

WILCOXON ONE

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

TRANSMISSION TECHNOLOGY  
CORPORATION, a Nevada  
corporation,

Plaintiff,

vs.

W. BRANDT GOLDSWORTHY &  
ASSOCIATES, INC., a  
California corporation,  
and W. B. G., INC., a  
California corporation,

Defendants.

No. CV 01-07118GJK(AJWx)

AND RELATED COUNTER-CLAIMS.

DEPOSITION OF BENTON WILCOXON

Los Angeles, California

Thursday, November 29, 2001

Volume

Reported by:  
ANNA STEINERT  
CSR No. 11202  
JOB No. 856795A

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WILCOXON ONE

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TRANSMISSION TECHNOLOGY CORPORATION, a Nevada corporation,  
Plaintiff,  
vs.  
W. BRANDT GOLDSWORTHY & ASSOCIATES, INC., a California corporation,  
and W. B. G., INC., a California corporation,  
Defendants.

No. CV 01-07118GJK(AJWx)

Deposition of BENTON WILCOXON,  
Volume 1, taken on behalf of Defendant  
Thomas Sawyer, at 2049 Century Park  
East, Suite 2050, Los Angeles,  
California, beginning at 9:27 a.m. and  
ending at 2:42 p.m. on Thursday,  
November 29, 2001, before ANNA STEINERT,  
Certified Shorthand Reporter No. 11202.

♀

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2

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WILCOXON ONE

9 WILLIAM ARRINGTON  
10 W. BRANDT GOLDSWORTHY  
11 MICHAEL GOLDEN  
12 THOMAS SAWYER  
13  
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1	INDEX		
2	WITNESS:		EXAMINATION
3	BENTON WILCOXON		
4	Volume 1		
5		BY MR. PERKINS	5
6			
7			
8	EXHIBITS		
9	DEFENDANT		PAGE
10	507	Declaration of Benton Wilcoxon	82
11	508	Minutes of first meeting of board Page 4	115

12		WILCOXON ONE of directors of Transmision Technology Corporation	
13	509	Supplemental declaration of Benton Wilcoxon	133
14			
15	510	Credit card statements and receipts	147
16	511	Declaration of Benton Wilcoxon in support of Plaintiff's motion for a preliminary injunction and stay of proceedings	163
17			

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21  
22  
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INSTRUCTION NOT TO ANSWER

Page Line  
138 24

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1 Los Angeles, California, Thursday, November 29, 2001  
2 9:27 a.m. - 2:42 p.m.

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4 BENTON WILCOXON,  
5 having been administered an oath, was examined and  
6 testified as follows:

8

EXAMINATION

9

BY MR. PERKINS:

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13  
14

Q Good morning, Mr. Wilcoxon.  
My name is Jeffrey Perkins. I'm an attorney.  
I represent Mr. Tom Sawyer, with whom I believe you're  
acquainted. Is that true?  
A Uh-huh.

WILCOXON ONE

15 Q And have you ever had your deposition taken  
16 before, sir?

17 A Yes.

18 Q Let me just go through a few of the ground  
19 rules. I'm sure you've heard them before, but if not,  
20 let me just bring you up to date.

21 Your testimony is under oath. You've been  
22 sworn. That means you're subject to the laws of  
23 perjury in the State of California and the United  
24 States Federal District Courts. Are you aware of that?

25 A Yes.

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1 Q And you understand that the court reporter  
2 here is going to be taking down everything I say and  
3 everything you say and hopefully everything everybody  
4 else says for the record in this case, and then it will  
5 be printed out in a form of a booklet, which you'll be  
6 allowed to read and review and make corrections, if you  
7 deem appropriate. Do you understand that?

8 A Yes.

9 Q And you understand that if you do make  
10 corrections that I will or any other counsel will be  
11 able to comment on those corrections at the time of  
12 trial or at any other time. Do you understand that?

13 A Yes.

14 Q And so it's important to try and get a record  
15 which is as clear and correct as possible so that we  
16 don't have to have corrections, so I would ask you to  
17 try to make your answers as responsive to the questions

WILCOXON ONE

18 as you can and obviously as accurate as you can.

19 Will you do that for me?

20 A Yes.

21 Q Will you endeavor to listen to my questions  
22 and allow me to complete the question in full before  
23 you answer?

24 The reason for that being, No. 1, the court  
25 reporter will have difficulty taking down your response

7

♀

1 if it comes before my question is finished, and we'll  
2 have an incomplete record in that regard.

3 And second of all, oftentimes people think  
4 they know what the question is and they answer it  
5 before the question is complete and then it turns out  
6 that wasn't the question. So then again we have an  
7 incomplete record which requires correction and the  
8 like.

9 So for those reasons and many others, I would  
10 appreciate it if you would endeavor to let me finish  
11 the question before you answer, and I will do the same  
12 for you the best I can, I'll try not to interrupt you.

13 Do we have an understanding on that, sir?

14 A Yes.

15 Q Where are you employed, sir?

16 A I'm the chairman and CEO of Transmission  
17 Technology Corporation.

18 Q And how long have you been so employed?

19 A Since approximately April the 5th.

20 Q Of what year? This year?

WILCOXON ONE

- 21 A 2001.
- 22 Q Prior to your engagement as chairman and CEO
- 23 of TTC, how were you employed?
- 24 A As a consultant.
- 25 Q For what firm?

8

♀

- 1 A My own firm.
- 2 Q Did it have a name other than your own name?
- 3 A No.
- 4 Q And how long were you self-employed as a
- 5 consultant?
- 6 A Since '97.
- 7 Q Can you give me an understanding as to what
- 8 you did as a consultant, what kind of duties, what
- 9 consulting you did?
- 10 A Technology venturers, starters, and financing.
- 11 Q Prior to 1997 what did you do in a way of
- 12 employment?
- 13 A I was the chairman and CEO of Ashurst
- 14 Technology.
- 15 Q And how long were you chairman of Ashurst?
- 16 A I would say -- I don't remember exactly, but
- 17 approximately one year.
- 18 Q And what business is Ashurst engaged in?
- 19 A In the commercialization of technologies from
- 20 the former Soviet Union, primarily Ukraine.
- 21 Q When you say "commercialization of
- 22 technologies," what do you mean?
- 23 A Licensing of technology and developing



WILCOXON ONE

24 commercial markets for the technology and marketing the  
25 same.

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1 Q When you went to work for Ashurst, what level  
2 did you become employed there?

3 A President.

4 Q Was Ashurst a start-up company?

5 A Yes.

6 Q Were you also a CEO when the company began?

7 A No.

8 Q Who was CEO at the time?

9 A There wasn't a CEO.

10 Q Was there anyone above you in terms of the  
11 hierarchy?

12 A At a later time there was.

13 Q When did you begin at Ashurst Technology?

14 A I was one of the founders.

15 Q How many founders were there?

16 A Initially two founders.

17 Q Who was your cofounder, then?

18 A Bill Arrington. Actually three founders, to  
19 be exact.

20 Q Who was the other one?

21 A Dominick Majendie.

22 Q And when was Ashurst founded?

23 A In '91.

24 Q It was founded by you three gentlemen; is that  
25 correct?

♀

- 1 A That's correct.
- 2 Q And did you raise financing?
- 3 A Yes.
- 4 Q For the operations of Ashurst?
- 5 A Yes.
- 6 Q Approximately how much did you raise?
- 7 A In total?
- 8 Q In total.
- 9 A In total, approximately, probably around 50
- 10 million, but I do not recall precisely.
- 11 Q 50 or 15?
- 12 A 50.
- 13 Q Did any of the three founders invest their own
- 14 money in that company?
- 15 A Yes.
- 16 Q Did you?
- 17 A Yes.
- 18 Q Do you recall how much?
- 19 MR. JARBLUM: Excuse me. I'm going to start
- 20 objecting. This is a cross-examination deposition, not
- 21 a standard type deposition, and I think you're limited
- 22 as to the types of questions you can ask. It allows
- 23 you to go through the background, but I think it's
- 24 going a little bit too far.
- 25 MR. PERKINS: I meant to address that. That's

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WILCOXON ONE

1 a fair concern. And I wasn't here earlier, and I don't  
2 know what you guys talked about. We do have a time  
3 constraint here, and I think your point is well taken.

4 I will attempt henceforward to limit my  
5 questioning to the subject area specifically involved  
6 in the complaint.

7 And I understand that we have an understanding  
8 that if the case proceeds after the injunction hearing  
9 that there will be additional discovery, and we may  
10 want it. You will make available, if we do want,  
11 Mr. Wilcoxon to reappear to complete his deposition in  
12 a broader fashion. Is that the understanding?

13 MR. JARBLUM: Subject to either the federal  
14 rules if we're litigating under the federal rules.  
15 We'll be subject to whatever the rules of the  
16 Commercial Arbitration Association are.

17 MR. HELLER: Specifically, Mr. Perkins, this  
18 deposition is being taken pursuant to local rule 7.5.4,  
19 and the purpose of allowing the decision under the  
20 local rule is to permit you the opportunity to  
21 cross-examine this witness about his declaration.

22 MR. PERKINS: Understood.

23 MR. HELLER: And you should proceed  
24 accordingly.

25 MR. PERKINS: I won't spend a lot of time on

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1 his background, and presumably that will be the  
2 situation with the other witnesses. I'll try to limit  
3 my questioning to the various declarations that he has

WILCOXON ONE

4 filed, with the understanding that we will be seeking  
5 additional discovery in the future to the extent that  
6 the law provides.

7 I don't really want to go much further with  
8 Ashurst, but I believe Ashurst is mentioned in the  
9 declaration in terms of statements you made about  
10 raising funding and that kind of thing.

