

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 -----X
4 :
5 UNITED STATES OF AMERICA :
6 v. : S2 17 Cr. 686 (LAK)
7 :
8 James Gatto, :
9 Merl Code, and :
Christian Dawkins, :
Defendants. :
-----X

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12
13
14 Recorded Conversation
15 989-493-4317

16
17 Date: July 10, 2017
18 Time: 12:43:19 PM
19 Session Number: 17
20 Participants: Munish Sood
Merl Code
Jeff

21
22 (U/I) - UNINTELLIGIBLE
23 (PH) - PHONETIC SPELLING
24
25

1 SOOD: Hey, Jeff, it's Munish.

2 JEFF: Hey, Munish, what's going on?

3 SOOD: Hey, I got uh Merl on the phone, okay.

4 CODE: Merl.

5 JEFF: Merl, right?

6 CODE: No, no. Hold on.

7 SOOD: Hello. Hey guys.

8 CODE: Hello.

9 SOOD: Hey guys.

10 JEFF: Hello.

11 SOOD: Hey, Jeff. Hey, Jeff, Merl. You guys are

12 all on.

13 JEFF: Oh, good. Nice job. What's going on?

14 CODE: Thank you. Thank you.

15 SOOD: So hey, sorry for my voice again. And it is

16 not because I was partying too much (U/I).

17 CODE: I don't believe that, but okay.

18 JEFF: Yeah, me neither.

19 SOOD: All right, all right, whatever. Um, this

20 shouldn't take too long but, Merl, as you

21 know, um, Christian is helping the Bowen

22 family out.

23 CODE: Yes.

24 SOOD: And my --

25 CODE: Well, yeah. I'm helping the Bowen family

1 out, but yeah. Go ahead.

2 SOOD: Well, let me start, let me start again. I
3 hear you. Merl is helping the Bowen family
4 out. Yeah, but I guess the father was
5 expecting money today.

6 CODE: So, yeah. So let me, let me kind of give
7 you guys the back story so you'll kind of
8 know what's going on. So certainly, man,
9 you guys are being introduced to, you know,
10 shoe wars and how stuff happens with kids
11 and getting into particular schools and so
12 this is kind of one of those instances where
13 we needed to step up and help one of our
14 flagship schools in Louisville, you know,
15 secure a five-star caliber kid. So
16 obviously that helps, you know, our
17 potential business in terms of, in terms of
18 Adidas.

19 JEFF: In terms of an Adidas school, yeah.

20 CODE: Right. And then as an Adidas school.

21 JEFF: An Adidas school.

22 CODE: Yes. Jeff?

23 JEFF: Go ahead, sorry, I was just tuning out for a
24 second. Sorry.

25 CODE: Okay. So, so, yeah. So, you know, we had

1 to do some things to help in -- from that
2 vantage point. So long story short, it's
3 got to go through some, some processes, um,
4 and steps and what have you to -- and it
5 takes a while. So we're talking another two
6 or three weeks before it really runs through
7 the corporate structure and dad was - dad's
8 expectations were, you know, Christian was
9 going to be able to able him to do some
10 things, you know, a month ago. Um. And so
11 that obviously hasn't happened so Christian
12 called me and said, hey, I'm going to lean
13 on Jeff and Munish, um, to get it done.
14 Would you mind, you know, just making sure
15 that they were, um, aware of the situation
16 and with the understanding that, that they
17 would be reimbursed. And I said "no, I have
18 no problem with that." So that's kind of
19 what, what it is and what happened and how
20 it happened. So yes, it's in process.
21 We've already done our part on our end.
22 We're waiting for um purchase orders and
23 numbers and that kind of stuff to come back
24 and go through the accounts payable system
25 and so it is in process. Um, but again,

1 will take probably another two or three
2 weeks.

