

# EXHIBIT F

(John Thomas Vaughn Deposition Excepts)

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

ANDREA ROSSI and LEONARDO )  
CORPORATION, )  
 )  
Plaintiffs, )

vs. )

No. 1:16-cv-2119-CMA )

THOMAS DARDEN; JOHN T. VAUGHN; )  
INDUSTRIAL HEAT, LLC; IPH )  
INTERNATIONAL B.V.; and )  
CHEROKEE INVESTMENT PARTNERS, )  
LLC, )

Defendants. )

INDUSTRIAL HEAT, LLC and IPH )  
INTERNATIONAL B.V., )

Counter-Plaintiffs, )

vs. )

ANDREA ROSSI and LEONARDO )  
CORPORATION, )

Counter-Defendants, )

and )

J.M. PRODUCTS, INC.; HENRY )  
JOHNSON; FABIO PENON; UNITED )  
STATES QUANTUM LEAP, LLC; )  
FULVIO FABIANI; and JAMES )  
BASS, )

Third-Party Defendants. )

Videotaped Deposition of  
JOHN THOMAS VAUGHN  
(Taken by Plaintiff)  
3509 North Haworth Drive, Suite 403, Raleigh, North Carolina  
January 19, 2017, 9:04 a.m.

Reported in Stenotype By  
Margaret M. Kruse, CSR, RMR, CRR  
Transcript produced by computer-aided transcription

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1 Q. During that first meeting, it was who? Yourself,  
2 Mr. Darden, Mr. Johnson and Mr. Rossi, Dr. Rossi?

3 A. I think that's right.

4 Q. Okay. And what did Dr. Rossi tell you at that  
5 time?

6 A. I think I just stated that, that he introduced  
7 Henry Johnson. I don't remember if he said Henry Johnson  
8 or Hank Johnson or Mr. Johnson. And I don't remember the  
9 title that he gave him. I don't remember if he says this  
10 is the president of J.M. -- whatever it's called --  
11 Chemical Products or if he said -- you know, went on at  
12 that point to elaborate that Johnson Matthey didn't want  
13 anybody to know, so they used who Rossi had proposed, Henry  
14 Johnson, to be the president of this affiliate or  
15 subsidiary that they were forming to do this.

16 Q. And what did Mr. Johnson tell you?

17 A. I don't remember exactly what he told us other  
18 than just kind of -- he was playing that part. I don't  
19 recall that he -- he reminded us that he was Rossi's  
20 attorney, you know, from other affairs. But I don't  
21 remember specific things he said.

22 Q. Did he tell you that he worked for Johnson  
23 Matthey?

24 A. I'm -- it's difficult to recall so long ago.

25 Q. Can you recall any specific statements made by

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1 Industrial Heat relied on you as the vice president of  
2 Industrial Heat before signing this agreement, relied on a  
3 statement by Mr. Bass prior to signing it?

4 A. By Mr. Bass?

5 Q. Yes.

6 A. I don't recall. I don't recall. I don't recall  
7 at what point Mr. Bass was introduced into the equation.

8 Q. And was Mr. Johnson there the second time?

9 A. He was not.

10 Q. So how many times have you spoken with  
11 Mr. Johnson?

12 A. I don't recall -- for example, I don't recall if  
13 I've talked with him on the telephone or if he's been on a  
14 conference call that I've been on. I'm trying to remember  
15 if he was ever at the plant any other time or if I  
16 literally only met him, besides that mediation, the one  
17 other time in Red Robin.

18 Q. Sir, within the term sheet that you have in front  
19 of you, you would agree with me that there's no mention of  
20 Johnson Matthey, correct?

21 A. As designed by Rossi, correct.

22 Q. As designed by Rossi.

23 Now, you signed this agreement, correct?

24 A. I did.

25 Q. That's what I asked you before.

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1 pursuant to the license agreement; isn't that true, sir?

2 A. I think that that's debatable. But, clearly, if  
3 he had performed, we were eager to pay.

4 Q. So if you were pleased with the results, it was  
5 the guaranteed performance test; but if you were not  
6 pleased with the result, it was not?

7 A. That's not at all what I said.

8 Q. Sir --

9 A. We were trying to accommodate --

10 MR. BELL: You've answered the question.

11 THE WITNESS: I can't answer the question.

12 MR. BELL: You have answered the question.

13 BY MR. ANNESSER:

14 Q. Go ahead and finish, sir.

15 Go ahead and finish.

16 A. I was just going to say that's consistent with  
17 what I've said previously. Our goal has been to  
18 accommodate Andrea and to determine the state-of-the-art,  
19 whether or not it really works. And if it does, you know,  
20 we are happy to pay him.