11 MR. HELLER: Well, understand, anything that  
12 is in Mr. Wilcoxon's declaration or has any relevance  
13 to the declaration, we certainly won't object to your  
14 exploring. And with respect to future discovery,  
15 again, that all depends on whether these matters are  
16 handled by Judge King in the future or by the  
17 arbitrators. And, of course, discovery in arbitration  
18 is far more limited than it is under the Federal Rules  
19 of Civil Procedure, but we'll cross that bridge when we  
20 come to it.

21 MR. PERKINS: Fair enough.

22 MR. HELLER: But we're not going to agree in  
23 advance what discovery is gonna be taken, if any, until  
24 we see whether this dispute is gonna result in an  
25 arbitration, as we would like, or continue to be

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1 litigated in Federal Court.

2 MR. PERKINS: Okay.

3 Q Do you have any licenses?

4 A No.

5 Q Do you have a college degree?

6 A No.

WILCOXON ONE

7 Q When did you graduate from high school?  
8 Strike that. Maybe that assumes facts not in  
9 evidence.  
10 Did you graduate from high school?  
11 A Yes, I did.  
12 Q Do you recall when that was?  
13 A Approximately '67.  
14 Q Did you attend any college after 1967?  
15 A Yes.  
16 Q But you didn't ever get a degree?  
17 A That's correct.  
18 Q And what colleges did you attend?  
19 A Tulane University.  
20 Q How many years -- how long did you attend  
21 Tulane?  
22 A I think one year and a half, approximately.  
23 Q And you have no license issued by the State of  
24 California other than the driver's license?  
25 A I have no license issued in the State of

14

♀

1 California.  
2 Q And with respect to Ashurst, I asked you  
3 earlier whether you had any of your own money invested  
4 in that firm. Did you have any money invested in it?  
5 A Yes.  
6 Q Approximately how much?  
7 A An original of \$100,000.  
8 Q Is Ashurst still in business?  
9 A Yes.

10 Q Where are they located?  
11 A I believe in Baltimore, Maryland.  
12 Q Is it a public company?  
13 A Actually I don't know its current status.  
14 Q Why did you leave?  
15 A I resigned from the board in a dispute with  
16 the board.  
17 Q And when was that?  
18 A 1997.  
19 Q Between '97 and the present -- I'm sorry --  
20 between '97 and the time you became chairman of TTC,  
21 you operated as a consultant; is that right?  
22 A That's correct.  
23 MR. JARBLUM: Asked and answered.  
24 MR. PERKINS: I just wanted to be sure.  
25 Q All right. Have you ever met Tom Sawyer?

15

♀

1 A Yes.  
2 Q When did you first meet him, sir?  
3 A I don't recall the date.  
4 Q Do you recall the year?  
5 A Not precisely.  
6 Q Was it before the year 2001?  
7 A It could have been in 2000. It could have  
8 been in 2001. I don't remember.  
9 Q Do you recall the circumstances of the  
10 meeting?  
11 A Tom Sawyer came as the attorney for Randy  
12 Renken to discuss a project involving capacitors.

WILCOXON ONE

13 Q Did they have a company, a business that they  
14 were engaged in at that time, Mr. Renken and  
15 Mr. Sawyer?

16 A That's what -- I really had no knowledge of  
17 any of the details of their company. We were strictly  
18 talking technology.

19 Q And this is electronics technology?

20 A Electrical storage technology using  
21 capacitors.

22 Q And how did the meeting come about?

23 A They asked for a meeting to get advice as to  
24 the merits of a capacitor technology.

25 Q They wanted advice from you?

16

♀

1 A That's correct.

2 Q So am I correct that Mr. Renken contacted you?

3 A That's correct.

4 Q Did you know him prior to this meeting in late  
5 2000 or 2001?

6 A I had heard of Mr. Renken and talked on the  
7 phone with him.

8 Q And from whom had you heard of Mr. Renken?

9 A From a Mr. Meldrum, Stephen.

10 Q Stephen Meldrum.

11 How did Mr. Meldrum come to introduce you to  
12 Mr. Renken?

13 A I don't know the answer.

14 Q How do you know Mr. Meldrum?

15 A Mr. Meldrum worked for me at Ashurst.

16 Q This meeting was after you left Ashurst,  
17 correct?

18 A Yes.

19 Q And had Mr. Meldrum left Ashurst as well?

20 A No, he did not leave at that time.

21 Q So could you give me basically what transpired  
22 in terms of the introduction by Mr. Meldrum to  
23 Mr. Renken -- that's not a good question.

24 Can you give me basically what happened as to  
25 how Mr. Meldrum involved Mr. Renken with you?

17

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1 A Mr. Meldrum was asked to consult on the  
2 capacitor technology.

3 Q By Mr. Renken?

4 A By Mr. Renken. And he needed more specific  
5 technology advice, so he asked myself as well as  
6 another specialists in the field.

7 Q And you came in and met with them?

8 A Yes.

9 Q By "them" I mean Renken and Sawyer.

10 A I met with the capacitor people and Renken,  
11 and I'm not certain whether Sawyer was present or not.

12 Q And did you give advice with respect to the  
13 capacitor technology?

14 A Yes.

15 Q Did you understand that Mr. Renken was a  
16 principal in the Electrical Storage Company?

17 A I had no clear understanding of anything about  
18 the Electrical Storage Company.



19 Q So you don't recall him telling you that you  
20 had an ownership interest of his company or anything  
21 like that; is that right?

22 A No.

23 Q How many meetings did you have with Mr. Renken  
24 about electrical storage technology?

25 A I don't recall.

18

♀

1 Q More than one?

2 A Meetings are defined as physical meetings or  
3 telephone meetings?

4 Q Let's include telephone calls.

5 A It's possible, yes, more than one.

6 Q Were you compensated for your input with the  
7 Electrical Storage Company?

8 A I don't know if I was compensated by the  
9 Electrical Storage Company, but there were some  
10 consulting fees which Mel drum gave me.

11 Q Was Mel drum a principal of the Electrical  
12 Storage Company?

13 A I don't know the answer.

14 Q Do you have any understanding as to why  
15 Mr. Mel drum would be paying your consulting fees?

16 A No. Mel drum contacted me.

17 Q So your consulting agreement was with Mel drum;  
18 is that right?

19 MR. HELLER: Objection. Assumes facts not in  
20 evidence.

21 BY MR. PERKINS:

22 Q I wasn't asking whether it was in writing or  
23 anything. Did you have some sort of consulting  
24 agreement with Mr. Mel drum?

25 A No.

19

♀

1 Q Did you have an agreement with anyone?

2 A No.

3 Q So you had various meetings, telephone calls,  
4 and you gave advice and at some point along the line  
5 Mr. Mel drum compensated you in some way; is that right?

6 A That's correct.

7 Q Did you bill Mr. Mel drum for your time?

8 A I told Mr. Mel drum the amount.

9 Q Do you recall what it was?

10 A No.

11 Q Substantial amount?

12 A No.

13 Q A few hundred dollars?

14 A It would be beyond a few hundred dollars.

15 Q A few thousand dollars?

16 A Yes.

17 Q And you were paid without a problem?

18 A Apparently.

19 Q And do you have any knowledge as to whether  
20 the money came from the Electrical Storage Company in  
21 any way?

22 MR. HELLER: Objection. Asked and answered.

23 THE WITNESS: I have no knowledge.

24 BY MR. PERKINS:

25 Q Did you ever tell Mr. Sawyer or Mr. Renken

20

♀

1 that you expected to be paid by them for the consulting  
2 work that you were doing?

3 A I did say to Mr. Renken that I expected to be  
4 paid.

5 Q You did?

6 A Yes.

7 Q And what did he say?

8 A He said of course.

9 Q And you were in fact paid?

10 MR. JARBLUM: Asked and answered.

11 BY MR. PERKINS:

12 Q Let me rephrase that question.

13 Were you paid all the money that you had  
14 requested for your consulting services on this project?

15 A I don't recall.

16 Q When you left the project, did you feel that  
17 you were still owed money?

18 A I don't recall.

19 Q Did you feel you had any problems with  
20 Mr. Sawyer or Mr. Meldrum's ability or willingness to  
21 pay you?

22 A I knew that Mr. Renken --

23 MR. JARBLUM: Objection. I don't think  
24 there's been any evidence that Mr. Sawyer agreed to pay  
25 anybody anything.

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WILCOXON ONE

1 MR. PERKINS: I'm not saying there is. I'm  
2 wondering if he believes Mr. Sawyer or Mr. Renken or  
3 any of these folks still owe him or failed to pay the  
4 money that he believes he's owed.

5 THE WITNESS: I don't believe so.

6 BY MR. PERKINS:

7 Q As you sit here today, with respect to the  
8 electrical storage issue and the consulting work you  
9 did, you don't believe that any of the people on that  
10 side of the transaction still owe you any money; is  
11 that right?

12 A That's correct.

13 Q You completed that consulting job?

14 A Completed it to the ability -- well, I should  
15 say -- given the information, yes, which was very, very  
16 limited information that was provided.

17 Q Well, given the information you were given,  
18 you provided the best you could do in terms of  
19 consulting services, right?

20 A Right.

21 Q And can you tell me how you got involved with  
22 TTC? And what is TTC?

23 A TTC is Transmission Technology Corporation, a  
24 Nevada corporation.

25 Q And how did you become involved with it? When

22

♀

1 was the first time you heard of Transmission Technology  
2 Corporation?

WILCOXON ONE

3 A We formed Transmission Technology in a  
4 meeting -- at over a series of two or three meetings  
5 involving Mr. Renken, Mr. Sawyer, myself, Mr. Harrison,  
6 Mr. Meldrum, and Mr. Arrington.

