

Page 1	<p>PAGES: 1-245 EXHIBITS: 1-30 UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA CASE NO. 1:16-CV-21199-CMA/O'Sullivan</p> <hr/> <p>ANDREA ROSSI, et al.,) Plaintiffs,) vs.) THOMAS DARDEN, et al.,) Defendants.)</p> <hr/> <p>VIDEOTAPED DEPOSITION OF AMPENERGO, INC. BY CRAIG J. CASSARINO</p> <p>This deposition, held pursuant to the Federal Rules of Civil Procedure, Rule 30(b)(6), at Nixon Peabody, LLP, 900 Elm Street, Manchester, New Hampshire, on Thursday, February 23, 2017, commencing at 9:00 a.m.</p> <p>DUFFY & MCKENNA COURT REPORTERS P.O. Box 1658 Dover, NH 03821-1658 (603) 743-4949 1-800-600-1000</p>	Page 3	
Page 2	<p>1 APPEARANCES: 2 3 PEARLMAN, BAJANDAS, YEVOLI 4 & ALBRIGHT, P.L. 5 BY: Brian Chaiken, Esq. 6 283 Catalonia Avenue, Suite 200 7 Coral Gables, FL 33134 8 305 377-0086 9 Bchaiken@pbyalaw.com 10 For the Plaintiffs 11 12 MILLER FRIEL PLLC 13 BY: Bernard P. Bell, Esq. 14 1200 New Hampshire Ave., NW 15 Suite 800 16 Washington, DC 20036 17 202 760-3158 18 BellB@millerfriel.com 19 For the Defendants 20 21 22 23</p>	<p>1 APPEARANCES: (CONT'D) 2 3 NIXON PEABODY LLP 4 BY: Andrew L. Share, Esq. 5 900 Elm Street 6 Manchester, NH 03101 7 603 628-4053 8 Ashare@nixonpeabody.com 9 For AmpEnergy and the Deponent 10 11 (Via Telephone) 12 ARAN CORREA & GUARCH, P.A. 13 BY: Fernando S. Aran, Esq. 14 -and- 15 Francisco J. Leon de la Barra, Esq. 16 255 University Drive 17 Coral Gables, FL 33134 18 305 665-3400 19 Fleon@acg-law.com 20 Faran@acg-law.com 21 For Third-Party Defendants 22 JM Products, Johnson, and Bass 23</p>	Page 4

1 (Pages 1 to 4)

Page 5				Page 7			
1	INDEX			1	Exhibit 20	AE 005.01-005.011	145
2				2	Exhibit 21	AE 355	151
3	TESTIMONY OF:	PAGE		3	Exhibit 22	IH 112628-629	156
4				4	Exhibit 23	IH-0028414-421	178
5	CRAIG J. CASSARINO			5	Exhibit 24	IH 00083161-164	186
6				6	Exhibit 25	IH 00093886-890	192
7	(By Mr. Chaiken)	9, 234		7	Exhibit 26	AE 1-4	203
8	(By Mr. Bell)	161		8	Exhibit 27	IH 00131061-62	206
9	(By MR. Leon de la Barra)	228		9	Exhibit 28	AE 000345.001-002	212
10	(By Mr. Share)	238		10	Exhibit 29	JB 00010-232	217
11				11	Exhibit 30	multipage document, US Army 222	
12				12	Corps of Engineers,		
13				13	September, 2014		
14				14			
15				15			
16				16			
17				17			
18				18			
19				19			
20				20			
21				21			
22				22			
23				23			
Page 6				Page 8			
1	EXHIBITS			1	VIDEOGRAPHER: Today is February 23rd,		
2	EXHIBIT	DESCRIPTION	PAGE	2	2017. The time is 9 o'clock a.m. The location is		
3				3	Nixon Peabody LLP, in Manchester, New Hampshire.		
4	Exhibit 1	Amended Agreed Notice of	12	4	My name is David Waldman, legal video specialist.		
5	Taking Videotaped Deposition			5	The Case No. is 1:16-CV-21199-CMA/O'Sullivan,		
6	Exhibit 2	AE 422.001-422.002	30	6	filed in the US District Court, Southern District		
7	Exhibit 3	AE 538	35	7	of Florida. Case is Andrea Rossi, et al. versus		
8	Exhibit 4	IH 21529-21533	42	8	Thomas Darden, et al. The deponent is Craig		
9	Exhibit 5	IH 129182	43	9	Cassarino. The video deposition was requested by		
10	Exhibit 6	IH 104053-104058	47	10	Brian W. Chaiken, Esquire.		
11	Exhibit 7	IH 132033-051	51	11	Counsel and all present will please		
12	Exhibit 8	IH 104013-018	54	12	identify themselves for the record, and the		
13	Exhibit 9	AE 340	66	13	stenographic court reporter, Jodi Ohnemus, will		
14	Exhibit 10	AE 437.001-437.008	69	14	swear in the witness.		
15	Exhibit 11	AE 436	73	15	MR. CHAIKEN: Good morning, Brian		
16	Exhibit 12	AE 255.001-255.002	76	16	Chaiken, on behalf of Plaintiffs.		
17	Exhibit 13	AE 295.001-295.003	78	17	MR. BELL: Bernard Bell, for Defendants.		
18	Exhibit 14	AE 303	84	18	MR. SHARE: Good morning. Andrew Share		
19	Exhibit 15	IH 124079-081	87	19	counsel for AmpEnergO.		
20	Exhibit 16	AE 304.001-304.002	98	20	MR. CASSARINO: Craig Cassarino.		
21	Exhibit 17	IH 90966-967	104	21	COURT REPORTER: On the phone?		
22	Exhibit 18	IH 127256-258	117	22	MR. ARAN: Hello. Yes. From the phone:		
23	Exhibit 19	AE 6-32	123	23	Fernando Aran, on behalf of third-party Defendant,		

2 (Pages 5 to 8)

Page 9

1 JM Products, Inc., Henry Johnson, and James Bass.
 2 MR. NUNEZ: Rudy Nunez, on behalf of
 3 Fulvio Fabiani and United States Quantum Leap,
 4 LLC.
 5 CRAIG J. CASSARINO, having
 6 first been duly sworn, was
 7 examined and testified as
 8 follows
 9 BY MR. CHAIKEN:
 10 Q. Good morning.
 11 A. Good morning.
 12 Q. My name is Brian Chaiken, and I'm an attorney for
 13 the Plaintiffs in this case.
 14 Could you please state your name and
 15 spell your last name for the record.
 16 A. Yes. Craig Cassarino, C-a-s-s-a-r-i-n-o.
 17 Q. And where do you live, Mr. Cassarino?
 18 A. I live at 30 Green Road, Amherst, New Hampshire.
 19 Q. Approximately how long have you lived there?
 20 A. Five and a half years.
 21 Q. Okay. And I think you mentioned before we got on
 22 the record that you had never been deposed before;
 23 is that true?

Page 10

1 A. That's true.
 2 Q. Okay. There's a few ground rules I'm going to
 3 give you for the deposition.
 4 A. Okay.
 5 Q. I need you to give an audio response to my
 6 questions. Although there's a videographer taking
 7 a video of you, the court reporter can't take down
 8 a shake of your head or a nod or -- although she
 9 probably could take an uh-uh or an uh-huh --
 10 A. Yeah.
 11 Q. -- but you need to give an audible response, if
 12 possible.
 13 A. Yes.
 14 Q. If you don't understand any of my questions, I'd
 15 ask you to tell me that and say, you know, Please
 16 rephrase your question; otherwise, I'm going to
 17 assume you understood my question.
 18 A. Okay.
 19 Q. You may anticipate where I'm going with some of my
 20 questions, but the court reporter can't take down
 21 if both of us are talking at the same time.
 22 A. Right.
 23 Q. So I would ask that you give me a chance to

Page 11

1 complete my question before you begin your answer,
 2 and I'll give you a chance to complete your answer
 3 before I begin my next question.
 4 A. Right.
 5 Q. If at any time you need to take a break, please
 6 feel free to ask and say, I need to take a break.
 7 If there's a question pending, I would
 8 just ask you to answer the question that's pending
 9 before we take a break.
 10 A. Yes.
 11 Q. Fair enough?
 12 A. Fair enough.
 13 Q. Okay. Have you been designated as the corporate
 14 representative of AmpEnergco, Inc. for purpose --
 15 A. Yes, I am.
 16 Q. -- for purposes of this deposition?
 17 A. Yes.
 18 Q. See? You already broke my rule. You've already
 19 started talking past my question.
 20 Let me finish it first.
 21 Who designated you as the corporate
 22 representative for AmpEnergco?
 23 A. All the people at AmpEnergco.

Page 12

1 Q. And who are all the people at AmpEnergco?
 2 A. Robert Gentile, Rick Nociti, Ron Engleman, and
 3 Karl Norwood.
 4 Q. And are you all shareholders?
 5 A. Yes, we are.
 6 Q. Are you equal shareholders?
 7 A. No.
 8 Q. What -- what's the differences?
 9 A. Robert Gentile, Karl Norwood, and I have equal
 10 shares, and Rick Nociti and Ron Engleman have a
 11 lower percentage.
 12 Q. Okay. I'm going to show you what's been marked as
 13 Exhibit No. 1 for your deposition. It's a copy of
 14 the Amended Agreed Notice of Taking Videotaped
 15 Deposition.
 16 (Exhibit 1, Amended Agreed Notice of
 17 Taking Videotaped Deposition.)
 18 MR. SHARE: And just for the record, I
 19 want to note that we were not served a copy of
 20 this until 10 minutes ago.
 21 MR. CHAIKEN: Okay.
 22 MR. SHARE: But we don't object to the
 23 video-recording of the deposition.

Page 13

1 MR. CHAIKEN: Appreciate that.
 2 Q. I'd ask you to review page 9 and 10.
 3 And, Mr. Cassarino, had you previously
 4 been provided with a -- not an amended agreed
 5 notice, but a previous version of this that was --
 6 A. Yes.
 7 Q. -- simply a notice?
 8 A. Yes.
 9 Q. And had you had an opportunity to review the areas
 10 of inquiry in that previous notice?
 11 A. Yes.
 12 Q. And I believe they're the same, and your -- your
 13 counsel has -- and I have talked about it prior to
 14 getting on the record, but I believe the topics
 15 are all the same in this amended notice that were
 16 in the previous notice.
 17 A. Okay.
 18 Q. Are you prepared to discuss all the areas that are
 19 listed in this amended notice today?
 20 A. Yes.
 21 Q. Okay. And did you do anything to prepare for
 22 today's deposition?
 23 A. Yes.

Page 14

1 Q. What did you do?
 2 A. I met with our attorney to go through the list of
 3 questions.
 4 Q. Fair enough. And I don't want you to tell me what
 5 conversations you had with counsel.
 6 Did you speak to anybody else about
 7 today's deposition?
 8 A. Yes, my other partners.
 9 Q. And what did you talk about?
 10 A. Just going through the same questions and whether
 11 any -- they had any insight or not.
 12 Q. Okay. Did you review any documents?
 13 A. Yes, we did.
 14 Q. Which documents did you review?
 15 A. The legal documents.
 16 Q. Okay. And when you say "the legal documents,"
 17 what do you mean by that?
 18 A. The license agreements.
 19 Q. Okay. Anything other than that?
 20 A. Well, we went through all of the emails and all of
 21 that for review to give to you.
 22 Q. Okay. And when did you do that?
 23 A. A month ago, maybe a month and a half ago. I'm --

Page 15

1 I'm not sure exactly when.
 2 Q. Okay. Did you review the complaint filed in this
 3 case?
 4 A. Yes.
 5 Q. Have you reviewed the answer or any -- any of the
 6 versions of the answers and defenses and
 7 counterclaims filed by the --
 8 A. No, it's --
 9 Q. -- by the Defendants?
 10 A. It's just too complicated for me.
 11 Q. Okay. AmpEnergO often goes by the initials AEG;
 12 is that true?
 13 A. Yes.
 14 Q. So if I use the word "AEG," would you recognize
 15 that as meaning AmpEnergO?
 16 A. I would.
 17 Q. Okay. I may use that to shorten up --
 18 A. Okay.
 19 Q. -- my -- my questions.
 20 Who founded AEG?
 21 A. Bob Gentile, Karl Norwood, myself and Rick Nociti.
 22 Q. And when was it founded?
 23 A. I believe it was -- I can't recall the exact date,

Page 16

1 but it was right after, probably, 2010.
 2 Q. Okay. And -- and what was the purpose?
 3 A. To -- to license the agreement from Andrea Rossi.
 4 COURT REPORTER: I didn't get the end of
 5 it.
 6 A. Yeah, to review -- I mean, to license the
 7 technology from Leonardo and from Andrea Rossi.
 8 Q. Okay.
 9 A. It was set just for that purpose.
 10 Q. All right. And you mentioned the names of the
 11 various parties -- or excuse me -- the various
 12 owners of AEG.
 13 Did you have defined roles at AEG, or
 14 were you all doing the same thing?
 15 A. Basically, you know, I took the lead in most of
 16 the conversations.
 17 Q. Okay.
 18 A. You know, but it was no -- no -- nobody had any
 19 more important role than anybody else.
 20 Q. Okay. Does AEG -- or has -- since its founding,
 21 has AEG had any other businesses other than its
 22 dealings with Dr. Andrea Rossi and the Defendants
 23 in this case?

R

R

Page 17

1 A. No.

2 Q. It doesn't have any other businesses?

3 A. No.

4 Q. How were you first introduced to Doctor Rossi?

5 A. How was I?

6 Q. Yeah.

7 A. 1996, at Tufts University, common friend of ours

8 said that he had an inventor at Tufts, and he

9 wanted to introduce me to him, because he didn't

10 quite understand what the technology was; and he

11 called me.

12 Q. And did you meet Doctor Rossi at that time?

13 A. I did.

14 Q. And what did you learn about Doctor Rossi at that

15 time?

16 A. Well, that he had a technology I was familiar

17 with -- pyrolysis, and he was demonstrating it.

18 Q. And what is that technology?

19 A. Pyrolysis is air-starved conversion of this --

20 this was particular tires and -- with heating it

21 and starving air, you separate different

22 components that's contained within the rubber

23 tire.

Page 18

1 Q. Okay. After you had that -- was that the initial

2 conversation you had about that technology?

3 A. Yeah.

4 Q. And what -- when is the next time you met with

5 Doctor Rossi or saw Doctor Rossi after that?

6 A. I'm not sure exactly, but we connected, and I

7 introduced him to a person I knew in New

8 Hampshire.

9 Q. Okay. And why did you do that?

10 A. Because he -- his technology was something they

11 probably would be interested in.

12 Q. And what was the name of that company?

13 A. Bio Development.

14 Q. And did that company start working with Doctor

15 Rossi?

16 A. Yes.

17 Q. In what context?

18 A. Just trying to develop a business relationship.

19 Q. Okay. And did they develop a business

20 relationship?

21 A. For a little while.

22 Q. Okay. Did the other members of AEG eventually

23 meet Doctor Rossi?

Page 19

1 A. Yes.

2 Q. Did --

3 A. Bob Gentile was the first.

4 Q. And did Bob Gentile work for that company in New

5 Hampshire?

6 A. No.

7 Q. What was the circumstances in which he met --

8 A. I -- I was friends with Bob, and he and I were

9 working on different technologies; and he was past

10 Assistant Secretary of Energy, and we were

11 interested in some of the technology that Doctor

12 Rossi did.

13 Q. Is that the same technology you mentioned

14 earlier --

15 A. No.

16 Q. -- or different?

17 A. No -- well, a variety of them.

18 Q. Can you describe for me what -- what technology

19 you were interested in.

20 A. It was the pyrolysis -- that was one.

21 And, then -- and I -- again, I don't

22 recall exactly, but it was something to do with

23 converting waste through paper and -- various --

Page 20

1 sort of -- materials -- biomass materials.

2 Q. And did Doctor Rossi end up working with Robert

3 Gentile?

4 A. We did. We actually formed a company together,

5 the three of us.

6 Q. What was that company?

7 A. That was Leonardo Technology -- I don't know if

8 it's Leonardo Research & Development, or just

9 Leonardo. I'm not sure.

10 Q. Does the phrase "LTI" mean anything to you?

11 A. Yeah. LTI is -- is the company that Bob and I

12 started --

13 Q. Okay.

14 A. -- separate -- completely separate company.

15 Q. Got it.

16 But the company that you started with

17 Doctor Rossi was Leonardo R&D, or something like

18 that?

19 A. Yes. Yeah.

20 Q. Do you know if that company's still in existence?

21 A. It isn't.

22 Q. Okay.

23 A. Well, Leonardo Research & Development is just a

Page 21

1 company that exists, but it doesn't do anything.
 2 Q. Okay. What about Ronald Engleman? Did you ever
 3 introduce Doctor Rossi to Ronald Engleman?
 4 A. Yes.
 5 Q. When was that?
 6 A. After we formed AmpErgo we -- we brought Ronald
 7 into the company.
 8 Q. For what reason?
 9 A. He was a partner of ours -- a friend of ours, and
 10 he was an engineer.
 11 Bob and I are not engineers.
 12 Q. Got it. So you were hoping that his background
 13 would be useful for helping --
 14 A. To evaluate the technology.
 15 The same with Rick Nociti.
 16 Q. Yeah. All right.
 17 What about Karl Norwood?
 18 A. Karl is a friend and partner and had known Doctor
 19 Rossi from the beginning too.
 20 Q. How had Karl Norwood known Doctor Rossi?
 21 A. I introduced Karl.
 22 Q. Approximately the same time frame -- '96-'97?
 23 A. Yeah. Yeah.

Page 22

1 Q. And what was Karl Norwood's background?
 2 A. He's a real estate developer.
 3 Q. Now, did you ever -- I guess you did. You formed
 4 a business together.
 5 What was the nature of the business that
 6 you formed with Doctor Rossi?
 7 A. To evaluate -- to look at different technologies.
 8 Q. Had you ever worked with Doctor Rossi in Italy?
 9 A. After, but not -- not before.
 10 Q. Okay. So when you say "after," what do you mean?
 11 A. After -- after we formed the company.
 12 Q. Got it.
 13 "The company," being AEG, or the company
 14 being --
 15 A. Either the -- Leonardo Research & Development
 16 or --
 17 Q. Got it.
 18 What did you do -- what was the nature
 19 of the work --
 20 A. We -- we started to look at thermoelectrics --
 21 Q. Okay.
 22 A. -- with Doctor Rossi.
 23 Q. And did that lead to any business?

Page 23

1 A. We -- no. We -- well, we -- Doctor Rossi --
 2 proof -- proof of concept, and that was really
 3 what we -- I had no idea what thermoelectrics was.
 4 Q. Got it.
 5 How did you find it was to work with
 6 Doctor Rossi?
 7 A. We had a good relationship.
 8 Q. Did you ever find him to be difficult to work
 9 with?
 10 A. No. He's strong-minded.
 11 Q. Did you ever find him to be deceitful or
 12 dishonest?
 13 A. No.
 14 Q. What led to the -- to the formation of AEG?
 15 How did -- how did those conversations
 16 go?
 17 A. We -- after we had met with Doctor Rossi to
 18 discuss about a licensing agreement, because of
 19 the -- we just wanted to put a separate company
 20 together just specifically for the purpose of
 21 licensing and to keep everything -- 'cause we were
 22 also working for, you know, other -- other
 23 parties.

Page 24

1 Q. Okay. Was that a conversation that Doctor Rossi
 2 started? I mean, did he come to you and say, I
 3 have a technology; I need your help?
 4 A. Yes.
 5 Q. I don't want to put words into your mouth. I
 6 mean, is that --
 7 A. Yes, he did. He --
 8 Q. -- how it happened?
 9 A. Yes. He was excited about the technology that he
 10 was developing and approached us because of our
 11 past relationship and asked us if he -- we could
 12 help him here in the US.
 13 Q. Did your group have experiencing -- experience in
 14 helping get new technologies partnered up with --
 15 whether it be funding partners or commercial
 16 partners -- for the use of that technology?
 17 A. Well, we were LTI at that time, 'cause that was
 18 where Bob and I and Ron -- we had formed that
 19 Leonardo Technologies, Inc. That's part of what
 20 we did was evaluate technologies for Department of
 21 Energy.
 22 Q. When did Doctor Rossi approach you with his
 23 technology that -- that you formed AEG for,

IMP

R

Page 25

1 approximately?
 2 A. 2008.
 3 Q. And at that time what did he tell you about his
 4 technology?
 5 A. That he had a hot water heater, 'cause that was
 6 simple.
 7 Q. Right.
 8 A. And that was what he explained.
 9 Q. Did he eventually show you the technology?
 10 A. He -- Bob Gentile and Rick Nociti went to Italy to
 11 look at the technology.
 12 Q. And did you have a conversation with them when
 13 they came back?
 14 A. Yes.
 15 Q. And what did they say?
 16 A. They thought it was very interesting, but, you
 17 know, didn't quite understand -- I mean,
 18 understand the technology.
 19 I think Rick had a better sense, but...
 20 Q. I'm going to -- I'm going to call the technology
 21 the E-Cat technology.
 22 Have you heard that term before?
 23 A. Yes, I have.

Page 26

1 Q. What does that term mean to you?
 2 A. The technology that Andrea Rossi was working on.
 3 Q. Okay. And it had something to do with -- well,
 4 what is your understanding of what the technology
 5 was?
 6 A. My understanding, in laymen's terms, is converting
 7 one element to another, and in that process of
 8 that conversion, giving off excess heat.
 9 Q. Okay. Now, prior to -- whether it be forming AEG
 10 or entering your agreement with Doctor Rossi, did
 11 AEG perform due diligence on the technology?
 12 A. Well, it was a little outside of our scope of
 13 expertise.
 14 Q. Right.
 15 A. And what we had discussed was, you know, having
 16 other people evaluate it.
 17 Q. And did you do that?
 18 A. We did.
 19 Q. And who were those people?
 20 A. We had Mike Melich --
 21 Q. Can you spell that.
 22 A. M-e-l-i-c-h.
 23 -- and a guy, Anthony Cugini.

Page 27

1 Q. Spell that one, too.
 2 A. C-u-g-i-n-i.
 3 Q. And were they engineers?
 4 A. No -- well, Mike is a -- I don't know if he is a
 5 physicist, but he had been looking at low energy
 6 nuclear reaction for -- he's one that had a little
 7 more expertise than any of us.
 8 Q. Okay. And did they do an analysis or review of
 9 the technology?
 10 A. Well, we did one demonstration where they reviewed
 11 it and observed -- for -- I'm trying to find
 12 the -- observed the outputs.
 13 Q. Got it. And what was their feedback to you?
 14 A. That they couldn't explain what was going on.
 15 Q. Okay. And you mentioned low energy nuclear
 16 reaction.
 17 And that -- that's a phrase -- is it an
 18 acronym, "LENR"? Have you heard that before?
 19 A. Yes.
 20 Q. What was your understanding of the field of LENR
 21 at that time?
 22 A. Zero.
 23 Q. Have you -- did you do any research into that

Page 28

1 field?
 2 A. Only through having conversations and listening to
 3 Doctor Rossi and Googling, you know -- I mean --
 4 just as much as we could.
 5 Q. Did you gain just a very high-level understanding
 6 of what it was?
 7 A. 30,000 foot level; yes.
 8 Q. What -- good.
 9 What was your 30,000-foot-level
 10 understanding of it?
 11 A. That after Pons' and Fleischmann's experience,
 12 that most people felt it was science that wouldn't
 13 work.
 14 Q. Right. Did Doctor Rossi, prior to you -- prior to
 15 you entering into an agreement with him -- provide
 16 a -- or do a test for your group in Bedford, New
 17 Hampshire?
 18 A. Yes.
 19 Q. Were you present for that?
 20 A. Yes.
 21 Q. Who else was present for that?
 22 A. Karl Norwood, Bob Gentile, Rick Nociti.
 23 Q. And what were the results of that test?

Page 29

1 A. And -- and I think Mike came later -- I mean,
 2 after it was started.
 3 Q. Got it.
 4 Do you know what the results of that
 5 test were?
 6 A. It -- the results were there looked like there was
 7 something going on.
 8 Q. Okay. Did you think that that test was a scam
 9 or -- or was -- was not real?
 10 A. No.
 11 Q. Did you think at any time that Doctor Rossi was
 12 defrauding you or your group?
 13 A. No.
 14 Q. Approximately when in time did you reach an
 15 agreement with Doctor Rossi regarding licensing
 16 his technology?
 17 A. It was a process. He's a hard negotiator. And we
 18 spent time with our attorney, Bill Blake -- or I
 19 did a lot of it -- and -- putting in with Andrea
 20 and his attorney a framework for a license
 21 agreement.
 22 Q. And did you eventually reach an agreement?
 23 A. We did.

Page 30

1 Q. At some point in time -- and I'll get into the
 2 agreement in a little bit, but at some point in
 3 time did you ask Doctor Rossi to participate in
 4 tests with the Department of Energy or the
 5 Department of Defense?
 6 A. We -- we explored that.
 7 Q. And did -- did you pitch it --
 8 A. They couldn't come to an agreement.
 9 Q. When you say "we" couldn't come to an agreement...
 10 A. They, Doctor Rossi and the Department of Defense.
 11 Q. Okay. Did you have conversations with anyone from
 12 the Department of Energy, Department of Defense?
 13 A. No. It wasn't really the Department of Defense.
 14 It was the Navy research labs.
 15 Q. Got it.
 16 I'm going to show you what's been marked
 17 as Exhibit No. 2.
 18 MR. CHAIKEN: Exhibit No. 2 has been
 19 Bates stamped AE 422.001 through 422.002.
 20 (Exhibit 2, AE 422.001-422.002.)
 21 Q. And it's a series of emails -- actually, two
 22 emails: The first one is from you, I believe, to
 23 J.T. Vaughan of Cherokee, dated February 19th,

Page 31

1 2013.
 2 Is that your email on the page,
 3 "CTCassarino@LTI --"
 4 A. Yes.
 5 Q. "-- global.com"?
 6 A. Yup.
 7 Q. Do you recall this email?
 8 A. No.
 9 Q. Take a minute and just review yours. It starts
 10 "Good morning, J.T."
 11 And when you're done, let me know.
 12 A. (Witness reviews document.)
 13 Q. Do you recall being -- do you recall sending three
 14 reports to J.T. Vaughan in 2013?
 15 A. I don't recall.
 16 Q. Do you recall what these reports were regarding?
 17 A. Well, it -- it -- what I'm looking at here, one
 18 says "thermoelectric." That could have been the
 19 first proof of concept one that we had.
 20 The other -- and, again, these would
 21 have been the thermoelectrics.
 22 Q. Okay. But you do recall going to the Department
 23 of Energy and Department of Defense with this

Page 32

1 technology.
 2 A. It wasn't the E-Cat.
 3 Q. Oh, I'm sorry.
 4 A. It was not the E-Cat.
 5 Q. It was something else?
 6 A. It was the thermoelectrics.
 7 Q. Got it.
 8 But were the applications for the E-Cats
 9 to be used for thermoelectrics and things of that
 10 nature?
 11 A. We were -- we were thinking that because the E-Cat
 12 had excess heat, the thermoelectrics could capture
 13 some of the excess heat and use the excess heat to
 14 make more small power. I mean, you know, that's
 15 what thermoelectrics does, converts excess heat to
 16 a delta T to make more power.
 17 So we thought the E-Cat was producing
 18 excess heat. Maybe there's a blend for the
 19 thermoelectrics.
 20 Q. Understood. Going back to the agreement between
 21 AEG and Doctor Rossi, did -- is it your
 22 understanding that Doctor Rossi formed a company
 23 also called Leonardo?

R

Page 33

1 A. Yeah. There were -- I mean, that was confusing
 2 for a lot of people.
 3 Q. But he did file -- he did incorporate a company
 4 called Leonardo in New Hampshire; is that your
 5 understanding?
 6 A. Yes. Yes. Yeah.
 7 Q. Okay. And AEG entered into an agreement with
 8 Leonardo?
 9 A. Yes.
 10 Q. And it was regarding the E-Cat technology?
 11 A. Yes.
 12 Q. What do you recall about the terms of that deal?
 13 A. That we would have the license agreement for the
 14 Americas.
 15 Q. Okay.
 16 A. That, and I believe -- and I don't mean this
 17 sarcastically -- but we, you know, all the points
 18 are in the agreements that you have. So, you
 19 know, if you want to go through each one of those,
 20 I mean, you know, it's...
 21 Q. I'm just talking high-level terms.
 22 A. Yeah. It was -- it was to reach an agreement for
 23 the -- to find an investor, 'cause we certainly

Page 35

1 A. I'm not sure.
 2 Q. Do you know if they contacted Doctor Rossi
 3 directly, and then Doctor Rossi introduced them to
 4 you?
 5 A. I don't remember.
 6 Q. How did the initial conversation with Rick Bauman
 7 and Jim Compton go?
 8 A. They asked if we would be interested in making an
 9 introduction -- to an investor they had -- to
 10 Doctor Rossi.
 11 Q. Okay. And did that, in fact, happen?
 12 A. Yes, it did.
 13 Q. Do you know approximately when?
 14 A. You know, I don't recall the exact date we went to
 15 Florida.
 16 Q. Does June 2012 sound about right?
 17 A. Sounds probably right.
 18 Q. I'm going to show you what's been marked as
 19 Exhibit No. 3.
 20 MR. CHAIKEN: Exhibit No. 3 has been
 21 Bates stamped AE 538, and it's two emails dated
 22 June 25th, 2012.
 23 (Exhibit 3, AE 538.)