3 JEFF: So, Merl, just so, just so -- because this
4 is obviously all new to me and --

5 CODE: Sure.

6 JEFF: -- the expert -- and you're the expert here.
7 Um. So this is something that Adidas does
8 with obviously top, top, top kids going to
9 Adidas schools where they, they, they will,
10 they're able to give them some type of
11 compensation like people using (U/I).

12 CODE: So no -- no. I mean when I say no, again,
13 it's not a situation where, you know, we
14 partake in, so we're actually taking care of
15 the relationship with Christian, right. So
16 that whatever, whatever he will decide to do
17 or how he will decide to do it, so it's
18 really him helping us, third party, but
19 we're not, we're not engaging in any
20 monetary relationship with uh, a, um,
21 amateur athlete. We're engaging in a
22 monetary relationship with a business
23 manager and whatever he decides to do with
24 it, that's between him and the family.
25 JEFF: Got you.

1 CODE: Um. You know, so no, we don't -- we can't.
2 You know what I mean, we can't --
3 JEFF: Right.
4 CODE: --get involved directly in those kind of
5 situation scenarios but certainly when it
6 helps one of our flagship schools, you know,
7 we're more apt to try to help that business
8 manager or that particular agent or -- you
9 know, because that's, you know, helps them
10 and it helps us.
11 JEFF: And then --
12 CODE: But we don't, you know, we don't directly do
13 it.
14 JEFF: Right, right. Explain it better than I
15 guess then from what Munish was telling me
16 yesterday, I guess this kid or the dad was
17 promised 100,000 over the year, 25,000 a
18 quarter, does that sound right?
19 CODE: Yes.
20 JEFF: And then -- now, has he, has he received a
21 payment yet or this is the first one and he
22 was just expecting it sooner?
23 CODE: I think, I think Christian had said, uh -- I
24 think at the time Christian was there, he
25 would have received his first installment

1 sooner.

2 JEFF: Okay. So he hasn't yet. So this will be
3 his first, first payment.

4 CODE: Yes, yes.

5 JEFF: So, um, so if, if, uh I'm able to help, you
6 know, obviously Christian and you guys with
7 this payment -- how does it work going
8 forward? Like will I have help like --

9 CODE: Well, no. It will be a -- it should be a
10 one-time only um situation. You shouldn't
11 be involved in this afterward, because the
12 process should have been established and
13 going forward, you shouldn't have any
14 involvement.

15 JEFF: And then --

16 CODE: So it should just be a one-time deal.

17 JEFF: One. Okay. And then Adidas will pick up
18 the remaining three payments once everything
19 gets sorted out, I guess.

20 CODE: We'll, we'll, we'll make sure Christian has
21 whatever he needs.

22 JEFF: Right, right, right. Yeah, yeah, yeah. I
23 got you.

24 CODE: Yes, yes.

25 JEFF: Okay. All right. That sounds good. So

1 then how does the money um exchange hands?
2 Like is it the cash? Is it wire?
3 CODE: From who to who? From -- I'm not sure what
4 Christian does with his relationship with
5 the family. I'm not --
6 JEFF: So I guess, so I guess if I laid it out, how
7 am I going to get that?
8 CODE: I would suggest, I would suggest for, for
9 cleanliness and lack of, lack of questions,
10 I would always assume cash is better, right?
11 JEFF: Yeah, I would -- yeah.
12 CODE: For reimbursement, certainly that can happen
13 a number of ways. If you don't care, then
14 certainly it could be via check. If you do
15 care, it could be by other means.
16 JEFF: Okay. Okay.
17 SOOD: Merl, so, um Merl, when you help Christian
18 or anyone like him, is it typically a check
19 or a wire you would send to these guys and
20 then that's their problem?
21 CODE: Well, yeah. Typically it will be a --
22 because I need to be able to use it --
23 SOOD: Right.
24 CODE: -- because he's basically getting paid as a
25 consulting fee so he can incur whatever

1 taxes or whatever, you know, because I don't
2 want to, I don't want to get into that
3 fight.

