

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

1 likely. I think it probably just doesn't work. But --
2 that's why I say less than 1. If you run a device that
3 doesn't produce excess heat, you do have a COP of less than
4 1.

5 Q. Now -- but at that time, did you have any
6 objection to reporting to investors that it had produced a
7 COP of 1.3?

8 A. Yes. See I've mentioned that. I mentioned the
9 1.3 times COP test; but if you feel we should phrase it in
10 a better way, let me know, meaning more caveats.

11 So clearly that was being discussed. And I don't
12 know for certain if that was the draft that went to
13 investors or not. I don't know. So if that was ultimately
14 communicated to investors, again, it's not like Tom was
15 communicating something gravely positive. It was more or
16 less a negative. Right?

17 I mean, we -- we thought that this thing was
18 simple and easy and that you would have a much higher COP
19 than that. So it was a -- it was not a -- even though it's
20 reporting an over 1 COP, it was overall a negative
21 communication, as you can tell from reading.

22 Q. Go going back for just a moment to the validation
23 test carried out in Ferrara, Italy, on or about April 30 or
24 the beginning of May 2013, that's referenced in this update
25 as well from July 2013. And I would direct you under the

1 Industrial Heat update July 2013, the second paragraph,
2 about halfway through, it says [as read]: During the test,
3 we operated 37 different reactors for periods ranging from
4 24 hours to a few hours and the results were good. Our
5 engineer and the independent engineer operating the test
6 reported that the machines produced far more energy than
7 they required to operate, nearly 11 times as much in some
8 instances, versus our test requirements of 6 times during
9 the 24-hour test.

10 Do you see that?

11 **A. I see that.**

12 Q. Was that the update that you provided to
13 investors?

14 **A. I image that some form of this update went out.
15 And this may be a final draft. I'm not sure. But, again,
16 it's -- the context there is that broadly we were feeling
17 positive at the time and we didn't know what we didn't
18 know.**

19 **And, frankly, we weren't as sophisticated in the
20 -- in the measurement of heat, heat flows and calorimetry
21 as we should have been. So I think that is apparent in
22 later updates. Anyway. . .**

23 Q. So at the time you had no question whatsoever as
24 to those results?

25 MR. BELL: Objection to form.