IMP

Page 34

1 didn't have the kind of capital -- to find an
 2 investor and that we would participate, after
 3 finding the investor, on a one-third
 4 participation; and that there were requirements in
 5 there, because we felt that it needed a
 6 third-party evaluation through the investor.
 7 Q. What do you mean by that?
 8 A. That we didn't have the technical skills or the
 9 know-how to evaluate the technology; and that if
 10 we were to find an investor, that that was their
 11 responsibility.
 12 Q. Understood.
 13 Did Doctor Rossi and Leonardo honor that
 14 agreement?
 15 A. Yes.
 16 MR. BELL: Objection to form.
 17 Q. At some point in time did AEG come in contact with
 18 Tom Darden and Cherokee Fund?
 19 A. Yes.
 20 Q. And who made the introduction of Tom Darden to
 21 AEG?
 22 A. Two people: Rick Bauman and Jim Compton.
 23 Q. And how did they find you?

Page 36

1 A. (Witness reviews document.) Yeah. I remember;
 2 yeah.
 3 Q. Did you travel to -- to Miami for this meeting?
 4 A. I did.
 5 Q. And you met Tom Darden at that time?
 6 A. I did.
 7 Q. Did you meet anybody else at that time?
 8 A. Rick Bauman and Jim Compton.
 9 Q. And was Doctor Rossi part of that meeting?
 10 A. Yes, he was.
 11 Q. And do you know exactly where it was held?
 12 A. It was held at his apartment in Miami.
 13 Q. "His" being Doctor Rossi's?
 14 A. Doctor Rossi's.
 15 Q. And just briefly if you could summarize what the
 16 discussion was.
 17 A. It was an introduction. They discussed what
 18 Doctor Rossi was doing. Doctor Rossi explained
 19 what he was doing with the technology.
 20 It was a get-to-know-each-other meeting.
 21 Q. And what -- based on your email, it sounded like
 22 it went well.
 23 A. It did.

IMP

Page 37

1 Q. And when you left the meeting, was your impression
 2 that the parties were going to do business
 3 together?
 4 A. That's what we were hoping.
 5 Q. Okay. And after you left the meeting, what was
 6 the next conversation you had regarding E-Cat and
 7 E-Cat technology with Tom Darden?
 8 A. The next conversation, I'm -- I don't recall the
 9 next conversation.
 10 **IMP** Q. Okay. At some point in time did -- whether it be
 11 Tom Darden or someone from his group -- ever ask
 12 you to help with their due diligence?
 13 A. No.
 14 Q. Did you play any role in negotiating the license
 15 agreement between Tom Darden and his group and
 16 Doctor Rossi?
 17 A. Did we participate in that?
 18 No.
 19 **IMP** Q. Other than the introduction with Rick Bauman and
 20 Jim Compton, did AEG introduce Doctor Rossi to any
 21 other potential investors or partners?
 22 A. Yes.
 23 Q. Who else?

Page 38

1 A. John Preston, NASA.
 2 Q. Who's John Preston?
 3 A. He was an investor in Boston.
 4 Q. And --
 5 A. That was prior to Tom Darden.
 6 Q. And what happened with John Preston?
 7 A. They -- Doctor Rossi and John Preston couldn't
 8 come to an agreement.
 9 Q. Okay. So this was prior to June of 2012?
 10 A. I believe so.
 11 **IMP** Q. What about NASA? When did you introduce --
 12 A. That was part of -- John had a relationship with
 13 them, and they were interested in the technology.
 14 Q. Okay.
 15 A. We -- we actually went and tried to find lots of
 16 investors.
 17 Q. Other than John Preston and NASA, were there any
 18 others that you can think of?
 19 A. Well, we had lots of meetings, I mean, with lots
 20 of investors, but because of the way that the
 21 agreement was structured and Doctor Rossi's
 22 concern over somebody taking the technology, those
 23 agreements could never come to fruition.

Page 39

1 Q. Understood.
 2 Did -- I think you said that you were
 3 the lead person as it relates to AEG's --
 4 A. Well, only because I had a longer relationship
 5 than anybody else with -- with Doctor Rossi.
 6 Q. Got it.
 7 A. And it was interesting to me.
 8 Q. What do you recall about the negotiations between
 9 Tom Darden, his group, and Doctor Rossi, if
 10 anything?
 11 A. Specifically, I'm not sure -- you mean what?
 12 What...
 13 Q. Just what -- when it took place, how the
 14 negotiations went, how they came to terms.
 15 A. It was -- we were not part of the negotiations
 16 with Industrial Heat and Doctor Rossi. We had our
 17 own agreement that we were working on.
 18 Everything seemed to work okay.
 19 Q. Did you ever review drafts of the license
 20 agreement that was being discussed between Tom
 21 Darden, his group, and Doctor Rossi?
 22 A. Yes, because we were part of the licensing.
 23 Q. Right. And, in fact, AEG was a party to that

Page 40

1 agreement; were they not?
 2 A. Yes.
 3 Q. And were you the person from AEG who was giving
 4 input to that, or was somebody else?
 5 A. Well, we all were. I mean, we were all reviewing.
 6 Q. Did you find that agreement to be fair?
 7 MR. BELL: Objection to form.
 8 A. I -- I believe what we felt was that the agreement
 9 that they had would move the -- move it forward.
 10 Q. Understood. Is there a reason why AEG wanted to
 11 be paid directly from Industrial Heat, as opposed
 12 to from Doctor Rossi's company?
 13 MR. BELL: Objection to form.
 14 THE WITNESS: When you say "object," do
 15 I -- do I have to --
 16 Q. You still have to answer the question. I'm sorry.
 17 You -- we should have explained that to you.
 18 THE WITNESS: Yeah.
 19 Q. Counsel may object to the form of my question. He
 20 may -- if he finds something objectionable about
 21 it, but unless your attorney instructs you not to
 22 answer the question --
 23 A. Oh, okay.

Page 41

1 Q. -- then you can answer if you understand the
 2 question.
 3 MR. SHARE: I may -- I may instruct you
 4 -- I may instruct you to not answer something if
 5 it's a privileged conversation.
 6 THE WITNESS: Okay.
 7 MR. SHARE: Otherwise, as we -- as
 8 mentioned, if there's an objection, take a pause,
 9 no instructions, you should assume to answer that.
 10 THE WITNESS: Okay.
 11 A. So could you repeat the question.
 12 Q. Yeah. Is there a reason why AEG wanted to be paid
 13 directly from Industrial Heat, as opposed to being
 14 paid by Leonardo or Doctor Rossi?
 15 MR. BELL: Same objection.
 16 A. We wanted to make sure that we got our money up
 17 front.
 18 Q. And you felt the only way to do that was to get
 19 paid directly by Industrial Heat?
 20 A. Industrial Heat; yes.
 21 Q. I'm going to show you what's been marked as
 22 Exhibit No. 4.
 23 MR. CHAIKEN: Exhibit 4 has been Bates

Page 42

1 stamped IH 21529 through 21533.
 2 (Exhibit 4, IH 21529-21533.)
 3 Q. And the very first email on this exhibit is one
 4 from Doctor Rossi to Tom Darden, and it cc's you
 5 as well.
 6 A. (Witness reviews document.)
 7 Q. It just goes to the -- goes to the fact that AEG
 8 wanted to be paid directly from Industrial Heat.
 9 A. Yes.
 10 Q. Did Industrial Heat or anyone from Tom Darden's
 11 group have any issue with that -- with that
 12 request?
 13 A. No.
 14 Q. Now, what were you told about Industrial Heat at
 15 that time?
 16 A. Well, when we were first beginning, Industrial
 17 Heat didn't exist.
 18 Q. Okay.
 19 A. It was -- it was Tom Darden/Cherokee that we
 20 started to have conversations with.
 21 Q. And did they tell you they were planning on
 22 opening up a new company --
 23 A. Yes.

Page 43

1 Q. -- for purposes of this deal?
 2 A. Yes.
 3 Q. And what did they tell you about their -- their
 4 corporate structure, if anything?
 5 A. That -- I -- I don't recall if they said anything.
 6 Q. Did you understand that Industrial Heat was going
 7 to be an affiliate or subsidiary of the entities
 8 that Tom Darden already owned?
 9 MR. BELL: Objection to form.
 10 A. I don't think so. I think they -- we -- what we
 11 understood was they were doing the same thing that
 12 we do: forming AmpEnergo and Industrial Heat to
 13 keep things separate.
 14 Q. Did you have any specific conversations about
 15 that?
 16 A. I might have. I'm not -- I'm not sure.
 17 Q. I'm going to show you what's been marked as
 18 Exhibit No. 5.
 19 MR. CHAIKEN: Exhibit No. 5 has been
 20 Bates stamped IH 129182.
 21 (Exhibit 5, IH 129182.)
 22 Q. And it is a draft term sheet.
 23 Have you ever seen this before?

Page 44

1 A. Yes.
 2 Q. Do you know who prepared this?
 3 A. I -- I don't recall who prepared this. Must have
 4 been our attorney.
 5 Q. Take -- just take a quick minute to review it.
 6 A. Okay. (Witness reviews document.) Maybe it's --
 7 the -- Industrial Heat did this.
 8 Q. This document's not dated, but I'm trying -- I
 9 believe I can get some context as to when it was
 10 created, because the very first paragraph, under
 11 No. 1, states "Under the existing agreement
 12 between LC and AEG."
 13 So obviously there -- that agreement
 14 hadn't formed by the time this document was
 15 drafted, I believe.
 16 A. Yeah. (Witness reviews document.)
 17 Q. I believe that "LC" refers to Leonardo
 18 Corporation?
 19 A. Yes.
 20 Q. Is it your understanding that the license
 21 agreement between Leonardo Corporation and -- and
 22 AEG was formed in 2010?
 23 Does that sound right?

H

Page 45

1 A. I am not sure of those dates.
 2 Q. Do the terms set forth in this term sheet reflect
 3 what your understanding was -- was in -- during
 4 the course of your negotiations with Tom Darden
 5 and his group?
 6 MR. BELL: Objection to form.
 7 A. (Witness reviews document.) Yes.
 8 Q. Did you ever have a discussion with Doctor Rossi
 9 regarding AEG's intentions as it relates to Tom
 10 Darden's group?
 11 A. More specific, please.
 12 Q. Yeah. So specifically in paragraph 1 it states
 13 that "AEG would receive board seats commensurate
 14 with its equity share in new co."
 15 Did you ever discuss with Doctor Rossi
 16 that AEG was looking to take a board seat in
 17 the -- in the company?
 18 A. I don't think we did.
 19 Q. Is there a reason you didn't?
 20 A. Because they told us we couldn't.
 21 Q. "They," being Tom Darden and his group?
 22 A. Yes. Yeah. We would not be able to have a board
 23 seat.

Page 46

1 Q. Ah.
 2 So they said board seat's off the table?
 3 MR. BELL: Objection to form.
 4 A. Yes, because we were a minority shareholder.
 5 Q. Got it.
 6 Paragraph 2 provides that AEG would
 7 "provide assistance in the negotiation of research
 8 and licensing agreements with commercial and
 9 governmental -- government entities with which AEG
 10 has had a prior and ongoing relationship."
 11 Was that something that was -- was that
 12 something that AEG did after entering into its
 13 deal with Tom Darden's group?
 14 A. Yes.
 15 Q. How did you do that?
 16 What did you do?
 17 A. We had -- as I previously had stated -- had met a
 18 lot of people along the way, and we just turned
 19 over those contacts to them. Again, the science
 20 and that was beyond us, so we didn't have -- we
 21 were mostly looking to help Industrial Heat find
 22 or work with clients that had been approached --
 23 that we had approached, or they had contacted us.

Page 47

1 Q. Yeah. At some point in time did AEG enter into a
 2 Contribution Agreement with Industrial Heat?
 3 A. Yes, we did.
 4 Q. Do you know approximately when that was?
 5 A. No. I -- it was during that whole period. I'm
 6 not sure exactly when.
 7 Q. And did AEG ever get equity in Industrial Heat?
 8 A. Yes. We -- in -- in lieu of \$500,000 payment, we
 9 decided to take a 1 percent interest in Industrial
 10 Heat.
 11 So we left that on the table with them.
 12 Q. Got it.
 13 I'm going to show you what's been marked
 14 as Exhibit No. 6.
 15 MR. CHAIKEN: Exhibit 6 has been Bates
 16 stamped IH 104053 through 104058.
 17 (Exhibit 6, IH 104053-104058.)
 18 Q. It's a series of emails from April of 2015.
 19 A. (Witness reviews document.)
 20 Q. And I'm going to refer you to the third page of
 21 this document. It's an email from April Knight to
 22 Andrew Share, dated April 14th, 2015.
 23 Do you recall seeing these emails?

Page 48

1 A. Yes.
 2 Q. And what -- what's the -- what's your
 3 understanding of what was being discussed at this
 4 time?
 5 A. They wanted us to put in extra money to bring the
 6 share up to -- the way that they were raising
 7 capital, the money that we put in would get
 8 diluted; and in order to bring it up to that 1
 9 percent, we had to put another \$30,000 in. And
 10 that's, I believe, the core here; that we had
 11 decided to do that.
 12 Q. Did you, in fact, do that?
 13 A. We did.
 14 Q. Did they also ask you to convert your shares in
 15 Industrial Heat to the shares of another -- of a
 16 different entity?
 17 A. Yeah. And -- and this is -- I'm not a legal guy,
 18 so shares and that, I left it up to our legal --
 19 to our attorney to do that. But that was part of
 20 what --
 21 Q. Okay. I don't want you to tell me the contents of
 22 any communication you had with your counsel --
 23 A. Okay.

IMP

IMP

Page 49

1 Q. -- but is it your understanding that you did, in
 2 fact, swap out shares for Industrial Heat for
 3 shares of another entity?
 4 A. Yes.
 5 Q. Now, were you told by Tom Darden or anyone from
 6 Industrial Heat to keep the terms of that
 7 transaction confidential from Doctor Rossi?
 8 A. No.
 9 Q. Well, if you could just go to the front page of
 10 that document, in the very first -- I guess it's
 11 the second email from Tom Darden to you, April
 12 16th, 2015, he writes "Please remember also to
 13 keep this confidential to within our shareholder
 14 group, which does not include Andrea."
 15 A. I guess, then, it was. You know, I just didn't
 16 recall. Didn't think that was...
 17 Q. And then you wrote right above "Thanks, Tom.
 18 Thanks J.T. You can be sure we will not say
 19 anything to an anyone. Craig."
 20 A. Okay.
 21 Q. So do you know why he wanted to keep that
 22 confidential from Doctor Rossi?
 23 A. I -- I believe -- well, this is just my opinion:

Page 50

1 It was -- he was negotiating for other
 2 stockholders.
 3 Q. "He" being Tom Darden?
 4 A. Tom.
 5 Q. You never had a conversation with Tom Darden as to
 6 why he would want to keep things from Doctor
 7 Rossi?
 8 A. I -- I don't recall. I, you know...
 9 Q. What's the total amount of cash that AEG received
 10 as a result of the Leonardo/Industrial Heat
 11 contract?
 12 A. We were to receive one-third of the 15 million,
 13 which was 5 million. I don't know exactly how
 14 much, exactly, but we were offered -- because they
 15 couldn't raise the money initially, so they were
 16 going to pay us an interest on that; I -- and I
 17 believe it was 2 -- it was a half-a-million-dollar
 18 interest on the money they owed us, and...
 19 So the total amount was 500 and -- 5 --
 20 \$400,000 something plus the 50,000.
 21 Q. Okay. Let me show you what's been marked as
 22 Exhibit No. 7.
 23 MR. CHAIKEN: Exhibit No. 7 has been

Page 51

1 Bates stamped IH 132033 through 132051.
 2 (Exhibit 7, IH 132033-051.)
 3 Q. This -- the first page of this exhibit is a letter
 4 dated August 13th, 2013, regarding the
 5 Contribution Agreement and payment of the first
 6 tranche. And there are two signatures on this
 7 page.
 8 Do you recognize these signatures?
 9 A. Yes.
 10 Q. And whose signatures are they?
 11 A. J. Vaughan -- J.T. Vaughan and Karl Norwood.
 12 Q. And the exhibits attached to this cover letter
 13 are -- the first one is an "Amendment to
 14 Contribution Agreement," and that's a two-page
 15 document; and then the next one is, in fact, the
 16 "Contribution Agreement," dated January 21st,
 17 2013.
 18 Do you recognize that?
 19 A. Yes.
 20 Q. Is that the Contribution Agreement that was
 21 executed between AEG and Industrial Heat?
 22 A. Yes.
 23 Q. And is the first amendment what you just

Page 52

1 described -- the fact that there was a delay in
 2 making that first payment to you, and so it was
 3 amended to allow you to get an extra payment?
 4 A. Yes.
 5 Q. Now, after the license agreement between Leonardo
 6 and Industrial Heat, did AEG have any further
 7 obligations to Leonardo?
 8 A. Can you repeat that.
 9 Q. Yeah. After the license agreement was entered
 10 into between Leonardo -- Doctor Rossi's company --
 11 and Industrial Heat, did AEG owe Leonardo any
 12 additional obligations?
 13 A. No.
 14 Q. What about Industrial Heat? Did -- did AEG owe
 15 Industrial Heat any additional obligations?
 16 A. No. I -- other than just verbal, We'll help each
 17 other because we were all interested in, you know,
 18 getting the technology advanced.
 19 Q. All right. When did AEG first learn that
 20 Industrial Heat intended to do a corporate
 21 restructuring?
 22 A. I'm not sure exactly what those dates were.
 23 Q. Does --

R

Page 53

1 A. It was probably shortly after the license, because
 2 they were forming this new company.
 3 Q. Yeah. I'm not talking about the formation of
 4 Industrial Heat.
 5 A. Oh.
 6 Q. I'm talking about after the fact, around the time
 7 when you were talking about swapping the shares of
 8 Industrial Heat for shares of a different company.
 9 A. That was an ongoing conversation. We had
 10 conversations with J.T. Vaughan every two weeks,
 11 where they would give us an update. So that was
 12 part of...
 13 Q. Was that a -- a phone conversation that you had --
 14 A. Yes, phone conversation.
 15 Q. -- every two days?
 16 And when was that first started?
 17 A. Probably shortly after, you know, all the
 18 agreements were in place.
 19 Q. Now, I think in the last exhibit the Contribution
 20 Agreement was executed in January of 2013 --
 21 January 21st?
 22 A. Yeah. It -- it -- you know, I don't think it
 23 happened right then, because there was still lots

Page 54

1 of negotiating going on. I mean, them working
 2 through their agreements, and we were sitting on
 3 the sideline, really, for a while.
 4 Q. Got it.
 5 I'm going to show you what's been marked
 6 as Exhibit No. 8.
 7 MR. CHAIKEN: Exhibit No. 8 has been
 8 Bates stamped IH 104013 through 104018.
 9 (Exhibit 8, IH 104013-018.)
 10 Q. It's a series of emails from April of 2015.
 11 Does that sound about the time in which
 12 you were having conversations or -- or there were
 13 communications about there being a restructuring
 14 of the Industrial Heat companies?
 15 A. That's probably -- yeah.
 16 Q. Now, this -- the email on this page from Andrew
 17 Share to April Knight cc's you.
 18 I want to refer you to the second page
 19 of that email. It's Bates stamped at the bottom
 20 104014.
 21 A. Yes.
 22 Q. Specifically I'd like to refer you to paragraph 4.
 23 A. Okay. (Witness reviews document.)

Page 55

1 Q. Paragraph 4 states -- I'm going to try to read
 2 this slowly: "As you know, the parties have
 3 previously discussed the intent behind the
 4 contribution agreement and any commercial
 5 achievement that Rossi is able to generate, and it
 6 has been raised that there could be some ambiguity
 7 as to what triggers AmpEnergO has to future equity
 8 in the appropriate company."
 9 Did you have conversations with anyone
 10 from Industrial Heat about an ambiguity into what
 11 triggers AmpEnergO's future equity in the
 12 appropriate company?
 13 A. Yeah. And that was what I was saying. When -- it
 14 was -- had to do with stock swaps, and different
 15 shares, and that's something that I still have a
 16 hard time trying to understand.
 17 Q. So you think that this paragraph refers to simply
 18 swapping out shares and not having anything to do
 19 with what Rossi's able to achieve in his testing
 20 of the technology.
 21 A. (Witness reviews document.) That was No. 4, you
 22 said?
 23 Q. Yeah, No. 4.

Page 56

1 A. (Witness reviews document.) Well, one of the
 2 things that we had discussions with amp is -- I
 3 mean, with Industrial Heat was performance and
 4 reaching a certain COP, and that our agreement
 5 with them was tied to that COP.
 6 Q. Right. So --
 7 A. And we disagreed with that.
 8 Q. You disagreed with Industrial Heat --
 9 A. Yes.
 10 Q. -- as to --
 11 A. Yes.
 12 Q. -- your payment being tied to --
 13 A. It was ambiguous --
 14 Q. It's --
 15 A. -- on the percentages reached on the COP.
 16 Q. I see.
 17 Did you ever have any discussions with
 18 Industrial Heat wherein Industrial Heat's position
 19 was the time for performance had past, and,
 20 therefore, certain payments that may have been
 21 achievable were no longer achievable?
 22 MR. BELL: Objection to form.
 23 A. I'm not sure if it was exactly that way.

Page 57

1 Q. Well, explain to me what way you understood it to
 2 be.
 3 A. It was tied to performance, and I knew that Doctor
 4 Rossi and Industrial Heat were working on a
 5 1-megawatt containerized version of the E-Cat, and
 6 the delivery times -- we were told by Industrial
 7 Heat is, Everything just seems to be moving
 8 forward.
 9 And so we just accepted their conclusion
 10 -- 'cause they owned the technology -- that -- or
 11 the license -- that they had been talking with
 12 Andrea about timing.

H

13 Q. Did they ever tell you -- and I'm talking about
 14 the time frame of these emails, April of 2015 --
 15 that they felt that Doctor Rossi had breached or
 16 violated the license agreement?
 17 A. They were concerned that the timing was keep --
 18 kept going on, but there was a lot of difficulty
 19 in getting the container from Italy to North
 20 Carolina. They had to rework the container and
 21 the 1 megawatt. So I think they were concerned
 22 about the timing on all of it, but that was not
 23 our -- you know, we weren't involved in that.

Page 58

1 Q. But I'm going to be really specific in my question
 2 now.
 3 A. Okay.
 4 Q. Did -- did anyone from Industrial Heat ever tell
 5 you specifically, We think that Doctor Rossi has
 6 violated the license agreement?
 7 MR. BELL: Objection to form.
 8 A. I don't recall. I mean, I -- I just don't think
 9 that was part of a discussion.
 10 Q. Did you ever have a discussion with Doctor Rossi
 11 where you -- you expressed concerns about his
 12 violating --
 13 A. No.
 14 Q. -- the license agreement?
 15 A. No. I visited North Carolina on several occasions
 16 to the lab and viewed what they were doing there,
 17 and I assumed that everybody was working
 18 cooperatively.
 19 Q. And what did you see when you were there?
 20 A. The 1-megawatt container, lots of E-Cats being
 21 worked on, and group of people working with Doctor
 22 Rossi and Industrial Heat together cooperatively.
 23 Q. Turning your attention back to Exhibit No. 8, that

IMP

Page 59

1 same paragraph No. 4, the second -- the last
 2 sentence in that paragraph states "Accordingly, we
 3 would like to resolve any discrepancies on that
 4 issue as part of the restructuring so that there
 5 are not any misunderstandings about AmpEnergio's
 6 future rights as it relates to the tests that
 7 Rossi is currently conducting."
 8 Did you resolve any discrepancies that
 9 you had with Industrial Heat at that time?
 10 A. (Witness reviews document.) I'm not sure
 11 specifically what this refers to.
 12 Q. Okay. Did you have any notes or anything that
 13 described what was going on around April 2015?
 14 A. Is that -- I guess the question -- can I ask you a
 15 question?
 16 Q. Sure.
 17 A. Is that prior to the 1 megawatt being shipped to
 18 Florida?
 19 Q. No. I think the 1 megawatt was already being
 20 tested in Florida.
 21 A. Oh, it was. Okay. All right.
 22 So the question -- can you re-ask the
 23 question.

Page 60

1 Q. Yeah. I'm just reading what was written, and it
 2 seems to me like there were some misunderstandings
 3 or discrepancies between AEG and Industrial Heat
 4 at the time. And I guess maybe I should ask --
 5 the first question is: What discrepancies were
 6 you aware of? Or what misunderstandings were you
 7 aware of at that time?
 8 A. Well, the COP, you know, and the performance
 9 levels --
 10 Q. Okay.
 11 A. -- that they...
 12 Basically we were listening to what
 13 Industrial Heat told us.
 14 Q. Right.
 15 A. And we had visited Doctor Rossi once as a group
 16 and saw what we saw.
 17 Q. Right.
 18 A. And they -- "they," being Industrial Heat -- we
 19 assumed they had somebody there; that everything
 20 was all right.
 21 Q. Are you --
 22 A. So the -- the discrepancy -- I -- I'm just not
 23 sure what that -- you know, other than timing.

R, H

Page 61

1 Q. Okay. When you say "other than timing --"
 2 A. Timing of when the -- the test started and when it
 3 ended.
 4 Q. Did you have discussions with Industrial Heat
 5 about the timing of the test?
 6 A. Probably.
 7 Q. But you don't remember anything specific.
 8 A. No. I mean, this -- these were conversations that
 9 we had ongoing with J.T. about the test, and they
 10 had concerns. They had concerns that they didn't
 11 -- I'm trying to think of how this all...
 12 I guess their concern was that they were
 13 just letting Andrea go do what he was doing.
 14 Q. Did you have concerns, after hearing from
 15 Industrial Heat, as to what was going on?
 16 A. We thought everything was good.
 17 Q. Okay. Did you ever have a conversation with
 18 Doctor Rossi in or around April of 2015, where
 19 Doctor Rossi said, Hey, there are problems; there
 20 are issues?
 21 A. Yeah, I think that -- I believe -- and, again, I'm
 22 not quite sure of the date -- but we went down as
 23 a team, because it was -- we had a meeting in

IMP

Page 62

1 Miami and went and viewed the 1 megawatt.
 2 Q. And Doctor Rossi was present during that meeting?
 3 A. Yes.
 4 Q. Were representatives of Industrial Heat present
 5 during that meeting?
 6 A. No.
 7 Q. They were not?
 8 A. Well, I don't -- I don't know if they had somebody
 9 working there or not. That was -- I'm just not
 10 sure. I'm not sure if, you know, the person they
 11 had hired to be working was there or not.
 12 Q. I see.
 13 When you visited the plant in Miami,
 14 the -- what was the purpose of -- of you making
 15 that trip?
 16 A. We just -- we, you know, we had a vested interest
 17 in -- in seeing that it worked; and -- and it was
 18 the first time that all of AmpEnergy had a
 19 opportunity to come together as a team to visit
 20 the plant.
 21 Q. At the time of that visit, did Doctor Rossi
 22 express to you or to anyone at AmpEnergy that he
 23 felt there were problems or issues with his

Page 63

1 relationship with Industrial Heat?
 2 A. No. He was -- he was -- he wanted to make sure
 3 that this was working so that he would get his
 4 payment. I remember that.
 5 Q. Was it your understanding that, had that test been
 6 successful -- or if the results of that test were
 7 successful, that both Doctor Rossi and AmpEnergy
 8 would be paid?
 9 A. We were hoping.
 10 Q. And what was the payment that was going to be the
 11 result of that test?
 12 A. That Andrea would get his share of the remaining
 13 monies due him, and that we would, depending on
 14 the COP -- that was a discussion that was ongoing
 15 --
 16 Q. Right.
 17 A. -- 'cause if it -- Industrial Heat had commented
 18 to us, and that was a contention we had in the
 19 language of the licensing agreement, that, if it
 20 wasn't over 6 -- and, again, I think this is
 21 what -- then we were not to participate -- or we
 22 were not to get paid.
 23 And we -- we were told a long -- you

Page 64

1 know, and, again, this was a little more
 2 sophisticated than -- where we had -- that's why
 3 we hired a good law firm to help us negotiate
 4 through this, was to get a better understanding of
 5 the drag-along, tag-along commitments that were
 6 put in the license agreement that we felt that, if
 7 he had reached 6, then we would -- we would get
 8 paid.
 9 Q. So if he reached COP -- and what does "COP" stands
 10 for?
 11 A. Coefficient of performance.
 12 Q. If he had COP of above 6, he would get paid
 13 approximately \$89 million, and AmpEnergy would get
 14 paid approximately \$45 million; is that your --
 15 A. Well, actually, we -- we'd get paid a little bit
 16 more than that, because we were offered -- if we
 17 took -- we had -- it was a 20 percent, I believe,
 18 bump that they offered us in lieu of cash
 19 originally. So it was 54 million --
 20 Q. Got it.
 21 A. -- that we would get paid.
 22 Q. So if you took a piece of it in equity, you'd get
 23 a higher number.

