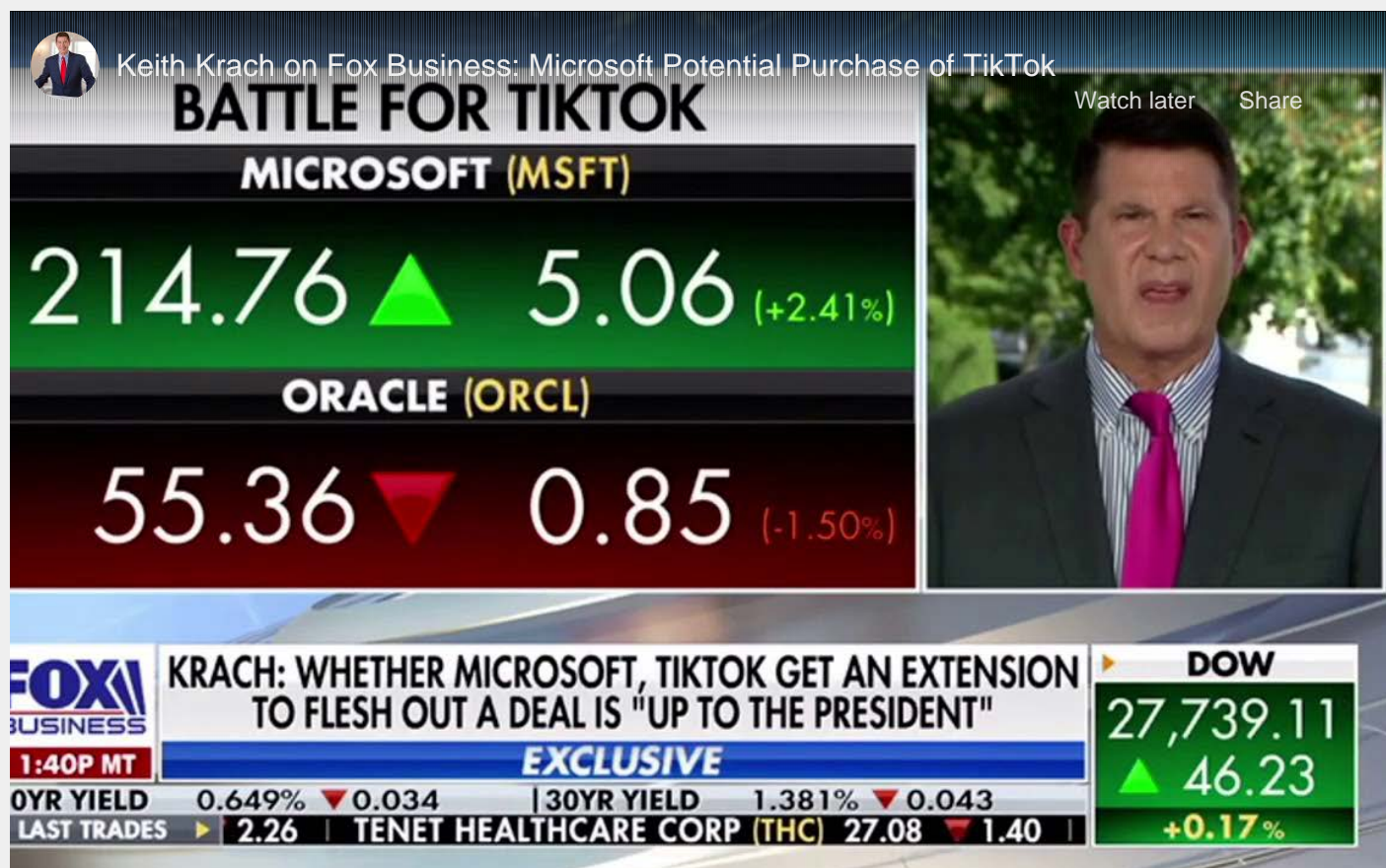


EXHIBIT 13

KEITH KRACH



Microsoft Potential Purchase of TikTok

KEITH KRACH, UNDER SECRETARY FOR ECONOMIC GROWTH, ENERGY AND THE ENVIRONMENT

Source: [Fox Business](#) Interviewer: Liz Claman

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Liz Claman: Microsoft charging higher in this final hour of trade. We're looking at gains of two point three percent. Microsoft is adding 30 points to the Dow Jones Industrials at this hour as investors appear to applaud the news we broke right here on Fox Business yesterday. ByteDance sources are telling us that Microsoft will be, "the white knight" to seal an acquisition deal with TikTok, the wildly popular social media app. Sources tell us that a signed deal to buy the U.S. assets of the Chinese owned TikTok company will be done by the September 15th deadline that President Trump imposed. But will a signed deal, whether with Microsoft or another suitor, save TikTok from getting banned in the U.S.? We now turn to a man intimately involved with the administration's potential bans of both

TikTok and Tencent's WeChat, U.S. Undersecretary of State for Economic Growth, Keith Krach joins us exclusively from the White House. Mr. Under Secretary, thank you so much for joining us. Let me get right to the point about this. If Microsoft or Oracle or some other dark horse does get a signed and binding deal to buy TikTok's U.S. assets by September 15th, will the administration accept that?