7 Q Face-to-face meetings?

8 A Some of them were face to face. Not all the  
9 parties were present in each of the meetings.

10 Q When did they begin? When did the meetings  
11 begin, as best you can recall?

12 MR. PERKINS: Could you identify on the record  
13 the people who entered the room.

14 MR. JARBLUM: This is Mr. Arrington and  
15 Michael Golden and this is Mr. Goldsworthy, W. Brandt  
16 Goldsworthy.

17 MR. PERKINS: Could you read back the last  
18 question.

19 (Record read.)

20 THE WITNESS: I think in early 2001 when they  
21 were still trying to promote their energy storage,  
22 their capacitor company.

23 BY MR. PERKINS:

24 Q And by "they," who are you referring to?

25 A Renken and Sawyer as his lawyer.

23

♀

1 Q The first time you met Mr. Renken, was  
2 Mr. Sawyer present?

3 A I don't remember.

4 Q What facts, can you recall, lead you to  
5 conclude that Mr. Sawyer was acting in his capacity as

WILCOXON ONE

6 Mr. Renkin's lawyer during these meetings that you told  
7 me about?

8 A He stated that.

9 Q And "he" meaning whom?

10 A Mr. Renken. And Mr. Sawyer.

11 Q Did Mr. Renken or Mr. Sawyer indicate to you  
12 at any time prior to the formation of TTC that  
13 Mr. Sawyer was also a partner of Mr. Renken?

14 A No.

15 Q So early 2001 you had some meetings with these  
16 two gentlemen which came about as a result of your  
17 earlier consulting with the Electrical Storage Company;  
18 is that right?

19 MR. JARBLUM: Asked and answered.

20 THE WITNESS: Yes.

21 BY MR. PERKINS:

22 Q With regard to the subsequent meetings with  
23 respect to TTC, do you recall what was said the first  
24 time this new project was mentioned?

25 A I don't understand the question.

24

♀

1 Q Well, how did the subject of the Transmission  
2 Technology Corporation begin?

3 A By me suggesting that since their capacitor  
4 technology was highly questionable that if they really  
5 had financing they should consider other technologies.

6 Q When did you make that --

7 A And Renken asking if there is other  
8 technologies.

WILCOXON ONE

9 Q When did that statement occur, approximately?

10 A Again, I do not recall.

11 Q In 2001, correct?

12 A Not necessarily.

13 Q Did they come to you with a new financing  
14 project at some point?

15 A A new financing project?

16 Q A new project a new venture. Or did you bring  
17 the venture to them?

18 A I brought the venture.

19 Q You brought the TTC concept to them?

20 A Absolutely.

21 Q And when was that?

22 A Again, sometime in late 2000 or early 2001.

23 Q When you brought it to them, what was your  
24 purpose in bringing it to them?

25 A They asked if there was something better since

25

♀

1 I was critical of the capacitor technology  
2 capabilities, its credibility.

3 Q So they asked, and you said what? What did  
4 you say?

5 A I said if you want to do something, I think  
6 there's something better to do in the energy field.

7 Q And what happened next with respect to that  
8 subject?

9 A Renken said if it's better, let's do it.

10 Q Was this the first face-to-face meeting?

11 A I don't recall. There was a face-to-face

WILCOXON ONE

12 meeting, but I don't know which one would be the first.

13 Q Was Mr. Sawyer present at this discussion  
14 about the new venture?

15 MR. JARBLUM: Objection. He just testified he  
16 doesn't recall if this was a face-to-face or phone  
17 conversation.

18 BY MR. PERKINS:

19 Q Do you recall speaking with Mr. Sawyer  
20 directly about the project early on?

21 A I recall him taking notes at, at least, one  
22 meeting, but not being actively engaged in the  
23 conversation.

24 Q And was it your understanding that what  
25 Mr. Renken and Mr. Sawyer were proposing was to obtain

26

♀

1 funds in order to finance technology ventures?

2 MR. JARBLUM: Objection. Assumes facts not in  
3 evidence.

4 BY MR. PERKINS:

5 Q What did you understand Mr. Sawyer and  
6 Mr. Renken were bringing to the table, so to speak, in  
7 terms of your discussions with them about projects?

8 A The only thing they would be capable of  
9 bringing to the table would be financing, assuming they  
10 could bring financing.

11 Q And by "financing," you knew, did you not,  
12 that they didn't have the money themselves, and they  
13 would have to go and get it from third parties; is that  
14 right?



WILCOXON ONE

15 A I presumed that to be the case.

16 Q And that was all right with you? You  
17 understood that?

18 A I didn't demand financing from them.

19 Q Have you met Mr. Brandt Goldsworthy?

20 A Yes.

21 Q When was the first time you met him?

22 A Face to face or on the telephone?

23 Q Any capacity, the first time.

24 A I don't recall the precise date.

25 Q Again, I don't need the precise date. I just

27

♀

1 want to get a time frame.

2 A There were conversations with Mr. Goldsworthy  
3 from Ashurst Technology during the time I was the  
4 president of Ashurst Technology.

5 Q Approximately how many?

6 A I don't remember.

7 Q Did you enter into any business arrangements  
8 with Mr. Goldsworthy or his company?

9 A We discussed them. We sent samples, and I  
10 don't recall the details.

11 Q You don't recall whether any business  
12 agreements or transactions occurred; is that right?

13 A That's right.

14 Q And approximately how many times did you speak  
15 with Mr. Goldsworthy while you were at Ashurst?

16 A I don't know.

17 Q More than one, correct?

WILCOXON ONE

18 A There was more than one phone call with the  
19 company.

20 Q Do you recall whether he called you or you  
21 called him?

22 A I do not recall. There are many employees,  
23 and there were conference calls.

24 Q Did you know whom Mr. Goldsworthy was at the  
25 time you first began speaking with him?

28

♀

1 A Yes.

2 Q And had you heard of his company?

3 A Yes.

4 Q Had you heard of his technology?

5 A What technology?

6 Q What did you know about Mr. Goldsworthy the  
7 first time you had discussions with him?

8 A That he was interested in composite materials.

9 Q Did you understand him to be an inventor?

10 A Basically.

11 Q Did you understand him to have a company which  
12 was engaged in the capacity materials business?

13 A Yes.

14 Q After your meetings or discussions with him at  
15 Ashurst, did you have other occasions to speak or meet  
16 with Mr. Goldsworthy?

17 A Yes.

18 Q And what is the approximate time frame that  
19 the next meeting occur?

20 A We traveled to meet Mr. Goldsworthy with

WILCOXON ONE

21 Mr. George Kast, as you can note in the declaration, to  
22 discuss various composite technology.

23 Q And when you say "we," to whom do you refer?

24 A Mr. Arrington and myself and Mr. Kast and the  
25 members of his company.

29

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1 Q "His company" being Mr. Kast's company?

2 A Correct.

3 Q What company did Mr. Kast represent?

4 A I'm not precisely sure of the name, but Global  
5 Water Technologies, I believe.

6 Q How many times did you meet with  
7 Mr. Goldsworthy with this group of people?

8 A I met one time.

9 Q Did any business arrangements or contracts  
10 develop as a result of that meeting?

11 A Subsequent meetings occurred. And I don't  
12 believe that anything was finalized, although we did  
13 discuss specific concepts.

14 Q Did you yourself have discussions face to face  
15 with Mr. Goldsworthy during any of those meetings?

16 A Yes.

17 Q And do you recall the substance of those  
18 discussions?

19 A Various Goldsworthy technologies from  
20 composite reinforced conductors to pultruded tower  
21 structures, electrical towers, to the possibility of  
22 making a composite cooling tower, at least the  
23 structural framework of the cooling tower and discussed

24 a prefabricated composite house.

25 Q What was the purpose of the meeting?

30

♀

1 MR. JARBLUM: Objection. Which meeting are  
2 you talking about?

3 BY MR. PERKINS:

4 Q The meeting that you just talked about where  
5 you traveled with Mr. Arrington, Mr. Kast, and the  
6 employees of Mr. Kast's firm. What was the reason you  
7 were going to meet with Mr. Goldsworthy?

8 A To look at licensing or commercializing the  
9 technology of Mr. Goldsworthy or having specific  
10 products made.

11 Q You requested a license -- you were speaking  
12 to obtain a license to market his technology; is that  
13 right?

14 A I did not request a license.

15 Q Did anyone at the meeting?

16 A Mr. Kast was interested, as I stated before,  
17 in commercializing technologies and in possibly having  
18 special products designed and the equipment acquired so  
19 that they could produce cooling towers among other  
20 things related to the electrical industry.

21 Q Did anything come of those meetings in the  
22 form of a formal business arrangement?

23 A As I stated before, I am not aware of anything  
24 which has been finalized.

25 Q And after that -- was that a series of

♀

1 meetings or just one meeting?

2 A There was more than one meeting.

3 Q And after that series of meetings with respect  
4 to that particular subject matter area, did you have  
5 occasion to meet Mr. Goldsworthy again?

