

[Transcript Begins]

Court Reporter:

We are now on the record. The time is 9:58 a.m. This is the deposition of Mr. Alex Porter in the matter of *Riverpoint Holdings versus Fairgrove Development Corporation*. Will counsel please state their appearances for the record?

Monica Reyes (Plaintiff Counsel):

Monica Reyes, for the plaintiff, Riverpoint Holdings.

David Klein (Defense Counsel):

David Klein, for the defendant, Fairgrove Development.

Court Reporter:

Thank you. Mr. Porter, please raise your right hand.

Do you swear or affirm that the testimony you give today will be the truth, the whole truth, and nothing but the truth?

Alex Porter:

I do.

Monica Reyes:

Mr. Porter, let's start with your position. You served as VP of Strategic Partnerships at Fairgrove, correct?

Alex Porter:

Yes.

Reyes:

And during your tenure, you were directly involved in the negotiation of the 2023 strategic joint venture proposal with Riverpoint Holdings?

Porter:

That's correct.

Reyes:

Did you oversee the preparation of the financial forecast presented to Riverpoint?

Porter:

I reviewed it, yes. The actual projections were produced by our analytics team.

Reyes:

You signed off on them.

Porter:

As part of my role, yes.

Reyes:

Let's turn to Exhibit 5 — an internal Slack message from January 11, 2023, in which you wrote, *"If we scrub the Q4 losses and push them into next cycle, this model looks golden. Riverpoint won't blink."* Do you recall writing that?

Porter:

That was informal language, not meant for external interpretation.

Reyes:

Nonetheless, you suggested postponing disclosure of financial losses to improve the appearance of the model.

Porter:

We were discussing accounting strategies, not concealment.

Reyes:

You referred to hiding \$2.7 million in Q4 shortfall as "scrubbing." Is that your term?

Porter:

That's industry slang. It doesn't imply deception.

Klein:

Objection — argumentative.

Reyes:

Mr. Porter, did you authorize the removal of the audit qualification note from the packet shared with Riverpoint?

Porter:

That was a group decision. Legal was involved.

Reyes:

Yet your email from February 2, 2023, says: *"Let's keep the audit language out for now — no need to startle them."* You wrote that, correct?

Porter:

Yes, but context matters. The audit qualification wasn't material at the time.

Reyes:

Except it flagged a pending investigation by the SEC, correct?

Klein:

Objection. Mischaracterizes the audit.

Reyes:

The audit flagged a pending inquiry. Yes or no?

Porter:

It mentioned a correspondence, not a formal investigation.

Reyes:

Did anyone at Fairgrove pressure you to sanitize documentation shared with Riverpoint?

Porter:

No one used the word "pressure."

Reyes:

But did you alter or omit data with the intent to make Fairgrove appear more stable than it was?

Porter:

We tailored the information to reflect strategic priorities.

Reyes:

Is that a yes?

Porter:

It's not a yes. It's how partnerships work. You don't lead with every weakness.

Reyes:

Let's move to your severance agreement. It includes a non-disparagement clause and a retroactive NDA. That's unusual, isn't it?

Porter:

I wouldn't know — that was negotiated by counsel.

Reyes:

The same day that Riverpoint sent a letter alleging misrepresentation, Fairgrove executed your exit agreement with a \$300,000 bonus. Did you find the timing coincidental?

Klein:

Objection. Assumes facts not in evidence.

Reyes:

Did you receive the payment?

Porter:

Yes.

Reyes:

Did you sign an NDA the same day?

Porter:

Yes.

Reyes:

Final question for now: if you were in Riverpoint's position, would you have entered the deal based on the version of the financials you approved?

Porter:

I believe the deal reflected Fairgrove's long-term value.

Reyes:

That's not what I asked.

Klein:

Counsel, he answered your question.

Reyes:

No, he didn't.

Porter:

You want a yes or no? Fine. If I were them — probably not.

[Brief pause]

Reyes:

Thank you. No further questions at this time.

[Transcript Ends]