

**PX**  
**11**

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1 A

2 **Q What was his date of birth?**

3 A I do not know.

4 **Q Is your mother still alive?**

5 A Yes, she is.

6 **Q What is your mother's name?**

7 A

8 **Q Can you spell her name? I'll repeat the question. I said please spell her name.**

9

10 A

13 **Q What is her date of birth?**

14 A I don't recall the specific date.

15 **Q What is her address?**

16 A

17 **Q When you say is that a street or an avenue, is there --**

18

19 A Yes, I'm sorry.

20 **Q -- anything --**

21 A It's street.

22 **Q -- after ?**

23 MR. HUMPHREY: Okay. Try not to talk

24 over each other. I know it's difficult with the

25 videoconference. But let her finish and then

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1 you answer and that will provide a clear record

2 and it will help Sheila take down everything

3 that's said.

4 THE WITNESS: Okay. My apologies.

5 MR. HUMPHREY: Just wait for a

6 question.

7 **Q (By Ms. Kosmidis) Are you living with anyone?**

8 MS. KOSMIDIS: Sorry.

9 MR. HUMPHREY: Sorry.

10 **Q (By Ms. Kosmidis) Are you living with anyone?**

11 A Yes, I am. I live with

12 **Q Who are you live --**

13 A I live with my son.

14 **Q Please spell her full name.**

15 A Her -- her -- is spelled --

16 (A discussion is had off the record

17 regarding static and the following further

18 proceedings are had.)

19 MS. KOSMIDIS: I think I didn't hear

20 something Mr. Vleisides said.

21 **Q (By Ms. Kosmidis) So let's start with can you spell full name?**

22

23 A Yes.

25 **Q And who else did you say you're living with?**

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1 A My son and her daughter.

2 **Q Whose daughter?**

3 A s daughter.

4 **Q Your son is --**

5 A And I should --

6 **Q -- is that correct?**

7 A I -- yes.

8 (A discussion is had off the record

9 regarding static and the following further

10 proceedings are had.)

11 **Q (By Ms. Kosmidis) I'll start my question over. Is the son that you're living with**

12

14 A Yes. And I should clarify his name. His full

15 name is

16 **Q And what is the name of daughter?**

17

18 A

19 **Q Please spell that.**

20 A

21 **Q And what is your relationship to ?**

22 A You know, I'm not certain what the -- the

23 official -- I -- I would like to know what

24 the -- like the cultural term for it is. Spouse

25 is too legal. We -- we're partners. That would

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1 be the term, partners.

2 **Q Is there anyone else you live with who you haven't mentioned?**

3

4 A No, ma'am.

5 **Q Who is your nearest living relative?**

6 A Physically?

7 **Q Yes. Is your son your closest living relative?**

8 A Yeah. That -- that would be a better answer. I

9 was thinking my mother.

10 **Q Do you know a ?**

11 A Yes, ma'am.

12 **Q Who is he?**

13 A is my stepfather and the man who

14 raised me.

15 **Q Have you served as an officer or director of any companies since January 1st, 2012 whether located within or outside the United States?**

16

17

18 MR. HUMPHREY: Objection, compound.

19 **Q (By Ms. Kosmidis) You can answer if you understand the question.**

20

21 A Okay. Yes. Butterfly -- or BF Labs.

22 **Q And in what position have you served?**

23 A I have been the vice president of product

24 development and I have been the vice president

25 of innovation.

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1 20 bucks.

2 **Q And that was a coin out of your coin collection?**

3 A Yeah, a coin for each -- I'm sorry, I just

4 remembered. One of the kids got a stomachache

5 halfway through, they left and they never came

6 back, so they never got the coins.

7 MS. KOSMIDIS: Okay. At this point, I

8 think we can take a break --

9 MR. HUMPHREY: Great. Appreciate it.

10 MS. KOSMIDIS: -- so that Jim can

11 prepare for the hearing.

12 MR. HUMPHREY: Okay. Excellent. And

13 then we'll be ready to proceed right after the

14 hearing's concluded.

15 MS. KOSMIDIS: We can go off the

16 record.

17 (A lunch break is taken and the

18 following further proceedings are had.)

19 **Q (By Ms. Kosmidis) Mr. Vleisides, how are you**

20 **paid by Butterfly Labs?**

21 A I am -- my payroll is entered into our payroll

22 service. They handle it as a matter of -- of

23 routine. It happens every two weeks

24 automatically by ACH transfer into all of our

25 bank accounts.

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1 **Q And when you say all of our bank accounts, to**

2 **whom are you referring?**

3 A All of us employees.

4 **Q All the employees of Butterfly Labs?**

5 A That's right.

6 **Q Which account do you get your payment -- send**

7 **your payment to?**

8 A The Commerce account that's listed. Commerce

9 Bank.

10 **Q Is there any other compensation that you get**

11 **besides every two weeks through ACH?**

12 A Yes. And that is I reside at the house that's

13 owned by the company. I have an executive

14 housing stipulation in -- in my employment deal.