IMP

1 A. Yes.
 2 Q. Understood.
 3 And as of April of 2015, you were
 4 understanding -- your understanding was that that
 5 payment was still achievable, based on the results
 6 of the test?
 7 A. Well -- yeah. I believe the test had just started
 8 a little -- so, you know, it was only a month or
 9 so. So we wanted to see the -- the 1 megawatt as
 10 a team, and -- yeah, it would -- yeah.
 11 Q. Now, getting back to the discussions with
 12 Industrial Heat about the new entity they were --
 13 they were forming, I believe, a holding company
 14 for -- for the technology.
 15 Is that your understanding?
 16 A. Yes.
 17 Q. And did they give AmpEnergO an opportunity to
 18 invest in that holding company?
 19 A. Yes. The -- the -- the idea was Industrial Heat
 20 had the license agreement for Doctor Rossi.
 21 Q. Right.
 22 A. The holding company -- and I -- and, again, may --
 23 this is the one that was formed in the UK? Is

1 A. Yes.
 2 Q. Did -- do you know -- do you know when you
 3 received this, approximately?
 4 A. I don't.
 5 Q. Were you told that Industrial Heat had been
 6 investing in other LENR technologies --
 7 A. Yes.
 8 Q. -- around this time?
 9 A. Yeah.
 10 Q. Do you know what other technologies they told you
 11 they were investing in?
 12 A. They didn't tell us. They -- I knew from previous
 13 conversations early on that Tom had had
 14 conversations with William -- you know, I believe
 15 there was a guy in Illinois, George Miley, that he
 16 had invested in.
 17 They -- they were going around looking
 18 at various IPs to evaluate.
 19 They told us that.
 20 Q. Did they ever tell you the status of any of those
 21 technologies?
 22 A. No, only that some were promising.
 23 Q. Didn't go into any more detail than that?

IMP

1 that the one you're referring to?
 2 Q. I believe that's correct.
 3 A. That we did not want to -- we wanted to make sure
 4 that our agreement put -- got put into the holding
 5 company and not left -- you know, because if --
 6 if, for some reason, the technology didn't work,
 7 we were out of that 1 percent share that we had
 8 within the company.
 9 Q. Right. So you wanted to make sure that your
 10 interests went up the -- up the chain?
 11 A. Up the chain; yes.
 12 Q. And, in fact, you did get that interest?
 13 A. We did; yes.
 14 Q. I show you what's marked as Exhibit No. 9.
 15 MR. CHAIKEN: Exhibit No. 9 has been
 16 Bates stamped AE 340.
 17 (Exhibit 9, AE 340.)
 18 Q. Do you recall seeing this proposed structure
 19 before?
 20 A. Yes. Yes. Yeah.
 21 Q. Is this what Industrial Heat had presented to you
 22 regarding their restructuring of their corporate
 23 formation?

1 A. No.
 2 Q. Did -- when you made that trip to the plant in
 3 Florida to visit Doctor Rossi and see the
 4 operations --
 5 A. Uh-huh.
 6 Q. -- did Doctor Rossi ever ask you about whether or
 7 not you maintained your shares in Industrial Heat,
 8 or if you changed them out?
 9 A. I think he did.
 10 Q. And what did you tell him?
 11 A. That we were -- that we did, I believe. I mean, I
 12 -- I can't imagine it wasn't...
 13 Q. You told him that you had swapped out shares for a
 14 holding company? Or did you tell him --
 15 A. No. Maybe we didn't have that discussion; no.
 16 Q. You don't remember him asking that question?
 17 A. I don't remember that question being asked.
 18 MR. CHAIKEN: Want to go off the record.
 19 Take a restroom break.
 20 VIDEOGRAPHER: Okay. It is 10:15 a.m.
 21 and we are going off the record.
 22 (Recess was taken.)
 23 VIDEOGRAPHER: Okay. It is 9:27 -- I'm

Page 69

1 sorry -- it is 10:27 a.m., and we are back on the
 2 record.
 3 Q. Mr. Cassarino, I'm going to show you what's been
 4 marked as Exhibit No. 10.
 5 MR. CHAIKEN: Exhibit No. 10 has been
 6 Bates stamped AE 437.001 through 437.008, and it's
 7 a copy of the first amendment to the license
 8 agreement.
 9 (Exhibit 10, AE 437.001-437.008.)
 10 Q. And my first question is going to be: Have you
 11 seen this before?
 12 A. Yes.
 13 Q. And do you know why a first amendment to the
 14 license agreement was entered into?
 15 A. I'll have to -- I -- I'm -- there's so many legal
 16 agreements. I can't remember exactly. So I just
 17 need to look at this --
 18 Q. Go ahead.
 19 A. -- or maybe you can summarize it.
 20 Q. Well, my understanding was that this amended the
 21 time for performance of what was called the
 22 validation test under 3.2(a) of the agreement, and
 23 it set the date and the location for the test.

Page 70

1 If you look at the very first page, "One
 2 amendment," it kind of goes through the...
 3 A. (Witness reviews document.) This is the one that
 4 was done in Italy?
 5 Q. Yes.
 6 A. Okay.
 7 Q. Did you have any conversations with anyone from
 8 Industrial Heat prior to this document being
 9 executed?
 10 A. Yes.
 11 Q. And do you remember what those conversations were
 12 about?
 13 A. Not totally, other than we were all going to go to
 14 Italy to watch the performance. I think Karl,
 15 myself, and Ron Engleman went, and this, I guess
 16 -- from what I remember -- set out the dates, the
 17 times that that test would occur.
 18 Q. Right. And this document's dated April 29th,
 19 2013.
 20 Do you know if this was executed in
 21 Italy?
 22 A. It was executed in Italy.
 23 Q. And did you actually see the test being performed

IMP

Page 71

1 in Italy?
 2 A. I did.
 3 Q. And what was your impression at the time?
 4 MR. BELL: Objection to form.
 5 A. That everybody that was there was performing high
 6 energy. It was an intense 24 hours, or --
 7 everybody was busy. And being a nontechnical
 8 person, I was an observer.
 9 Q. Got it. Now, did this document, the first
 10 amendment, impose any new obligations on AEG, as
 11 far as you know?
 12 A. On AEG?
 13 Q. Yes.
 14 A. No, because I believe we had signed over -- we
 15 were getting ready to sign over our agreements
 16 and -- no. This was just to be there to watch the
 17 performance.
 18 Q. Did you think -- or was it your understanding that
 19 AEG was a necessary party to this first amendment?
 20 MR. BELL: Objection to form.
 21 A. At the time I don't think we had any -- we were
 22 there -- we were part of the -- the whole process,
 23 so we just felt that this was part of what we

Page 72

1 needed to do.
 2 Q. Did anyone from the AE -- AEG group express any
 3 concerns about executing this agreement -- this
 4 amendment? -- excuse me.
 5 A. I don't believe so.
 6 Q. Do you know why the testing schedule was changed
 7 from what was originally in the license agreement?
 8 A. Can you explain to me what those differences were.
 9 Q. I think the -- the timing of the tests --
 10 A. Oh.
 11 Q. -- was extended.
 12 A. The timing of the days, or the time of the 24-hour
 13 test?
 14 Q. The time in which the test was to be performed. I
 15 think it was 100 -- it was supposed to be
 16 performed within 120 days of execution of the
 17 license agreement, and I believe this fell outside
 18 of that.
 19 A. I don't -- I don't recall exactly why. It just --
 20 everybody was trying to move forward in setting
 21 everything up. Maybe that was the -- some
 22 technical things. I don't know. I can't recall.
 23 Q. I show you what's been marked as Exhibit No. 11.

IMP

Page 73

1 (Exhibit 11, AE 436.)

2 MR. CHAIKEN: Exhibit 11 is a series of

3 emails Bates stamped AE 436. And it's dated --

4 the -- the main email on the page is dated May

5 8th, 2013. It's from Ronald Engleman, Jr., to

6 several people, including yourself.

7 At the end of the email Ron writes "The

8 testing was deemed a success by all parties

9 present."

10 Was that your impression after the test

11 concluded?

12 A. That's what -- yeah. That's what everybody --

13 that was our impression because everybody wanted

14 to move ahead with it. That was -- and, again,

15 from my point of view, I wasn't technical enough

16 to understand all of the thermal couples, you

17 know, the -- all of the technical side of this.

18 Q. Now, what was your understanding as to the

19 significance of this test and its results as it

20 relates to AmpEnerg's receiving payment from

21 Industrial Heat?

22 A. Well, if they were to move forward with this, we

23 would get paid.

Page 74

1 Q. Okay. And, in fact, they did move forward, and

2 you did get paid --

3 A. Yes.

4 Q. -- is that true?

5 A. That's true.

6 MR. BELL: Objection to form --

7 belatedly.

8 A. But can I say something?

9 There -- it was -- that was a step

10 towards the payments. This was --

11 Q. I see.

12 A. -- 'cause they were raising money --

13 Q. Right.

14 A. -- to put it together. So that was --

15 Q. At the time -- April/May 2013 -- did they have the

16 money to pay AmpEnerg's?

17 A. No.

18 Q. How --

19 A. They were raising the money.

20 Q. How do you know that they didn't have it at that

21 time?

22 A. Well, they said they didn't.

23 Q. That's a good way.

IMP, C

Page 75

1 Did you ever have any discussions with

2 anyone from Industrial Heat after the test

3 concluded where they came back and told you, Hey,

4 we think that that test was somehow flawed, or the

5 protocol was improper, or we think the -- the data

6 from that test was wrongfully manipulated somehow?

7 A. No.

8 Q. Even after this lawsuit was filed, did they ever

9 come back and make those claims to you?

10 A. About what?

11 Q. About --

12 A. That the first test was --

13 Q. Was somehow flawed, or the protocol was incorrect,

14 or -- or there was an issue with it.

15 A. Yes.

16 Q. They did?

17 A. Yeah.

18 Q. When did they do that?

19 A. We were called to Tom's office -- I guess probably

20 a year ago -- no, it was probably in August of

21 last year -- where they were -- this was after the

22 lawsuit had started --

23 Q. Got it.

Page 76

1 A. -- and insinuated that we were part of a fraud.

2 Q. I'm going to get to that a bit later.

3 A. And we -- to be -- you know, again, we put all of

4 our hope, because we actually -- we felt we had a

5 great relationship with Industrial Heat. We

6 worked really good together. We were always

7 communicating, and we trusted they were in the big

8 league in terms of financing.

9 This was outside my pay grade for sure;

10 and we assumed that all of this -- raising the

11 money and raising the capital and us getting

12 paid -- was because of what they felt they saw and

13 did.

14 Q. Okay. I show you what's been marked as Exhibit

15 No. 12.

16 MR. CHAIKEN: Exhibit No. 12 has been

17 Bates stamped AE 255.001 through.002.

18 (Exhibit 12, AE 255.001-255.002.)

19 Q. The top is an email from J.T. Vaughan to Karl

20 Norwood, yourself, Ronald Engleman, dated August

21 12, 2013, where they are showing a payment of, I

22 believe, \$3,219,950 to AEG as of that date.

23 Do you recall receiving those funds --

Page 77

1 A. Yes.

2 Q. -- on or around that time?

3 A. Yes. Yes.

4 Q. Did Industrial Heat inform you sometime prior to

5 that that they had received funding that would

6 allow them to make payment to you?

7 A. I don't -- I'm not sure they said that. We

8 assumed they did if they were paying us.

9 Q. Right. Are you familiar with the parties -- when

10 I say "the parties," I'm talking about Leonardo

11 and Industrial Heat -- entering into or talking

12 about entering into a second amendment to the

13 license agreement?

14 A. If the second amendment had to do with the

15 performance -- is that what...

16 Q. Well, I think it had to do with the time of

17 performance, as well as equipment to be tested.

18 A. I don't recall.

19 Q. I show --

20 A. I'm sure there was.

21 Q. Let me show you what's been marked as Exhibit 13.

22 MR. CHAIKEN: Exhibit 13 is -- has been

23 Bates stamped AE 295.001 through 295.003.

Page 78

1 (Exhibit 13, AE 295.001-295.003.)

2 Q. And it's a draft of a second amendment to the

3 license agreement.

4 Take a second to look it over and let me

5 know when you're done.

6 A. (Witness reviews document.) I -- I -- you know,

7 I'm a little confused as to the 6-cylinder unit.

8 Q. You don't recall having conversations with either

9 Doctor Rossi or IH regarding a 6-cylinder unit?

10 A. Well, the only -- my recollection was 6-cylinder

11 unit was something we spotted in -- oh, we saw in

12 Italy -- was tested -- or being tested. The - it

13 was a new kind of concept that Doctor Rossi had.

14 And I -- and I don't recall -- I thought, you

15 know, again, this is -- that the E-Cat, defining

16 which one -- the Hot Cat, E-Cat 6 cylinder was --

17 it's a little confusing for me as to which one.

18 I -- obviously, we've seen this. We've --

19 Q. Right.

20 A. -- you know, did -- signed it and, you know, moved

21 ahead with it, but...

22 Q. Is it -- is it your understanding that AEG

23 executed this document?

Page 79

1 A. I don't remember. I don't remember.

2 Q. Do you recall having a conversation with Doctor

3 Rossi where he said, I'd like you to sign the

4 second amendment, or, I'd like AmpEnerg to sign

5 the second amendment?

6 A. Yes, I -- I do -- and -- and we did say we didn't

7 want to sign it.

8 Q. Why?

9 A. Because we felt that -- in negotiating with

10 Industrial Heat -- that, by signing this, we

11 wouldn't be party to that COP -- the 6 COP; and if

12 it was a percentage below that, we had no right to

13 any funds coming forward.

14 Q. I see.

15 So is your view that you were going to

16 lose your -- your right to a payment of that

17 additional tranche by executing this document?

18 A. Yes.

19 Q. Did you express that to Doctor Rossi?

20 A. Yes.

21 Q. Was that verbal, or was that --

22 A. It was -- it was verbal.

23 Q. Okay. Did you Say, Hey, If you change the terms

Page 80

1 of this -- this amendment to incorporate --

2 A. No. I think we just -- we felt that it wasn't in

3 his best interest or our best interest to sign

4 this.

5 Q. Why did you think it was not in Doctor Rossi's

6 best interest?

7 A. Because we felt that he would not get the funds

8 that were due him if we -- if it was below -- it

9 was -- again, and -- and this is hard for me to

10 recall this -- but in the language of the

11 agreement, it was -- and we -- we had all kinds of

12 attorneys look at this -- it was -- sort of --

13 wishy-washy of how our payment -- it wasn't so

14 much Doctor Rossi; it was our payment -- how we

15 would get reimbursed the money that we were to

16 receive.

17 Q. Okay. Was it your understanding that, despite

18 AEG's not signing the second amendment, that

19 Industrial Heat and Leonardo were still working

20 towards a 350-day test?

21 A. Yes. Yeah.

22 MR. BELL: Objection to form.

23 Q. Did anyone from Industrial Heat say to you at any

IMP

Page 81

1 time in or around October of 2013 that the time
 2 for performance of that 350-day test was to be
 3 done immediately after that 1 megawatt was
 4 delivered to North Carolina; and that, because the
 5 test hadn't started up, there was no opportunity
 6 for Doctor Rossi or AmpEnergio to -- to earn
 7 additional payment under that provision?
 8 MR. BELL: Objection to form.
 9 A. I'm not sure I quite understand what -- let me --
 10 sort of -- feed that back.
 11 Q. Sure.
 12 A. So you're saying if that test had not started on X
 13 day -- day one --
 14 Q. Right.
 15 A. -- under that 300 -- whatever the number was --
 16 340 days -- or whatever that number was -- that
 17 there would be a penalty for that?
 18 Q. I don't know if I would say a "penalty," but just
 19 -- the time for performance had come and gone, and
 20 because it wasn't performed --
 21 A. They were worried -- Industrial Heat was worried
 22 that the timing -- it was taking a long time to
 23 get this one-year test under -- underway.

Page 82

1 However, we were -- as I had mentioned
 2 before, I had stopped at the lab several times,
 3 and my -- my sense was that everybody was still
 4 cooperating.
 5 Q. Okay. Had -- had they put you -- well, strike
 6 that.
 7 **IMP** Is it your understanding, through your
 8 discussions with Doctor Rossi, that he still felt
 9 that his -- he had the ability to earn an 80, \$90
 10 million payment if he performed a 350-day test?
 11 A. Yes.
 12 MR. BELL: Objection to form.
 13 **IMP** Q. And you knew this because you had a discussion
 14 with him about it?
 15 A. Yes. I mean, that was why he was setting up to do
 16 the test, I believe. And we -- we assumed that
 17 Industrial Heat and he had worked through those
 18 agreements.
 19 Q. Now, you mentioned to me that Industrial Heat was
 20 concerned about the fact that the 350-day test
 21 hadn't started.
 22 A. Right.
 23 Q. Do you know why it hadn't started?

Page 83

1 A. I don't think anybody had -- they -- they -- 1
 2 megawatt -- and the 1 megawatt took a lot longer
 3 to build than I think -- the unit that came from
 4 Italy had some damage to it, I believe; and they
 5 had to repair some of the units. And so they were
 6 working on -- at the lab in North Carolina -- new
 7 units to install there.
 8 Q. And did Industrial Heat explain that that was the
 9 reason why it was delayed in starting up, or was
 10 there other reasons?
 11 A. No. I -- I -- you know, being -- and this is my
 12 assumption -- is that, in -- in the development of
 13 technology, things always take longer than you
 14 would hope they would.
 15 So it -- to me, it was just technical
 16 stuff that was being worked out between Industrial
 17 Heat and -- and Andrea Rossi.
 18 Q. Do you know if there were any issues regarding
 19 obtaining regulatory approvals to have a test of
 20 the 1-megawatt E-Cat?
 21 A. You mean in Florida?
 22 Q. Whether it be in Florida, or North Carolina, or
 23 anywhere in the United States.

Page 84

1 A. Well, there were discussions, but that wasn't
 2 anything that we were involved in. So...
 3 Q. But you were aware of the discussions?
 4 A. Yeah. We were told that they had looked into
 5 issues, you know, but I -- I guess if -- from my
 6 recollection, that -- that was what they were
 7 doing, but I -- I don't know what...
 8 Q. Do you know -- do you know if any regulatory
 9 approvals were required or obtained?
 10 A. I don't know.
 11 Q. I show you what's been marked as Exhibit 14.
 12 MR. CHAIKEN: Exhibit 14 has been Bates
 13 stamped AE 303.
 14 Q. It's an email from Ron Engleman to Tom Darden,
 15 cc'ing yourself, dated November 29th, 2013. And I
 16 believe the time frame is, this is shortly after
 17 the parties had sent you that second -- second
 18 amendment to the license agreement.
 19 (Exhibit 14, AE 303.)
 20 Q. Have you seen this email before?
 21 A. I'm sure I have; yes.
 22 Q. Do you recall having conversations with Ron
 23 Engleman and Karl Norwood about --

Page 85

1 A. Yes. Yeah. This was part of what I was
 2 discussing about the percentages and our concern
 3 for not getting payment.
 4 Q. Right. Did Tom Darden or anyone from Industrial
 5 Heat ever respond to this email, as far as you
 6 know?
 7 A. I can't recall if they responded to this email or
 8 not.
 9 Q. Do you recall having conversations with Tom
 10 Darden, J.T. Vaughan, or anyone from Industrial
 11 Heat about the contents of this email?
 12 A. Yeah. We had -- we -- we did have discussions
 13 with -- mostly with J.T. He was -- sort of -- the
 14 point person that we -- Tom was not -- we didn't
 15 have a lot of conversations with Tom.
 16 And this was a topic of conversation;
 17 yes.
 18 Q. Now, specifically the -- the very first paragraph,
 19 the very last sentence, it states "AEG felt that
 20 if IH determined the technology was consistently
 21 producing above unity during the 350-day test at a
 22 COP that IH deemed appropriate and negotiated with
 23 Rossi, then IH would move forward with fully

Page 86

1 licensing the E-Cat IP, and AEG would be entitled
 2 to the second tranche equity."
 3 Do you see that?
 4 A. Yes.
 5 Q. Did they -- did anyone from Industrial Heat ever
 6 dispute that?
 7 A. I --
 8 Q. Meaning, did any -- let me rephrase it.
 9 A. Yeah.
 10 Q. Did anyone from Industrial Heat ever say, We don't
 11 think that AEG could ever be entitled to the
 12 second tranche of equity?
 13 A. No. We assumed they would.
 14 Q. Okay.
 15 A. Yeah. And you can see from that -- and I'm just
 16 reading this -- that the other -- last paragraph
 17 there, that we were always -- we -- we felt that
 18 Industrial Heat and -- and us, we had a good
 19 relationship, as did Industrial Heat and Andrea.
 20 That was -- you know, it -- it got into the legal
 21 stuff that, you know, we -- I -- you know,
 22 personally, I don't have the stomach for it. You
 23 know, that's really -- it's about working

IMP

Page 87

1 collaboratively.
 2 Q. Did -- after this time frame, November of 2013,
 3 did Industrial Heat or Doctor Rossi ever come back
 4 to you and say, We don't think that that second
 5 amendment was valid, because AmpEnergio didn't
 6 execute it?
 7 A. Yeah.
 8 Q. And do you recall having conversations about it?
 9 A. I -- I'm sure we did. I don't recall exactly
 10 when/how, but we knew -- by not signing it -- that
 11 that second amendment was not going to be valid.
 12 Q. All right. I show you what's been marked as
 13 Exhibit 15.
 14 MR. CHAIKEN: Exhibit 15 has been Bates
 15 stamped IH 124079 through 124081.
 16 (Exhibit 15, IH 124079-081.)
 17 Q. It's a series of emails from April of 2014 between
 18 you and Doctor Rossi and others.
 19 And the first email I'm going to point
 20 you to is -- starts at the very bottom of the
 21 first page. It's dated April 30th, 2014. It's
 22 from you to Doctor Rossi.
 23 And you write to him -- and you have to

R, LC

Page 88

1 turn the page to the second page to see the text
 2 of the -- of the email.
 3 A. Oh.
 4 Q. And you write to him: "Just trying to get some
 5 idea of how things were going with the testing of
 6 the blue box 1 megawatt. J.T. had mentioned a
 7 while ago that you were going to get it running
 8 soon. We are very interested as to how it is
 9 going, because AmpEnergio's second tranche of funds
 10 are tied to the 350-day test and COP. As I
 11 suspect, your payment is too."
 12 A. Yes, I --
 13 Q. I mean, if --
 14 A. I mean, I don't recall it, but, obviously, I -- I
 15 wrote that.
 16 Q. What discussions were you having with Industrial
 17 Heat about the 350-day test at this time?
 18 A. They -- my -- my sense of where Tom was in
 19 conversations with he and J.T. was, they were
 20 letting Andrea move ahead with it. You know, we
 21 were always -- not questioning, but we were
 22 concerned that they weren't as involved in the
 23 1-megawatt test as we would have been, you know.

Page 89

1 Q. What -- what gave you those concerns?
 2 A. That -- that they were not -- J.T. -- J.T. or --
 3 there was a guy, T. Barker...
 4 Q. T. Barker Dameron?
 5 A. Yeah. Yeah.
 6 You know, that they were all involved in
 7 making this 1 megawatt with Andrea; and when it
 8 went to Florida, they had not been as involved as
 9 they were when it was in North Carolina.
 10 Q. Okay. Now, Andrea Rossi responds to your email on
 11 the next page, which is the first page of the
 12 document.
 13 A. Okay.
 14 Q. And he writes to you: "Dear Craig, we have to put
 15 in operation the 1-megawatt plant that we are
 16 ready to put in operation since when we delivered
 17 it in August of 2013. It has been delivered
 18 perfectly ready to go, as it has been turned off
 19 after the May test. It has not been possible to
 20 put it in operation for reasons independent from
 21 us."
 22 Did you ever have any conversations with
 23 Doctor Rossi about why the -- the 1 megawatt

Page 90

1 hadn't been put into operation since August of
 2 2013?
 3 A. Well, I -- as I'd mentioned before, getting it
 4 here was -- was an issue.
 5 Q. Right.
 6 A. You know, I mean, just freight and delivery and
 7 all of that.
 8 And, yes, I remember having this.
 9 Q. And -- and he goes on to say -- after he writes
 10 "for reasons independent from us," he writes
 11 "location -- where to put it in operation,
 12 authorizations, etcetera." And we talked a little
 13 bit about authorizations earlier.
 14 Did you have conversations with Doctor
 15 Rossi about authorizations that were required
 16 for -- for running a test of the 1 megawatt?
 17 A. What -- you mean permitting?
 18 Q. Weather permitting, or just approval from a -- a
 19 health organization, or anything else.
 20 A. We -- we probably -- I mean, Andrea and I went
 21 back and forth about this stuff. Again, we were
 22 just assuming that Andrea and Industrial Heat --
 23 because we were stepped -- we were actually one

Page 91

1 step removed from all of this --
 2 Q. Right.
 3 A. -- you know, so we were involved to the point,
 4 because we had some second tranche coming, we
 5 wanted this to be successful, but it was out of
 6 our hands as to what was really going on.
 7 Q. You were having weekly meetings with industrial --
 8 or biweekly meetings with Industrial Heat?
 9 A. Biweekly with -- with J.T. mostly. And not every
 10 week, I mean. But, you know, we were -- you know,
 11 we were always looking for technical updates, what
 12 they were doing, and finance, you know. So...
 13 Q. I know you said earlier that you recalled
 14 Industrial Heat expressing concerns about why the
 15 1-megawatt test hadn't started yet; and this email
 16 -- kind of -- contradicts what you were being told
 17 by Industrial Heat; does it not?
 18 MR. BELL: Objection to form.
 19 A. (Witness reviews document.) Yeah.
 20 Q. Did you ever have a -- a conversation with
 21 Industrial Heat about this email and what Doctor
 22 Rossi was claiming in it?
 23 A. I don't think we had it -- and I can't recall

Page 92

1 about this specific email, but we -- I mean, we
 2 were always looking to see a hope that everything
 3 was moving forward.
 4 Q. And I get that.
 5 But I'm just -- want to be specific to
 6 this one, because your email up above on the same
 7 page states -- and -- and this is dated right
 8 after -- or the -- timewise is an hour after you
 9 received Andrea's email. You write to J.T.:
 10 "Just as a follow-up to our conversation today,
 11 still not sure what he is saying. I can follow up
 12 with another email. What do you think."
 13 So it looks like you had a conversation
 14 with J.T. Vaughan about this email.
 15 MR. BELL: Objection to form.
 16 A. Well, I'm -- I'm not sure it was about this email.
 17 It probably was. But we were concerned about why
 18 wasn't it moving forward.
 19 Q. All right. Did you ever say to J.T. Vaughan, Hey,
 20 Andrea doesn't think it's his fault that this
 21 thing hasn't started yet. He's saying that there
 22 are other issues. What do you say, J.T.?
 23 A. That was probably part of the conversation. I

Page 93

1 mean, we were -- we were concerned that, as this
 2 started to -- as an engineering company, we didn't
 3 feel that this was being engineered or put into --
 4 I -- I'm just trying to find the right way to
 5 express this.
 6 It's not the way we would have done
 7 this.
 8 Q. I understand that, but I'm -- if you don't recall,
 9 that's a fine answer. But do you recall asking
 10 J.T. what he felt about Doctor Rossi's email --
 11 this specific one; and do you recall what he
 12 responded?
 13 A. I don't recall if -- we probably had the
 14 conversation, but I'm not sure what he would have
 15 answered.
 16 Q. Okay. Did you ever call Doctor Rossi after you
 17 received that email and say, Hey, what can I do to
 18 help, you know, get this process moving along?
 19 A. Probably, you know, 'cause that was -- I was
 20 communicating with both teams; and so, you know,
 21 we would -- we would probably have had that
 22 conversation, 'cause it was in everybody's
 23 interest to move this forward.

