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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO: 1:16-cv-21199-CMA

ANDREA ROSSI, ET AL.,

Plaintiffs,

vs.

THOMAS DARDEN, ET AL.,

Defendants.

\_\_\_\_\_ /

PERLMAN, BAJANDAS, YEVOLI &  
ALBRIGHT, P.L.  
282 CATALONIA AVENUE  
SUITE 200  
CORAL GABLES, FL 33134  
Monday, February 13, 2017  
9:07 a.m. - 5:18 p.m.

VIDEOTAPED DEPOSITION OF JOHN THOMAS VAUGHN  
(Corporate Representative of Industrial Heat, LLC)

Taken on behalf of the Plaintiff before  
Elizabeth Cordoba, RMR, CRR, FPR, Notary Public in  
and for the State of Florida at Large, pursuant to  
Plaintiff's Notice of Taking Deposition in the above  
cause.

**ECHIBIT "6"**

1 APPEARANCES:

2 ATTORNEYS FOR PLAINTIFFS:

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1 Levi and his group, who had done -- I believe they did the  
2 July 16th test and then they later did a -- I believe it  
3 was December and March, December '12 and March '13 test,  
4 which were combined and one report was written about both  
5 of them. So -- but, you know, Penon it appears was doing  
6 some work at that time, as well.

7 Q. You know, before I go any further, I wanted to  
8 ask this question I forgot to ask. Are you also going to  
9 be appearing as the corporate representative for IPH at  
10 tomorrow's deposition?

11 MR. BELL: Why is that appropriate to ask him  
12 now?

13 MR. CHAIKEN: So I don't have to duplicate a  
14 lot of the work.

15 THE WITNESS: I think we are still working to  
16 determine who -- who that is going to be.

17 BY MR. CHAIKEN:

18 Q. Okay.

19 A. But we are still trying to decide about that.

20 Q. Okay. Are you currently an officer or director  
21 of IPH?

22 A. I am not.

23 Q. Okay. Are the -- well, I will ask that later.

24 When approximately did your team complete its  
25 due diligence on Dr. Rossi and the E-Cat technology?

1 took a break about IPH and whether or not it had a bank  
2 account. You had said that it had a bank account.

3 Do you know if Industrial Heat was paying  
4 expenses from its bank account for IPH's expenses?

5 A. Meaning was it -- was Industrial Heat, LLC  
6 paying expenses and then charging it to IPH International?

7 Q. Well, let me give you an example. So let's  
8 say, so after the assignment takes place --

9 A. Right.

10 Q. -- IPH -- and after IPH was formed, obviously  
11 -- IPH would get an invoice directed to IPH. Would IPH  
12 pay using its account or would Industrial Heat use its  
13 account to pay those IPH expenses?

14 A. And then expense that to IPH? I don't recall.  
15 I apologize. You know, Jim Fogleman was handling all  
16 this. So I don't know how that was handled. If  
17 Industrial Heat would pay the expense and then charge it,  
18 you know, expense it to IPH International or if IPH  
19 International would pay it directly.

20 Q. Is there any reason you can think of why IPH  
21 would have received an invoice and then forward it on to  
22 IH for payment?

23 A. I apologize, I am not going to be too helpful,  
24 and it is simply because Jim was managing all that. I  
25 could see -- it wouldn't surprise me if that had happened.

1 But I am not sure. And I apologize for not providing a  
2 more definite answer.

3 (Exhibit 7, IH113114, was marked for  
4 Identification.)

5 BY MR. CHAIKEN:

6 Q. I am handing you what has been marked as  
7 Exhibit 7. It's been Bates stamped IH113114.

8 Have you seen this flowchart before?

9 A. Yes, sir.

10 Q. And does this accurately depict the current  
11 organizational structure of the -- I will call it the  
12 IH-HI entities?

13 A. Just one second. Let me review it to...

14 Q. Sure.

15 A. I don't think -- there may be -- broadly, I  
16 think the answer is yes. But if you look under the IHJ  
17 Holdings Limited, I believe that there are only two  
18 entities under that. I'm nearly positive there are only  
19 two entities under that. So you see here there are three.  
20 And there are, in fact, I believe only two.

21 Q. Okay. And you said that was IHJ Holdings  
22 Limited, the Jersey on the right?

23 A. Yeah. So the diagram is showing three  
24 different entities under that. I believe that there are  
25 only two.

1 A. I have.

2 Q. Is this a document prepared by Industrial Heat?

3 A. It is.

4 Q. Do you know who at Industrial Heat prepared  
5 this document?

6 A. I believe that I prepared it.

7 Q. Do you know why you prepared it?

8 A. To provide an overview, I would imagine, to  
9 prospective partners or to investors in Industrial Heat.

10 Q. And did this document get distributed to  
11 potential investors in Industrial Heat?

12 A. I don't know if it ever was used or not. I  
13 don't know.

14 Q. The very first line of this document states:  
15 "Cherokee has been researching technologies which create  
16 heat through low energy nuclear reactions."

17 Do you see that?

18 A. I see it.

19 Q. Was that a true statement?

20 A. Sure. In effect that, you know, Tom and I had  
21 been looking into these -- this field of study.

22 Q. Okay. Down to the fourth paragraph on the  
23 page, it starts with "if the investor is successful."

24 A. Inventor.

25 Q. Excuse me. Thank you for correcting me. I

1 if those provisions were met, true?

2 A. Industrial Heat was planning to raise  
3 additional capital, either from Tom and John, the original  
4 sources, or others. And that was, you know, that was a  
5 known fact.

6 Q. Okay. Let's look at 3.2 (a). And take a  
7 minute to review it. Let me know when you are done.

8 A. Okay.

9 Q. Okay. Did, in fact, Industrial Heat make this  
10 payment under 3.2 (a)?

11 A. Industrial Heat paid 1.5 million upon executing  
12 the agreement.

13 Q. I'm sorry. Can you repeat your answer?

14 A. Sure. Industrial Heat paid 1.5 million after  
15 executing the agreement.

16 Q. Right. Now, did Industrial Heat cut that check  
17 or did someone pay on behalf of Industrial Heat?

18 A. I would have to go check, but I believe that  
19 Industrial Heat -- I'm not sure, in fact, if Industrial  
20 Heat -- I am trying to recall when Industrial Heat set up  
21 its bank account and if that was originally paid on behalf  
22 of Tom and John or if it was paid on behalf of Industrial  
23 Heat. I don't recall. I apologize. But we could look it  
24 up.

25 Q. Okay. Is there a reason someone would pay on

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CERTIFICATE OF OATH OF WITNESS

STATE OF FLORIDA            )  
  )    SS:  
COUNTY OF MIAMI-DADE    )

I, ELIZABETH CORDOBA, RMR, CRR, FPR, Notary Public in and for the State of Florida at Large, certify that the witness, JOHN THOMAS VAUGHN, personally appeared before me on February 13, 2017 and was duly sworn by me.

WITNESS my hand and official seal this February 26, 2017.



ELIZABETH CORDOBA, RMR, CRR, FPR  
Notary Public, State of Florida  
at Large

Notary #EE075383

My commission expires: 3/17/2019