4 SOODE: Yeah, right.

5 CODE: So, so for us, he'll be -- cut a check that
6 will, that will say consulting fees, and
7 that will be done and then -- however he
8 decides to disseminate those funds
9 afterwards is on him.

10 SOOD: Right, but could you pay the management
11 company because as you know, we have this
12 company called Loyd Management.

13 CODE: Yeah, I mean, we can, we can cut the check
14 to whoever needs the check to be cut to.

15 JEFF: Okay. Perfect. So then can --

16 CODE: But it won't be -- so it won't come directly
17 from, um, because we can't have a, again, a
18 direct relationship with a management
19 company.

20 SOOD: All right.

21 CODE: So, so what will happen was it'll go to a --
22 it's in process to go to a 501(c)(3).

23 JEFF: Okay.

24 CODE: Right. And then that 501(c)(3) will then
25 cut the check wherever you guys need it to

1 be cut.

2 SOOD: Okay, got it.

3 JEFF: Okay. All right. And then, and then, um --

4 and I'm assuming the fact that Christian's

5 involved, I guess so this this money,

6 whatever Christian is doing with the family,

7 um, how you guys are helping him, uh, I

8 guess the the kid's father, he's already

9 been -- like he's already on the same page

10 that like -

11 CODE: Yes.

12 JEFF: -- ultimately like we think this kid is

13 coming to Christian and coming to you guys.

14 CODE: Yes, there you go.

15 JEFF: Okay.

16 CODE: There you go, yes.

17 JEFF: All right.

18 CODE: That is, that is the rationale behind any of

19 this taking place, so, yes.

20 JEFF: Fantastic. So how do I --

21 CODE: These are the kinds of situations that we,

22 you know, we have our hands on.

23 JEFF: And we, we talked about it when we met in

24 New York, yeah.

25 CODE: Right.

1 JEFF: This is like exactly what we were talking
2 about about getting in at the, at the right
3 time with all of --
4 CODE: Sure.
5 JEFF: -- you know, with your wealth of connections
6 and knowledge. So how, how would we, how
7 would -- so if I have to lay it out, it's
8 got to go to -- it has to go to you first or
9 it just needs to go to Christian?
10 CODE: No, it goes to Christian. I don't need to
11 touch it.
12 JEFF: You don't need to touch it.
13 CODE: No.
14 JEFF: It just goes to Christian.
15 CODE: Yeah, it goes to him --
16 SOOD: Yeah.
17 CODE: -- because he's going, he's going to be the
18 one dealing with dad and family, not me.
19 JEFF: Okay.
20 CODE: So I won't deal with dad and family until I,
21 you know, see them during the season and
22 that kind of deal. So I'm -- I need --
23 there needs to be some separation, um, from
24 me and that, and then Christian's already
25 got an established relationship with, you

1 know, with the kid and his dad.

2 JEFF: Okay. All right. So we'll we'll try to -

3 CODE: Okay.

4 JEFF: Yeah, so let me um -- cause obviously we

5 want to try to get an answer today. I just

6 need like a couple hours, maybe I'll try to

7 have an answer to you like before you get on

8 the plane, and then, uh we'll just figure

9 out the logistics of the money.

10 SOOD: All right. That's perfect.

11 CODE: So give me -- today is the 10th. So, um by

12 my guestimation, by the 25th, this should be

13 done. It should be finished around then.

14 JEFF: The twenty - you (U/I) you just said. My

15 phone lost connection.

16 CODE: I said by the -- yeah, by the 25th of this

17 month, you know.

18 JEFF: This month.

19 CODE: I said probably within a couple weeks

20 before, before this whole thing in process

21 is taking, taking, uh taking shape. So I'm

22 saying it should take shape in the next two

23 weeks, so by the 25th of this month, it

24 should have been -

25 JEFF: Returned in full.

1 CODE: -- in hand, absolutely.

2 JEFF: Okay. And then obviously, if it's -- you'll

3 just keep us posted.