6 A Yes.

7 Q When was the next meeting?

8 A I next met him on May the 5th, and prior to  
9 that I arranged for a meeting with Mr. Carswell,  
10 Mr. Kanelly.

11 Q You arranged for a meeting with Mr. Carswell  
12 and Mr. Kanelly at what time, do you recall?

13 A It's reflected in Mr. Carswell's declaration.  
14 I don't recall at this time.

15 Q Who is Mr. Carswell? How is he related to you  
16 in a business sense?

17 A Mr. Carswell and I both raised financing for  
18 another company, another technology.

19 Q What company was that?

20 A For TMA Ventures and MEMX.

21 Q TMA Ventures. And this was when, what time  
22 frame?

23 MR. JARBLUM: What are you referring to by  
24 "what time frame"?

25 MR. PERKINS: The raising the capital or

♀

WILCOXON ONE

- 1 financing for TMA Ventures.
- 2 Q Was that distant in time or around this time?
- 3 A No. 2000.
- 4 Q And how do you know Mr. Kast?
- 5 A I know Mr. Kast through Mr. Arrington.
- 6 Q And how long have you known Mr. Kast?
- 7 A I don't recall. Approximately two years.
- 8 Actually the first meeting with Mr. Goldsworthy was --
- 9 the next physical meeting was on May 4th, not the 5th,
- 10 to correct my previous statement.
- 11 Q Were you in fact successful in raising money
- 12 for MEMX?
- 13 A Yes.
- 14 Q Approximately how much did you raise?
- 15 A An initial 2.5 million followed by another
- 16 approximately 3 million.
- 17 Q Is MEMX still in business?
- 18 A Yes.
- 19 Q Are they a public company?
- 20 A No.
- 21 Q Are you associated with them in any way?
- 22 A I am an owner of some of the shares in TMA
- 23 Ventures, which is a very large holder of MEMX.
- 24 Q Are you an officer of TMA Ventures?
- 25 A No.

33

♀

- 1 Q Director?
- 2 A No.
- 3 Q Are you one of the many shareholders?

4 A Not that many.

5 Q How did the meeting on May 4th with  
6 Mr. Goldsworthy come about?

7 MR. HELLER: Did you say May 4th?

8 MR. JARBLUM: Yes.

9 MR. PERKINS: Yes.

10 THE WITNESS: Came about to follow up the  
11 initial concepts discussed in our first meeting about  
12 the electrical conductor technology with Mr. Kast with  
13 a view to commercialize the technology.

14 BY MR. PERKINS:

15 Q As of the May 4th meeting, were you associated  
16 in some way with Transmission Technology Corporation?

17 A Yes.

18 Q When was Transmission Technology Corporation  
19 formed?

20 A March the 28th, I believe, it was filed,  
21 approximately.

22 Q So approximately a week before your meeting  
23 with Mr. Goldsworthy; is that right?

24 MR. JARBLUM: Objection. You're completely  
25 out of time frame.

34

♀

1 THE WITNESS: Incorrect.

2 BY MR. PERKINS:

3 Q I'm sorry. March 28th 2001; is that right?

4 A Right.

5 Q And you first met on April 4th 2001?

6 A May 4th.

7 Q I'm sorry. May 4th. Okay.  
8 So a month later you met with Mr. Goldsworthy;  
9 is that right?  
10 A On the 4th we met.  
11 Q How did the formation of Transmissi on  
12 Technology come about?  
13 A It came about during a conversati on wi th  
14 Mr. Renken and Mr. Harri son whereby I was planni ng to  
15 form the company and Mr. Renken announced that he  
16 already had Tom form it for us.  
17 Q Who is Mr. Harri son?  
18 A Mr. Harri son is the head of Bridgestone  
19 Capital Group.  
20 Q How was he i nvolved wi th Transmi ssi on  
21 Technol ogy Corporati on?  
22 A He's an i nvestment banker.  
23 Q I thi nk you testi fied -- stri ke that.  
24 Mr. Renken and Mr. Harri son met wi th you, and  
25 Mr. Renken i ndicated that he woul d have Mr. Sawyer form

35

♀

1 a corporation; is that what happened?  
2 A No. He had him form the corporation.  
3 Q When you say -- were you -- were the three of  
4 you contemplating forming a corporation at that time?  
5 A No. I was contemplating on forming the  
6 corporation at the time.  
7 Q I see. And why? For what purpose?  
8 A For commerci alizi ng the transmi ssi on  
9 technol ogy, enteri ng i nto negoti ati ons wi th



10 Goldsworthy.

11 Q At the time the corporation was formed, you  
12 had this idea to form the corporation, and you intended  
13 to meet with Mr. Goldsworthy for the purpose described,  
14 correct?

15 A Rephrase the question. I don't understand the  
16 question.

17 Q I'll try again.

18 At the time you decided to form this  
19 corporation, the purpose was to have the corporation in  
20 place when you met with Mr. Goldsworthy in order to  
21 discuss his marketing and licensing of his technology;  
22 is that correct?

23 A That's correct.

24 Q And were you the sole principal with respect  
25 to that concept?

36

♀

1 A No.

2 MR. JARBLUM: Objection. I don't understand  
3 the question.

4 BY MR. PERKINS:

5 Q Was it your idea to meet with Mr. Goldsworthy,  
6 or did you have partners or joint venturers?

7 A It was principally my idea and Mr. Arrington's  
8 idea and Mr. Grob's idea.

9 Q When did that concept or idea first come into  
10 being, as best you can recall?

11 A Earlier 2001.

12 Q And who is Mr. Grob?

WILCOXON ONE

13 A Mr. Grob is a private individual that lives in  
14 U. K.

15 Q How did you become acquainted with him?

16 A Through Mr. Arrington.

17 Q What was his role in these Goldsworthy  
18 technology proceedings?

19 A Mr. Grob indicated that he had a close,  
20 personal, longtime relationship with Mr. Goldsworthy  
21 and that he had already sought to license the  
22 technology from Mr. Goldsworthy and knew that  
23 Mr. Goldsworthy wanted to license the technology and  
24 commercialize it.

25 Q And he told you that?

37

♀

1 A That's correct.

2 Q And do you recall when he told you that?

3 A No.

4 Q Before the corporation was formed?

5 A Early 2001.

6 Q Do you recall the circumstances of the  
7 conversation in which he told you that?

8 A I'll correct it. He told us Mr. Goldsworthy  
9 was interested in commercializing technologies in the  
10 year prior, in 2000, in a meeting in Cambridge.

11 Q In which you were present?

12 A Yes.

13 Q What caused you to be in Cambridge, England?

14 A Other consulting business.

15 Q So you didn't go to England specifically to

16 meet with Mr. Grob?

17 A No.

18 Q And how did you meet him over there? What was  
19 the purpose of the meeting with him at that time?

20 A I don't recall all the purposes. It was a  
21 general meeting to discuss doing business. He wanted  
22 to do business with us involving technology since we  
23 had skills in commercializing technology.

24 Q And in that meeting did you make a plan to  
25 attempt to meet with Mr. Goldsworthy?

38

♀

1 A We did discuss it.

2 Q What happened next with respect to that?

3 A We never received enough information to be  
4 meaningful.

5 Q Received information from whom?

6 A From Grob.

7 Q And, so, did Grob drop out of the deal at some  
8 point?

9 A I don't understand the question.

10 Q Okay. That's a bad question.

11 What happened next? You didn't receive enough  
12 information. What happened next with respect to your  
13 plan to meet with Mr. Goldsworthy?

14 A I don't think there was a specific date and  
15 plan set.

16 Q Well, what happened next with respect to that  
17 subject?

18 A I continued doing my consulting business.

19 Q For how long?  
20 A Until we started this venture.  
21 Q And when you started that venture, was  
22 Mr. Grob involved in it?  
23 A This venture, yes.  
24 Q So you --  
25 A This venture being TTC.

39

♀

1 Q That's what you were talking about when you  
2 said "this venture"?  
3 A Yes.  
4 Q And Mr. Grob was involved in TTC at the early  
5 stages; is that right?  
6 A That's correct.  
7 Q So between the time of this meeting that you  
8 had in England and the ultimate formation of TTC, you  
9 maintained a relationship with Mr. Grob; did you not?  
10 A Yes.  
11 Q What other principals -- was he considered to  
12 be a principal in the transaction?  
13 MR. HELLER: Objection. Vague and ambiguous.  
14 BY MR. PERKINS:  
15 Q Did you have an understanding with Mr. Grob  
16 that if you put a deal together with Mr. Goldsworthy  
17 that he would participate in the transaction as a  
18 principal?  
19 MR. HELLER: Same objection.  
20 THE WITNESS: Rephrase the question.  
21 BY MR. PERKINS:

WILCOXON ONE

22 Q Did you ever discuss with Mr. Grob business  
23 arrangement whereby he would have a percentage of the  
24 business, you would have a percentage of the business,  
25 other people would have a percentage of the business

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♀

1 which you were planning to do with Mr. Goldsworthy?

2 A Depending on who did what, who contributed  
3 what value to the company, yes.

4 Q You had a discussion which covered that  
5 subject matter; is that right?

6 A Yes.

7 Q And that discussion included Mr. Grob?

8 A Yes.

9 Q And you recall you reached an understanding  
10 with Mr. Grob with respect to his equity participation  
11 in the transaction at some point?

12 A Yes, providing certain performance was done.

13 Q I'll get to the -- I certainly want to get to  
14 that.

15 I just want to understand that at some point  
16 you had an arrangement, an agreement. Is that right?  
17 You had to give equity, and he had to perform services;  
18 is that correct?

19 A Uh-huh.

20 Q What was his equity stake at that first  
21 meeting? What did you agree with Mr. Grob with respect  
22 to his equity participation?

23 A I believe it's reflected in the minutes of the  
24 corporation precisely.

25 Q Well, that may be true, but what is your

41

♀

1 recollection of the agreement? You had an agreement  
2 before the minutes were created; is that right?

3 A We had an understanding.

4 Q Okay. What was your understanding?

5 A That if we successfully concluded an  
6 arrangement and he contributed to that arrangement with  
7 Mr. Goldsworthy that he would receive an interest in  
8 the company.