15 And I am also granted a company car to drive.

16 **Q The executive housing, is that the**

17 **?**

18 A That is correct.

19 **Q What is the company car?**

20 A The company -- well, the one that I drive is a

21 2006 Audi that has 135,000 miles on it. It was

22 purchased for 19 -- or \$18,000 two years ago, I

23 believe, two and a half years ago. There --

24 there are other company cars. That's the one

25 that I currently drive. Well, actually, I don't

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1 drive a car right now because those have been

2 delivered to the receiver.

3 MR. HUMPHREY: That's a good point.

4 THE WITNESS: Yeah.

5 MR. HUMPHREY: He is no longer -- he's

6 turned over his automobiles to the receiver, for

7 the record, and no longer drives them, in

8 compliance with the Order.

9 **Q (By Ms. Kosmidis) When you were driving the**

10 **2006 Audi, were you using it for personal**

11 **purposes?**

12 A Some percentage. It -- it was my primary

13 driver, so yes.

14 **Q Are you aware of other Butterfly Labs company**

15 **cars?**

16 A Yes.

17 **Q What are those cars?**

18 A There is a Dodge Sprinter box truck. It is a --

19 just as I said, it -- it's a box truck used for

20 taking parts from the two warehouses to the

21 central fabrication facility, our -- our home

22 office, back and forth. There is a 2006 Jaguar

23 that is -- its primary -- did you want to know

24 what they're used for?

25 **Q That would be helpful, yes.**

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1 A Okay. It -- it's used as a -- as a visiting

2 customer courtesy car. And there is a 2013

3 Audi, which I drove for a period of time, about

4 four or five months.

5 **Q And for what purpose were you driving the 2013**

6 **Audi?**

7 A As partial compensation of my employment.

8 **Q Who has the ability to drive the Dodge Sprinter**

9 **box truck?**

10 A I think -- let me see. That -- that's probably

11 an insurance company question.

12 **Q Does anyone else besides you drive the 2013**

13 **Audi?**

14 A No.

15 **Q Does anyone else --**

16 A Hold on. I'm sorry to break protocol.

17 MR. HUMPHREY: Well, no, you -- if you

18 need to clarify, I think that's -- and Leslie

19 (sic), I think she would appreciate that. So go

20 ahead.

21 A So anybody can and they may have. I took your

22 question to mean as a principal driver. And in

23 that case, the answer is yes, I was the only

24 principal driver of that car. Other people have

25 driven it and the insurance is set up so that

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1 A Okay. I'm there.

2 **Q Do you see where** **has been**

3 **described as a residential home?**

4 A Yes.

5 **Q Do you see where Butterfly Labs is listed as**

6 **100 percent owner of the property?**

7 A I see that.

8 **Q Has there ever come a time when home**

9 **improvements have been needed to be made on the**

10 **property?**

11 A Yes, there have.

12 **Q And what has been the source of funding for**

13 **those home improvements?**

14 A The company has covered the maintenance of the

15 home.

16 **Q And who is it that decides when maintenance is**

17 **needed for the home?**

18 A That's a good question. I don't know that

19 there's an organized decision tree for that

20 process. I suppose if it's a minor issue, then

21 the property manager makes that call on their

22 own and then submits the -- the bill and receipt

23 for payment.

24 If it's something more significant,

25 then permission is asked and I -- I would either

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1 make the decision or I would bring it up at the

2 office depend -- again, depending on the scope.

3 **Q Who is the property manager?**

4 A

5 **Q Is that the same** **who's your**

6 **mother?**

7 A That's right.

8 **Q In the same financial statements, can you turn**

9 **to what's been labeled as item 31? This is**

10 **actually --**

11 MR. SINGHVI: The attachment.

12 **Q (By Ms. Kosmidis) It's the attachment to the**

13 **statement. Butterfly Labs' attachment to the**

14 **statement.**

15 A Okay. I have that attachment.

16 **Q Do you see that there are three payments made to**

17 **-- strike that -- four payments made to**

18 **?**

19 MR. HUMPHREY: If you can't find it,

20 she can help point you in the direction if you

21 ask her for help.

22 A Well, there's more than four, but the answer to

23 your question is yes.

24 **Q (By Ms. Kosmidis) What were these payments for?**

25 A He is a handyman.

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1 **Q Was he making repairs to a property?**

2 A Yes.

3 **Q What property was he making repairs to?**

4 A The executive housing,

5 **Q What repairs was he doing?**

6 A It's an exhaustive list. Would -- is -- is that

7 what you'd like, just for me to go on rambling

8 or...

9 **Q Just generally speaking, what were the types of**

10 **repairs that he made?**

11 A We had a -- I think the impetus for most of the

12 work that he did by dollar volume was a

13 foundation repair catastrophe where the basement

14 was flooded. And the source of the problem was

15 determined to be a sagging foundation which

16 snapped a waterline as the weight of the

17 concrete, the differential from the part that

18 sank versus the part that did not sink, caused a

19 waterline to sever.