Page 94

1 Q. Right.
 2 Is there a reason why Doctor Rossi
 3 wasn't included in the updates -- the biweekly
 4 updates you were getting from Industrial Heat?
 5 A. Nothing specific; no. No.
 6 Q. Did you get a sense at any point in time that
 7 there was a lack of communication between
 8 Industrial Heat and --
 9 A. Yes.
 10 Q. -- Doctor Rossi?
 11 A. Yes.
 12 Q. And when did you get that sense?
 13 A. I'm not sure when, but --
 14 Q. At least by the time of this email?
 15 A. Yes.
 16 Q. "This email," being the April 30, 2014?
 17 A. Yeah. I -- we -- we were just -- we -- I guess
 18 our -- it wasn't concern so much, because we -- we
 19 are a third-party outside of all of this -- is
 20 that, we really wanted to understand how the test
 21 was going.
 22 Q. At some point in time is it your understanding
 23 that -- whether it be Industrial Heat or Doctor

Page 95

1 Rossi -- was looking to find a customer to use the
 2 -- the heat generated by the 1-megawatt E-Cat?
 3 A. Yes.
 4 Q. When did you first learn that?
 5 A. Oh, I -- I think they were all looking from, you
 6 know, the -- the time it got delivered; and, then,
 7 I was on vacation in the Grand Canyon, and I got a
 8 call from Doctor Rossi saying that he had found a
 9 customer; and that I should tell Industrial Heat
 10 that this customer should be looked at.
 11 MR. CHAIKEN: Okay. I'm getting a
 12 little note that we should take a break to change
 13 a tape, and this is probably a good spot to take
 14 that break. So let's go off the record. Stop
 15 here.
 16 VIDEOGRAPHER: Okay. It's 11:02, and we
 17 are going off the record.
 18 (Recess was taken.)
 19 VIDEOGRAPHER: It is 11:15 a.m., and we
 20 are back on the record.
 21 Q. Mr. Cassarino, before we took that break, I was
 22 asking questions about whether or not you were
 23 aware of a -- of a customer -- or whether or not

Page 96

1 the parties had discussed getting a customer for
 2 purposes of the 350-day test.
 3 Did you have discussions with either
 4 Industrial Heat or Doctor Rossi regarding that?
 5 A. Yes.
 6 Q. What discussions did you have with Industrial Heat
 7 about it?
 8 A. I -- we just asked him if they knew of the client
 9 in Florida.
 10 Q. And what did they say?
 11 A. They had not.
 12 Q. Okay. Did they tell you they did some due
 13 diligence on it?
 14 A. I don't believe that they did. Maybe -- maybe
 15 J.T. went for a visit there or something, but I
 16 don't think -- when we -- before the -- I mean,
 17 the -- the plant was in North Carolina; Andrea had
 18 made contact in Miami with this company; and it
 19 hadn't been shipped yet.
 20 So that was -- Andrea had found the
 21 client.
 22 Q. Now, prior to that, was it your understanding --
 23 or was it AmpEnerg's understanding that a

EOT

IMP

1 customer was required for purposes of the
 2 contract?
 3 A. Not a customer required. It was to run it for the
 4 amount of -- I mean, you know, technically, it
 5 would have been very difficult because of the --
 6 the requirements for the water are -- you know,
 7 where will you vent the heat, and all that.
 8 So I think that was an issue that had
 9 been, you know, a client was -- and, again, I --
 10 I'm sorry -- I apologize. But I'm not sure --
 11 even in the contract or anything -- whether or not
 12 there was -- there was a requirement. It was
 13 all -- it was really to run a test for one year.
 14 I think that's what it was.
 15 Q. Did you ever have conversations with Industrial
 16 Heat about what equipment was going to be used for
 17 the test -- the 350-day test, whether it be a 6
 18 cylinder or a 1 megawatt?
 19 A. We assumed it would be 1 megawatt.
 20 Q. I'm not asking about your assumption. I'm asking
 21 if you had any conversations.
 22 A. Well, I saw the 1 megawatt in -- in North Carolina
 23 the day -- or two days before it was going to be

1 A. Yeah.
 2 That he found a client. He'd given me
 3 the name, which I -- at that time, I didn't
 4 remember, 'cause I was, you know, just getting up
 5 and having my coffee; that -- that he wanted us to
 6 relay that to Industrial Heat; that he had found
 7 a -- and he had mentioned payment of a thousand
 8 dollars per day, which would reduce the cost of
 9 the operation.
 10 Q. Did he tell you anything about who was operating
 11 that plant, or what his role was going to be?
 12 A. That he would set -- set it up.
 13 Q. That he would work -- that he set up which, the
 14 Industrial Heat --
 15 A. That Andrea would set up the 1 megawatt.
 16 Q. Did he tell you anything about his -- what he was
 17 doing with the customer -- the potential customer
 18 that he was using?
 19 A. That he was going to provide heat to them.
 20 Q. Okay. Did he tell you anything else about them?
 21 A. Not -- well, he might have, but I don't remember.
 22 Q. Did he use the name "JM Chemicals" or "JM
 23 Products"?

1 shipped. So, again, that was -- I'm not sure if
 2 there was a discussion about it. It was -- the
 3 one megawatt was the one that was going to be
 4 tested.
 5 Q. I show you what's marked as Exhibit 16.
 6 MR. CHAIKEN: Exhibit 16 has been Bates
 7 stamped AE 304.001 through.002.
 8 (Exhibit 16, AE 304.001-304.002.)
 9 Q. There is an email in -- in -- one-third of the way
 10 down the page from Karl Norwood to Tom Darden and
 11 cc'ing yourself and other people. And it's, I
 12 believe, forwarding an email that had been written
 13 by Andrea Rossi.
 14 You should take a minute to review that.
 15 I'm going to ask you some questions about it.
 16 A. (Witness reviews document.)
 17 Q. So this -- kind of -- goes along with what you
 18 said earlier before the break: You had mentioned
 19 that you received a call while you were in the
 20 Grand Canyon?
 21 A. Right.
 22 Q. And what were you told on that call?
 23 That was Doctor Rossi calling you?

1 A. That's -- that's -- I recall that now.
 2 Q. Did he -- did he ever use the words "Johnson
 3 Matthey"?
 4 A. I think they -- he did -- I think there was --
 5 that was a European company, and that these were
 6 an affiliate of that bigger company.
 7 Q. And Doctor Rossi said that to you?
 8 A. Yes.
 9 Q. Did he say he was purchasing products from Johnson
 10 Matthey?
 11 A. I -- I don't recall.
 12 Q. Did he say he was going to sell products to
 13 Johnson Matthey?
 14 A. No. I think it was JM was the -- the company in
 15 Florida that the contract was with.
 16 Q. And did he tell you what the nature of the
 17 relationship was?
 18 A. That he was going to provide them heat.
 19 Q. Did he tell you who the president or owner of the
 20 company was?
 21 A. He might have. I -- you know...
 22 Q. Did he mention that it was his attorney?
 23 A. No, but J.T. Vaughan told us that.

Page 101

1 Q. And when did he tell you that?

2 A. A while after -- I mean, after they were -- and,

3 again, I don't know how -- what the sequence of

4 timing was, but that was part of the conversation

5 in one of our conversations.

6 Q. Referring back to the -- the exhibit I just gave

7 you -- Exhibit 16 -- did you have conversations

8 with Karl Norwood or anyone else from AmpEnerg

9 about Andrea Rossi's plan?

10 A. Yes.

11 Q. And what was the conversation?

12 A. Just that we were glad that it was going to get --

13 finally get some tests done on it.

14 Q. Did you discuss it with Industrial Heat?

15 A. We did, because it was getting shipped to them.

16 So --

17 Q. Right.

18 A. -- you know -- you know, again, this -- I

19 apologize. I just can't recall all the details of

20 the conversations.

21 Q. In the email from Tom Darden at the top of the

22 page to Karl Norwood and cc'ing you, he says that

23 "Thanks for reaching out. He --" I believe he's

Page 103

1 Q. And did they explain to you what they thought the

2 problem was?

3 A. Well, I think there was a lot -- I mean, when

4 the -- and, again, I -- this -- just bear with me,

5 from my recall -- but it had to do with something

6 swaging; with gases escaping.

7 When I was there, it was -- it was part

8 of the ceramics in the core and some of the wires

9 breaking.

10 So it was technical stuff that they

11 were -- and Andrea and they and Industrial Heat

12 were trying to resolve that -- all those issues --

13 at T. Barker -- and the group they had there.

14 Q. Did anyone from Industrial Heat ever tell you that

15 they had received -- they had run a test or an

16 experiment and had received a positive COP?

17 A. No.

18 Q. Going back to the issue of moving the -- the

19 1-megawatt plant to Florida, did AmpEnerg

20 have any issues or any concerns about the plant being

21 moved from North Carolina to Florida?

22 A. No -- I mean, we didn't have a say in it. So, you

23 know, it didn't really concern us.

H

Page 102

1 referring to Doctor Rossi "-- sometimes sends such

2 emails documenting a meeting, but we didn't say

3 those things."

4 Did you have a conversation with Tom

5 Darden about things that Tom Darden didn't think

6 he had said that were represented by Doctor Rossi?

7 A. I am not sure that we had -- we didn't have a lot

8 of conversations with Tom. It was mostly J.T.

9 Q. All right.

10 A. Most of the conversations with Tom -- other than

11 when I went there, and, you know -- were more on

12 the contracts and stuff.

13 Q. Now, prior to February of 2015, did Industrial

14 Heat ever express to you or anyone from AmpEnerg

15 that they thought that Doctor Rossi was

16 perpetrating a fraud on them, or was deceiving

17 them in any way?

18 A. No. I -- I do recall that they were not

19 successful in duplicating the, you know, the --

20 the IT -- the IP.

21 Q. And when did they first tell you that?

22 A. Well, I -- I visited with everybody there, and

23 that was --

Page 104

1 We were just glad that the test was

2 going to begin.

3 Q. I show you what's been marked as Exhibit 17.

4 MR. CHAIKEN: Exhibit 17's been Bates

5 stamped IH 90966.

6 (Exhibit 17, IH 90966-967.)

7 Q. It's a series of emails between you and members of

8 IH from July of 2014. And if you go -- the chain

9 starts on the second page, 90967 --

10 A. Yeah.

11 Q. -- and goes all the way up. And the first email

12 is from Andrea Rossi to you. And he writes to

13 you: "Can you answer my email confirming

14 AmpEnerg

15 agrees upon my proposal."

16 And I believe he's referring to the

17 proposal of moving the -- the plant to -- the

18 1-megawatt plant to Doral in Florida.

19 And then you write to J.T. Vaughan and

20 John Mazzarino and Tom Darden "As you can see, he

21 wants me to answer. Should we keep ignoring, or

22 what should we say?"

23 Is there a reason why you were ignoring

Andrea Rossi's requests in July of 2014?

R

H, EOT

IMP

Page 105

1 A. Only that we thought if it could stay in North
 2 Carolina, it would be a better option.
 3 Q. I thought you just said it didn't matter to you.
 4 A. Well, recalling this, I'm -- I guess I did have
 5 that intent that we would rather have seen it
 6 in -- their supervision, working together, rather
 7 than it going off by itself.
 8 Q. And did you ever tell that to Doctor Rossi?
 9 A. I'm not sure. I don't think so.
 10 Q. Is there a reason why you didn't?
 11 A. I -- 'cause I cherished his friendship, and I
 12 didn't want to get him upset that we were trying
 13 to keep it there for them to work together,
 14 because -- two things: One is, I understood
 15 clearly that Andrea had a goal of getting this --
 16 he's a very driven person, and sitting around
 17 experimenting is not his style; that he wanted to
 18 make something happen; and that that probably was
 19 it.
 20 The other -- the other part of this
 21 is -- you know, again, not knowing what it takes
 22 to put this thing together or what it took to
 23 demonstrate a 1 megawatt, we would -- that's why

Page 106

1 we were hoping for the collaboration.
 2 Q. What were -- what were you hoping from the
 3 Industrial Heat side of it?
 4 A. That they would continue to work with Andrea and
 5 work together to accomplish the goal for the 360
 6 or 300 -- whatever the test -- how-many day the
 7 test was -- to work together to make sure
 8 everybody was on the same page.
 9 Q. Did you ever get an understanding as to what the
 10 customer in Miami was going to be doing with the
 11 heat supplied by the 1-megawatt plant?
 12 A. You know, we understood it was a chemical plant,
 13 and it was going to do something with the
 14 chemicals. But that was, you know, really the --
 15 the gist of it. It was going to dry chemicals or
 16 do something on -- with it.
 17 Q. Did it matter to AmpEnergO what the customer did
 18 with the heat?
 19 A. Did it matter to us --
 20 Q. Yeah.
 21 A. -- who the customer was?
 22 Q. Yeah.
 23 A. No.

Page 107

1 Q. Did it matter to Industrial Heat?
 2 MR. BELL: Objection to form.
 3 A. I don't know.
 4 Q. Did they talk to you about it?
 5 A. They were concerned it was in Miami and not -- you
 6 know, that was...
 7 Q. Other than the concern with the location, did --
 8 did they tell you, one way or the other, that they
 9 were concerned with either who the customer was or
 10 what the customer was doing?
 11 A. Well, I think the -- J.T. did have a concern that
 12 he had not met the customer, or they had met the
 13 customer, and he was concerned about that part of
 14 it.
 15 Q. Did you ever talk to Doctor Rossi about that
 16 specifically?
 17 A. No.
 18 Q. Do you know if Industrial Heat did?
 19 A. Well, that -- that's -- I -- I assume they were
 20 communicating, you know...
 21 Q. Did they tell you anything else about the
 22 customer, the location, or what was going on in
 23 Miami? When I say --

Page 108

1 A. They had concerns, 'cause they were not -- they
 2 didn't see the process. And, you know, and we
 3 assumed that it was on the other side of the wall,
 4 and we were -- you know, the only -- I was there
 5 two times to see the 1 megawatt; and the second
 6 time was when the ERV was performing -- I don't
 7 know if it was the second or third independent,
 8 you know, evaluation; and the first was when we
 9 were there with a group from AmpEnergO. And, you
 10 know, the machine was running, and we just
 11 assumed, again, that it was performing -- 'cause
 12 we didn't know what was on the other side. And --
 13 and Industrial Heat had not -- I don't think --
 14 ever visited the plant -- the JM -- the chemical
 15 plant.
 16 Q. Did you review -- or were you shown -- a copy of
 17 the test protocol --
 18 A. No.
 19 Q. -- for that test?
 20 A. What -- what we -- what we assumed and what Andrea
 21 had said -- and we assumed -- that the test
 22 protocol would be the same as it was done in
 23 Italy.

H,
S

IMP

Page 109

1 Q. And you mentioned the word "ERV."
 2 What is -- what is --
 3 A. Well, that's a good -- I can't remember. It was
 4 the evaluation -- it was an independent
 5 evaluation. I mean, the person that performed
 6 the -- that acronym -- and I can't remember
 7 exactly.
 8 Q. Expert responsible for validation?
 9 A. That's what it -- yes. So that was the ERV.
 10 Q. Was it --
 11 A. And I believe it was the same person who did the
 12 test in Italy.
 13 Q. Was it your understanding that was an independent
 14 person?
 15 A. I assumed it was, because they had performed that
 16 test in Italy.
 17 I know -- and, again, this is recall --
 18 but the independent -- the ERV person -- I think
 19 his name was Penon -- was the same person; and he
 20 had worked for a larger company originally; and
 21 that was one of the companies, I believe, that
 22 Industrial Heat wanted to have do the test.
 23 So it seemed to us that he was an

Page 110

1 independent person. I think he had a background
 2 in nuclear something or other. You know, he was
 3 an engineer. And because they performed the
 4 test -- all of the people in Italy -- that we
 5 assumed the -- maybe that was a bad assumption --
 6 that the protocol was the same for the test in
 7 Miami. But we never saw -- there was never any
 8 written protocol.
 9 Q. That you saw.
 10 A. That I saw. We didn't see the results of any
 11 test. We didn't see any reports. We haven't --
 12 you know, we've been -- sort of -- that third
 13 party.
 14 Q. Did you ever ask to see copies of protocols or
 15 reports?
 16 A. Yeah. I mean, we did, and, you know, because of
 17 all the legal stuff that was starting to happen,
 18 we were denied it.
 19 Q. Now, this is all after the fact?
 20 A. Yeah.
 21 Q. After --
 22 A. Yeah.
 23 Q. Got it.

Page 111

1 Do you know when the 350-day test began,
 2 approximately?
 3 A. I --
 4 MR. BELL: Objection to form.
 5 A. I thought it started in February or March.
 6 Q. Of 2015?
 7 A. '15; yes.
 8 Q. And did you -- when I use the phrase "350-day
 9 test," was that a common phrase --
 10 A. Well --
 11 Q. -- or a term you used?
 12 A. -- it was actually -- it was -- I believe, if I
 13 recall now, there was time periods -- if it broke
 14 down, that they could start it up again. So it
 15 was a period of time for one year, but I think
 16 there was extra days in there that allowed it to
 17 have breakdowns in -- if things happened.
 18 Q. Was there a -- was there a phrase or terminology
 19 that you used to refer to that test?
 20 A. Maybe the Miami test. I don't know.
 21 Q. Okay.
 22 A. Yeah.
 23 Q. Prior to that test starting, did Industrial Heat

Page 112

1 ever tell you, AmpEnerg, that, you know, We think
 2 this test started too late. It's not tied -- you
 3 know, this test -- whatever the results are -- are
 4 not tied to any payment obligations that
 5 Industrial Heat has to either Leonardo or
 6 AmpEnerg?
 7 A. No -- no.
 8 Q. Did you come to learn at any point in time that
 9 that was their position?
 10 A. Can you repeat that.
 11 Q. Yeah.
 12 A. I mean -- yeah -- position on what?
 13 Q. As to whether or not the timing for the 350-day
 14 test pursuant to the contract had expired.
 15 A. No, I -- we never heard anything about expiration.
 16 They were concerned about it taking so
 17 long. I mean, I -- that was part of a discussion,
 18 you know, not specifically to the 300 -- whatever
 19 those days were -- but that it was taking so long
 20 to get everything up and running.
 21 Q. Did Industrial Heat ever mention to you concerns
 22 about the ERV, Fabio Penon?
 23 A. Yes.

IMP, IC

IMP

H, R

Page 113

1 Q. And what concerns did they express?
 2 A. That he was too close to Andrea.
 3 Q. And what did they tell you about that
 4 relationship?
 5 A. Just that he was the same guy that performed it in
 6 Italy, and that that was when they were
 7 starting -- because they weren't able to reproduce
 8 the formula. They were concerned about his
 9 ability to do the testing, because they were
 10 concerned about their due diligence, I guess, in
 11 Italy.
 12 Q. Did they ever tell you that they disagreed with
 13 Penon as the ERV?
 14 A. Probably.
 15 Q. Do you know how they communicated that to you?
 16 A. It would have been a verbal conversation, I
 17 believe, maybe a written, but I -- I know they
 18 were -- they had said that they had not agreed to
 19 Penon.
 20 Q. They had told you or AmpEnergio that they had not
 21 agreed to Penon.
 22 A. Well, again, I -- I don't know if they said they
 23 did not -- they were concerned. I mean, that was

Page 114

1 always the language, I guess. They were -- had a
 2 big concern that, because of the way things were
 3 starting to go, that he was the same guy that had
 4 done it in Italy.
 5 Q. Is your -- is it your understanding that there was
 6 an ERV required for the guaranteed performance
 7 test, or the 350-day test?
 8 A. Yes. Yes.
 9 Q. Do you -- do you know if the parties agreed on
 10 someone to do that?
 11 A. I don't believe -- I don't know that they
 12 agreed -- we weren't privy to any contractual
 13 agreements or any written protocols for the ERV,
 14 or -- or a contract for the ERV.
 15 Q. So you said earlier that you had showed up and the
 16 ERV was present at the facility in Miami taking
 17 measurements?
 18 A. No. I -- I was not there when he did it. I
 19 showed up, and he had already done it.
 20 Q. I see.
 21 A. So I got there a day late.
 22 Q. But you knew he had been there.
 23 A. He had been there.

Page 115

1 Q. And did you ever question Doctor Rossi and say,
 2 Hey, I didn't -- is -- are you sure that he's --
 3 A. No, because I -- you know, I'm not a technical
 4 guy. And I -- you know, reading thermo -- you
 5 know, all the stuff that's technical, I'm not sure
 6 I would have been the right person.
 7 What I wanted to do was to visit, see
 8 the plant was running. I mean, that's -- that was
 9 about all I could do.
 10 Q. Right. But you did understand, at least, that the
 11 parties had to have someone independent act as the
 12 ERV and provide a report at the end of the day in
 13 order for the test to --
 14 A. Be success -- yeah, for a payment to be --
 15 Q. Right. Exactly.
 16 A. -- done.
 17 Q. So was AmpEnergio concerned that there was, in
 18 fact, an ERV agreed to for purposes of this test?
 19 MR. SHARE: Objection to form.
 20 MR. BELL: Join.
 21 A. Honestly, I -- can you repeat that again?
 22 Q. Yeah.
 23 Did -- was AmpEnergio concerned that the

Page 116

1 parties had reached agreement -- or that there was
 2 an agreement as to who the ERV was going to be?
 3 MR. SHARE: I'll just restate my
 4 objection.
 5 MR. BELL: Same. Join.
 6 A. I don't think we had a concern so much as we were
 7 just wanting this to move forward.
 8 Q. Did you ever question either Industrial Heat or
 9 Doctor Rossi as to who the ERV was going to be?
 10 A. We knew who it was going to be.
 11 Q. And who was it?
 12 A. It was Penon.
 13 Q. And how did you know it?
 14 A. Andrea told us.
 15 Q. And when did he tell you?
 16 A. I believe there was two -- and, again, I think
 17 there were two or three times that he came to do
 18 the testing: Once I was in West Virginia on
 19 business and he was showing up a couple of days --
 20 and Andrea asked me to fly down there to -- to
 21 view it, and he had mentioned it was Penon then;
 22 and -- and I couldn't do it because I was in West
 23 Virginia on business.

IMP

Page 117

1 And -- and, then, the second time -- and
 2 I believe that was towards the end of -- probably
 3 November -- or towards the end of the test, I --
 4 he had -- he had done the last -- I think it was
 5 the last one before the report, and I had -- was
 6 in -- in Florida on business, and I -- because --
 7 just because the flights and the way they were, I
 8 couldn't get there, and he had already
 9 accomplished -- he had already done all the tests;
 10 and I was one day late, I believe.
 11 Q. I show you what's been marked as Exhibit 18.
 12 MR. CHAIKEN: Exhibit 18 has been Bates
 13 stamped IH 127256 through 127258.
 14 (Exhibit 18, IH 127256-258.)
 15 Q. It's a series of emails from May 18, 2015, and the
 16 first one I'm going to refer you to is the one at
 17 the very bottom of the page. It's from Karl
 18 Norwood to J.T. Vaughan, and cc's yourself and
 19 other people.
 20 Karl writes to J.T.: "Just received a
 21 call this morning from Andrea, requesting
 22 attendance in Miami this Wednesday to witness the
 23 certification of the three-month test results of

Page 118

1 the E-Cat."
 2 I'm going to skip -- skip a few lines,
 3 and I'm going to go down to the last sentence:
 4 "I'm glad to go and think it is positive to
 5 establish benchmarks of the testing as we proceed,
 6 however, wanted to confirm with IH that this was
 7 the part of the protocol of the year-long test."
 8 Did Industrial Heat ever respond to Karl
 9 on that email?
 10 A. I don't know if he responded to Karl, but I -- I
 11 don't think so. I don't think so.
 12 Q. Did you ever have discussions with Industrial Heat
 13 confirming that they were aware of what was going
 14 on, and they -- they had been part of the
 15 protocol?
 16 A. Yes.
 17 Q. And what did they say?
 18 A. That they were concerned it was Penon.
 19 Q. Other than being concerned about Penon, what did
 20 they -- did you have discussions about the actual
 21 test protocol?
 22 A. Well -- no, not about the actual test protocol.
 23 Q. What did they -- I understand you -- you testified

Page 119

1 earlier about the concerns being that Penon was
 2 too close to Rossi.
 3 Was there other concerns other than that
 4 relationship?
 5 A. Not that I recall.
 6 Q. Did anyone from Industrial Heat ever tell that you
 7 it was their strategy when dealing with Doctor
 8 Rossi to be intentionally vague about things like
 9 whether or not they approved Penon as the ERV, and
 10 whether or not they approved the protocol for the
 11 test?
 12 A. Intentionally?
 13 Q. Yeah.
 14 A. No.
 15 Q. Unintentionally vague?
 16 A. No, I -- I -- you know, I'm going to say this --
 17 and this is tongue-in-cheek -- but I -- my -- my
 18 sense with Industrial Heat was that they were
 19 letting Andrea do his thing.
 20 Q. Knowing full well that they may be responsible for
 21 having to pay Leonardo -- just let me finish my
 22 question -- they'd be responsible to pay Leonardo
 23 \$89 million and AmpEnergio \$54 million?

Page 120

1 A. Well, I don't know if, you know, that was part of
 2 the process, but we hoped that they were
 3 communicating. I mean, that's really the -- the
 4 bottom line with this is, we assumed -- and maybe
 5 assumption is the wrong word -- that there were
 6 concerns, but that -- and this is when, again,
 7 they were not able to reproduce the catalyst or
 8 the -- the process, and they were, you know, out
 9 acquiring other technologies and comparing and --
 10 and so we assumed that this was all going to be
 11 okay.
 12 Q. Did you assume that they were monitoring what was
 13 going on in the Miami facility?
 14 A. Well, they -- I understood they had somebody
 15 there -- And I don't know who it was or
 16 anything -- but that -- I know the -- the Italian
 17 guy -- big Russian guy --
 18 Q. Fabiani?
 19 A. -- Fabiani was there, and I believe that he was
 20 being paid by them originally. I don't know
 21 whether or not that was the person that was there
 22 or not -- and, again, then I heard, Well, he's
 23 close to Andrea too. So...

IMP, F

1 Q. When you say Fabiani was being paid by them, you
 2 mean by Industrial Heat?
 3 A. Yeah. That's what I -- well, we understood they
 4 brought him from Italy to North Carolina, and I
 5 assume he went with them.
 6 Q. Did you have any internal communications at
 7 AmpEnergO around this time -- May 2015 -- about
 8 what was going on in the Miami facility?
 9 A. Yeah. We were concerned that -- after a while --
 10 that nobody was communicating.
 11 Q. And did you ever reach out to either Doctor Rossi
 12 or Industrial Heat and say, Seems to us you guys
 13 aren't talking. What's going on?
 14 A. We probably had that conversation.
 15 Q. Did you have it with Industrial Heat? Did you
 16 have with Doctor Rossi? Or both?
 17 A. Probably both.
 18 Q. And what was the response?
 19 A. Well, Andrea, you know, was, I'm just here
 20 working. He was in the container, you know, 24
 21 hours a day and doing his work. And Industrial
 22 Heat -- J.T. had been there, and they had hired
 23 some other guy -- and I can't remember his

1 was noisy. And I -- just as a point, you know --
 2 and I don't know if this even has anything to do,
 3 but there were four units instead of 100 -- or I
 4 think there were originally 100 units, and, then,
 5 it was down to two -- I mean, four 250. Those are
 6 the ones that we saw.
 7 Q. All right. You mention that you had meetings with
 8 Industrial Heat -- biweekly meetings.
 9 Did someone from AmpEnergO keep notes at
 10 those meetings?
 11 A. Well, we had -- we had conversations on the
 12 telephone with J.T., and I believe Ron Engleman
 13 kept notes.
 14 Q. I'm going to show you what's been marked as
 15 Exhibit 19.
 16 MR. CHAIKEN: Exhibit 19 has been Bates
 17 stamped AE 6 through AE 32.
 18 (Exhibit 19, AE 6-32.)
 19 Q. And it looks to be a -- a series of handwritten
 20 notes. The first one is dated February 28th,
 21 2013, and the last one of this set is dated
 22 December 13th, 2013.
 23 Have you ever seen this before?

