

5 Was the valuation information contained  
6 in this report intended to be valid 11 months  
7 later?

8 MR. HARPER: Objection as to form.

9 MS. ACEVEDO: Objection as to  
10 foundation, and outside the scope.

11 A. I would say no.

12 BY MR. THOMPSON:

13 Q. All right. Number six, "This report and  
14 conclusion of value arrived at herein are for the  
15 exclusive use of our client for the sole and  
16 specific purposes as noted herein." Then it goes  
17 on to say later on in that paragraph, "Our work in  
18 this report may not be used for any other purpose  
19 or by any other party for any purpose without our  
20 prior written consent."

21 Do you know whether Grant Thornton ever  
22 gave written consent for the United States Treasury  
23 to rely on these projected cash flows in deciding  
24 to do the net worth sweep?

25 MS. ACEVEDO: Objection to form and

1 foundation, calls for speculation, lack of  
2 personal knowledge, calls for a legal  
3 conclusion.

4 A. And I don't know what happened.

5 BY MR. THOMPSON:

6 Q. Who would have been asked for that  
7 consent at Grant Thornton? If I wanted to get to  
8 the person at Grant Thornton who would know the  
9 answer to the question I just posed, who would be  
10 that person?

11 MS. ACEVEDO: Objection. Calls for  
12 speculation.

13 A. That year, it could have been Bradley  
14 Wilson because his name is on the report. I don't  
15 know if it would have been the contracting person  
16 at the global public sector office. I don't really  
17 know who would have received a request for written  
18 consent.

19 BY MR. THOMPSON:

20 Q. Let's look at the projected future  
21 earnings themselves, which start on 7741. Now, in  
22 2020, there's net interest margin of \$8.635  
23 billion. That's the first row.

24 Do you see that?

25 A. Yes.