9 Q And what interest? What amount?

10 A He'd be allowed to purchase shares.

11 Q Some percentage of the total shares?

12 A I don't recall the precise details.

13 Q You don't recall if it was 25 percent?

14 A It has to be reflected in the minutes.

15 Q What minutes?

16 A The minutes of the corporation.

17 Q The minutes are reflective of particular  
18 meetings; are they not?

19 A Correct.

20 Q Do you recall any specific meeting in which  
21 the percentage of Mr. Grob's equity stake in the  
22 company was discussed and agreed upon?

23 A I don't recall the exact date of the meeting,  
24 but they're in the minutes.

25 Q Was that meeting held before April 5th 2001?

42

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1 A No.

2 Q It was after April 5th 2001?

3 A That's correct.

4 Q Did you have an understanding, informal or  
5 otherwise, with Mr. Grob that he would have an interest  
6 in the company, equity interest in the company, prior  
7 to April 5th 2001?

8 A If there was certain performance, yes. And  
9 he -- that's it.

10 Q What was the performance which you understood  
11 he was to undertake in return for his equity in the  
12 company?

13 MR. JARBLUM: Objecti on. You' re mi sstati ng  
14 pri or testi mony.

15 BY MR. PERKINS:

16 Q What did you understand Mr. Grob' s  
17 parti cipi ati on to be wi th respect to hi s duti es?

18 A One, he woul d be requi red to purchase shares.

19 Q At what pri ce?

20 A I don' t recal l.

21 Q That was al l he had to, buy shares? He di dn' t  
22 have to do anythi ng el se?

23 A And he woul d have to -- he woul d have to -- he  
24 woul d have to assi st i n mai ki ng the ar rangements wi th  
25 Mr. Gol dswor thy si nce he cl ai med he was a l ong-standi ng

1 fri end and al ready had certai n understandi ngs wi th  
2 Mr. Gol dswor thy.

WILCOXON ONE

3 Q Was it understood that he was going to perform  
4 any other services?

5 A Everyone involved would have to raise  
6 financing for the corporation in order for it to be  
7 successful.

8 Q Mr. Grob was also to participate in that?

9 A Yes. All the directors.

10 Q And was he required to do anything else in  
11 return for his participation?

12 A I don't recall.

13 Q And in fact after April 5th Mr. Grob was  
14 granted shares in Transmision Technology Corporation;  
15 is that right?

16 A No.

17 Q Was he granted shares at any time?

18 A He was granted allocated shares that needed to  
19 be purchased.

20 Q Do you recall the percentage of shares he was  
21 allocated?

22 A No.

23 Q Did he ever purchase those shares?

24 A No.

25 Q Did he become a director?

44

♀

1 A Yes.

2 Q When did Mr. Grob become a director?

3 A I don't recall the date. I'd have to look in  
4 the minutes.

5 Q Was it before April 5th or after April 5th?



WILCOXON ONE

6 A It was discussed on April 5th, so it would  
7 either have been April 5th or April 6th.

8 Q So the minutes -- strike that.

9 So there was a meeting of the directors on  
10 April 5th or April 6th; is that right? By "directors,"  
11 I mean the directors of TTC.

12 A On April 5th.

13 Q Where was the meeting held?

14 A Telephonic.

15 Q A telephonic meeting.

16 And who was present?

17 A Present would have been myself, Arrington, Tom  
18 Sawyer, Stephen Meldrum, and I believe Mr. Harrison.

19 Q Was Mr. Arrington present?

20 A Telephonically.

21 Q Was this on a conference call?

22 A Yes.

23 Q Do you recall who arranged the conference  
24 call?

25 A No.

45

♀

1 Q Do you recall specifically, as you sit here  
2 today, that Mr. Sawyer participated in that conference  
3 call on April the 5th, I believe?

4 A Yes, I recall.

5 Q Mr. Renken, did he participate in that  
6 conference call?

7 A Not that I recall.

8 Q Was Mr. Renken a principal in the corporation

WILCOXON ONE

9 as of April 5th 2001?

10 A No.

11 Q Did you have any dealings at all with  
12 Mr. Renken on April 5th 2001?

13 A Not that I recall.

14 Q I'm gonna come back to that. I'm not finished  
15 with that subject area. I just wanted to be clear that  
16 you recall a conference call -- what time of day did  
17 that occur, by the way?

18 A I don't recall.

19 Q Was the sun out? Was it during the day, or  
20 was it in the evening?

21 A I don't recall.

22 Q Where were you located physically during the  
23 call?

24 A I don't actually recall.

25 Q Where were you living at the time?

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♀

1 A I don't recall either. I travel extensively.

2 Q Where do you reside now?

3 A In a hotel.

4 Q Did you reside in a hotel at that time?

5 A Most likely.

6 Q What hotel?

7 A Depends where I was.

8 Q Is it your testimony that you don't have a  
9 permanent address?

10 A I have an office as a permanent address.

11 Q Where is the office?

WILCOXON ONE

12 A An office in Irvine, California.

13 Q Irvine?

14 A Yes.

15 Q What is the address?

16 A 18881 Von Karman Avenue, Suite 1630, Irvine,  
17 California 92612.

18 Q What business do you transact out of that  
19 office, sir?

20 A Transact the business of Composite Technology  
21 Corporation.

22 Q Composite Technology Corporation, is that a  
23 different company from Transmission Technology  
24 Corporation?

25 A Yes.

47

♀

1 Q Is that the name of the company?

2 MR. DOMBROSKI: Excuse me. What was the name  
3 again?

4 BY MR. PERKINS:

5 Q Could you give me the name of your company  
6 again, please.

7 A Composite Technology Corporation.

8 Q Is that a California corporation?

9 A No.

10 Q Where is it incorporated?

11 A Nevada.

12 Q Do you own stock in that company?

13 A Yes.

14 Q Do other people own stock in the company

WILCOXON ONE

15 besides you?

16 A Yes.

17 Q How many other people?

18 A I don't know.

19 Q What is your title? Do you have a title? Are  
20 you an officer?

21 A Yes.

22 Q What is your title?

23 A CEO.

24 Q So it's your company?

25 A No.

48

♀

1 Q It's not your company. Who owns the company?

2 A Shareholders.

3 Q And you're employed there on a full-time  
4 basis?

5 A Yes.

6 Q Do you receive a salary?

7 A No.

8 Q Are you compensated in any way by the company  
9 for your services?

10 A No.

11 Q How much time do you spend at the offices?

12 A Depends.

13 Q Well, in the past month, how much time have  
14 you spent there?

15 A Several hours per day.

16 MR. HELLER: Mr. Perkins, how is this relevant  
17 to any issue in this matter?

WILCOXON ONE

18 MR. PERKINS: To be honest, I don't know. I'm  
19 somewhat surprised of his living and working  
20 arrangement. I thought he was CEO of TTC.

21 MR. HELLER: If you want to ask the witness  
22 about TTC, go ahead. We're wasting time here.

23 MR. PERKINS: Just let me proceed. I don't  
24 want to spend a lot of time on it. I simply want to  
25 get his home address. When I found out he lives in a

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♀

1 hotel, obviously you can understand that's not the kind  
2 of response you normally get in these situations.

3 Q Back to TTC --

4 MR. HELLER: Move to strike the commentary.  
5 The fact that the witness is in a transitional period  
6 and living out of a hotel is not uncommon for the chief  
7 executive officer of a corporation.

8 MR. PERKINS: Okay. Fair enough.

9 Q We talked about Mr. Grob and the board meeting  
10 on April 6th. You indicated that Mr. Sawyer was  
11 present in that board of directors meeting; is that  
12 right?

13 MR. JARBLUM: Could you repeat the question,  
14 please.

15 BY MR. PERKINS:

16 Q I think you indicated earlier -- I want to get  
17 back to the subject of TTC. All right?

18 A Uh-huh.

19 Q Let's start at the beginning.

20 At some point Mr. Renken informed you that

WILCOXON ONE

21 Mr. Sawyer had formed the company; is that right?

22 A Yes.

23 Q And what was your relationship with Mr. Renken  
24 at that time when he told you that, the business  
25 relationship?

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♀

1 A I don't think there was a business  
2 relationship.

3 Q There was not one?

4 A No. Mr. Renken volunteered he could raise  
5 financing for projects.

6 Q When did he volunteer that?

7 A As I stated before, during discussions when I  
8 was a consultant to him involving his capacitor or  
9 somebody's capacitor technology.

10 Q And after -- all right.

11 Did he indicate that he was working with  
12 Mr. Sawyer in that endeavor, raising money?

13 A No. He indicated Mr. Sawyer was his lawyer.

14 Q Okay. At the time you met with -- had you met  
15 with Mr. Renken prior to the time he told you that  
16 Mr. Sawyer had formed a corporation about the  
17 transmission technology project?

18 A I don't -- you have to repeat it. I don't  
19 understand it.

20 Q I don't understand how you got to the point of  
21 Mr. Renken telling you he already formed a  
22 corporation. Had you had meetings prior to that with  
23 him?

24 A Yes.

25 Q And prior to -- when was the first meeting

51

♀

1 prior to him telling you that Mr. Sawyer had formed a  
2 corporation?