21 Q. Do you understand the 350-day test to be carried  
22 out in Miami could result in a payment of \$89 million to  
23 Dr. Rossi as it was the test contemplated by the license  
24 agreement? It's a yes-or-no answer and then you can  
25 explain again if you need to.

1 And so Joe would have been the guy to much more competently  
2 assess the system's performance than I would have been.

3 Q. Okay. So prior to Mr. Murray coming on board,  
4 did you ask any other engineer to go down, other than  
5 Mr. Dameron?

6 A. I don't believe that we did.

7 Q. And you said you believed it was around July when  
8 you attempted to come down with Mr. Murray. And why didn't  
9 you?

10 A. We were turned away by Andrea.

11 Q. You were turned away. Didn't -- did you go down  
12 and he turned you away at the door or how was that?

13 A. No. Via email. He told us emphatically that Joe  
14 could not come in the plant.

15 Q. For what reason?

16 A. I don't remember his explicit reason. But we  
17 have the emails. You could pull them up.

18 But I believe his reason was that he recognized  
19 Joe as a sophisticated engineer. And historically Andrea  
20 has never wanted truly sophisticated engineers around what  
21 he's doing because they have a better ability to spot how  
22 he's manipulating things.

23 Q. And tell me, sir, did you insist on Mr. Murray  
24 coming down? Did you say --

25 A. I did.

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1 asking you: Do you have specific knowledge or evidence of  
2 Dr. Rossi or Mr. Fabiani manipulating the operation of the  
3 plant?

4 A. My knowledge is based on our engineering team's  
5 analysis.

6 Q. Okay. So independently you do not?

7 A. Not other than what our engineering team has  
8 provided, which, you know, I'm struggling now to recall  
9 specifics about their analysis, but it's available.

10 Q. Okay. You also alleged in the complaint,  
11 Industrial Heat alleges -- and I want to know if you have  
12 specific knowledge -- that Dr. Rossi did not ever meet with  
13 the Ferrara health office and his statements regarding the  
14 operation of the plant in Ferrara, Italy, for the  
15 validation test were false.

16 Do you have any specific knowledge or evidence of  
17 that?

18 A. I believe that our legal team has looked into the  
19 laws there and they're not consistent with what he had  
20 claimed at the time.

21 Q. Okay. But what I asked you is: Do you have any  
22 evidence that there was no meeting with the Ferrara health  
23 department or health office?

24 A. Do I have positive evidence that a meeting didn't  
25 take place?

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1 Q. That there was a customer in Miami that had a use  
2 for the steam that was affiliated with Johnson Matthey?

3 A. Fundamentally, you know, that was the  
4 representation that Andrea was making to us.

5 MR. BELL: You doing okay?

6 THE WITNESS: Uh-huh.

7 BY MR. ARAN:

8 Q. If I recall correctly, you stated earlier that  
9 you met with Mr. Henry Johnson one time as it relates to  
10 J.M. Chemical Products; is that right?

11 A. Yeah. I stated earlier, Francisco, that I didn't  
12 recall if I met with him more than one time, but I do  
13 remember one specific time.

14 Q. And at that meeting in that one specific time  
15 what was your understanding of Mr. Johnson's involvement  
16 generally?

17 A. He was introduced as a representative of Johnson  
18 Matthey. And I think I covered this some previously. I  
19 don't remember if it was made clear to us during the  
20 meeting that like -- during the meeting we remembered Henry  
21 Johnson, Hank Johnson, was also the name of Rossi's lawyer.  
22 But I do recall that some point we remembered that.

23 And Rossi had said, you know, look, they -- they  
24 needed a representative that couldn't be obviously attached  
25 to Johnson Matthey and so please do it. I don't recall



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1 when exactly that happened.

2 Q. Okay. Do you recall any conversations you had  
3 with Mr. Johnson at this meeting that you're referring to?

4 A. I don't recall the substance of those -- of the  
5 communications of that lunch. I apologize. But he was  
6 introduced as, you know, a Johnson Matthey representative.