R

1 name -- to do evaluations of technology -- some
 2 engineer; and, again, we were hoping that -- that
 3 this was all moving forward.
 4 Q. When you visited the facility, was it hot in the
 5 facility?
 6 A. It was hot in Florida -- coming from New
 7 Hampshire.
 8 So no, it wasn't that hot. I mean,
 9 they -- everybody was in the container, and it was
 10 air conditioned, the -- the office.
 11 So that was, you know...
 12 Q. The office where their computer --
 13 A. Where there -- yeah. There were two containers:
 14 One the 1 megawatt, and one the -- sort of --
 15 control center, if you will.
 16 Q. Right. And which one did you go into?
 17 A. Control center.
 18 Q. Did you ever go into the other one?
 19 A. Well, we viewed it.
 20 Q. But did you ever go in it?
 21 A. Yeah, we went in it.
 22 Q. Was it warm inside, or was it cool inside?
 23 A. It was -- I can't remember if it was hot, but it

1 A. I have not seen these; no.
 2 Q. Did you --
 3 A. Well, I -- you know, I think this was -- I might
 4 have seen the uploaded versions that the attorneys
 5 did send to you.
 6 Q. Right.
 7 A. That was -- I mean, I -- Ron kept all of the
 8 notes, 'cause he's the only one that could read
 9 his own writing.
 10 Q. You believe this is Ron Engleman's handwriting?
 11 A. Yeah, I do.
 12 Q. Now, in preparing for today's deposition, did you
 13 review these notes?
 14 Did you look at it?
 15 A. I did not; no.
 16 Q. You did not?
 17 A. No.
 18 Q. Were you present during the meetings in which
 19 these notes were taken from?
 20 A. No. We were all on separate telephones.
 21 Q. I see. But this -- this was a -- normally a
 22 conference call?
 23 A. Yes.

R, EOT

Page 125

1 Q. You dialed in?
 2 A. Yeah.
 3 Q. Were you dialed in for most of the calls -- or the
 4 majority of the calls?
 5 A. I think I missed a couple -- we all did on several
 6 of them -- but most of them.
 7 Q. I'm going to walk you through some of these
 8 notes --
 9 A. Yeah.
 10 Q. -- and see if you can remember anything about what
 11 was happening at the time --
 12 A. Yeah.
 13 Q. -- given the date and -- and what was said on
 14 the -- in the notes.
 15 So on this very first page -- it's dated
 16 February 28th, 2013.
 17 There's a line almost halfway down, it
 18 says "Cherokee's weakness -- not focusing."
 19 Is this something that you discussed on
 20 a -- on a phone call, or discussed with Ron?
 21 A. It was probably Ron's comment.
 22 Q. Got it.
 23 On the next page -- it's dated March

Page 126

1 11th, 2013 -- at the -- almost at the very bottom
 2 there's a name -- and it looks like an Italian
 3 name -- it says "Piantelli"?
 4 A. Yeah.
 5 Q. And it says "Positive results, but not
 6 reproducible."
 7 Do you know what that -- what was that?
 8 A. Well, again, there was a whole bunch of Italian
 9 inventors, and Piantelli was one of the folks that
 10 had been in the LENR circle.
 11 Q. Got it.
 12 A. And I -- I guess he had had some results, but I'm
 13 not sure anybody had -- was able to reproduce
 14 those results. I guess that's what that meant.
 15 Q. Got it. The next page, dated May 31st, 2013,
 16 there's a line in the middle of the page; it says
 17 "Excited about Boeing."
 18 Do you see that?
 19 A. Yup.
 20 Q. What was discussed with IH about Boeing?
 21 A. Boeing wanted to look at -- a little background --
 22 again, you know.
 23 So Andrea introduced me to Boeing. And

Page 127

1 I -- Boeing was one of the people that we tried to
 2 get as an investor. And they just didn't work the
 3 way that we wanted to work --
 4 Q. Yeah.
 5 A. -- so it didn't go there.
 6 But because Boeing was one of the big
 7 players in space and -- that we felt, you know, it
 8 would be a player.
 9 So anyway, I introduced -- I gave
 10 Industrial Heat all of the people that I had been
 11 in contact with, and one of those was Boeing. And
 12 Boeing wanted to -- came back and said they wanted
 13 to work with Industrial Heat to look at -- see if
 14 they could reproduce the technology --
 15 Q. Okay.
 16 A. -- not reproduce it, but demonstrate it.
 17 Q. Got it. And do you know if Boeing worked with
 18 Industrial Heat?
 19 A. Yes, they did.
 20 Q. And do you know if they included Doctor Rossi in
 21 those conversations?
 22 A. They probably did not.
 23 Q. Do you know why they wouldn't?

Page 128

1 A. I --
 2 MR. SHARE: Objection to form.
 3 A. I'm not sure, other than -- we're -- we're under
 4 confidentiality with them, and that was one of the
 5 reasons I didn't say anything to Doctor Rossi
 6 about it is, they had told us that they didn't
 7 want him to get nervous that they were working
 8 with somebody else with his technology.
 9 Q. What did you think about it?
 10 A. What did I think about it?
 11 Q. Uh-huh.
 12 MR. SHARE: Objection to scope.
 13 A. Again, I -- I felt a little guilty that I wasn't
 14 saying anything to Andrea, because if he just --
 15 you know, not being in the loop, but I thought it
 16 was to everybody's advantage to see if Boeing
 17 could do this, because if Boeing did it, that
 18 third-party evaluation would be a gold mine.
 19 Q. Do you think it would have been helpful to Boeing
 20 if they were able to talk to the inventor himself?
 21 A. Yes, probably.
 22 Q. The next page is dated June 2013. At the top of
 23 the page, there's a line: "Jim Travis,

IMP, F

IMP, F

IMP, F, R, H

1 accountant."
 2 Do you know who Jim Travis is?
 3 A. Do I --
 4 Q. Yeah. Do you know who Jim Travis is?
 5 A. Oh, yes.
 6 Q. Who is he?
 7 A. He's -- he's my accountant.
 8 Q. Did you also refer him to Doctor Rossi?
 9 A. I did.
 10 Q. And did you have any discussions with Jim Travis
 11 about Doctor Rossi's taxes?
 12 A. Yes, because Andrea had asked me to talk with Jim.
 13 I got documents for Andrea from him, and, you
 14 know, I -- sort of -- helped Jim and him
 15 facilitate sometimes.
 16 Q. Did you ever -- did Jim Travis ever tell you that
 17 either Leonardo or Doctor Rossi had failed to pay
 18 their taxes?
 19 A. No. I don't think Jim ever said that to me --
 20 well, he knew -- I mean, there were two -- there
 21 were several instances when -- and it was --
 22 Andrea delivered receipts in a shoebox. And, you
 23 know, that was early on. And they got that all

1 A. No.
 2 Q. The next page, which is still, I think, part of
 3 the notes for the June 2013 meeting, it states at
 4 the top "Tom and --" you're one past me. At the
 5 bottom it's --
 6 A. Okay.
 7 Q. Yeah. There you go.
 8 It says "Tom and T. Barker validate
 9 IP/do we have expertise in-house to duplicate the
 10 technology?"
 11 Do you recall having conversations about
 12 that?
 13 A. I'm not sure what that says, actually. Validate
 14 the IP? "Do we have expertise in --"
 15 Q. "-- house."
 16 A. "-- in-house to duplicate..."
 17 Who's saying that, Tom and T. Barker?
 18 Q. I don't know. I'm asking you.
 19 A. Oh, I don't know. I don't know who said that.
 20 Q. You don't remember conversations about that?
 21 A. No, I don't remember that.
 22 Q. The next page is dated June 25th, 2013 --
 23 A. Uh-huh.

A, R

IMP, H

1 squared away.
 2 And the -- the monies that Andrea had
 3 got -- received from Industrial Heat, that was
 4 none of my business, and so -- and Jim, under
 5 confidentiality, was really -- you know, said
 6 that -- he just mentioned that Andrea had a trust,
 7 and that they were working on that.
 8 Q. Did you ever tell anyone from Industrial Heat that
 9 Jim Travis told you that Leonardo didn't pay its
 10 taxes, or that Doctor Rossi hadn't paid his taxes?
 11 A. I might have said that to J.T. -- that I didn't
 12 know that -- if he had paid his taxes or not.
 13 Q. So you told J.T. Vaughan that you were unaware as
 14 to whether or not Doctor Rossi or Leonardo paid
 15 their taxes?
 16 A. Right.
 17 Q. Did J.T. Vaughan specifically ask you that
 18 question?
 19 A. He was asking about who the -- who the accountant
 20 was, and he probably did ask if he paid -- I'm
 21 sure he did.
 22 Q. Did he ask you for the contact information for Jim
 23 Travis?

1 Q. -- and the very last two sentence -- two lines of
 2 the page say "Darden does not want to confront
 3 Andrea, hydro fusion, etcetera, until they have
 4 the secret sauce."
 5 Do you know what that conversation was
 6 about or what --
 7 A. Well, I -- I -- when -- when Andrea and Tom
 8 started their relationship, we thought it was very
 9 positive, and they had a good relationship; and
 10 Tom did not want to confront Andrea on anything,
 11 ever. I mean, that was -- it was almost a -- you
 12 know, it was always, Let him be over here doing
 13 what he's doing, and we'll just -- so he -- and,
 14 again, hydro fusion and -- yeah, I think they
 15 were -- they were trying to -- and, again, I --
 16 what time was this? Before the contract was
 17 signed? I don't know.
 18 Q. This is June 25th, 2013.
 19 A. So had they agreed yet?
 20 Q. Yeah. I believe the contract was from October
 21 2012.
 22 A. Yeah. And so I think what that -- and, again,
 23 this is assumptions, 'cause I'm not writing this,

Page 133

1 so -- you know -- was that they didn't want to
 2 upset Andrea until they could reproduce it.
 3 Q. And do you know what the -- what he was referring
 4 to when he says "the secret sauce"?
 5 A. Yeah. They just -- the magic in the LENR process.
 6 Q. Did you understand there was some formula for the
 7 fuel that was going to charge --
 8 A. Well, we -- I didn't know what was -- I mean, we
 9 never were privy to understanding what was making
 10 it all work. So, you know, we all -- we always --
 11 tongue-in-cheek -- referred to it as the "secret
 12 sauce."
 13 Q. Got it.
 14 A. (Witness reviews document.) Ah. That's...
 15 Q. Did you remember --
 16 A. No. I just saw the bureau -- Veritas is the
 17 company that -- that they had referred to earlier
 18 that they thought would be a good company.
 19 Q. Got it.
 20 I'm going to have you flip to page AE 14
 21 at the bottom. And there's -- it's dated July 16,
 22 2013 at the top.
 23 A. Yup.

Page 134

1 Q. And there is -- in the middle of the page -- some
 2 lines. One says "Next steps: Run two parallel
 3 tests." And, then, the next one says "COP" -- it
 4 looks like a greater than sign -- "11?" -- with a
 5 question mark.
 6 Do you know what that's about, or what
 7 was discussed at that time?
 8 A. Oh, I think what they were looking at was putting
 9 up side-by-side tests: one with a dummy, one that
 10 didn't have any -- one with the "secret sauce,"
 11 and running that in a parallel -- I mean, testing
 12 them together to see the performance of -- of it.
 13 Q. All right. So do you know if they ever did that?
 14 A. I don't know if they did that.
 15 Q. Do you know what "COP greater than 11" refers to?
 16 A. I -- you know, I think -- and, again, this is --
 17 there's so much -- excuse me -- stuff here. I
 18 recall that when they were talking about patenting
 19 something that they had talked about a COP of 11;
 20 and that was in one of the patents or something.
 21 But that -- that would be the only...
 22 Q. Is that in Doctor Rossi's patent or a patent
 23 filed by Industrial Heat?

Page 135

1 A. I think it was filed by both of them together.
 2 Q. Did you ever review any patents filed by either
 3 Doctor Rossi or Industrial Heat?
 4 A. Yeah. I glazed over...
 5 Q. Great fun reading; right?
 6 A. Yes.
 7 Q. I'm going to refer to you page 17, AE 17 -- at the
 8 bottom there's a line -- kind of -- two-thirds
 9 down the way -- and this is from July 18th, 2013
 10 -- and there's a line that says "We are -- IH, we
 11 are not their partners yet."
 12 Did you have discussions internally
 13 around that time about partnering up with
 14 Industrial Heat?
 15 A. Well, I think -- not -- not in the sense of being
 16 real strict partners, but being shareholders in
 17 the company.
 18 Q. All right. At the bottom of this page there's
 19 some notes that say "Calculation: Rossi versus T.
 20 Barker" -- I can't -- oh, it looks like "-- 6
 21 versus 1.3 times."
 22 I'm not sure what that says or means.
 23 Do you have any insight into that?

Page 136

1 A. No.
 2 Q. Page AE 20 -- it's dated July 29th, 2013 at the
 3 top. There's some lines about -- near the top of
 4 the page: "Philosophy of experiments: Rossi
 5 doesn't like --" I don't know; I can't make out
 6 that word, whether it says "-- investments," or
 7 was there a -- was there a conversation on July
 8 29th, 2013 about the philosophy of experiments,
 9 that you recall?
 10 A. I don't -- I...
 11 Bullshit. That's the only thing that I
 12 could -- no.
 13 I'm -- no, I don't recall this.
 14 Q. Okay.
 15 A. I'll tell Ron to watch his language.
 16 Q. Going to go to -- turn to page AE 22. There are
 17 some notes on this page about COPs being
 18 approximately equal to 7, approximately equal to
 19 4.5.
 20 Do you know what this is referring to?
 21 A. No, I don't.
 22 Q. Later on down on this page it says "Who is going
 23 to validate? Independent must validate minimum

Page 137

1 performance."

2 Do you recall having discussions with

3 Industrial Heat --

4 A. Yeah. I mean, that was always an ongoing

5 discussion with us as to -- because of our payment

6 and the COP of 6. So we wanted to make sure that

7 Industrial Heat was on the same page as Andrea

8 about the third-party evaluation.

9 Q. Turn to page AE 24 dated September 27, 2013.

10 There are some notes about "IR cameras,

11 variables."

12 Did you ever have conversations with

13 Industrial Heat about equipment that was being

14 used for testing, and settings of equipment?

15 A. Yes.

16 Q. And what were those conversations?

17 A. That they were -- the emissivity -- that word

18 there -- emissivity?

19 Q. Emissivity.

20 A. Yeah. So -- and, again, just bear with me, but

21 that was always a concern when they were trying to

22 read the heat. I believe that's what it was

23 about. And they were using different kinds of

Page 138

1 equipment. And the concern was, was it the right

2 equipment.

3 That was always the question.

4 Q. And do you know how that was resolved, if it ever

5 was?

6 A. I don't know if it was resolved or not.

7 Q. Did you ever talk to Doctor Rossi about it?

8 A. Other than when I was there watching the -- the

9 testing going on, but not -- I mean, Andrea felt

10 it was the -- they had to do adjustments on the

11 cameras, I believe. And whether or not the

12 adjustments were correct or not correct, who was

13 doing it -- again, beyond me.

14 Q. Page 26, AE 26, it's dated October -- it's either

15 1st or 4th -- 2013. There's a reference -- it

16 states "Reference to wrong lens. Camera is

17 calculated properly."

18 Same conversation still being had at

19 this time?

20 A. Yeah. That would have been the same concerns that

21 everybody was having about the testing at the lab

22 and whether or not the equipment was calibrated to

23 the right numbers.

Page 139

1 Q. Turn to page 28, AE 28, and I believe it's dated

2 November 8th, 2013. In the middle of the page --

3 actually, I'm going to go to the one that's dated

4 November 15, 2013.

5 Seems like there were a lot of -- a lot

6 of calls in November of 2013.

7 Is that your recollection?

8 A. I assume that we did; yeah.

9 Q. Is there a reason why you had more calls during

10 that time frame?

11 A. Well, we were trying to get everything finalized

12 and trying to be -- I think there was a meeting in

13 Sweden or something, and J.T. went to that. And

14 we were just trying to get our -- as much

15 information, 'cause we were -- again, we were

16 on -- kind of -- on the outside of what was going

17 on with them personally.

18 Q. This -- the note for February -- excuse me -- for

19 November 15, 2013 says "Swedes early February.

20 May be a prior independent validation test before

21 the Swedes come."

22 Do you know what that was about?

23 A. I think -- again, I don't -- I don't know if this

Page 140

1 is the -- I think the -- some Swedish guys came to

2 the lab in North -- North Carolina; and I think

3 that was -- that -- that could be the reference.

4 Q. Do you know who they were?

5 A. I don't recall who they were.

6 Q. Did you -- do you know the -- have you heard the

7 phrase "Swedish Academy of Sciences"?

8 A. Yes. Yeah.

9 Q. Do you know if they were from that -- from there?

10 A. Well, I know there were some people that were

11 doing tests -- or -- or looking at all of the

12 technology that Andrea had been working on, and I

13 believe one or two of the people that -- that were

14 evaluating this or looking at this were from that

15 -- that academy.

16 Q. And do you know if they actually performed the

17 test in Sweden?

18 A. I don't know. I mean -- well, I -- yeah, I think

19 they did. I think -- I think they went over and

20 set a test up there.

21 Q. Do you know the results?

22 A. Unless it's one of the documents that -- that was

23 evaluated -- you know, there were two or three

Page 141

1 tests done by the Swedes, I think -- a couple
 2 anyway, and they did a report, and I think --
 3 yeah, I've seen those.
 4 And, again, I'm not sure -- you know, it
 5 all looked positive. That's what -- again, from
 6 where Industrial Heat was moving, that's why we
 7 were hoping that they were all making good
 8 progress.
 9 Q. The next page, AE 29, at the bottom of it states
 10 "Start date/end date for 350 day tests -- no later
 11 than."
 12 Were you having conversations around
 13 November 2013 about start date and end date for
 14 the 350-day test?
 15 A. No. I mean, I think we were -- you know, when --
 16 when is it all going to happen? Because we just
 17 wanted it to happen. And, you know, was there a
 18 start date and an end date, and who was making
 19 that decision.
 20 Q. The next page, AE 30, dated November 26, 2013,
 21 middle of the page, "It has not been about I -- It
 22 has not been about Rossi's engineering any good."
 23 Were there questions about Doctor

Page 142

1 Rossi's engineering at that time?
 2 A. Well -- yeah. I mean, you know, as an inventor
 3 and a scientist, knowing him all the years, that's
 4 what he did. As an engineer, he -- you know, he
 5 knew what to do, but that was -- you know, there's
 6 engineers, and there's inventors. And we always
 7 saw the engineering -- I mean, partly -- I can see
 8 where Ron, 'cause Ron's a hard engineer; that's
 9 what he does. And so his -- you know, engineers
 10 are always details, extreme details, and looking
 11 at and observing there wasn't as much detail in
 12 some of the engineering.
 13 Q. Was that ever discussed with Doctor Rossi?
 14 A. He -- it was probably discussed in -- in, you
 15 know, a little wink and a nod sometimes, you know,
 16 not from a -- that you're a bad engineer -- 'cause
 17 we didn't want to offend anybody, but, you know,
 18 some of the -- some of the things that we worked
 19 with over those years were not as engineered, I
 20 guess, as we at Leonardo Technology were used to.
 21 Q. The next page, AE 31, there's a line that states
 22 "Invite a professor from local university (Duke,
 23 UNC, NC state). Rossi had suggested this in the

Page 143

1 past."
 2 Had Doctor Rossi ever suggested bringing
 3 in outside professors to -- to review the
 4 technology?
 5 A. Well, I -- I -- you know, just knowing Andrea, I'm
 6 not sure he wanted people to look inside for the
 7 secret sauce.
 8 Q. Right.
 9 A. But to look at the performance, yeah; it was
 10 probably part of the discussion.
 11 Q. Last page, which is AE 32, dated December 13th,
 12 2013, there's a line that says "He's difficult to
 13 deal with. He's a rascal" -- quotes, and --
 14 parens/close parens -- "(J.T.)"
 15 Did you ever -- were you ever part of a
 16 conversation where J.T. made those statements
 17 about Doctor Rossi?
 18 A. Oh, yeah. He -- you know, J.T. was not used to
 19 working with an inventor. And so I think that was
 20 part of the frustration on J.T.'s part; and, you
 21 know, he's a young guy, and, you know, not an
 22 engineer. So...
 23 I don't recall him saying this exactly.

Page 144

1 Q. Further on down the page it states "Hano Essen
 2 Swedish team."
 3 Was there a conversation about Hano
 4 Essen in December of 2013?
 5 A. He might have been one of the people coming
 6 that -- that, you know -- that name sounds
 7 familiar. And I believe, you know, he was part of
 8 that Swedish team.
 9 Q. There's a line below that says "He's a bona fide
 10 liar."
 11 Is that referring to Hano Essen, or is
 12 that referring to something he said?
 13 Do you know what that context of that
 14 line is?
 15 A. I have no idea.
 16 Q. Okay. Done with that document.
 17 MR. BELL: Thinking about trying to plow
 18 through to lunch?
 19 MR. CHAIKEN: Yeah. Yeah. Well, hoping
 20 to plow through, be done with my direct, so you
 21 can start it up whenever we're done.
 22 THE WITNESS: Can I take a nap?
 23 MR. BELL: Well, you can --

1 THE WITNESS: I'm 72. Remember that,
2 guys.

3 MR. BELL: One of the instructions --

4 MR. SHARE: Want to break for lunch?

5 THE WITNESS: No. Let's -- let's plow
6 through this, and then we'll --

7 MR. BELL: We will take a lunch. And,
8 really, that's your call, not ours.

9 THE WITNESS: All right. No. We'll
10 plow through this, and then have lunch --

11 MR. CHAIKEN: I'm --

12 MR. BELL: I guess I shouldn't say that
13 but --

14 MR. CHAIKEN: I'm almost done. I'm
15 getting to the end.

16 Q. I show you what's been marked as Exhibit 20.

17 MR. CHAIKEN: Exhibit 20 is a
18 continuation, I think, of the notes. It's been
19 Bates stamped AE 005.01 through AE 5.011.
20 (Exhibit 20, AE 005.01-005.011.)

21 Q. Are these still Ron's handwritten notes --

22 A. Yes.

23 Q. -- as far as you know?

1 There's a line which says "25 million, 50 million,
2 up to 200 million," and then parens, "(or more if
3 they need to buy out Rossi.)"

4 A. I -- I don't recall about buying out.

5 Q. The next page dated October 17th, 2014, there's a
6 line that says "Attorney Johnson, Rossi's lawyer
7 in Miami, real estate attorney, owner of entity in
8 Miami, may have connection to a chemical company
9 (not verified)."

10 Do you recall having conversations about
11 that in October of 2014?

12 A. I believe that J.T. had mentioned that.

13 Q. And we talked a little bit about that earlier --

14 A. Yes.

15 Q. -- as it relates to the customer in Miami?

16 A. Right.

17 Q. Do you know if he mentioned the name of any
18 chemical company as of October 2014?

19 A. I -- you know, I just, again, assume it would be
20 the same JM Chemical, but I -- I don't remember on
21 these calls -- on these calls.

22 Q. The next line says "Device sent to Boeing. Rossi
23 does not know."

A

1 A. Yes.

2 Q. The -- the first note is -- is from October 3rd,
3 2014, and the last one is August 7th, 2015, just
4 so --

5 A. Yeah.

6 Q. -- I can identify it properly.

7 A. Yeah.

8 Q. Was there a discussion in October of 2014 about
9 Woodford Capital or Woodford Fund?

10 A. Yes.

11 Q. And who is Woodford, as far as you know?

12 A. Who?

13 Q. Yeah.

14 A. They were an English investment group.

15 Q. And was there a discussion about them investing in
16 Industrial Heat?

17 A. Yes.

18 Q. And do you know if they did?

19 A. I believe they did.

20 Q. Was there a discussion about them buying out
21 Doctor Rossi?

22 A. Buying him out?

23 Q. Yeah. I'm looking at the very first page.

1 We talked a little bit about that
2 earlier; right?

3 A. (Witness nods.)

4 COURT REPORTER: Right?

5 A. Yes.

6 Q. Next page I want to look at is page 5.005, dated
7 January 9th, 2015.

8 There's a line that says "Rossi removed
9 gauges to show water level. Said it wasn't part
10 of the original specs."

11 Do you recall having conversations with
12 Industrial Heat about that?

13 A. I don't.

14 Q. Do you recall having a conversation with Doctor
15 Rossi about that?

16 A. No.

17 Q. Do you recall having conversations about a Russian
18 scientist who claimed to have duplicated Doctor
19 Rossi's results?

20 A. Yeah. I follow all the blogs, the E-Cat news, all
21 of -- you know -- and having conversations with
22 people -- there's a small circle of people that --
23 yeah, and everybody knew there was a -- began with

H,
R

Page 149

1 a P -- Polovof [verbatim] or somebody that was
 2 having some results after looking at Andrea's
 3 IP -- or the -- the report, I guess, that came
 4 out.
 5 Q. Was Industrial Heat's position that that wasn't
 6 credible?
 7 A. Was or was not?
 8 Q. Was not.
 9 A. Yeah. I don't recall that part of the
 10 conversation.
 11 Q. Going to turn to page 58.008 at the bottom. It's
 12 dated April 20th, 2015.
 13 Do you recall there being a \$1 billion
 14 valuation as it related to Doctor Rossi's
 15 technology?
 16 MR. BELL: Objection to form.
 17 A. Well, I think -- again, these are assumptions, and
 18 we were just trying to do back-of-the-napkin
 19 evaluations, if, you know, the company that --
 20 what's the...
 21 Q. Woodford?
 22 A. -- Woodworth [verbatim], or Slow Capital, or
 23 whatever they -- their -- if they were buying a

Page 150

1 certain percentage of the stock for X amount of
 2 dollars, we were concerned what our 1 percent
 3 would be and what the evaluation would be -- and,
 4 again, this is -- this is pure speculation on our
 5 part, because what we came to -- or come to
 6 understand is stock evaluation is, you know,
 7 magical. It's really, you know, something that --
 8 I guess in the eyes of the beholder.
 9 So I can see where -- you know, he's
 10 making some assumptions here that we're -- if our
 11 1 percent, you know, was worth -- what it was
 12 worth.
 13 Q. Did you ever have conversations with Industrial
 14 Heat about what the valuation of Doctor Rossi's
 15 technology was?
 16 A. No, not -- not an evaluation of it; no. I mean,
 17 they always -- I mean, there wouldn't be -- what
 18 we were hoping is they were raising money up to
 19 move all this forward, because it was a good
 20 venture; and, you know, we understood Woodruff was
 21 in this for the long term, and that Industrial
 22 Heat was in for the long term, and we -- we were
 23 taking the ride with them.

Page 151

1 Q. I'm done with that one.
 2 I show you what's been marked Exhibit
 3 21.
 4 MR. CHAIKEN: Exhibit 21 is Bates
 5 stamped AE 355.
 6 (Exhibit 21, AE 355.)
 7 Q. It's an email from Ron Engleman, dated Sunday,
 8 April 24th, 2016, to Tom Darden at CCU and Karl
 9 Norwood.
 10 Was this email sent up after you had
 11 your meetings with Industrial Heat in April of
 12 2016?
 13 A. Yes.
 14 Q. So tell me what happened at that meeting.
 15 A. Is this the -- this is the meeting where we were
 16 called down?
 17 Q. I think so.
 18 A. Yeah.
 19 Q. So let's talk about that.
 20 Who called you down to North Carolina?
 21 A. J.T. -- to meet with Tom and him. I believe this
 22 was after the lawsuit had started.
 23 Q. And -- and what did he say the purpose of the

Page 152

1 meeting was going to be?
 2 A. He didn't say.
 3 Q. Okay.
 4 A. He just -- we -- we were called down.
 5 Q. Okay.
 6 A. So we -- we actually thought it was positive.
 7 We -- we were going there to hopefully hear some
 8 good news, you know, that things were being
 9 resolved.
 10 So Karl, Ron, and I went down.
 11 Q. Okay. And where'd you meet?
 12 A. At Cherokee's office in Raleigh.
 13 Q. And do you know the address?
 14 A. I don't -- I don't remember the address. It's
 15 their main office.
 16 Q. Who was present at the meeting?
 17 A. Tom, J.T., a guy they hired -- the engineer -- to
 18 evaluate.
 19 Q. Joe Murray? Does that sound right?
 20 A. Joe Murray.
 21 Q. Anybody else?
 22 A. I think that was it.
 23 Q. Okay.