3 MR. JARBLUM: Objection. Asked and answered.

4 BY MR. PERKINS:

5 Q Did you meet the day before?

6 A We discussed many meetings. I don't recall  
7 which meeting. And we met in Detroit, and we met in  
8 Annapolis.

9 Q Prior to the formation of the corporation?

10 A That is correct.

11 Q When you met in Annapolis, did Mr. Sawyer and  
12 Mr. Renken travel to Annapolis?

13 A Yes, on one occasion. Yes, that I can  
14 recall.

15 Q Were you residing in Annapolis at that time?

16 A Yes.

17 Q What was the reason for them coming to  
18 Annapolis?

19 A To visit Mr. Meldrum and myself about  
20 capacitor technology.

21 Q So the meeting was arranged, and they traveled  
22 to meet with you and Mr. Meldrum, correct?

23 A Correct.

24 MR. HELLER: Objection as to time frame.

25 BY MR. PERKINS:

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1 Q When did that occur, approximately?

2 A Early 2001, I think, but I'm not certain.

3 Q What happened at the meeting?

4 A They had another individual come as well  
5 during part of the meeting.

6 Q Who was that, do you recall?

7 A Mr. Reeves.

8 Q What happened at the meeting?

9 A They wanted me to explain the capacitor  
10 technology to Mr. Reeves.

11 Q Whose capacitor technology?

12 A I'm not certain whose capacitor technology.  
13 It was a Russian capacitor technology.

14 Q Did you in fact do that?

15 A Yes.

16 Q Did the subject of Mr. Goldsworthy's  
17 technology come up in that meeting?

18 A Yes.

19 Q How did that happen?

20 A As I indicated earlier, because I was not very  
21 positive on the merits of the Russian technology since  
22 there had not been adequate testing or information  
23 supplied, in which case Renken asked if I had any other  
24 technology that was better than the storage technology  
25 as he indicated he had financing available for

♀



1 technol ogi es.

2 Q Did you tell -- what did you tell him in  
3 response to that?

4 A I told him that one interesting technology  
5 appeared to be the Goldsworthy CRAC technology.

6 Q You used that term CRAC terminology in that  
7 meeting?

8 A Yes.

9 Q You were familiar with the concept of CRAC  
10 technology as of the time in that meeting, which was  
11 early 2001; is that right?

12 A Yes.

13 Q How were you familiar with it?

14 A From Mr. Arrington and Mr. Grob and we have  
15 seen the DOE fact sheet, two-page fact sheet which  
16 described it.

17 Q You said you had seen it. When did you see  
18 that?

19 A I don't recall.

20 Q Was that discussed, that fact sheet, was that  
21 discussed in the meeting that we are talking about here  
22 in Annapolis?

23 A Yes.

24 Q Were all the parties shown that fact sheet?

25 MR. JARBLUM: Objection. I don't understand

54

♀

1 that question.

2 BY MR. PERKINS:

3 Q At the time of this meeting, did parties have

4 access at that meeting to the fact sheet, the DOE fact  
5 sheet?

6 A Yes.

7 Q So all four parties that were present were  
8 aware of what CRAC was in general terms, at least; is  
9 that correct?

10 A I guess. I'm not sure they understood the  
11 terms.

12 Q You understood the term; is that right?

13 A That's right.

14 Q It's an acronym. What does it stand for?

15 A Composite Reinforced Aluminum Conductor.

16 Q And you know what advanced CRAC is as well?

17 A Yes. I know what it's supposed to be.

18 Q And what is the concept of it? Were you aware  
19 of the concept of advanced CRAC as of the time of the  
20 meeting in Maryland?

21 A No.

22 Q You had no knowledge of what that was,  
23 correct?

24 A That's absolutely correct.

25 Q When did you first hear of the name advanced

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1 CRAC, the term?

2 A At the meeting on either the 4th or the 5th of  
3 May 2001.

4 Q So at that meeting you knew what CRAC was, but  
5 you didn't know what advanced CRAC was; is that right?

6 A That's right.

WILCOXON ONE

7 Q At that meeting did Mr. Goldsworthy explain  
8 what was the difference between the two?

9 A Yes.

10 Q How long did that meeting go on, the May 4th  
11 meeting with Mr. Goldsworthy?

12 A I don't recall exactly. It was not too long  
13 of a meeting.

14 Q Did you have another meeting the next day?

15 A Yes.

16 Q Did you have another meeting a day or two  
17 later?

18 A Yes.

19 Q During all of those meetings, did you discuss  
20 CRAC and advanced CRAC technology?

21 A Yes.

22 Q And did you become -- strike that.

23 So, back to Maryland, the four of you had this  
24 meeting, and CRAC was discussed. What happened next  
25 with respect to the CRAC technology, as far as you were

56

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1 concerned?

2 A I don't understand the question.

3 Q Well, when was the next time you had a  
4 discussion with anybody about CRAC technology?

5 MR. HELLER: Next time?

6 MR. PERKINS: After the Annapolis, Maryland  
7 meeting.

8 THE WITNESS: I think that if we were to  
9 define CRAC technology generally, as we didn't have a

WILCOXON ONE

10 specific tied definition, but if we're defining that,  
11 there would have been several meetings after that time  
12 prior to the May 4th meeting.

13 BY MR. PERKINS:

14 Q Was Mr. Renken involved in those meetings?

15 A In some meetings.

16 Q Did Mr. Renken indicate to you at any of those  
17 meetings that he was prepared to obtain financing in  
18 order to acquire the marketing rights for CRAC  
19 technology?

20 A No.

21 Q What was Mr. Renken's role in these meetings?

22 A Mr. Renken indicated he was prepared to obtain  
23 financing.

24 Q Financing for what?

25 A For the company.

57

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1 Q TTC?

2 A Yes.

3 Q Now, is this before or after TTC was formed?

4 A It would have been before TTC was formed and  
5 subsequently.

6 Q And why was he willing to do that? Did he  
7 tell you?

8 A To presumably earn fees and the interest.

9 Q What fees were involved?

10 A I don't recall.

11 Q What was the interest that he was to earn?

12 A I don't recall.

WILCOXON ONE

13 Q Did you ever have a discussion with Mr. Renken  
14 about his equity participation in this venture that you  
15 were planning to form?

16 A Yes.

17 Q When did you have those discussions?

18 A During some of those meetings.

19 Q Did you reach an understanding with him with  
20 respect to his participation in the new venture, the  
21 TTC venture?

22 A We did not reach a definitive arrangement.

23 Q What sort of arrangement, if any, did you  
24 reach?

25 A We would discuss it after he had arranged

58

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1 financing.

2 Q After he arranged financing, what would you  
3 discuss?

4 A We would discuss the arrangement with Renken,  
5 if he was able to demonstrate financing and conclude  
6 financing. Mr. Renken had difficulties with the IRS  
7 and other things and did not want to be definitive.

8 Q Didn't want to be definitive about what?

9 A About his interest, his participation.

10 Q Did you understand that Mr. Sawyer was going  
11 to accept his interest in order to avoid that problem?

12 MR. HELLER: Objection. Vague and ambiguous  
13 as to "problem."

14 MR. PERKINS: His IRS problems and the like.

15 Q He did not want to be "definitive," the phrase

16 you used.

17 A I don't really know what his relationship was  
18 with Mr. Sawyer other than he represented him as his  
19 attorney.

20 Q And it's your understanding that as his  
21 attorney Mr. Sawyer formed a corporation called  
22 Transmission Technology Corporation; is that right?

23 A I'm not sure I understand the question.

24 Q Well, I'll try to clarify it.

25 I thought you told me that Mr. Sawyer --

59

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1 Mr. Renken announced to you that in fact Mr. Sawyer had  
2 already formed a corporation; is that right?

3 A At one point he did announce that.

4 Q And at that point the corporation which he had  
5 formed was called Transmission Technology Corporation?

6 A Right.

7 Q And by "he" it's Mr. Sawyer, right?

8 A Again, you have to repeat. I don't understand  
9 the question.

10 Q Mr. Sawyer -- you were told by Mr. Renken that  
11 Mr. Sawyer had formed a corporation called Transmission  
12 Technology Corporation, correct?

13 A Yes.

14 MR. HELLER: Objection as to "formed a  
15 corporation." Vague and ambiguous.

16 THE WITNESS: A corporation was formed with  
17 the name which we had selected.

18 BY MR. PERKINS:

WILCOXON ONE

19 Q When did you select the name?

20 A At one of those meetings.

21 Q Who came up with the name, do you recall?

22 A I don't recall. We talked about various  
23 names.

24 Q The fact is, Mr. Sawyer is the one that came  
25 up with the name; isn't that true?

60

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1 A That's not true.

2 Q You don't recall, so how do you know it's not  
3 true?

4 MR. HELLER: Objection. Argumentative.

5 BY MR. PERKINS:

6 Q I think you said it was not true.

7 A Mr. Sawyer was not really involved in any  
8 discussions of the business of the corporation.

9 Q You understood Mr. Sawyer -- your  
10 understanding was Mr. Sawyer represented Mr. Renken; is  
11 that right?

12 A In his venture and capacitor technology, yes,  
13 and in some other of his affairs Mr. Renken said  
14 Mr. Sawyer represented him.

15 Q During that time prior to and during the  
16 formation of TTC, did you ever have or ask Mr. Sawyer  
17 to represent you?

18 MR. HELLER: Objection as to the term "you."  
19 Are you referring to Mr. Wilcoxon or the corporation  
20 TTC?

21 BY MR. PERKINS:

WILCOXON ONE

22 Q You, Mr. Wilcoxon.

23 A No.

24 Q So as far as you know, up until the  
25 corporation was incorporated in approximately March of

61

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1 2001, Mr. Sawyer was not your lawyer in any capacity;  
2 is that right?

3 MR. HELLER: Again, vague and ambiguous as to  
4 "your." Are you referring to the witness  
5 individually, or are you referring to the corporation?