4 CODE: I'll keep you posted of something if there's

5 any delays or hiccups or what have you.

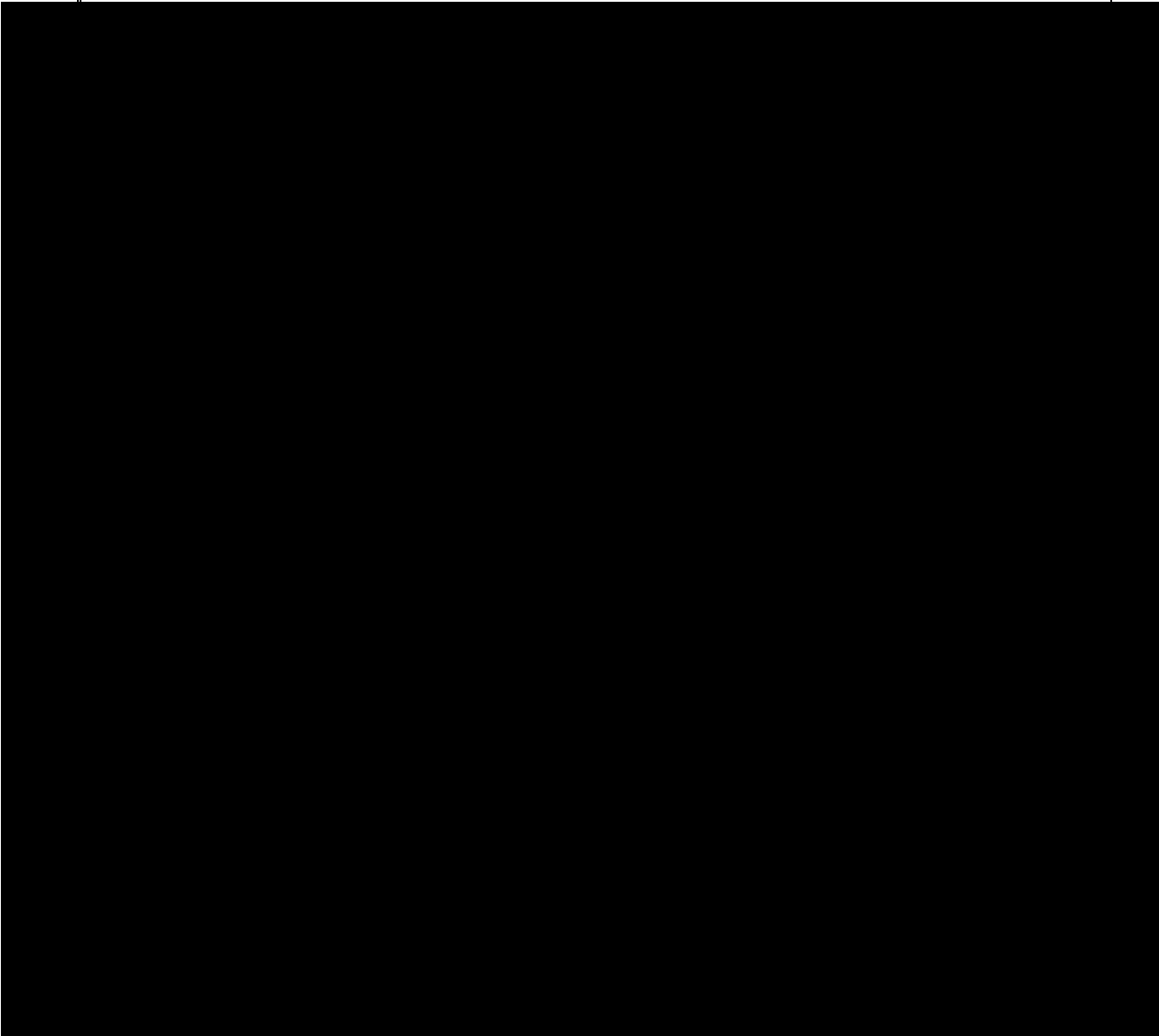
6 JEFF: Delay.

