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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.

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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.

1 Q. So at that time, at least at the time of this  
2 document, was Industrial Heat willing to postpone the  
3 start of the guaranteed performance test?

4 MR. BELL: Objection to form.

5 THE WITNESS: It appears that that was  
6 contemplated by this amendment, which was never put  
7 into effect.

8 BY MR. CHAIKEN:

9 Q. Okay. And whose signature is on page three?

10 A. Tom Darden's and Andrea Rossi's.

11 Q. And you say this agreement was not put into  
12 effect, and you say that because why?

13 A. It was never signed by AEG. For it to be  
14 effective, it had to be signed by all parties. And I  
15 think there was later notice circulated that said it was  
16 not in effect because it had never been signed by AEG.

17 Q. Got it. Did -- any time after October 2013 and  
18 prior to this lawsuit beginning, did Industrial Heat  
19 inform Dr. Rossi that, The time had passed, you could no  
20 longer achieve guaranteed performance, and you could no  
21 longer achieve an \$89 million payment?

22 A. I'm not sure that we informed him of that  
23 verbatim, as you stated.

24 Q. Okay. Did you say it to him in any -- any  
25 summary of that, in any -- in any way did you say, Listen,

1 the time has passed, you are -- we are not having a  
2 guaranteed performance test?

3 A. I am trying to recall. You know, I -- I don't  
4 recall.

5 Q. Do you think that was something that would be  
6 important to inform him, that he no longer had the  
7 opportunity to earn \$89 million?

8 A. Again, we were planning to pay him, if he could  
9 perform. Notwithstanding the fact that he had violated  
10 the agreement, not met the conditions of the agreement.  
11 So if we had done that, let's take a hypothetical  
12 scenario, dealing with a volatile character, you don't  
13 know how he is going to respond. Our goal, as stewards  
14 and as managers, is to determine definitively the state of  
15 the art. And by being confrontational, sooner rather than  
16 later, it ensured that you would just blow up in -- there  
17 was a chance, at least, that you would blow up the entire  
18 relationship and Andrea would stop working on it  
19 altogether and so, therefore, we just wouldn't know.  
20 Versus getting more information and getting more data to  
21 determine the state of the art.

22 Q. Well, couldn't you have told him, Hey,  
23 Dr. Rossi, we think that the time has passed, but if you  
24 perform, we are willing to still pay you?

25 MR. BELL: Objection to form.