Keith Krach: Well, Liz, it's great to be back on your show. That final decision is up to the president. Obviously, it's a race against the clock. And, you know, it's about more than just two companies, TikTok and WeChat. What it's really about is three things. It's about the Communist Party's surveillance state and 5G is the backbone. These apps are appendages, as well as clouds. And so it's also about that great China firewall where all data can go in, but none come out. And then all the propaganda come out. But the truth cannot come back in. And it's also about reciprocity, because our apps aren't allowed in China. You know, you look at YouTube or Google search. So this is part of a comprehensive effort that Secretary Pompeo recently announced called the Clean Network. And he announced the expansion of that with the launch of five new clean initiatives. So Clean Apps is one of them. Clean Store, Clean Cloud, Clean Carrier and Clean Cable — underwater cable.

Liz Claman: OK, well, what are the key issues that you're looking for in terms of approving? Again, my sources are telling us here at Fox Business it's Microsoft. So if Microsoft were to come and say, look, we've got a binding signed deal, what are you going to sift through and look specifically for to say, OK, that'll do it?

Keith Krach: Well, I think always the most important thing, Liz, you know, after spending 30 years in Silicon Valley, it's about the people. So you've got to make sure that it's Americans that are running the show. And then the second one is the data — to make sure that's not going back to Beijing because they can take advantage of their National Intelligence Act, that requires them to turn over any data. And then the third thing is in terms of any algorithms and those kind of things. And these are complicated deals to put together. No doubt it's going to be a challenge to beat that clock.

Liz Claman: You're a Silicon Valley guy. Yes, you founded Ariba Networks. You're the CEO, formerly of DocuSign. You know how these deals go, though. If Microsoft or whoever were to present this one sheet deal but asks for more time to actually close because, as you say, it is technically very tough to sort of surgically separate an appendage or an arm of a company. How long an extension is the administration willing to grant?

Keith Krach: By the way, here again. That's a decision for the president. And, you know, in my past, I've been courted by Microsoft in terms of acquiring one of our companies. And I would say it does not happen overnight. There's so much due diligence that has to be done. Now, you know, I mean, Microsoft and other suitors that they're talking about are highly capable of accelerating it. But it's going to be a challenge for anyone, Liz.

Liz Claman: President Trump did express support for Oracle as a buyer. Chairman Larry Ellison is a

political supporter of his, but the president also said weeks ago he's fine with Microsoft, too. What's his preference between the two?

Keith Krach: Well, I don't really know, to be gosh darn honest with you, but these are two great American companies. No question about it. And they're some of the most powerful software companies in the world and particularly in the enterprise area. So this would be a new foray for Oracle in the consumer space.

Liz Claman: I want to get to the national security part of this. He said he will ban the app due to national security concerns, but he didn't really present any specific evidence of violations. Can you give us at least some of the evidence that's out there about TikTok?

Keith Krach: Well, you know, I think if you look at all these companies, they have members of the People's Liberation Army embedded inside of these companies and their loyalty is to the Communist Party.

Liz Claman: Well, I mean, Facebook, if you're talking about embedded, you've got Facebook bots, Chinese bots, Russian bots in a lot of these companies.

Keith Krach: I'm talking about people themselves embedded in it. In ByteDance or in also in WeChat for sure. Pony Ma, from WeChat has been very vocal. At the Communist Party's National Congress, he stood up and he said, "Hey, we've got to control the Internet." So these guys, not only do they have to turn over that data to the Chinese Communist Party, but they also censor anything that has to do with Xinjiang, Hong Kong, all of that. And they have been doing it for years.

Liz Claman: Beyond an app that's popular with teens and the Gen-Z'ers dancing and showing their animals, the amount of data — so this is much bigger than TikTok, at least that's what I'm hearing — the amount of data China's already buying from data brokers out there is huge. So why is this fairly small but high profile, TikTok transaction the president's focus. And will the issue be more widely addressed?

Keith Krach: Well, yes, absolutely. It will be more widely addressed. And that's why we announced the expansion of the Clean Network.

And now this is a comprehensive approach to protecting people's privacy. Businesses' most sought after intellectual property and also to guard trusted collaboration. So this is much broader than these companies. And I think you'll see some other things that will be becoming out in the future along these lines. These these happen to be the first two in addition to Huawei, of course. So this is a comprehensive approach. And this is all about the Communist Party extending that the great one-way China firewall right over here in the United States. And they have gobs and gobs of data that they just soak up and they have their AI algorithms being able to do all kinds of things. For example, with the credit social scores, which in essence quantifies how loyal you are to the Communist Party. So they

could do a social credit score on a citizen in the United States and see. Well, how likely are they to be an ally of the Chinese Communist Party? Yes, it's just an example, and it's really scary, and I'll never forget when I was over there three years ago at the Global Leaders Summit and everybody was saying every other, you know, between every session, "Hey, download Tencent." "Download Tencent." And it just occurred to me, "I'm not downloading Tencent!" I mean, they're all over you. They want the Americans to do that. They want the world to do that.

Liz Claman: But they won't let Google in.

Keith Krach: Yeah, they don't they don't let Google in, they don't let Facebook in, they don't let Twitter in, but they sure use them. They're their embassy here sure uses them. So, you know, it's a one way street. I think there's a magical and a fair thing in terms of reciprocity.

And I really salute this administration for putting the foot down because it's been that one way street.

Liz Claman: Mr. Under Secretary, thank you very much for joining us. Good to see you. In fine weather there at the White House, Keith Krach, thank you so much.

"The most important things in life are not written in a book"
--Mama Krach

Website by Carter Krach

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