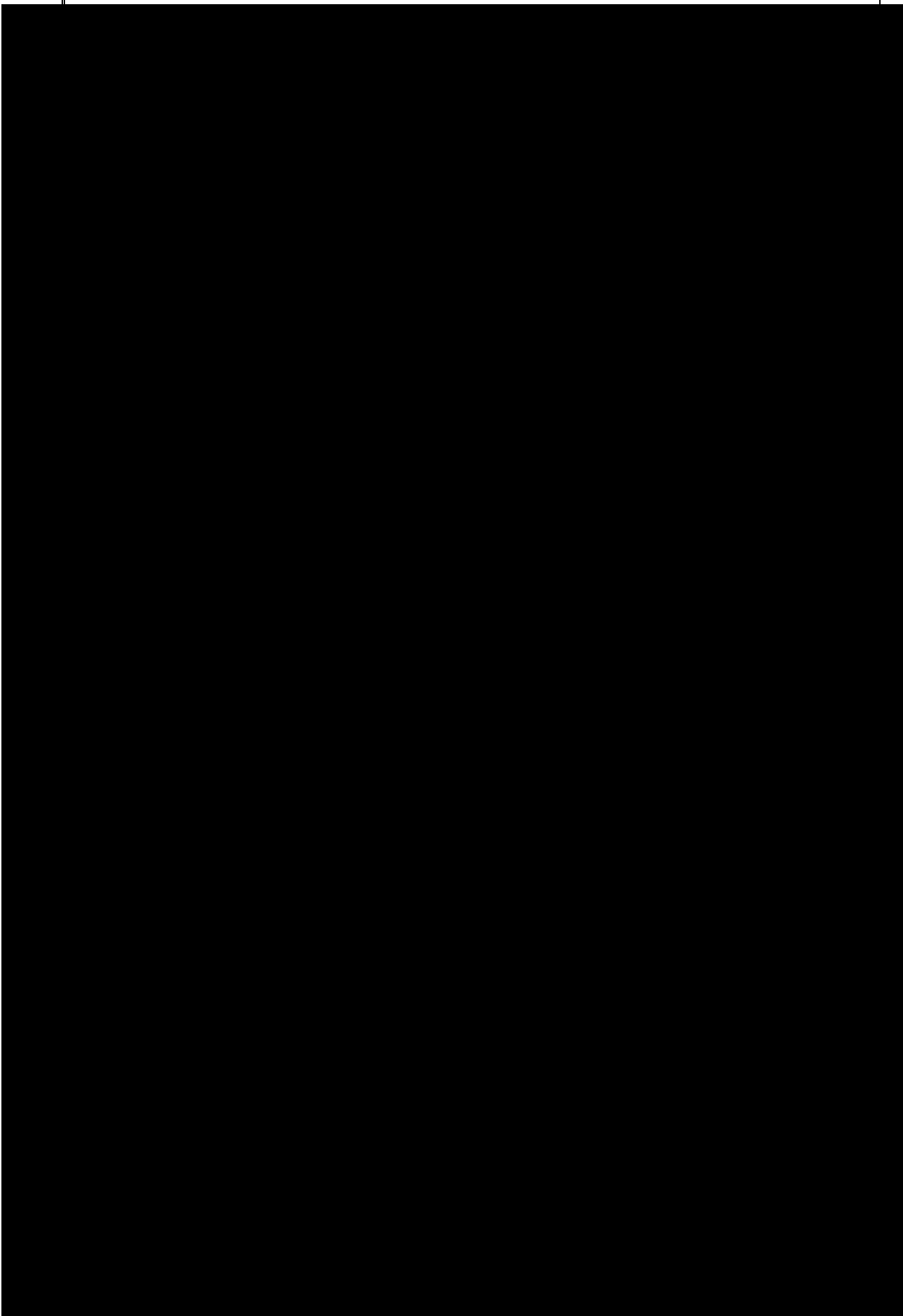
7 CODE: But there shouldn't be. I mean I'm