Page 153

1 A. I think that was it.
 2 Q. And what was said at that time?
 3 A. What was said?
 4 Q. Yeah.
 5 A. It was very uncomfortable. J.T. immediately
 6 jumped on us. And the first thing out of his
 7 mouth was, "When did you know this was a fraud"?
 8 And we were taken back by that completely, 'cause
 9 we always felt we had been honest and transparent
 10 and open with -- with everybody on both sides, and
 11 to be accused of being part of something that we
 12 felt was moving forward, you know, that -- that it
 13 was -- it was very uncomfortable.
 14 Q. And --
 15 A. Lasted about an hour and a half.
 16 Tom -- we -- we thought that we were
 17 going to be put into part of the suit. And it was
 18 very emotional for us, because we had, as I said,
 19 been extremely transparent from the beginning. We
 20 had no -- we had no insight to whether the
 21 technology worked or it didn't.
 22 And for it to be -- for us to be accused
 23 of fraud was disheartening, to say the least,

Page 154

1 because we thought we had a good relationship with
 2 Industrial Heat and with Andrea, and we had done
 3 everything that are -- you can see I'm emotional
 4 about this -- because we -- we had -- did
 5 everything that we were asked to do, spent a lot
 6 of time and money making things happen. And Tom
 7 said to me -- I -- I -- as you can see, I'm --
 8 this is -- still a little emotional -- asked -- I
 9 asked Tom if he -- if he was going to bring us
 10 into the lawsuit, and he said that had yet to be
 11 determined.
 12 And I asked him if he was looking to get
 13 his money back, and he said, "Well, if you were
 14 honest, you'd give it back to us" -- not -- not
 15 maybe in that -- but at -- you know, saying, you
 16 know -- and we had lived up to our agreement. We
 17 had -- all we did was transfer a license.
 18 So we -- and we were looking to
 19 Industrial Heat to be the third-party evaluator to
 20 see if this would all move forward.
 21 So it was very uncomfortable -- the
 22 meeting, and --
 23 Q. And did you offer to return any of the money that

Page 155

1 you had received from Industrial Heat?
 2 A. No. We -- we're not going to. It's -- it doesn't
 3 even exist anymore.
 4 Q. Do you think that Doctor Rossi breached the
 5 license agreement?
 6 MR. BELL: Objection to form.
 7 A. I -- I think that he did the -- what he thought he
 8 was -- you know, whether the third-party
 9 evaluation of the test was done. And that is what
 10 we were all hoping; that they would -- you know,
 11 that the performance of the 1-Cat would meet the
 12 requirements, and that that would all be moved
 13 forward.
 14 Q. Do you understand that Doctor Rossi has sued
 15 Industrial Heat and the other Defendants for
 16 breach of contract and is demanding an \$89 million
 17 payment from them?
 18 A. I understand that.
 19 Q. Does AmpEnergO believe it's entitled to be paid
 20 pursuant to its contract with Industrial Heat?
 21 A. If -- if, in fact, all of the performance levels
 22 were met; yes.
 23 Q. Did you make that clear to anyone from Industrial

Page 156

1 Heat or Tom Darden?
 2 A. We were -- excuse me -- pissed off, and we didn't.
 3 Q. Do you have any intentions -- when I say "you," I
 4 mean AmpEnergO.
 5 Does AmpEnergO have any intentions of
 6 suing Industrial Heat or any --
 7 A. We don't -- we don't have those resources.
 8 MR. SHARE: Object to form.
 9 A. And we don't have those resources. We're just old
 10 working boys. That's all.
 11 And -- okay.
 12 MR. CHAIKEN: This is my last exhibit,
 13 Exhibit No. 22. Exhibit 22 has been Bates stamped
 14 IH 112628 through 2629. It's some emails from
 15 March of 2016.
 16 (Exhibit 22, IH 112628-629.)
 17 Q. Do you know who Marianne Macy is?
 18 A. Yes, I do.
 19 Q. Who is she?
 20 A. She is married to Mike Melich. She is a writer
 21 and reporter.
 22 Q. And did she ask you to send her some -- some --
 23 well, your email dated March 11, 2016 states that

IMP, R

Page 157

1 you will sent the pipe reactor to IH.
 2 What -- what was going on with --
 3 A. That was -- that was -- it was an old piece of
 4 pipe that was left over from one of the tests that
 5 we did, and they had -- Industrial Heat had asked
 6 for it; and after talking with Rick Nociti, there
 7 was nothing -- I mean, so we decided not to do
 8 anything with it. Just throw it away.
 9 Q. And so you didn't send it to Industrial --
 10 A. No, we didn't send it to anybody.
 11 Q. At the bottom of -- of this first page there's an
 12 email from Todd -- Todd N.
 13 Who is Todd?
 14 A. Todd Norwood. It's Karl Norwood's son.
 15 He did the video of -- of the first test
 16 we did at -- in Bedford. So there was a video
 17 that Nick -- I mean, Rick Nociti narrated. And,
 18 you know, I think -- yeah, that's what it was. We
 19 sent that video to -- you know, to him.
 20 Q. Was the video of -- of Doctor Rossi's initial
 21 E-Cat test --
 22 A. Yeah.
 23 Q. -- that he performed for the AmpEnergro group?

Page 158

1 A. Yes.
 2 Q. Got it.
 3 Did you ever forward those on to
 4 Industrial Heat?
 5 A. Yes.
 6 Q. Do you know when you did?
 7 A. I think probably early on, I mean -- because when
 8 we had signed the agreements, they wanted all
 9 kinds of information and any backup information
 10 that we had -- the people that we had been working
 11 with, and any kind of pictures and stuff.
 12 So I sent all that stuff.
 13 MR. CHAIKEN: Okay. I have no further
 14 questions at this time. I appreciate your time.
 15 I think Counsel will probably have some questions,
 16 and maybe counsel on the phone.
 17 Do you want to take a break, or do you
 18 want to go right into it?
 19 MR. BELL: I think it would be a great
 20 idea to take a break. Okay. And I'll -- I'll be
 21 guided by you, Mr. Cassarino, as to how long you
 22 want.
 23 THE WITNESS: Well, I -- I would just as

Page 159

1 soon just take 20 minutes, you know, eat a little
 2 bit and get -- keep this going, because I'm going
 3 to get burnt out if I don't. I'd rather just --
 4 MR. BELL: Well, that's what I'm afraid
 5 of.
 6 MR. SHARE: He's making himself
 7 available for the day, and you know, we expect
 8 this will be wrapped up in the seven-hour
 9 guideline?
 10 MR. BELL: Oh, yes. No question about
 11 that. I just want -- and I -- whether you take 20
 12 minutes or an hour, it's still going to be wrapped
 13 up.
 14 THE WITNESS: Okay.
 15 MR. BELL: And I just want you to be as
 16 fresh as you --
 17 THE WITNESS: Let's -- let's eat and
 18 then -- take a half hour or something.
 19 MR. BELL: 30 minutes?
 20 THE WITNESS: Yeah.
 21 MR. BELL: I'll be here.
 22 MR. SHARE: Leave the line open.
 23 VIDEOGRAPHER: Okay. It's 12:37, and we

Page 160

1 are going off...
 2 (Whereupon the deposition recessed at
 3 12:39 p.m.)
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23

Page 161

1 AFTERNOON SESSION: (1:14 PM)
 2 VIDEOGRAPHER: The time is 1:14 p.m.,
 3 and we are back on the record.
 4 EXAMINATION
 5 BY MR. BELL:
 6 Q. Good afternoon, Mr. Cassarino.
 7 A. Yes.
 8 Q. Earlier in the day I introduced myself. I'm
 9 Bernard Bell, and I represent Mr. Darden, Mr.
 10 Vaughan, and -- and the corporate entities that
 11 have been sued in this case.
 12 Do you understand that?
 13 A. Yes.
 14 Q. Does AEG still have physical possession of any
 15 reactor fueled by Andrea Rossi?
 16 A. We have an old pipe.
 17 Q. Is -- other than that, do you have possession of
 18 anything else that has been fueled by Andrea
 19 Rossi?
 20 A. Yes. We have a reactor, the first one in the --
 21 that was done in Bedford.
 22 Q. And where is that?
 23 A. It's in my house.

Page 162

1 Q. And can you tell me, basically, the chain of
 2 custody of that from the time that he --
 3 A. Yeah. I mean, I was --
 4 Q. Let me just finish the --
 5 A. Yeah, the --
 6 Q. Let me just finish the question.
 7 A. Yeah.
 8 Q. From the time that Andrea Rossi fueled it until
 9 now, where has it been?
 10 A. It was in my brother-in-law's machine shop, and
 11 then went from the machine shop to my basement.
 12 Q. Has anybody asked you for that, either in
 13 connection with this litigation or otherwise?
 14 A. Not for that; no.
 15 Q. All right. And the -- you talked about the pipe.
 16 What is the --
 17 A. It's just -- the reactor sits on a big black pipe.
 18 It was part of the hot water that was going
 19 through the reactor.
 20 Q. Okay. Now, you mentioned that you visited the
 21 plant in Florida two times; is that correct?
 22 A. Yes.
 23 Q. Tell me the first time.

Page 163

1 A. I believe that was in April with AmpErgo: Bob
 2 Gentile, Rick Nociti, Ron Engleman, Karl Norwood,
 3 and myself.
 4 Q. And that was April 2015.
 5 A. Yes.
 6 Q. Was the -- was the unit operating at the time?
 7 A. Yes.
 8 Q. So describe for me, if you will, what you saw,
 9 beginning with when you first approached from the
 10 outside.
 11 A. The building was in, like, an industrial complex
 12 with various units. We were let in the door.
 13 There were two containers.
 14 (Phone sounds.)
 15 A. One was the reactor container, and, then, the
 16 other was the control center.
 17 As you entered in, they were to the
 18 right of the -- of the door.
 19 Q. Now, when you were on the street and you were
 20 facing the building or in the parking lot --
 21 I'm -- I'm not sure, you tell me -- but when you
 22 were facing the building, what did you see?
 23 A. Just a -- a roll-up door.

Page 164

1 We -- we came in the back entrance to
 2 the building. That's where we came in.
 3 Q. Okay.
 4 A. And there were just a set of, like, you know,
 5 industrial roll-up doors -- half a dozen, maybe,
 6 in a row in this building.
 7 Q. And is -- did you go in through one of the roll-up
 8 doors?
 9 A. Yeah. We went in the -- it was actually just a
 10 regular door that we went in. The -- the roll-up
 11 door was open.
 12 Q. Okay. And you went in, and you had a meeting that
 13 you -- you've discussed earlier you met in the
 14 conference room, I believe --
 15 A. Yeah.
 16 Q. -- or the office where the controls were?
 17 A. Right.
 18 Q. And you also went in the container with the
 19 1-megawatt unit?
 20 A. Yes.
 21 Q. Did you touch anything in there?
 22 A. No. We were told not to touch anything.
 23 Q. Who told you that?

Page 165

1 A. Andrea.
 2 Q. Was Mr. Engleman with you?
 3 A. Yes, he was.
 4 Q. Did he ask to touch anything?
 5 A. No.
 6 Q. What did you observe inside the unit?
 7 A. Well, I think the first thing that we observed
 8 was -- because we -- when -- when I saw the
 9 container in Raleigh before it was shipped, there
 10 were maybe a hundred units. There were supposed
 11 -- I think this was the same configuration that
 12 was in Italy: 10 kilowatts each, which made up
 13 the 1-megawatt unit.
 14 What we first noticed -- was a surprise
 15 to us -- there were four 250-kilowatt units in the
 16 back part, which we didn't know existed.
 17 So we were happy, 'cause they were --
 18 seemed to be less complicated. You know, rather
 19 than hooking up 100 units, there were only four
 20 units that were hooked up. And the -- the rest of
 21 the units -- this megawatt was two -- I mean --
 22 was four 250-kilowatt units, and the others were
 23 not running. It was just the four 250 kilowatts.

Page 167

1 hour of heat or -- or -- yeah, of heat.
 2 Q. They're capable of that, or they were actually
 3 doing that?
 4 A. Well, we assumed they were doing that.
 5 Q. On what basis did you assume that?
 6 A. The instrumentation that we saw and the readout
 7 that we -- again, I'm not the technical guy. Rick
 8 Nociti and Andrea -- I mean, Ron Engleman were --
 9 we had a tour of that to show the water intakes,
 10 the water outtakes, thermal couples showing the
 11 heat; and I can't remember exactly what else.
 12 Q. Reminds me of another question I want to ask you,
 13 which is -- you said a couple of things that
 14 you're not in terms of your background, but what
 15 is your background?
 16 A. My degree is in resource management and
 17 conservation --
 18 Q. Okay.
 19 A. -- and I -- I was a partner in Leonardo
 20 Technologies, and we helped run -- we were a
 21 contractor for the Department of Energy at
 22 Pittsburgh and Morgantown. And so my background
 23 was really managing different projects.

Page 166

1 The rest of them were used for backup.
 2 Q. And when you say "250-kilowatt units," what do you
 3 mean by that?
 4 A. Meaning they were in, like, big boxes. You know,
 5 the size of this maybe (indicating), you know, in
 6 a square. There were four of them.
 7 Q. When this -- you were pointing to the screen
 8 behind you --
 9 A. Yeah. There were -- they're square --
 10 Q. -- which is about -- just so -- because we're
 11 getting words and not pictures --
 12 A. Right. Okay.
 13 Q. -- I'm looking at something that's about 6 feet by
 14 5 feet?
 15 A. Yeah. I mean, they would have fit in the 40-foot
 16 container in the back. So I don't know how
 17 long -- how wide that is, but they were probably 6
 18 feet each by a couple of feet. I -- I can't
 19 remember exactly, but they were --
 20 Q. Sure. I understand.
 21 A. -- box units, four of them.
 22 Q. When you say "250 kilowatts," what does that mean?
 23 A. That means that they're producing 250 kilowatts an

Page 168

1 Q. Okay.
 2 A. That's what I do.
 3 Q. Do you have an engineering degree?
 4 A. I don't.
 5 Q. Or any engineering certification?
 6 A. No, I don't.
 7 Q. Okay. So when you -- going back to the visit to
 8 the -- to the plant, you said you -- you looked at
 9 the -- at meters and so forth.
 10 Describe for me specifically what you
 11 remember seeing.
 12 A. Basically, the same kind of equipment that we saw
 13 before. I mean, I -- we had run three or four
 14 different tests at different times. So there was
 15 always thermal couples, flow meters of water
 16 coming in; there was a computer in the control
 17 room that ran it.
 18 Those are the kinds of things that I
 19 saw.
 20 Q. Was it your understanding that the thermal couples
 21 were connected to the computer in some -- in some
 22 fashion?
 23 A. Yes.

IMP

Page 169

1 Q. Where was the flow meter -- withdrawn.
 2 What was the -- to your understanding,
 3 what was the flow meter -- withdraw that too.
 4 A. It was the water intake --
 5 Q. How many -- how many flow meters do you recall
 6 seeing?
 7 A. I don't recall.
 8 Q. Okay. Tell me what you recall about the flow
 9 meters.
 10 A. They were pointed out to us that this was the flow
 11 meter, and -- and I -- again, I was following my
 12 engineering friends through this and listening.
 13 Q. And am I correct, based on your prior testimony,
 14 that Mr. Engleman is -- sort of -- the -- the most
 15 qualified engineer in the group?
 16 A. No. I think Rick Nociti probably -- he's a Ph.D.
 17 chemical engineer, and he'd been involved in LENR
 18 for quite some time. That's why we brought him
 19 into AmpEnergco.
 20 Q. Did you observe steam?
 21 A. No.
 22 Q. Now, where was the customer -- what you understood
 23 to be the customer -- in relation to where you

Page 170

1 were visiting?
 2 A. On the other side of the wall.
 3 Q. So describe the wall.
 4 A. The wall was like a -- any -- it was -- it was a
 5 divider wall. I mean, it was part of the unit;
 6 and the heat or the flow pipe went through that
 7 area -- that wall. Just that it was a -- you
 8 know, the -- I guess the manufacturing facility
 9 was on the other side of this wall.
 10 Q. And -- and you understood the heat to be going
 11 through the wall?
 12 A. Yes.
 13 Q. What did you observe in that respect?
 14 A. Just the pipe.
 15 Q. Do you recall more or less the diameter of the
 16 pipe?
 17 A. I don't.
 18 Q. And you observed that it went through the wall to
 19 the other side.
 20 A. Right.
 21 Q. Did you go to the other side?
 22 A. No, we didn't.
 23 Q. Did you ask to go to the other side?

Page 171

1 A. No, we didn't.
 2 Q. Were you told that you could not go to the other
 3 side?
 4 A. No, I don't think we were ever told. It was --
 5 we -- we had -- it was a private company, and
 6 so -- we were interested in the E-Cat, seeing the
 7 E-Cat, not the client so much.
 8 Q. Did you see anybody from the client company?
 9 A. No.
 10 Q. Did you meet anybody? -- I should say.
 11 Did you observe anybody?
 12 A. I didn't.
 13 Q. Did you observe anybody coming -- was there a door
 14 in the wall that would allow passage from one side
 15 to the other?
 16 A. I don't recall any.
 17 Q. And how long did you spend there, more or less, on
 18 that visit?
 19 A. We probably spent three -- two or three hours.
 20 Most of it was in the -- we did a tour of the --
 21 of the E-Cat, the...
 22 COURT REPORTER: The what? I'm sorry.
 23 THE WITNESS: Pardon me?

Page 172

1 COURT REPORTER: "...the E-Cat, the..."
 2 I'm sorry. You said something else. I
 3 didn't hear it.
 4 "We did a tour of the E-Cat, the..."
 5 A. And -- and then we went into the control room and
 6 sat there and had discussions.
 7 Q. What do you remember about the discussions?
 8 A. We were just curious how it was going, what the --
 9 what the COP was for our interest; that he was --
 10 Andrea was able to meet those. We were told that
 11 it was above -- actually above the COP that was
 12 needed for the third-party review.
 13 I can remember distinctly one little
 14 incident that Rick Nociti was -- very observant
 15 person, and he mentioned to Andrea that there was
 16 a -- some kind of an electronic device that was
 17 laying on the table, and that anybody else that
 18 knew what that device -- would be able to actually
 19 know something about what was going on with the
 20 E-Cat, the secret sauce or something. He -- he
 21 mentioned that, in -- smiling about it.
 22 Q. Did you observe the outside of the building from
 23 the -- from the side opposite where the roll-up

Page 173

1 doors were?
 2 A. You mean on the roof?
 3 Q. Not on the roof, but on the other side of the
 4 building.
 5 A. No. No, we didn't.
 6 Q. Did you observe the roof?
 7 A. No, just as we were coming -- you know, coming in.
 8 That's why -- you know, it was -- it was a flat
 9 building.
 10 Q. What do you remember about the roof?
 11 A. Nothing. I mean, that was just -- yeah, nothing.
 12 Q. Okay. So that was the -- the first visit in April
 13 of 2015 --
 14 A. Yes.
 15 Q. -- and, then, you said there was a -- you visited
 16 there a second time.
 17 A. Right.
 18 Q. When was that?
 19 A. I don't recall the exact date. It was the -- I
 20 think it was the second ERV test, probably --
 21 whenever that test was. And I -- honestly, I
 22 don't remember the -- the day. It was -- I was in
 23 Florida, meeting with some people, and met with

Page 174

1 Andrea one-on-one.
 2 Q. Was the --
 3 A. It was -- I think it was just after the -- it was
 4 after the second test for the ERV.
 5 Q. The second time that Mr. Penon visited?
 6 A. Yes.
 7 Q. At -- the second time after the startup?
 8 A. Yes, I believe so.
 9 Q. Okay.
 10 A. It could have been the third time. I don't --
 11 Q. Well, regardless of when the date was --
 12 A. Yeah.
 13 Q. -- tell me what you remember about the meeting,
 14 please.
 15 A. I had a quick tour, nothing seemed any different
 16 to me. I had to sign a document, because they
 17 weren't letting anybody in there. It was just a
 18 confidentiality --
 19 Q. What do you mean "they"?
 20 Who -- who wasn't letting people in?
 21 A. The -- JM -- the -- the client.
 22 Q. You had to sign something to get into the
 23 Industrial Heat side of the facility?

Page 175

1 A. Yeah.
 2 Q. And it was your understanding that JM Products
 3 required you to sign that?
 4 A. Yeah.
 5 Q. Okay. Where -- physically where was that?
 6 A. The --
 7 Q. In other words, you signed it some --
 8 A. Oh, it was just a piece of paper.
 9 Q. And did Mr. Rossi give that to you?
 10 A. Yes.
 11 Q. Was the -- was the 1 megawatt -- what we call the
 12 1 megawatt or the E-Cat, was it operating?
 13 A. Yes.
 14 Q. Did you touch it at that time?
 15 A. No, I didn't -- I didn't touch anything. I just
 16 observed it again; the same kind of tour that I
 17 had taken before.
 18 Q. Did you notice anything different from the first
 19 visit?
 20 A. You know, no, not really. I didn't see anything
 21 that was different.
 22 Q. So it was still the four larger units?
 23 A. Yes. Sure.

Page 176

1 Q. Did you have an understanding of who built the
 2 four larger units, as compared to the 100 smaller
 3 units?
 4 A. That's a good question.
 5 No, we didn't -- I -- I assumed --
 6 again, that's an assumption -- that it was done in
 7 -- in North Carolina, because if it was starting
 8 to be operated in February to April of that
 9 period, then to build those, I think, would have
 10 taken a longer time. So it must have come in the
 11 container.
 12 That's what I -- we -- we assumed that.
 13 Q. Did you -- did you observe that the unit was
 14 generating steam?
 15 A. We didn't -- I didn't see steam.
 16 Q. Is it your understanding that it's possible to
 17 monitor or measure whether the unit's generating
 18 steam, as opposed to water?
 19 A. Yes.
 20 Q. How -- how would you do that?
 21 A. With a meter of some sort.
 22 Q. And did you observe any such meter in the --
 23 A. I might have, but I'm not sure if it was a water

Page 177

1 meter or a steam meter.
 2 Q. Okay. When was the last time you talked with
 3 Andrea Rossi?
 4 A. The last time I talked with him?
 5 Q. Yeah, apart from today.
 6 A. Months ago. I -- I don't recall.
 7 Q. Do you recall whether -- whether it was before
 8 or --
 9 A. It was -- it was probably -- I don't -- I'm not
 10 sure I actually had a conversation with him --
 11 maybe once after my visit there, but...
 12 After I -- we knew the suit was -- we
 13 were -- I basically didn't communicate with him
 14 anymore.
 15 Q. Why?
 16 A. Because I didn't want to get involved with
 17 anything. We -- we at AmpEnerg, we felt we were
 18 in the middle, and we just didn't want to do that.
 19 I did send Andrea a couple of emails --
 20 personal ones -- about my son. You know, that
 21 was -- that was the only -- and I think a Merry
 22 Christmas.
 23 Q. Did you ever hear back from him?

Page 178

1 A. Thanking me for Merry Christmas, and -- and my
 2 son; yes.
 3 Q. But just general things, like, personal --
 4 A. It was -- yes. I -- I wanted to keep it more
 5 personal than anything to do with business.
 6 Q. Understood.
 7 Do you consider that AEG has a financial
 8 interest in the outcome of this litigation?
 9 A. Yes.
 10 MR. SHARE: Objection to form.
 11 Q. What is your understanding?
 12 A. That if the -- it's successful, that the court is
 13 proved, and that the COP is reached, and that --
 14 all the requirements of the performance, then we
 15 would be entitled to a second tranche of money.
 16 MR. BELL: I'm going to mark as the
 17 exhibit next in order an agreement dated April
 18 7th, 2011.
 19 (Exhibit 23, IH-0028414-421.)
 20 A. (Witness reviews document.)
 21 Q. I just have a couple of questions, Mr. Cassarino.
 22 A. Yeah.
 23 Q. You've seen this before, I assume?

Page 179

1 A. Yes, I have.
 2 Q. And in the "Goals and Objectives" there is --
 3 which is --
 4 A. What page?
 5 Q. I'm sorry. It's the third page of the document,
 6 section 5.
 7 A. Yeah.
 8 Q. "Goals and Objections -- Goals and Objectives."
 9 A. Yeah.
 10 Q. There's a goal and objective to negotiate the
 11 price of -- for a minimum of \$150 million.
 12 Do you see that?
 13 A. Yes.
 14 Q. Who set that?
 15 A. Andrea.
 16 Q. Do you know what it was based on?
 17 A. His -- I assume it was on his -- what he felt the
 18 value of the -- of the technology was.
 19 Q. Okay. And on the same page, above -- as the
 20 carry-over in section 4, there's a phrase that
 21 talks about Leonardo and AEG sharing with
 22 potential customers -- I'm sorry. I'm looking at
 23 the wrong thing. I apologize.

Page 180

1 Yeah. In -- in section 3(a) on the
 2 second page of the document --
 3 A. 3(a)?
 4 Q. Uh-huh.
 5 A. Yes.
 6 Q. And this provides that the term of the agreement
 7 is two years. It begins to run on the date that,
 8 quote, "Leonardo first provides AEG with the
 9 necessary and essential test information."
 10 Do you see that?
 11 A. Yeah. Yeah.
 12 Q. What is that test information?
 13 A. (Witness reviews document.) Oh, okay.
 14 So that was -- Andrea was putting
 15 together an agreement with a Greek organization to
 16 test the 1-megawatt unit. And we were to get the
 17 information from that test, and then our -- it
 18 would kick off -- because we didn't -- we didn't
 19 know -- we didn't have any ability to know whether
 20 it was working or not working. So the test would
 21 define that.
 22 Q. Now, earlier this morning I -- I believe that you
 23 testified that you began to work with Andrea Rossi

R, S

Page 181

1 on -- on this E-Cat technology in 2008; is that
 2 correct?
 3 A. Well, we -- we started talking about it; right.
 4 Q. When did you start marketing it?
 5 A. After this agreement (indicating).
 6 Q. And -- and what were you doing in between 2000 --
 7 A. Talking with a lot of people about it to get --
 8 kind of -- response and feedback about what
 9 people -- how they saw low energy nuclear
 10 reaction.
 11 Q. Between '08 and '11 --
 12 A. Yes. Yeah.
 13 Q. -- you were doing that.
 14 A. Yeah.
 15 Q. And then you enter the agreement, and then you
 16 begin to -- to market it?
 17 A. Yeah.
 18 Q. Were you --
 19 A. Well, we -- we were -- you know, I mean, we were
 20 marketing by talking to different people about it;
 21 yes.
 22 Q. And you -- you testified earlier this morning
 23 about exploring things with the Naval Research

Page 182

1 Lab?
 2 A. Yes.
 3 Q. With whom specifically?
 4 A. That was with Mike Melich.
 5 Q. You also testified that you had lots of meetings
 6 with lots of investors --
 7 A. Yeah.
 8 Q. -- more or less; correct?
 9 And you -- you testified to the effect
 10 that -- I'm paraphrasing here -- that, because of
 11 the way the agreement was structured, and Andrea
 12 Rossi's concern over -- over certain issues, it
 13 could not come to fruition.
 14 A. Right.
 15 Q. Does that -- does that sound accurate?
 16 A. Yes.
 17 Q. What -- what do you mean by that?
 18 A. I meant that the way that Andrea -- because of
 19 what he felt -- somebody might steal the
 20 technology -- that the -- that he wanted \$15
 21 million up front, and nobody was willing to
 22 negotiate that up-front money to have access to
 23 the technology.

Page 183

1 Q. And that includes Boeing?
 2 A. That included Boeing; yeah.
 3 Boeing just -- they wouldn't put -- the
 4 government and the Navy -- nobody does that kind
 5 of business.
 6 Q. How many people -- potential people -- let me
 7 phrase it this way: Of the people that could
 8 afford to pay \$15 million, how many do you think
 9 took a pass on this, more or less?
 10 A. Took a -- you mean just didn't want to do it?
 11 Q. Well, they didn't enter into the agreement with --
 12 either you approached them, or they approached
 13 you, and they -- they had the resources, but chose
 14 not to -- chose not to move forward.
 15 A. Three or four, maybe.
 16 Q. Why was -- why was Mr. Darden different in that
 17 respect?
 18 MR. SHARE: Objection to form.
 19 Q. I'll withdraw the question.
 20 Why do you think, from your perspective,
 21 Mr. Darden and -- and Industrial Heat were able to
 22 negotiate successfully the license agreement with
 23 Andrea Rossi in 2012?

Page 184

1 MR. SHARE: Objection to form.
 2 A. I thought there was good chemistry; that they --
 3 Andrea actually trusted Tom -- of all the people
 4 that we -- I mean, the day that we were to fly
 5 there, Andrea told me -- or two days prior to
 6 that -- that he had about a 10 percent chance of
 7 it moving forward.
 8 And after we -- Tom and Rick Bauman and
 9 Jim Compton and I -- visited with Andrea, they all
 10 came out feeling good about it, feeling good about
 11 the meeting. And I think Tom took his time to get
 12 to know Andrea, flew to Italy, met with Andrea and
 13 his wife.
 14 Nobody else had done that.
 15 Q. The --
 16 A. And -- and just -- not just from personalities,
 17 but Tom had told us that he had been very
 18 interested in low energy nuclear reaction; and
 19 that this was something he wanted to move into
 20 that area because of his concern for environmental
 21 issues.
 22 Q. Did you understand that Mr. Darden was intending
 23 to fund the initial payment himself?