6 BY MR. PERKINS:

7 Q Unless I say otherwise, I'm referring to you  
8 individually, sir.

9 MR. HELLER: And not the corporation.

10 MR. PERKINS: Not the corporation.

11 THE WITNESS: You have to repeat that again.

12 BY MR. PERKINS:

13 Q At any time up to and including the date that  
14 Transmission Technology was incorporated and Mr. Sawyer  
15 performed legal services for you, Benton Wilcoxon --

16 A No.

17 Q -- did you ever pay Mr. Sawyer a fee to  
18 perform any services on your behalf?

19 A No.

20 Q At some point a corporation was incorporated  
21 by Mr. Sawyer in the State of Nevada. Is it your  
22 understanding that Mr. Sawyer was acting in his  
23 capacity as a lawyer for that corporation at some point  
24 in time?



25 A Yes.

62

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1 Q And how did you reach that understanding?

2 A I was told that he was acting as the lawyer  
3 and secretary for the corporation.

4 Q And who told you that?

5 A At the meeting he volunteered or was  
6 volunteered by Mr. Renken.

7 Q At what meeting?

8 A At, at least, one or two of those meetings  
9 either by phone and also physically present in Detroit.

10 Q This would be prior to the date of  
11 incorporation; is that right?

12 A Yes.

13 Q Did you understand that he was going to act as  
14 the attorney for the corporation in addition to any  
15 other duties?

16 MR. HELLER: Objection. Vague and ambiguous.

17 THE WITNESS: You have to rephrase it.

18 BY MR. PERKINS:

19 Q Was he going to perform any other services  
20 other than incorporating this venture?

21 A Yes.

22 Q What other services did you understand he  
23 would perform?

24 A He was going to review contracts.

25 Q Review what contracts?

63

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WILCOXON ONE

1 A Contracts that the company might engage in.

2 Q Anything else?

3 A Not that I'm aware of.

4 Q Was a fee agreement ever entered into with  
5 Mr. Sawyer?

6 A No.

7 Q What was your understanding with respect to  
8 his compensation for his legal services?

9 A He would present what he thought that he was  
10 owed. He would present the bill to the corporation.

11 Q Did he ever do that?

12 A Not to my knowledge.

13 Q How did you get the understanding that he was  
14 going to present a bill for his services?

15 A I believe I was told.

16 Q By whom?

17 A By Mr. Renken.

18 Q And on what occasion did Mr. Renken advise you  
19 of that fact?

20 A At one or two of these meetings.

21 Q In all these meetings that you're talking  
22 about, when you say "these meetings," these are the  
23 meetings which occurred between you and Mr. Renken and  
24 others prior to the formation of the corporation; is  
25 that correct?

64

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1 A Yes. Prior to and afterwards.

2 Q With respect to -- well --

WILCOXON ONE

3 MR. JARBLUM: Excuse me. It's about five to  
4 11:00. It looks like a few of us want to take a  
5 break. Can we take a 10-minute break? We've been  
6 going for about an hour and a half. Is this a good  
7 time?

8 MR. PERKINS: It's not a good time, I don't  
9 think, but we'll take it.

10 MR. HELLER: Wait a minute. Mr. Perkins, if  
11 you want to complete this line of questioning, that's  
12 fine. I did ask you if this was a good time. Whenever  
13 it's convenient for you.

14 MR. PERKINS: I would just like to complete  
15 this line of questioning.

16 MR. HELLER: How much more time do you need?

17 MR. PERKINS: Five, ten minutes, I guess.  
18 It's hard to tell.

19 MR. HELLER: We'd like to accommodate you so  
20 you let us know when it's convenient and we'll take a  
21 break.

22 MR. PERKINS: Thank you.

23 Q When you were advised by Mr. Renken that  
24 Mr. Sawyer had formed the company, what was your  
25 understanding as to, if any -- did you have an

65

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1 understanding as to who owned the company?

2 A Yes.

3 Q What was it?

4 A That it would be owned by myself, principally,  
5 and Mr. Arrington and Mr. Grob.

WILCOXON ONE

6 Q And was Mr. Renken to have an ownership  
7 interest in it?

8 A As I indicated earlier, if he provided  
9 financing for the company.

10 Q So I don't quite understand.

11 You had a -- the corporation was formed in  
12 Nevada, right?

13 A Yes.

14 Q Is it your testimony that neither you nor  
15 Mr. Arrington asked Mr. Sawyer to form the company?

16 MR. HELLER: Can I have that question read  
17 back, please.

18 (Record read.)

19 MR. HELLER: Objection. Asked and answered.

20 BY MR. PERKINS:

21 Q You can answer.

22 A I think I need to hear it again.

23 Q I want to know specifically whether or not you  
24 or Mr. Arrington ever requested Mr. Sawyer to file  
25 incorporation papers.

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1 MR. HELLER: Objection. Asked and answered.

2 THE WITNESS: We stated we were going to file  
3 incorporation, at which point Mr. Renken said  
4 Mr. Sawyer had already formed one for us.

5 BY MR. PERKINS:

6 Q What did you say in response?

7 A I said well, if you already had it formed, I  
8 guess we'll use it.

WILCOXON ONE

9 Q It was your understanding when he said that  
10 that he had no equity in the corporation that had been  
11 formed?

12 A That's correct.

13 Q And you had equity in the corporation that had  
14 been formed?

15 A When you issue the shares, you have equity.

16 Q Well, at the time you were told that, did you  
17 have an understanding that you had an equity interest  
18 in that company?

19 MR. JARBLUM: Objection. Asked and answered.

20 THE WITNESS: I guess I need to have it  
21 repeated again.

22 BY MR. PERKINS:

23 Q Were any shares issued at the time Mr. Renken  
24 told you that the corporation had been formed in  
25 Nevada?

67

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1 A No.

2 Q So you had an understanding that you did not  
3 have an equity interest in that company?

4 MR. JARBLUM: Objection. Asked and answered.

5 THE WITNESS: I don't understand your  
6 question.

7 BY MR. PERKINS:

8 Q As of the time it was formed, who owned it?

9 A Is this a legal question?

10 Q No, your understanding. I want to know your  
11 understanding, your feeling at the time when Mr. Renken

WILCOXON ONE

12 told you the incorporation had been formed.

13 A No one owned it until you have the first  
14 meetings and issue shares.

15 Q Okay. So it's your understanding that no one  
16 owned the company as of that time?

17 MR. HELLER: Objection. Asked and answered  
18 three times. Now four times.

19 THE WITNESS: I just don't understand the  
20 question.

21 BY MR. PERKINS:

22 Q Did you ultimately have the first meeting of  
23 the board of directors?

24 A Yes.

25 Q Were you present at the meeting?

68

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1 A I stated earlier, yes, telephonically there  
2 was a meeting, which is reflected in the minutes of the  
3 corporation.

4 Q Let me show you a copy of one of your  
5 declarations in this case.

6 MR. PERKINS: Why don't we take a break.

7 (Recess.)

8 MR. PERKINS: Back on the record.

9 Q You recall approximately on March 1st you  
10 traveled to Detroit with Mr. Renken and Mr. Sawyer to  
11 meet Mr. Harrison?

12 A I don't recall the date.

13 Q And Mr. Renken introduced you to Mr. Harrison  
14 at that time; is that right?

WILCOXON ONE

15 A No.

16 Q No?

17 A No.

18 Q How did you meet Mr. Harrison?

19 A I met Mr. Harrison on the phone with  
20 Mr. Meldrum.

21 Q Prior to this meeting in March?

22 A Yes.

23 Q So when you went with Mr. Renken and  
24 Mr. Sawyer to meet with him in March or approximately  
25 in March, as best you recall, you had already met

69

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1 Mr. Harrison; is that your testimony?

2 A I did not go with them to meet Mr. Harrison.  
3 We met in Detroit.

4 Q How did you get there?

5 A I flew there.

6 Q Who paid for your airfare?

7 A I don't recall. I had business near there as  
8 well.

9 Q You recall you didn't pay for it; is that  
10 right?

11 A I didn't say that.

12 Q You said you don't recall. You could have  
13 paid for it; you just don't recall?

14 A That's correct.

15 Q All right. You met with Mr. Harrison along  
16 with Mr. Renken, and you discussed CRAC technology at  
17 that time?

WILCOXON ONE

18 A We discussed forming a company to engage in  
19 possible conductor technology.

20 Q What was Mr. Harrison's role entitled to be?

21 A Investment banking.

22 Q He was going to raise funds?

23 A Structure of the entity.

24 Q Did you enter into an understanding with him  
25 at that time in that first meeting?

70

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1 A General understanding.

2 Q Is it your testimony that Mr. Renken was not  
3 the prime cause of that meeting?

4 A I don't understand the question.

5 MR. JARBLUM: Objection as to form.

6 BY MR. PERKINS:

7 Q Mr. Renken set that meeting up?

8 A I don't recall.

9 Q Why was Mr. Renken present at the meeting?

10 A He wanted to be involved in the technology.

11 Q Did you understand Mr. Renken knew  
12 Mr. Harrison?

13 A Yes.

14 Q And he had known him prior to this meeting; is  
15 that right?

16 A I understood at the meeting that he had --  
17 Mr. Harrison had assisted him in raising money for some  
18 ventures.

19 Q So he had a prior business relationship with  
20 Mr. Harrison?



WILCOXON ONE

21 A That's correct.

22 Q And you were informed of that at the meeting?

23 A I'm not certain.

24 Q Do you know whether Mr. Sawyer was also  
25 present at the meeting?

71

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1 A At one of the meetings Mr. Sawyer was present.

2 Q I'm talking about the meeting in Detroit.

3 A We had many meetings in Detroit. At one of  
4 the meetings, Mr. Sawyer was present.

5 Q At that time did you have an understanding  
6 that Mr. Renken was a principal in the -- strike  
7 that -- that Mr. Renken was to have an equity interest  
8 in the venture you were contemplating?