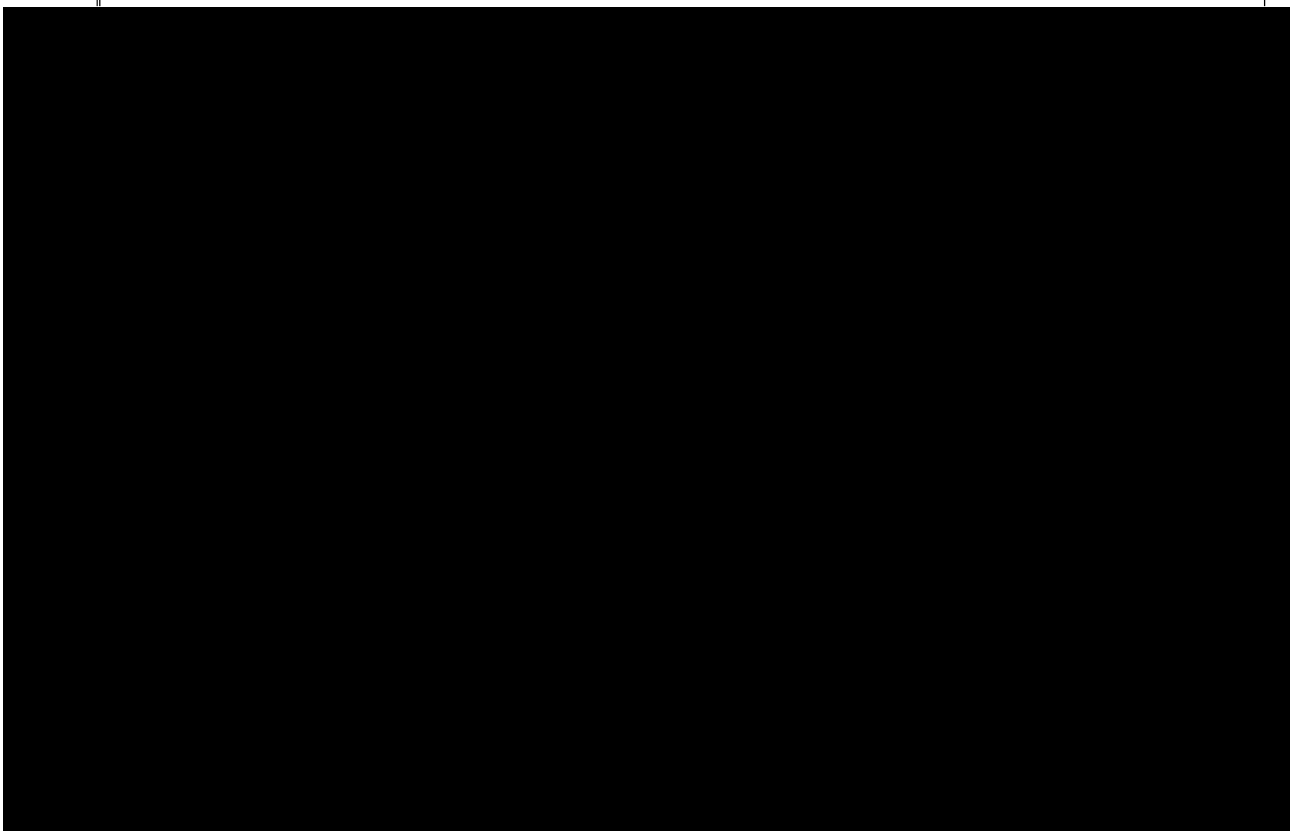
8 expecting a purchase order sometime between

9 today and Wednesday.

10 JEFF: Okay.







12 (End of recording)

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