R, S

Page 185

1 A. No. That was not what we were told. He put up a
 2 good share of it, but I think his partner
 3 Mazzarino -- and there were other investors
 4 putting up that first tranche of money -- he had
 5 friends and other, I think -- you know, other
 6 groups that he had that he had approached to raise
 7 up that first tranche of money.
 8 Q. Did you understand that it was those investors --
 9 Mr. Darden, Mr. Mazzarino -- were putting up their
 10 personal money or money from trusts that they
 11 controlled?
 12 A. Yes.
 13 Q. Now, the agreement -- the 2011 agreement that you
 14 had with -- between AEG and Mr. Rossi contemplates
 15 a payment -- the goal and objective is a \$150
 16 million payment, which is then divided between the
 17 two parties to the agreement --
 18 A. Right.
 19 Q. -- correct?
 20 A. Yes.
 21 Q. But the -- the license agreement with Industrial
 22 Heat was structured in a different way; correct?
 23 It was separate payments.

Page 187

1 Defkalion, so he did not complete the Greek-based
 2 installation. The only other --"
 3 COURT REPORTER: I'm sorry. You have to
 4 speak up. You're kind of soft.
 5 A. "-- ones are -- other independent tests are the
 6 ones conducted by the military customer in Europe,
 7 which AEG has not been able to verify."
 8 Q. So my question is, at the time of the -- the
 9 transaction between Industrial Heat -- between and
 10 among Industrial Heat, AEG, and Andrea Rossi, did
 11 AEG have any independent verified tests of Rossi's
 12 E-Cat technology?
 13 A. No.
 14 Q. Now, I'm going to ask you to take out the set of
 15 handwritten notes that you looked at this morning
 16 that's marked as Exhibit 19.
 17 A. Okay. Which -- which one?
 18 Q. It's the -- the notes from 2013.
 19 A. Both sets?
 20 Q. No -- well, we'll get to the other one in a
 21 minute.
 22 A. Okay.
 23 Q. But at first I just want to ask you some questions

A, H,
R

Page 186

1 Industrial Heat was to pay Andrea
 2 Rossi --
 3 A. Yeah -- and pay us --
 4 Q. -- and then pay you separately?
 5 A. -- yes. Yes.
 6 Q. Why was it done that way?
 7 A. We just thought that was good business.
 8 Q. Well, why?
 9 A. 'Cause -- 'cause Tom had the money -- or
 10 Industrial Heat had the money.
 11 MR. BELL: I'll have marked as an
 12 exhibit next in order an email.
 13 (Exhibit 24, IH 00083161-164.)
 14 MR. BELL: The top email is dated August
 15 13, 2012, and stamped IH 00083161.
 16 Q. And I really have only one question on this
 17 document, and it relates to the third page.
 18 A. (Witness reviews document.)
 19 Q. Have you had a chance to look at that, Mr.
 20 Cassarino?
 21 A. Which -- which one?
 22 Q. I'm looking at the first comment that is in
 23 italics: "Rossi severed his relations with

Page 188

1 about 19.
 2 A. Yeah.
 3 Q. Okay. First of all, on the third page of this
 4 exhibit, which is dated 31 May, 2013 --
 5 A. Second page; yes.
 6 Q. Third page. Thank you.
 7 A. Third page?
 8 Q. "Excited about Boeing"?
 9 A. (Witness reviews document.) Yes.
 10 Q. Yeah. Now, this morning you testified that,
 11 Boeing "didn't work the way we wanted to work."
 12 What did you mean by that?
 13 A. You mean on the first --
 14 Q. Yes.
 15 A. -- the first time?
 16 That they could not get management to
 17 pony up the \$15 million that was required by
 18 Andrea to develop the partnership.
 19 Q. Let me ask you to flip to the page in the notes
 20 which is dated 29 July, 2013. At the bottom it's
 21 AE 20.
 22 A. (Witness reviews document.) Yes.
 23 Q. There's reference in the middle of the page that

A, H,
R

Page 189

1 says, quote, "Plan B: Validate IP/COP three-week
 2 test."
 3 Do you see that?
 4 A. (Witness nods.)
 5 Q. Does that have any meaning to you?
 6 A. (Witness reviews document.) I think that was our
 7 personal -- what -- what we had always contended;
 8 that we didn't see a need for a 1-megawatt unit.
 9 We just wanted to test one of the 10-kilowatt
 10 units that were in there.
 11 Q. Why?
 12 A. Just to keep it simple; that we thought that
 13 combining 100 units together with issues about
 14 connections and all of that, and that all we'd --
 15 anybody had ever told us, that all you've got to
 16 do is show that you're getting COP above 1, and
 17 you would change -- it would be a game-changer.
 18 So what we were saying -- and I -- I
 19 believe -- I am not sure -- that we -- we were
 20 always saying, Gosh, you know, why do we have to
 21 do a one-year test? Why don't we just do a plan
 22 B, three weeks of one unit, and -- just so that it
 23 works.

Page 190

1 Q. And did -- did you ever have a discussion with
 2 either Mr. Darden or Mr. Vaughan about that
 3 concept?
 4 A. Oh, yes. Yes.
 5 Q. And -- and what was their reaction?
 6 A. I think they were in agreement. I think that was
 7 part of why they had asked Boeing to do a one-unit
 8 test --
 9 Q. Uh-huh.
 10 A. -- was, Let's just prove it -- having a 1
 11 megawatt, because the 1 megawatt was complicated,
 12 just because -- and all the engineering
 13 requirements that were entailed to get all of the
 14 water and everything in sequence and all of that.
 15 Q. Okay.
 16 A. So what we were -- we just wanted to make sure
 17 that the LENR was real; and that the easiest way
 18 to do that would be just to do one unit.
 19 Q. Let me ask you to flip to the page that's dated 27
 20 September, 2013, which is AE 24.
 21 Are you with me?
 22 A. Yeah.
 23 Q. Really, I want to establish the date here is 27

Page 191

1 September, 2013, and I have a question on the next
 2 page.
 3 A. Okay.
 4 Q. Now, is it your understanding that the validation
 5 testing in Italy with Penon that resulted in the
 6 10 or \$15 million payment was in April/May of
 7 2013?
 8 A. Yes.
 9 Q. So at -- by this time, that has already happened;
 10 correct?
 11 A. Yes.
 12 Q. Now, there's a reference here -- can you -- can
 13 you read the notes on AE 25.
 14 A. "ERV expert representation for validation. Sweden
 15 team? Penon?"
 16 Q. With question marks after those.
 17 What does that mean?
 18 A. I'm not sure what Ron meant by that. I -- you
 19 know, other than, Is it going to be the Swedish
 20 team or Penon?
 21 Q. But it was -- it was not established that it would
 22 be Penon; is that correct?
 23 MR. CHAIKEN: Object to form.

Page 192

1 A. I don't -- I don't remember.
 2 MR. BELL: Mark this as exhibit next in
 3 order, an email dated November 25, 2013, stamped
 4 IH 00093886.
 5 (Exhibit 25, IH 00093886-890.)
 6 A. (Witness reviews document.)
 7 Q. This is an email that you wrote to Mr. Darden and
 8 Mr. Vaughan; is that correct?
 9 A. Uh-huh -- yes.
 10 Q. Why at this time was AEG considering inviting the
 11 collaboration to help Industrial Heat?
 12 A. Let me read this first. (Witness reviews
 13 document.)
 14 Because we -- we felt that the -- the --
 15 because Industrial Heat -- nobody at that time,
 16 other than T. Barker, was not in a -- they weren't
 17 technical. They were money men. I mean, that was
 18 really the -- the key; that they were raising the
 19 funds.
 20 T. Barker was the only real technical
 21 person they had available at this time. We felt
 22 that -- John Preston was one of the people. He
 23 had a company that was doing high -- high

Page 193

1 technology. Tom -- I introduced Tom to him.
 2 Boeing, obviously, had -- and that --
 3 the more technical help we could give Industrial
 4 Heat, the easier it would be to move all this
 5 forward.
 6 Q. Okay. And in -- in the email you write -- towards
 7 the -- towards the end, about the sixth line from
 8 the bottom of your email: "I am not sure if this
 9 is the right time, however, getting another set of
 10 eyes and skills might speed this IP transfer
 11 quicker and slow down your burn rate."
 12 Do you see that?
 13 A. Uh-huh.
 14 Q. Now, in November of 2013, when you wrote this
 15 email, did AEG believe that the IP transfer from
 16 Rossi and Leonardo to Industrial Heat was not
 17 complete?
 18 MR. CHAIKEN: Object to form.
 19 A. No. We -- we felt it was -- I mean, that's why
 20 they paid the money. We felt that they tran --
 21 everything had been transferred. But what we were
 22 understanding from J.T. is, they were not able to
 23 reproduce it. And because they only had a limited

Page 194

1 technical crew at the lab, that bringing in some
 2 folks with technical abilities would help -- and
 3 maybe IP transfer is the wrong word when I was
 4 expressing -- it would be more of getting the --
 5 getting the product up and running.
 6 Q. So when you use the phrase, you're -- you're using
 7 it in the sense more of the ability to replicate
 8 or to reproduce?
 9 A. Yes. Yes.
 10 Q. In the --
 11 A. And, again -- and that goes back to what I said
 12 earlier about when I visited their, you know,
 13 there were -- things were, you know, people were
 14 screwing caps on, rather than swaging them. The
 15 electric wires they were using on the ceramics
 16 were different. And so I -- I -- as even a
 17 nonengineer, I could see they were all having
 18 technical difficulties.
 19 Q. In the next sentence you write: "I also
 20 understand your sensitivity to/with A.R."
 21 Do you see that?
 22 A. Yeah. I -- and I don't think J.T. and A.R. had a
 23 great relationship, just because of the

IMP, R

Page 195

1 communications.
 2 You know, it was just he -- as I
 3 explained earlier, he was a young guy. He wasn't
 4 that -- technology was not his -- he was a finance
 5 guy. And working with an inventor can be a little
 6 difficult sometimes.
 7 We were -- you know, again, all -- what
 8 I was trying to do was to be a facilitator, to try
 9 to help move all this along with the basic
 10 knowledge base that I had.
 11 Q. I'm going to ask you to look back -- for the last
 12 time -- at Exhibit 19, which is the handwritten
 13 notes from 2013.
 14 A. Yeah.
 15 Q. And I'll ask you to turn to the page AE 30 that is
 16 dated at the top 26 November, 2013.
 17 A. Yup.
 18 Q. And, again, is this -- this is Mr. Engleman's
 19 handwriting?
 20 A. Yes. Yes, it is.
 21 Q. All right. In the -- this is separated into a few
 22 blocks, and there's a block that begins "AEG's
 23 position."

A, R

Page 196

1 Do you see that?
 2 A. Yes.
 3 Q. Can you read that, please.
 4 A. "AEG's position has always been the breakthrough
 5 E-Cat IP technology consistency above unity. Is
 6 it replic --" and what's the word?
 7 Q. Replicable.
 8 A. "-- replicable, and is it transferable? It has
 9 not been --"
 10 Q. "And reproducible"?
 11 A. "And reproducible."
 12 Q. And then it continues "It has not been about --"
 13 that was -- you -- you talked about that sentence
 14 earlier today --
 15 A. Yeah.
 16 Q. -- correct?
 17 A. Yeah.
 18 Q. Now, I want you to keep that -- I want you to keep
 19 that out, and also pull out again what -- what Mr.
 20 Chaiken marked as Exhibit 14, which is November
 21 29, '13 email, stamped AE 303.
 22 A. 14?
 23 Q. Yes.

Page 197

1 A. (Witness reviews document.) Yes.

2 Q. And -- and can you read for me the second sentence

3 of the email "For AEG."

4 A. "We understand"?

5 Q. Ah.

6 A. Second paragraph or second sentence?

7 Q. No, second sentence. "For AEG, the successful..."

8 A. Well, I've got -- Exhibit 14, and I don't see --

9 Q. Is it AE 303?

10 MR. SHARE: (Indicating?)

11 A. Oh, "For AEG --"

12 Q. Yeah.

13 A. It's the third, "For AEG, the successful

14 validation of E-Cap has not been about a specific

15 COP, about whether technology is consistently

16 operating above unity is replicable and

17 transferable."

18 Q. Okay. And in both the notes and email, what does

19 the word "replicable" mean to you?

20 A. Means that somebody can replicate the technology.

21 Q. And the word "transferable" is also used in both

22 documents.

23 What -- what does that mean in this

Page 198

1 contexts?

2 A. That the IP was transferred to replicate.

3 MR. CHAIKEN: Object to form.

4 Q. And the -- also the word "reproducible" is used in

5 both documents.

6 What does that mean in this context.

7 MR. CHAIKEN: Object to form.

8 A. I don't know if it means any different than

9 replicable, I guess.

10 Q. In November of 2013, did AEG believe that

11 successful validation of Rossi's E-Cat IP required

12 that the technology be replicable, reproducible,

13 and transferable?

14 A. Yes.

15 MR. SHARE: Object to form.

16 MR. CHAIKEN: Object to form.

17 Q. Let me ask you to pull out what Mr. Chaiken marked

18 as AEG Exhibit 16, please.

19 A. Yes.

20 Q. Tell me what you recall about the conversation

21 that you had when you were at the Grand Canyon.

22 A. It was brief. Andrea asked that -- or -- or

23 mentioned that he had a client that he could host

Page 199

1 the E-Cat to. And, as I said before, he mentioned

2 the name, which, then, I remember there was the

3 JM, which I didn't remember. But it was -- I was

4 on vacation. My family was getting going, and I

5 cut him short.

6 Q. Okay. Now, I want you to keep that document but

7 also pull out what was marked as Exhibit 17, the

8 next in order, which is a July 4, 2014.

9 A. Yeah.

10 Q. Do you see that?

11 A. 17; yes.

12 Q. Yeah. The first is an email -- first -- the first

13 in order at the top of the document is a July 4,

14 email from you to Mr. Darden and others.

15 A. Yes.

16 Q. Now, on July -- the exhibit 17, the July 4 email,

17 it -- at that time there had been no agreement by

18 Industrial Heat to move the plant to Florida; is

19 that correct?

20 A. Not that I recall.

21 Q. So because of my poorly phrased question, I have

22 to ask it again.

23 But as of July 4, Industrial Heat had

Page 200

1 not agreed to allow Rossi to move the machine to

2 Florida; is that correct?

3 MR. CHAIKEN: Object to form.

4 MR. LEON de la BARRA: Join in the

5 objection.

6 A. I'm not sure of the time sequence on this, but --

7 so when I was at the Grand Canyon? I don't

8 remember.

9 Q. Well, in --

10 A. Yeah.

11 Q. -- 16 it says June 21.

12 A. Okay. So this had been after that conversation.

13 Q. Right.

14 A. I guess not.

15 Q. Okay. So -- now, when we look back at Exhibit

16 16 -- right -- in Andrea Rossi's email, which had

17 been sent at some point no later than June 21, he

18 says, in sum and substance, that Industrial Heat

19 had agreed to move the -- the facility; is that

20 correct?

21 A. (Witness reviews document.) Well, it says here --

22 I don't -- I didn't have that conversation with

23 Industrial Heat.

Page 201

1 Q. No. I understand. But -- but my point is, Andrea
 2 Rossi sent an email to all saying that it had been
 3 agreed to move the plant; correct?
 4 A. Yes.
 5 Q. And -- and in the -- in the email from Mr. Darden,
 6 Mr. Darden says "He --" meaning Mr. Rossi, "--
 7 sometimes sends such emails documenting a meeting,
 8 but we didn't say those things."
 9 Do you see that?
 10 A. Yup.
 11 Q. So in this instance, as regards this particular
 12 issue, who was telling the truth there?
 13 MR. SHARE: Objection to form.
 14 MR. CHAIKEN: Object to form.
 15 A. Well, I don't know who's telling the truth. I
 16 mean, that's how -- I don't know who's saying
 17 what's truthful.
 18 You know, what -- you know, it -- what I
 19 see is, you know, Tom saying we are open-minded,
 20 but we prefer to operate it here. We had one --
 21 we'll follow up with him, and that's -- kind of --
 22 where I, you know, left off.
 23 Q. Uh-huh.

Page 202

1 A. And -- and I will just make comment and is --
 2 again, what we were trying to do was facilitate
 3 and make things happen. We were not part of any
 4 agreements.
 5 I think that's part of what I need to
 6 emphasize here, is, that we could make
 7 suggestions, have conversations, but that was a
 8 decision between Industrial Heat and Andrea Rossi.
 9 Q. When Andrea Rossi told you that he had found a
 10 client, did you believe that he was proposing an
 11 arm's-length third party, or an entity that Rossi
 12 himself directed and controlled?
 13 A. I --
 14 MR. SHARE: Object to the form.
 15 MR. CHAIKEN: I object to form.
 16 MR. LEON de la BARRA: Objection.
 17 A. It was -- it was a client. That's what we were
 18 hoping. I mean, it wasn't -- I don't have any
 19 opinion.
 20 Q. At the time you don't remember having an opinion
 21 as to whether it was somebody independent of Mr.
 22 Rossi?
 23 A. Well, we -- we knew it was -- well, we thought it

Page 203

1 was independent of Mr. Rossi.
 2 MR. BELL: I'm going to have marked as
 3 Exhibit next in order some handwritten notes dated
 4 27 April, 2015, stamped AE 1.
 5 (Exhibit 26, AE 1-4.)
 6 A. (Witness reviews document.)
 7 Q. Do you know what these are -- whose notes these
 8 are?
 9 I should start with that.
 10 A. It looks like we were -- this was -- we were at
 11 the Sea View Hotel, so this is probably Ron's
 12 notes.
 13 Q. And are they notes of a meeting with Mr. Rossi?
 14 A. Yes. That was the meeting that we all were at
 15 during that period.
 16 Q. Okay. Can you do your best -- just because this
 17 is our only shot -- to have a chance at
 18 interpreting those.
 19 Can you do your best to read them into
 20 the record.
 21 A. It looks like -- can I read -- look at all of
 22 them?
 23 Q. Sure. Absolutely.

Page 204

1 A. (Witness reviews document.) Well, I guess the
 2 easiest thing is just to go through each page?
 3 Q. Whatever is --
 4 A. Is that what you --
 5 Q. I think so. Yeah.
 6 A. So it looks like what we were there -- what we --
 7 four -- we saw those four 250-kilowatt units.
 8 Q. Okay.
 9 A. And the COP that we were seeing or that looked --
 10 registered, because of the calculations that the
 11 engineers were doing, it looked like the COP was
 12 above 50.
 13 Q. The -- not your engineers, but -- but...
 14 A. No, our engineers. I mean --
 15 Q. Well --
 16 A. -- Ron and -- that's why I think Ron wrote this
 17 down --
 18 Q. Okay.
 19 A. -- is, we were there, and they were seeing stuff,
 20 and we were talking with Andrea. And it looked
 21 like the information that we were being told and
 22 the performance that -- or the equipment that we
 23 were seeing, that the COP was above 50.

R, P

R

Page 205

1 So I can see Ron's, like, 4 times 250,
 2 plus the 51, you know, I -- I assume that that's
 3 what that is.
 4 No, maybe it isn't. No, I -- again, 4
 5 times the 250, plus 51 units, I guess, that's --
 6 that were in the background -- the 10 kilowatts.
 7 Q. Okay.
 8 MR. CHAIKEN: Can I just clear this up?
 9 Are these your notes?
 10 THE WITNESS: No, these aren't mine. So
 11 I have, really, no idea what he was putting in
 12 here, you know.
 13 MR. SHARE: So I'll -- I mean, I'll
 14 object to form.
 15 Q. All right.
 16 MR. CHAIKEN: Me too.
 17 MR. BELL: That's fine.
 18 MR. SHARE: If you want to enter it as
 19 an exhibit...
 20 Q. You can put that aside.
 21 A. Okay.
 22 MR. BELL: Do you want to take a quick
 23 break?

Page 206

1 THE WITNESS: No, let's just keep going.
 2 MR. BELL: All right. I'm going to mark
 3 as the next exhibit an email -- first one is dated
 4 June 12, 2015, stamped IH 131061.
 5 (Exhibit 27, IH 00131061-62.)
 6 A. (Witness reviews document.)
 7 Q. And I'm really interested, Mr. Cassarino, in your
 8 email dated June 3 to Mr. Vaughan at the bottom of
 9 the page.
 10 Do you see that?
 11 A. Yeah.
 12 Q. So you asked Mr. Vaughan whether he, meaning
 13 Industrial Heat, was satisfied with Penon doing
 14 the verification.
 15 A. Uh-huh.
 16 Q. Do you see that?
 17 And in the last sentence you asked Mr.
 18 Vaughan if he was going to accept the information
 19 from Penon --
 20 A. Yeah.
 21 Q. -- is that correct?
 22 A. Yes.
 23 Q. And it says "except," but I take it you mean

Page 207

1 a-c-c-e-p-t --
 2 A. Yeah, I'm sure.
 3 Q. -- correct?
 4 A. Yeah.
 5 Q. Okay. Now, let me ask you to pull out what was
 6 marked this morning as Exhibit 20, which are the
 7 handwritten notes that begin October of 2014.
 8 A. (Witness reviews document.) Which -- which page?
 9 Q. And I'm asking you to look at the page that's
 10 dated June 26, 2015. It's AE 5.001.
 11 A. Okay.
 12 Q. Now, these -- you understand these to be notes of
 13 a telephone conversation with J.T. Vaughan on June
 14 26, 2015?
 15 A. On the Exhibit 20?
 16 Q. Yes.
 17 A. Yes.
 18 Q. Okay. And in --
 19 A. It's actually October 14; right?
 20 Q. No. I'm looking at AE -- the page that's AE
 21 5.009, dated June 26 --
 22 A. Oh, 9. Excuse me. Excuse me.
 23 Q. Yeah.

Page 208

1 A. (Witness reviews document.) Yes.
 2 Q. So let me repeat the question again: These are
 3 notes of a telephone conversation between J.T.
 4 Vaughan and -- at least Mr. Engleman at AEG -- on
 5 June 26, 2015; correct?
 6 A. Yes.
 7 Q. Do you remember participating in this call
 8 specifically?
 9 A. Let me just look. I -- I'm -- we had a lot,
 10 but...
 11 (Witness reviews document.) Yes, I see
 12 that.
 13 Q. Okay. So on June 3rd you had asked Mr. Vaughan by
 14 email if Industrial Heat was satisfied with Penon
 15 doing the verification, as we just saw; correct?
 16 A. Uh-huh.
 17 COURT REPORTER: Yes?
 18 A. Yes.
 19 Q. And on June 26, did Mr. Vaughan tell you that
 20 Industrial Heat never agreed that Penon could do
 21 the audit?
 22 A. That's what it says in the notes.
 23 Q. If you turn the page, did Mr. Vaughan tell you

P, R, S

1 that a "real" -- underscore -- "real" audit must
 2 be done?
 3 A. I guess he did.
 4 Q. And so in June of 2015, did AEG understand that
 5 Industrial Heat did not agree to accept any report
 6 by Penon?
 7 A. Well, that says here -- what -- we were confused
 8 after this was why they didn't do anything to stop
 9 the -- what was going on.
 10 I mean, this was verbal, but we didn't
 11 see any written or -- you know, these were
 12 conversations that we had, and we were -- I mean,
 13 we were confused, because I know J.T. --
 14 (Phone sounds.)
 15 A. We knew that J.T. did not have confidence in
 16 Penon; and that was part of this conversation.
 17 Q. So putting aside what was said or not said to Mr.
 18 Rossi about that, you understood that Industrial
 19 Heat did not agree to Penon.
 20 A. Yes.
 21 Q. All right. Now, in the notes -- the handwritten
 22 notes of the conversation, it goes on to say "IH
 23 cannot replicate. IH must --" underscore "-- must

1 feels good about things, they may not push him on
 2 the 1-megawatt test."
 3 Do you see that?
 4 A. Uh-huh.
 5 Q. What does that mean to you?
 6 A. That if he's -- if they feel he was having
 7 success, that -- I don't -- again, I --
 8 conversations we always had with Tom and
 9 Industrial Heat was, they were always feeling that
 10 the 1 megawatt wasn't necessary either. I think
 11 Andrea felt that he wanted to show that he could
 12 commercialize this, and that Industrial Heat felt
 13 that, you know, if they -- if things were going
 14 well, then -- then maybe that wasn't necessary to
 15 do the big test.
 16 Q. And the last line there says "IH does not want to
 17 piss him off."
 18 A. Yeah.
 19 Q. Do you see that?
 20 What does that mean to you?
 21 A. It means that Tom always was trying to be
 22 sensitive to Andrea and let him develop his -- the
 23 project. It was -- we always had this expression:

1 be able... replicate."
 2 Do you see that?
 3 A. On which page?
 4 Q. AEG -- AE 5.010. The next page.
 5 A. (Witness reviews document.) Yes.
 6 Q. Uh-huh. So in June of 2015 it was your
 7 understanding that Industrial Heat did not believe
 8 that it had been able to replicate the -- the
 9 Rossi effect; is that correct?
 10 A. Yes.
 11 Q. Did AEG at that time understand that Industrial
 12 Heat did not intend to pay Rossi or AEG if
 13 Industrial Heat could not replicate?
 14 A. I -- that was always assumed.
 15 Q. Now, there's -- there's a notation in these notes
 16 that says "What's behind the wall."
 17 Do you see that?
 18 A. Whereabouts?
 19 Q. Just one line down -- two lines down from what we
 20 just read.
 21 A. That's -- I guess that would have been J.T. making
 22 comment.
 23 Q. Uh-huh. And now -- and the next line says "If IH

1 It was, like, let -- you know, Andrea -- I mean,
 2 Tom would always, like, give -- you know, let
 3 Andrea play in his sandbox. Let him do what he
 4 wants to do; be -- be himself and the inventor.
 5 And Tom didn't want any conflict going on that
 6 would upset Andrea so that Andrea would get
 7 distracted from his mission of doing 1 megawatt or
 8 for finding the..
 9 Q. Why do you think he did that?
 10 A. Why did Tom do that? 'Cause --
 11 MR. SHARE: Objection to form.
 12 A. -- I think he just wanted to make all this work.
 13 MR. BELL: I'm going to have marked as
 14 the exhibit next in order an email dated June 29,
 15 2015, stamped AE 345.001.
 16 (Exhibit 28, AE 000345.001-002.)
 17 A. (Witness reviews document.)
 18 Q. Have you had a chance to review that?
 19 A. Doing that right now. (Witness reviews document.)
 20 Q. Now, on June 29th you wrote an email to Andrea
 21 Rossi; correct?
 22 A. Yes.
 23 Q. And in that email you asked him whether Industrial

A, R, P

A, R, S

A, P, R

Page 213

1 Heat had agreed to using Penon for the
 2 certification for the test; is that right?
 3 A. Yes.
 4 Q. Now, you knew, based on the exhibits that we just
 5 reviewed, that Industrial Heat did not agree to
 6 using Penon for the certification.
 7 So why did you ask Mr. Rossi that
 8 question?
 9 A. 'Cause we didn't get an answer from Industrial
 10 Heat as to whether there was any agreement or not.
 11 This was just a verbal conversation that I didn't
 12 know whether or not Industrial Heat had
 13 communicated with Andrea Rossi.
 14 Q. Well, those seem -- two separate things to me.
 15 They -- they had clearly -- Industrial Heat had
 16 clearly communicated it to you --
 17 A. Yes.
 18 Q. -- correct?
 19 And you just told me that Mr. Darden
 20 went out of his way not to -- not to aggravate Mr.
 21 Rossi; correct?
 22 A. Yeah. Yeah.
 23 Q. And you had a concern that they had not --

P, R, S

Page 215

1 A. Well, I assumed that they had that conversation
 2 with him.
 3 Q. Well, if they had that conversation, why -- why
 4 would you send an email --
 5 MR. SHARE: Objection to form.
 6 A. I -- I just -- I suppose I should have had that
 7 conversation with Andrea.
 8 Q. In the -- on the second page of the document in
 9 your email, you ask at the -- at the last sentence
 10 of the first paragraph, "Do you --" Andrea Rossi
 11 "-- have any certification or letter from the --"
 12 quote/unquote "'-- client' and invoices for sale
 13 of energy?"
 14 Do you see that?
 15 A. Yes.
 16 Q. Why did you ask for that?
 17 A. Again, we wanted to make sure that everybody was
 18 making -- living up to their ends of the
 19 agreement.
 20 Q. What did that have to do with the agreement?
 21 MR. SHARE: Objection to form.
 22 A. That the invoices from the sale of energy would
 23 show that they were producing energy.