20 So demolition of all the ruined space,

21 evacuation of all that so that the foundation

22 repair company can come and do their thing. He

23 was involved in that process. Not the

24 foundation repair, but the preparation for that.

25 And it was determined to be that --

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1 that bringing everything back into the way it

2 was was not worth the money. That's kind of an

3 example of what I said when you bring a decision

4 back, you know, if -- if it's beyond a

5 threshold, then...

6 So he did the demo of all that in the

7 basement. He did a -- some work to make it kind

8 of into a basement instead of living space. He

9 fixed the -- he fixed the -- that was under the

10 kitchen. So the kitchen above it, which had

11 then been jacked up three or four inches,

12 cracked a lot of drywall, made the countertops

13 and the cabinetry crooked and broke it in some

14 places. He -- he's quite a good carpenter. So

15 he worked on -- on all that.

16 He demolished a bathroom where they

17 did the foundation repair where they dug in

18 under the earth from inside the house.

19 He restored a bathroom upstairs which

20 was unrelated to the foundation repair issue.

21 He -- what else did he do? I think that's about

22 it.

23 **Q I'd now like to turn to item 9 in the same**

24 **financial statement.**

25 MR. HUMPHREY: Give us one second

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1 here.

2 MS. KOSMIDIS: Sure.

3 (A discussion is had off the record

4 and the following further proceedings are had.)

5 Q (By Ms. Kosmidis) You might not even need to

6 refer to the item to answer my question. But

7 you see here where is listed as

8 your father?

9 A Um-hum.

10 Q **And he's listed as having had business**

11 **transactions with Butterfly Labs?**

12 A Yes.

13 Q **What were those business transactions?**

14 A Related -- list all related individual whom --

15 yes. So the -- at one point, the -- the

16 business was located in a building owned by

17 Chris Vleisides and we paid him rent. He is a

18 professional photographer by trade. He is the

19 Kansas City Royals photographer, for example, on

20 the field. You can see him on TV.

21 He does a lot of other commercial

22 photography, so he's really good. We hired him

23 to take photos of the equipment for our web

24 site. And we have hired him a number of times

25 to take photos of our equipment.

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1 Q **So backing up to the first reason that you said.**

2 **Butterfly Labs was located in a building that**

3 **owned?**

4 A That's -- that's correct.

5 Q **And what was that address?**

6 A 2507 Jefferson. And I don't recall the zip

7 code. It's downtown Kansas City.

8 Q **Is he considered an employee of Butterfly Labs?**

9 A No. I think the proper description would be

10 landlord and photography contractor. For

11 photography services. We never signed a work

12 contract with him. It was just a per item

13 basis.

14 Q **Are there any other business transactions that**

15 **Butterfly Labs has had with ?**

16 A I believe we paid for some facilities

17 improvement at 2507 Jefferson. I think -- what

18 was it? Ah. We added -- we beefed up the

19 security at the building. So we installed --

20 replaced a flimsy door with a metal door and

21 added -- upgraded the security alarm system.

22 There may be other similar transactions.

23 Q **Any other transactions that you haven't already**

24 **mentioned?**

25 A Let me think. I'm sure there are. Yes. The

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1 roof leaked and I think we split the bill on

2 fixing the roof.

3 Q **Any other transactions that you can remember?**

4 A We paid some people directly, would not have

5 gone through him. We beefed up the electrical

6 capacity of the building inside. But we just

7 got his permission and contracted and paid the

8 electrician on our own, which would be in our

9 accounting. But it doesn't flow through

10 . I think I've named all of them that

11 would have been a check to -- to

12 as opposed to our paying a contractor to do

13 something.

14 Q **Anything else, any other transactions with**

15 **for other building/facilities**

16 **improvements?**

17 A Yes, photography.

18 Q **And anything else?**

19 A No, not that I recall.

20 Q **Turning again to item 9, is**

21 **listed here as your mother, is that correct?**

22 A That is correct.

23 Q **It also says here that the corporation has had**

24 **business transactions with for**

25 **property management, is that correct?**

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1 A That is correct.

2 Q **What was her role in property management?**

3 A She would make sure that the property was

4 maintained. She would make sure that it was

5 cleaned. She would make sure that the lawn care

6 was taken care of by hiring people and making

7 sure they showed up, did what they needed to do,

8 got their invoices, submitted them to

9 accounting, got payment, paid those people.

10 Whenever there was a problem at the

11 house or any work was done at the house,

12 particularly the foundation repair issues and

13 all the associated fixing up of cracks and

14 painting walls and bringing in people to do

15 those things, she would have to be present at

16 the home in order to allow them to do their

17 work. So she had keys. And she would take care

18 of all those items so that the people from the

19 company didn't have to stop work and go over and

20 unlock a door and sit there all day while a

21 contractor did their thing.

22 Q **And the house, this is the house?**

23 A Yes, that's right.

24 Q **From when to when has she fulfilled this role?**

25 A That I -- I don't know. I mean, over a year, I