7 Q. Okay. Thank you. He didn't introduce him in  
8 that manner, right?

9 MR. BELL: Objection to form.

10 THE WITNESS: I don't really recall, Francisco.

11 BY MR. ARAN:

12 Q. Let me rephrase. Did he intro -- how did  
13 Mr. Johnson introduce himself or did he introduce himself  
14 to you or was he introduced to you?

15 A. I'm struggling to recall, Francisco, if he  
16 introduced himself or if he was introduced and I just don't  
17 recall.

18 Q. And you don't recall anything substantively that  
19 Mr. Johnson spoke about or said in that meeting?

20 A. I don't. Again, Francisco, this is a long time  
21 ago. But the reason for the meeting is because Tom and I  
22 wanted to meet a representative of Johnson Matthey who  
23 could speak to the efficacy of what Andrea had been  
24 describing.

25 Q. Okay. Was Mr. Rossi -- was Mr. Johnson present

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1 during the entire meeting?

2 A. It was a -- it was lunch meeting. So I can't  
3 remember if Tom and I rode with Andrea or if we met him  
4 there. But we met him for lunch and then we had lunch  
5 together.

6 Q. Got it.

7 Okay. You stated earlier that you did not  
8 contact Johnson Matthey to confirm any involvement they  
9 might have with J.M. Chemical Products, correct?

10 A. Correct. We did not contact Johnson Matthey. I  
11 did not. And that was because Andrea had said, you know,  
12 Henry Johnson is the representative of Johnson Matthey and,  
13 you know, you can't contact them, they want this to be  
14 super confidential, you guys aren't to -- that will make  
15 them nervous if you guys contact them or, you know, mess  
16 things up.

17 Q. Given the circumstances and the amount of money  
18 involved, would you agree with me that it would have  
19 prudent to confirm one way or another that Johnson Matthey  
20 was not affiliated with J.M. Chemical Products?

21 A. Say that one more time, Francisco.

22 Q. Given the circumstances and the amount of money  
23 involved, would you agree with me that it would have been  
24 prudent to confirm in one way another that Johnson Matthey  
25 was, in fact, affiliated with J.M. Chemical Products?

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1 Q. What's marked as Exhibit 12, I believe.

2 A. Yeah, I can pull up the term sheet here. I don't  
3 recall the term sheet. Andrea drafted it, I believe. But  
4 go ahead, Francisco. What's your question?

5 Q. Simply, did you -- did you make any changes to  
6 the term sheet before it was signed?

7 A. I think there was a little bit of back and forth.  
8 I don't recall particularly on what points. I think there  
9 was some.

10 Q. Okay. So there was at least some back and forth  
11 as to the term sheet before it was signed, correct?

12 A. I think that's correct, Francisco. You guys will  
13 have to check the documents on this.

14 Q. Did you request at any point that the term sheet  
15 include some language that Johnson Matthey was affiliated  
16 with J.M. Chemical Products?

17 A. I think Andrea had said that Johnson Matthey  
18 didn't want its name on anything and he had been  
19 representing that J.M. Chemical Products, Inc., was an  
20 affiliate of Johnson Matthey.

21 Q. Right. You mentioned that, you know, Rossi had  
22 stated that he didn't want you guys reaching out because it  
23 was supposed to be confidential. But in an agreement that  
24 can be confidential, would that not be a way that you could  
25 confirm or back up the statement that Johnson Matthey was,

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1 STATE OF NORTH CAROLINA

2 COUNTY OF W A K E

3 CERTIFICATE

4 I, Margaret M. Kruse, Registered Merit Reporter,  
5 Certified Realtime Reporter and a Notary Public in and for the  
6 State of North Carolina duly commissioned and authorized to  
7 administer oaths and to take and certify depositions, do  
8 hereby certify that on January 19, 2017, JOHN T. VAUGH, being  
9 by me personally duly sworn to tell the truth, thereupon  
10 testified as above set forth as found in the preceding pages,  
11 this examination being reported by me verbatim and then  
12 reduced to typewritten form under my direct supervision; that  
13 the foregoing is a true and correct transcript of said  
14 proceedings; that I am neither kin nor counsel to any of the  
15 parties to this action; that I am not interested in the  
16 outcome of this case; that I am not in the employ of any of  
17 the parties to this action.

18 IN WITNESS WHEREOF, I have hereto set my hand, this  
19 the 23rd day of January, 2017.




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Margaret M. Kruse, RMR, CRR

24 Notary Public #201632100246

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