H, S, P

R, S

Page 214

1 Industrial Heat had not conveyed information to
 2 Mr. Rossi --
 3 A. Yes.
 4 Q. -- is that -- is that fair?
 5 A. Yes.
 6 Q. Were you trying to influence Mr. Rossi to consider
 7 a -- a different party to validate Mr. Rossi's
 8 work in Florida?
 9 MR. SHARE: Objection to form.
 10 A. Well, I don't know if I was trying to convince him
 11 to use someone -- I -- we just wanted to make sure
 12 that a third-party evaluation was accepted by both
 13 parties.
 14 Q. Why not be more direct with Mr. Rossi?
 15 MR. SHARE: Objection. Form.
 16 A. I'm -- I can't answer that. I'm not sure.
 17 Q. Well, in other words, J.T. Vaughan had told you
 18 that Industrial Heat doesn't accept Penon;
 19 correct?
 20 A. Uh-huh.
 21 Q. And you could have said to Mr. Rossi, Hey, I was
 22 just talking to J.T. Vaughan on the phone. They
 23 don't accept Penon.

A, P, R

A, H, R, P

Page 216

1 Q. Okay. Now, let me ask you to look at Mr. Rossi's
 2 reply to your email.
 3 Now, you had asked him a direct question
 4 as to whether Industrial Heat agreed with Rossi
 5 about Penon doing the certification, as we just
 6 saw; correct?
 7 A. Yes.
 8 Q. And Mr. Rossi did not answer that -- did he -- in
 9 his email?
 10 MR. CHAIKEN: Object to form.
 11 A. Yes, he did not.
 12 Q. Now, with -- what did he say with respect to your
 13 request for certifications or letters from the,
 14 quote, "client," close quote and invoices for sale
 15 of energy?
 16 A. Did not have the documents.
 17 (Witness reviews document.) Did not
 18 have the documents.
 19 Q. Related to the commercial agreement between
 20 Industrial Heat and their customer?
 21 A. Yeah.
 22 Q. And he goes -- he goes on to say he spoke -- that
 23 he, Rossi, spoke with the director of the factory

R

Page 217

1 and the customer, and they are very positive so
 2 far; is that right?
 3 A. That's what it says.
 4 Q. What did you understand that to mean?
 5 A. That everything was going okay.
 6 Q. When -- on either of your two visits, did you meet
 7 with a director of the factory and the customer?
 8 A. No.
 9 THE WITNESS: These are all screwed up
 10 now.
 11 COURT REPORTER: That's all right.
 12 MR. BELL: Marking as the exhibit next
 13 in order some documents. The first one is dated
 14 at the top June 1, 2015 and stamped JB 00010.
 15 (Exhibit 29, JB 00010-232.)
 16 A. (Witness reviews document.)
 17 Q. So I want you to feel free to look through the
 18 entire packet, but let me ask you just to look at
 19 the page -- and this is -- kind of -- a mixture of
 20 several different documents, but towards the back
 21 end there's one stamped at the bottom "HJ 216";
 22 it's dated March 3, 2015.
 23 A. H -- what?

Page 219

1 A. (Witness reviews document.) Yeah, and a -- I
 2 mean, I -- we were, you know, even simpler -- just
 3 wanting electric billings, but --
 4 Q. Let me ask you to just flip the page to the
 5 handwritten -- handwritten next page that is HJ
 6 217.
 7 A. Yeah.
 8 Q. Do you recognize that handwriting?
 9 A. (Witness reviews document.) Yes.
 10 Q. Whose handwriting is that?
 11 A. It looks like Andrea Rossi's.
 12 Q. So when you were asking Mr. Rossi in June of 2015
 13 for documents relating to the client, did you
 14 understand that the documents that were being sent
 15 to J.T. Vaughan had actually been written by Mr.
 16 Rossi?
 17 MR. CHAIKEN: Object to form.
 18 A. I don't know.
 19 Q. Would that have surprised you?
 20 A. Yes.
 21 Q. Why?
 22 A. 'Cause I -- we were looking for -- from the
 23 company.

Page 218

1 Q. HJ. I'm sorry.
 2 A. HJ?
 3 Q. Uh-huh.
 4 A. 216?
 5 Q. Yeah. I apologize, 'cause they're -- they're --
 6 kind of -- all mixed up, but I could find it for
 7 you if that will be quicker.
 8 A. (Witness reviews document.) Yeah. Well...
 9 Q. It looks like this (indicating).
 10 A. (Witness reviews document.) I can't find it.
 11 Q. Let me --
 12 MR. SHARE: 216?
 13 MR. BELL: Yes, March 3, 2015.
 14 MR. SHARE: (Reviews documents.)
 15 THE WITNESS: Thanks.
 16 A. Okay.
 17 Q. So that is a -- a letter from -- that's signed by
 18 Henry W. Johnson to J.T. Vaughan.
 19 Do you see that?
 20 A. Yes.
 21 Q. Is this the kind of thing that you were looking
 22 for when you requested of Mr. Rossi to have
 23 documents from the -- from the customer?

Page 220

1 Q. You were looking for -- from an independent
 2 company?
 3 A. Yes.
 4 Q. Do you -- based on your understanding of the
 5 relationship, do you think that Industrial Heat
 6 was looking for the same thing?
 7 MR. SHARE: Objection to form.
 8 MR. LEON de la BARRA: Join.
 9 MR. CHAIKEN: Object to form.
 10 A. I would assume so.
 11 Q. Let me -- and, again, this is the last question I
 12 have for you on the handwritten notes that are
 13 Exhibit 20 -- are you with me?
 14 A. Yeah.
 15 Q. The last page, it's August 7, 2015, AE 5.011.
 16 MR. SHARE: I'm sorry.
 17 Which document?
 18 MR. BELL: 20. This one (indicating).
 19 A. August 7th, 2015?
 20 Q. Yes, sir.
 21 A. Yes.
 22 Q. Are you with me?
 23 A. Yes.

H, R

A, H, P

A, H, P

H, P, S

1 Q. Are these notes of a conversation with J.T.
 2 Vaughan on August 7th, 2015?
 3 A. These are Ron's notes.
 4 Q. And what do Ron's notes reflect that J.T. Vaughan
 5 told AEG on August 7, 2015?
 6 A. (Witness reviews document.) Trying to get things
 7 done.
 8 Q. Well, let me -- let me ask you specifically: Did
 9 J.T. -- do these notes reflect that J.T. Vaughan
 10 told AEG, in sum or in substance, that Industrial
 11 Heat was trying to support Rossi's efforts?

A, H, P, S

12 A. Yes.
 13 Q. Do they say that Industrial -- do they say that
 14 J.T. Vaughan said that Industrial Heat's goal was
 15 for Mr. Rossi to be successful?
 16 A. Yes.

A, H, P, S

17 MR. CHAIKEN: Object to form.
 18 Q. And do they say that Industrial Heat does not have
 19 what they need, and that they need more confidence
 20 than the last time?
 21 A. That's what those notes say.
 22 Q. And does it say that Industrial Heat wants to
 23 avoid a confrontation?

1 MR. BELL: The court reporter has marked
 2 as exhibit next in order a voluminous document
 3 dated September 20 -- September 2004, US Army
 4 Corps of Engineers, and the title is "Application
 5 of Thermoelectric Devices to Fuel Cell Power
 6 Generation."
 7 A. Yes.
 8 Q. Are you familiar with this document?
 9 A. I am.
 10 Q. You'll be happy to know that I have no intention
 11 of taking you very -- into very great deal.
 12 I have some summary questions about the
 13 project --
 14 A. Yes.
 15 Q. -- which I gleaned from just reading page 5 and 6.
 16 A. Okay.
 17 Q. I mean, I think they're summarized there --
 18 A. Yeah.
 19 Q. -- although I -- I'm sad to say I have read the
 20 document.
 21 Leonardo Technologies, Inc. was the --
 22 was the company that you testified about earlier
 23 this morning that you had formed to try and

R

1 A. That's what the notes say.
 2 Q. Okay.
 3 A. (Witness reviews document.) Ah. And -- and I --
 4 now -- it's the last -- the UK investing team was
 5 coming to visit the plant. And I think that was
 6 part of the conversation that we had with
 7 Industrial Heat; that they told us to be calm,
 8 stay calm; that they -- the investor group was
 9 coming; they didn't want any waves to happen; and
 10 that they were trying to keep everybody happy for
 11 the investor.

12 MR. BELL: Can we take a short break. I
 13 have one more document, I think, I but want to
 14 look over my notes.
 15 THE WITNESS: Sure. I totally agree.
 16 VIDEOGRAPHER: We are -- it is 2:34, and
 17 we are going off the record.
 18 (Recess was taken.)
 19 (Exhibit 30, multipage document,
 20 US Army Corps of Engineers,
 21 September, 2014.)
 22 VIDEOGRAPHER: The time is 2:43 p.m.,
 23 and we are back on the record.

1 commercialize one of Andrea Rossi's earlier
 2 technologies.
 3 A. No. No.
 4 We -- Leonardo Technologies, Inc. was
 5 formed to do work for the Department of Energy.
 6 Q. And what was Mr. Rossi's role in this project?
 7 A. He had a project that we were interested in -- the
 8 Department of Energy and the Department of -- DOD
 9 was interested in thermoelectrics.
 10 Q. It had to do with converting waste to power?
 11 A. Heat -- waste heat to power.
 12 Q. Okay. And did Rossi claim his devices could
 13 produce 20 percent efficiencies converting waste
 14 heat to power?
 15 A. That was the theoretical...
 16 Q. Claim?
 17 A. Claim.
 18 Q. And the current science at that point, as
 19 reflected in this document, was along the lines of
 20 4 percent efficiencies in that process; correct?
 21 A. Yes.
 22 Q. In 2000 were tests of this technology done at the
 23 University of New Hampshire?

1 A. Yes, a demonstration of concept.
 2 Q. Were they small scale, with a duration of
 3 approximately seven days?
 4 A. 18 or 19 years ago. I -- I guess that's probably
 5 close.
 6 Q. Were they successful?
 7 A. We -- yes.
 8 Q. Did Leonardo Technologies, Inc. get a government
 9 contract to build more and larger devices based on
 10 that UNH test?
 11 A. Well, I don't know if it was based on that test.
 12 They had -- the DOE had a real high interest in
 13 thermoelectrics. That proof of concept showed
 14 that there was some potential with
 15 thermoelectrics.
 16 Q. And -- and on the basis of that, was there -- was
 17 a government contract issued to Leonardo
 18 Technologies Inc.?
 19 A. Yes.
 20 Q. What was the value of that contract?
 21 A. We had two or three contracts with
 22 thermoelectrics. I -- I don't know the -- the
 23 exact number. I think it was \$300,000, maybe.

1 Q. This project involved building -- or at least
 2 shipping 27 of the larger machines; right?
 3 A. No -- I mean, they -- they were looking at
 4 producing thermoelectric units for applications
 5 with the fuel cell -- and, again, this has been a
 6 long, long time ago.
 7 What -- what I recall is, again, the
 8 thermal expansion quotient was never considered in
 9 this application.
 10 Q. Well, the report says that 27 units were shipped,
 11 of which 19 generated zero electricity.
 12 Does that sound right?
 13 A. Could be.
 14 Q. And it says that the remaining eight generated
 15 less than 1 watt, when 800 to 1,000 waters were
 16 expected by the people who were paying for it.
 17 A. Right.
 18 Q. Does that sound right?
 19 A. Yes.
 20 Q. Okay.
 21 MR. BELL: No further questions. Thank
 22 you.
 23 MR. CHAIKEN: Francisco, are you there?

A, H, R

H, R

1 I really don't know. I can't remember.
 2 Q. And this report reports on the results of that --
 3 of that larger effort; correct?
 4 A. This report?
 5 Q. Yes. What were the results of the --
 6 A. We were unable to do -- get to -- we were unable
 7 to do the thermoelectrics we had thought about --
 8 that we could do this. And there was a big -- and
 9 this was what I was learning as I was managing
 10 these projects -- was that there's a difference
 11 between concept and reality sometimes; that one of
 12 the big things that we found out out of this
 13 project (indicating) and a subsequent project that
 14 we developed -- and the third project we were
 15 successful -- was thermal expansion. Nothing
 16 was -- we hadn't thought about thermal expansion
 17 in the concept for this development.
 18 Q. The -- the third thing you just mentioned that was
 19 successful, did that involve Andrea Rossi?
 20 A. No, it did not.
 21 Q. Okay. This project involved Andrea Rossi;
 22 correct?
 23 A. Yes.

1 MR. LEON de la BARRA: Yes, sir, I'm
 2 here.
 3 EXAMINATION
 4 BY MR. LEON de la BARRA:
 5 Q. Good afternoon. My name is Francisco Leon de la
 6 Barra. I haven't had the pleasure. I represent
 7 JM Products, Inc., Henry Johnson, and James Bass.
 8 And I'll try to be brief. But I did pop in a
 9 little late, so I might overlap with some of the
 10 testimony from earlier today. So please bear with
 11 me.
 12 MR. LEON de la BARRA: I just want to
 13 confirm that everyone over there can hear me all
 14 right.
 15 MR. CHAIKEN: Yeah. Thanks.
 16 THE WITNESS: Yes.
 17 Q. Earlier in your testimony, if I'm recalling
 18 correctly, you stated that AEG wasn't interested
 19 in the client that would be operating at the
 20 facility, but solely interested in the E-Cat; is
 21 that correct?
 22 A. Yeah. We -- we -- well, we were interested in
 23 having a client so that the E-Cat could perform.

1 Q. Okay. Was it your understanding that a client was
 2 necessary for the E-Cat to perform?
 3 MR. BELL: Objection to form.
 4 A. No. Again, I'll repeat myself -- that I said this
 5 morning -- is that what we were -- you know,
 6 having a client that could accept the waste heat
 7 or the energy seemed a productive way of running
 8 the facility.
 9 We couldn't figure out how you could run
 10 a 1-megawatt unit -- because we saw this in
 11 Italy -- we had to dump the water, and, you know,
 12 it just didn't make sense to run the system
 13 without having any end user.
 14 Q. Got it.
 15 What was your understanding of who that
 16 end user was going to be in -- you know, in
 17 relation to the testing of the E-Cat?
 18 A. That it was a company in Florida, JM -- and I
 19 apologize; I'm not sure what the -- what the -- JM
 20 Products, or whatever the -- the company was --
 21 that did use -- would use the heat -- the excess
 22 heat to do something with paints or chemicals.
 23 Q. Got it.

1 I -- there were several companies, but it never
 2 came to fruition.
 3 Q. Got it.
 4 Now, take me back to a -- I believe
 5 2015. I believe you stated you did visit the --
 6 the facility in Miami -- or Doral, better said --
 7 two times --
 8 A. Yes.
 9 Q. -- in 2016?
 10 A. Yes.
 11 Q. In those -- in those meetings or those visits,
 12 rather, what was the purpose of those visits?
 13 A. To visit the --
 14 Q. Well -- sorry. Can I -- let me -- let me take
 15 it -- on the first visit, which I believe was in
 16 April of 2015; correct?
 17 A. Yes.
 18 Q. You stated that the purpose of that visit was
 19 simply to observe the E-Cat; correct?
 20 A. Yes.
 21 Q. Okay. Did you ever -- if I recall, you -- you
 22 said you never met anyone from the -- the
 23 customer -- the local customer that was using the

IMP

1 So it was always told to you that it was
 2 going to be a company called JM Products, Inc. --
 3 A. Well, I --
 4 Q. -- as far as you know.
 5 A. Is that really -- I don't -- I don't know if it
 6 was JM Products. I think it was, yes.
 7 Q. Okay. Was it ever -- did anyone ever tell you
 8 that -- who the owner or the parent company of
 9 this JM Products was, or would be?
 10 A. A parent company?
 11 We -- we assumed that JM was its own
 12 entity.
 13 Q. Okay. So no one -- no one ever told you, Okay,
 14 this company is associated with another company?
 15 A. I don't recall.
 16 Q. Okay. Let me take a step back.
 17 Before the plant ever moved to -- to
 18 Florida, was it ever contemplated -- were you ever
 19 advised of another entity that would be using what
 20 you call the "waste steam" from the E-Cat?
 21 A. No. I think they were looking for a facility in
 22 North Carolina. I know Tom had indicated there
 23 was a brick company that they wanted to look at.

1 steam?
 2 A. Correct.
 3 Q. All right. Did you ever meet anyone from the
 4 customer the second time around?
 5 A. No.
 6 Q. No. Does the name Henry Johnson mean anything to
 7 you?
 8 A. No.
 9 Q. Does the name James Bass mean anything to you?
 10 A. What was the last name?
 11 Q. James Bass.
 12 A. No.
 13 Q. No, okay.
 14 Were you ever told by anyone what --
 15 strike that.
 16 I think you alluded to this before, but
 17 you said that you were told a customer would use
 18 the steam.
 19 Did you ever -- was -- did anyone ever
 20 tell you how that customer was going to use the
 21 steam? In other words, what they were going to be
 22 doing with the steam?
 23 A. Well, we -- we assumed it was a process for --

Page 233

1 again, I -- I -- you know, chemicals or paints or
 2 something; that that heat would be used --
 3 Q. Okay.
 4 A. -- for that process.
 5 Q. Did you have any understanding -- and by "you," I
 6 mean AEG; right?
 7 Did AEG have any understanding of -- of,
 8 you know, a specific brand or company whose
 9 chemicals would be processed --
 10 A. No.
 11 Q. -- or who -- who would be supplied --
 12 A. No.
 13 Q. -- not supplied. Rather, who the products that
 14 were being processed would be sold to?
 15 A. No.
 16 Q. Oh.
 17 MR. LEON de la BARRA: I think -- yeah.
 18 That's all I've got. Short and sweet.
 19 MR. CHAIKEN: Thank you, Francisco.
 20 I've got a few very quick followup
 21 questions, based on what Mr. Bell had asked you
 22 earlier.
 23 FURTHER EXAMINATION

Page 234

1 BY MR. CHAIKEN:
 2 Q. You had asked -- answered some questions about
 3 Exhibit 20 and Exhibit 27 -- about the ERV, and
 4 there was a -- a meeting you had in, I believe,
 5 June, where I believe there -- the notes reflected
 6 that J.T. Vaughan said that they did not accept
 7 Fabio Penon as the ERV.
 8 Do you recall that --
 9 A. That was a --
 10 Q. -- line of questioning?
 11 A. -- phone conversation, I believe.
 12 Q. Right.
 13 A. That's the notes that Ron took.
 14 Q. And I think you said that there was -- the reason
 15 why that Industrial Heat didn't want to upset
 16 Doctor Rossi was because they were trying to close
 17 on some funding; is that correct?
 18 MR. BELL: Object to form.
 19 A. I didn't -- no. I -- I -- that was part of what
 20 was going on in the big picture --
 21 Q. Right.
 22 A. -- but I know Tom didn't want to upset Andrea from
 23 the beginning. I mean, from -- from day one.

Page 235

1 Q. Do you think that the fact that they were trying
 2 to close on some funding in -- in 2015 played a
 3 role in how they communicated with Doctor Rossi
 4 leading up to that funding?
 5 A. That would be an assumption. I -- I don't know.
 6 Q. Did --
 7 A. You know, I -- one meeting that -- and I was not
 8 on this call -- and we had this discussion the
 9 other day; that I -- that Karl and Ron had with
 10 J.T. that I was not involved with, and they were
 11 in the money-raising phase, and we were asking if
 12 there was anything we could do, and J.T. said no;
 13 that everything was under control.
 14 That was the only -- we knew that they
 15 were out trying to raise money. We were hoping
 16 they would raise money.
 17 Q. All right.
 18 A. And we were offering any assistance that we could,
 19 but we were told that they were in good shape.
 20 So...
 21 Q. After you had the oral conversation with J.T.
 22 Vaughan about the ERV, did you ever ask him, Hey,
 23 why aren't you putting this in writing?

IMP

Page 236

1 A. Well, we always wondered why -- first of all, for
 2 us, why there wasn't a protocol. I mean, you
 3 know, that, from an engineering standpoint -- when
 4 I'm surrounded by engineers -- the steps of the
 5 protocol to get to that was a question we always
 6 had, because we wanted to make sure that, in the
 7 end, there was no -- that it wouldn't come to
 8 this.
 9 Q. Do you -- do you know whether or not there was a
 10 protocol?
 11 A. We never saw a protocol.
 12 Q. Did you ever ask for it?
 13 A. I'm sure we -- we've had -- we had conversations
 14 with that -- about that.
 15 What we -- and we thought the protocol
 16 for the first test in Italy was really going to be
 17 the protocol. And so the process that they went
 18 through in Italy, we assumed that that would be
 19 the protocol set for this test or the -- the
 20 following test.
 21 Q. Now, I asked a question -- and I'm not sure I got
 22 a direct answer to this -- which was: Did you
 23 ever ask J.T. Vaughan, Why aren't you putting this

Page 237

1 stuff in writing? If you object to Penon and
 2 Penon is showing up at the plant, why didn't you
 3 put something in writing saying, I don't agree
 4 with Penon as the ERV?
 5 A. I'm sure we did.
 6 Q. And what was the response?
 7 A. I -- as I say, I'm sure we had that conversation,
 8 'cause we were concerned that they weren't
 9 communicating.
 10 Q. Right.
 11 A. So we wanted to make sure that there was a path
 12 that would set those standards, protocol,
 13 agreements, in place.
 14 Q. Well, what was -- what was Industrial Heat's
 15 response to your question that, Why aren't you
 16 putting your rejection of Penon in writing? And
 17 why aren't you making that clear to -- to Doctor
 18 Rossi, who clearly thinks that he is the ERV;
 19 right?
 20 MR. BELL: Objection to form.
 21 A. Yes. Andrea thought that that was all right. I'm
 22 not sure why we didn't ask that question.
 23 Q. Did you -- so you -- you never got a response from

Page 238

1 IH as to why they weren't putting it in writing?
 2 MR. BELL: Objection to form.
 3 A. No, we never -- we never got a -- why they...
 4 Q. You think they should have, though; right?
 5 MR. BELL: Objection to form.
 6 MR. SHARE: Objection to form.
 7 A. Uhm.
 8 Q. I'll withdraw the question.
 9 MR. CHAIKEN: I have no further
 10 questions. Thank you for your time.
 11 MR. BELL: I'm done. Thank you.
 12 MR. SHARE: I have some questions before
 13 we wrap up.
 14 EXAMINATION
 15 BY MR. SHARE:
 16 Q. I want to -- I want to refer to --
 17 MR. SHARE: Well, for the folks on the
 18 phone, my name's Andrew Share, I'm corporate
 19 counsel to AmpEnergy.
 20 Q. I want to refer to Exhibit No. 8 that Attorney
 21 Chaiken put into the record this morning.
 22 Specifically this is an email from myself to April
 23 Kite, who is -- or was at the time -- Industrial

Page 239

1 Heat's corporate counsel. On the second page,
 2 document No. IH-104014, the question was asked to
 3 you by Attorney Chaiken earlier with respect to
 4 this paragraph No. 4, which you can read, and I'll
 5 paraphrase -- and that -- it's already been read
 6 into the record -- asking about the parties'
 7 intent behind the Contribution Agreement -- this
 8 is a comment from me; and that the parties thought
 9 that -- at least from AmpEnergy -- there was some
 10 ambiguity as to what triggers AEG has to future
 11 equity in the appropriate company.
 12 At the time that question was asked, you
 13 seemed to be struggling in trying to answer the
 14 question, at the same time reading this email,
 15 trying to remember what the context of it was.
 16 A. Right.
 17 Q. You know, time having passed, have you had further
 18 thought to be able to think about exactly what the
 19 ambiguity that was being referenced in this email
 20 was?
 21 A. I -- I have a little bit of thought, but I'd like
 22 to hear your...
 23 MR. CHAIKEN: You're putting your

Page 240

1 attorney on the spot. Not a good idea.
 2 THE WITNESS: He's a smart guy. So...
 3 MR. CHAIKEN: Okay.
 4 Q. Do you have -- do you recall at the time in which
 5 this email was written there was a discussion
 6 around a previous conversation that the parties
 7 had had -- the parties being Industrial Heat and
 8 AEG -- regarding the second amendment to the
 9 license agreement, which is Exhibit 13, that
 10 Attorney Chaiken had entered into the record?
 11 A. Yes.
 12 Q. The substance of the second amendment was for the
 13 purposes of amending the milestones and criteria
 14 through which Doctor Rossi would be paid, not
 15 based -- amending --
 16 A. Not --
 17 Q. -- the requirement from no longer having to
 18 achieve COP of 6 or greater, but providing the
 19 opportunity to receive a reduced amount of
 20 compensation if he received a COP of less than 6
 21 but greater than 2.4?
 22 A. I recall that.
 23 Q. Do you -- did AEG and Industrial Heat reach an

Page 241

1 agreement based upon compensation that would be
 2 owed to AEG if Doctor Rossi achieved a COP of less
 3 than 6 but greater than 2.4, that Industrial Heat
 4 still thought proved that the technology had
 5 value?
 6 MR. BELL: Objection to form.
 7 A. Yeah. Yes. They would have moved forward, and --
 8 and we would not have been compensated.
 9 Q. Did AEG receive satisfactory -- did AEG and
 10 Industrial Heat resolve the ambiguity that was
 11 raised --
 12 A. No.
 13 Q. Referencing again Exhibit No. 13, second amendment
 14 to the license agreement, you were asked by
 15 Attorney Chaiken on whether or not AEG had signed
 16 the second amendment, to which you responded
 17 "Yes," and then further on said, "I don't know."
 18 Have you had an opportunity to think
 19 about and recall why AEG did not sign that second
 20 amendment?
 21 A. Because we felt that we had not come to an
 22 agreement; and that we felt that we should be
 23 compensated; and that it was not in our best

P

Page 243

1 ERRATA SHEET
 2
 3 I, Craig J. Cassarino, wish to document
 4 the following corrections:
 5
 6
 7 PAGE LINE
 8
 9 _____ CHANGE: _____
 10 REASON: _____
 11 _____ CHANGE: _____
 12 REASON: _____
 13 _____ CHANGE: _____
 14 REASON: _____
 15 _____ CHANGE: _____
 16 REASON: _____
 17 _____ CHANGE: _____
 18 REASON: _____
 19 _____ CHANGE: _____
 20 REASON: _____
 21 _____ CHANGE: _____
 22 REASON: _____
 23 _____ CHANGE: _____
 REASON: _____

Page 242

1 interest to sign that.
 2 MR. SHARE: That's it.
 3 MR. BELL: No further questions. Thank
 4 you very much for your time.
 5 MR. CHAIKEN: Okay. Read or waive?
 6 MR. SHARE: What's that?
 7 MR. CHAIKEN: He wants to read it, or
 8 waive his right to read it?
 9 MR. SHARE: No. We're going to read it.
 10 MR. CHAIKEN: Okay. Appreciate your
 11 time. Thank you.
 12 VIDEOGRAPHER: Okay. Time is 3:03 p.m.,
 13 and this concludes the deposition.
 14 (Whereupon the deposition ended at
 15 3:03 p.m.)
 16
 17
 18
 19
 20
 21
 22
 23

Page 244

1 SUBSCRIPTION OF DEPONENT
 2 State of _____
 3 County of _____
 4
 5
 6 I, Craig J. Cassarino, do hereby certify that
 7 I have read the foregoing transcript of my
 8 testimony and further certify that said transcript
 9 (with/without) suggested corrections on the Errata
 10 Sheet is a true and accurate record of said
 11 testimony taken at the time and place designated.
 12
 13 _____
 14
 15 Craig J. Cassarino
 16
 17 Date _____
 18
 19 Subscribed and sworn to
 20 Before me this _____
 21 day of _____, 20__.
 22
 23 _____
 Notary Public
 State of New Hampshire
 Commission expires:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

CERTIFICATE

I, Patricia Jodi Ohnemus, a Licensed Shorthand Reporter for the State of New Hampshire, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of the proceeding taken at the place and on the date hereinbefore set forth to the best of my skill and ability under the conditions present at the time.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action in which this proceeding was taken, and further that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.

The foregoing certification of this transcript does not apply to any reproduction of the same by any means unless under the direct control and/or direction of the certifying reporter.

Patricia Jodi Ohnemus
LCR #91, RMR, RPR, CRR