9 A No.

10 MR. JARBLUM: Objection. Asked and answered.

11 BY MR. PERKINS:

12 Q After meeting with Mr. Harrison, did Mr.  
13 Renken ask or demand to be an equity participant in the  
14 venture?

15 A I think I answered earlier that Mr. Renken  
16 offered to raise financing for the company and receive  
17 something for it.

18 Q Mr. Harrison did in fact obtain financing  
19 for -- some financing for the company; did he not?

20 A That's correct.

21 Q And is it fair to conclude that Mr. Harrison's  
22 involvement in the company is a result of the efforts  
23 of Mr. Renken?

24 A No.  
25 Q Do you think that Mr. Harrison would have

72

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1 i nvested money i n the company had i t not been for  
2 Mr. Renken or Mr. Sawyer?

3 MR. HELLER: Objection. Calls for  
4 specul ati on.

5 THE WITNESS: Maybe you can repeat that  
6 agai n.

7 BY MR. PERKINS:

8 Q Do you have any reason to believe that  
9 Mr. Harrison would have invested any money in the  
10 Transmissi on Technology Corporati on had i t not been for  
11 the efforts of Mr. Renken or Mr. Sawyer?

12 MR. JARBLUM: Objection. The questi on states  
13 facts that are not i n evidence.

14 THE WITNESS: I don' t -- the questi on has more  
15 than one part. I' m not certain whether Mr. Harrison  
16 has i nvested money i n the company.

17 BY MR. PERKINS:

18 Q Mr. Harrison caused funds to be i nvested i n  
19 the company, di d he not?

20 A I don' t know i f that' s a correct statement  
21 ei ther. Mr. Harrison i ntroduced us to potenti al  
22 i nvestors.

23 Q And those i nvestors di d i n fact i nvest money  
24 i n the venture; i s that ri ght?

25 A Some of them di d.

♀

1 Q How much did they invest, by the way?

2 A I don't recall. Several thousand dollars.

3 Q You don't recall the exact figure, but it was  
4 in the area of \$200,000?

5 A Several thousand dollars.

6 Q More than \$200,000?

7 A That is correct.

8 Q And that didn't come from Mr. Harrison, but it  
9 did come from his clients or contacts; is that your  
10 testimony?

11 A Yes.

12 Q Now, given those facts, do you have any facts  
13 or knowledge, as you sit here today, that that would  
14 have happened, that those people would have invested  
15 that money had it not been for the efforts of  
16 Mr. Renken and/or Mr. Sawyer?

17 MR. JARBLUM: Objection. Asked and answered.

18 THE WITNESS: I don't understand that  
19 question.

20 BY MR. PERKINS:

21 Q What about the question do you not understand?

22 A I don't know. Repeat it.

23 Q Do you have any facts -- do you understand  
24 that -- do you have any facts or knowledge, as you sit  
25 here today, which would lead you to conclude that the

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WILCOXON ONE

1 people that have invested the money, Mr. Harrison's  
2 clients, would have done so had it not been for the  
3 efforts of Mr. Renken and Mr. Sawyer in setting up that  
4 meeting in March of 2000?

5 MR. JARBLUM: Same objection.

6 MR. HELLER: Assumes facts not in evidence.

7 THE WITNESS: I can't answer the question. I  
8 don't understand it.

9 BY MR. PERKINS:

10 Q Did you believe that Mr. Renken or Mr. Sawyer  
11 were in any way responsible for the fact that funds  
12 were invested in the company by Mr. Harrison's clients?

13 A They were in no way responsible for funds  
14 invested by Mr. Harrison's clients.

15 Q So they don't get credit for calling the  
16 meetings?

17 A If you want to discuss what credit they get  
18 with Mr. Harrison, you can bring it up with  
19 Mr. Harrison. You'll find that they're in default of  
20 notes to individuals with which Mr. Harrison arranged  
21 to provide funds for them in a prior venture. We can  
22 go on and discuss other activities that are probably  
23 not in the best interest of your client.

24 Q How is the fact that they may or may not owe  
25 Mr. Harrison money relevant or pertinent to the

75

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1 question I asked?

2 A I don't know. I don't understand your  
3 question.

4 Q I thought you testified that Mr. Renken wanted  
5 equity in the company in return for his efforts in  
6 raising capacity.

7 A Right.

8 Q Wasn't the fact that he arranged the meeting  
9 with Mr. Harrison and ultimately money was invested  
10 consistent with his commitment to raise capital for the  
11 company?

12 A No.

13 Q You don't believe they're related at all?

14 A That's correct.

15 Q Did Mr. Renken and you have a discussion about  
16 that at any time after the meeting with Mr. Harrison?

17 A Did we have a discussion about what?

18 Q Did Mr. Renken say to you, tell you in  
19 substance, look, I've already raised money, I've  
20 already done my share, I want to do more, I want a  
21 piece of this pie, I want a piece of equity in this  
22 company? Did you have a conversation with Mr. Renken  
23 like that?

24 A I don't understand the question.

25 Q Did Mr. Renken ever demand an equity stake in

76

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1 Transm issi on Technol ogy Corporati on?

2 A Yes.

3 Q Was it granted to him?

4 A No.

5 Q Did you have any di scussi on wi th hi m as to why  
6 it wasn' t granted?

7 A Yes. He didn't raise any money.  
8 Q And did he tell you when -- did you tell him  
9 that, the reason we're not giving you any stock is you  
10 didn't raise any money?  
11 A Yes.  
12 Q When you told him that, did Mr. Renken say  
13 what about the Harrison money, wasn't I responsible for  
14 that?  
15 A No, he did not state that.  
16 Q He didn't take any credit for Harrison?  
17 A No. He already knew he was in default to  
18 Mr. Harrison for well over 100,000. He also  
19 furthermore -- it came to our attention that he had  
20 falsely issued promissory notes in the name of TTC  
21 alleging he was an officer and pocketed the funds.  
22 Q I don't mean to interrupt. There is a time  
23 frame we have to deal here. That is not responsive to  
24 the question. I'll be happy to get into that subject  
25 at a later time. It's clearly not responsive to the

77

♀

1 questi on.  
2 MR. HELLER: You're gonna allow the witness to  
3 finish his answer.  
4 MR. JARBLUM: Answer the question.  
5 MR. HELLER: If you want to move to strike it  
6 later, go ahead, but you're not going to interrupt the  
7 witness.  
8 MR. HELLER: Go ahead and finish.  
9 THE WITNESS: If there was any arrangement

WILCOXON ONE

10 between Mr. Harrison and Mr. Renken as to any type of a  
11 finder's fee, you would have to discuss it with those  
12 two individuals. There were certainly obligations  
13 outstanding.

14 BY MR. PERKINS:

15 Q I didn't ask you about a finder's fee, and I'm  
16 not asking you now about a finder's fee.

17 A What kind of fee are you talking about?

18 Q If you don't understand, I'll try to rephrase  
19 it again.

20 I'm asking you, sir, whether or not you had an  
21 understanding with Mr. Renken not about a finder's fee  
22 but about an equity stake in the company which was to  
23 result from his participation in the Harrison series of  
24 meetings.

25 MR. JARBLUM: Asked and answered.

78

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1 THE WITNESS: No.

2 BY MR. PERKINS:

3 Q You say there's no such understanding. All  
4 right.

5 Now, with respect to the promissory note --  
6 I'm sorry -- the loans -- the monies that were due on  
7 notes to Mr. Harrison, was that subject discussed in  
8 the meetings which they arranged in March, which  
9 transpired in March that you told me about?

10 A There was a discussion that -- there were some  
11 discussions between them about the status of the  
12 project and the disposal of the funds.

WILCOXON ONE

13 Q Were you present at those discussions?

14 A I overheard parts of it.

15 Q The fact is in March, at the time of the  
16 meeting, the notes weren't due; is that right?

17 A I haven't seen the notes.

18 Q Well, the fact is, Mr. Harrison didn't make  
19 any demand for repayment, did he --

20 MR. HELLER: Objection. Assumes facts not in  
21 evidence.

22 BY MR. PERKINS:

23 Q -- at that meeting?

24 A They raised serious questions that obligations  
25 which were promised were not done, such as the list of

79

♀

1 the proceeds, use of funds, where did the money go and  
2 the accounting, et cetera, and the status of the  
3 project.

4 Q Did you -- would you -- from outside looking  
5 in in these discussions, did you view them as  
6 adversarial?

7 A I would say that they were being -- I would  
8 say there was increasing doubt as to Renkin's  
9 credibility.

10 Q Was his credibility challenged by Mr. Harrison  
11 in that meeting in your presence?

12 A I think it was raised.

13 Q Even though his credibility was challenged,  
14 Mr. Harrison was able to arrange financing with his  
15 clients for TTC; is that right?



16 MR. HELLER: Objection to the form of the  
17 question.

18 THE WITNESS: Yes. I failed to understand the  
19 linkage in the question.

20 BY MR. PERKINS:

21 Q The linkage between the meeting and the  
22 financing?

23 A Right. Mr. Harrison introduced me to at a  
24 much later time to various individuals.

25 Q By "much later," what do you mean?

80

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1 A In May and in June.

2 Q Okay. And financing was in fact provided by  
3 those individuals for Transmission Technology  
4 Corporation?

5 A Some of the financing.

6 Q Several thousand dollars?

7 A Right.

8 Q By the way, in this meeting that was held in  
9 Detroit with Mr. Harrison, do you recall whether the  
10 corporation had been formed at that time, TTC?

11 A Without being specific as to which meeting,  
12 what dates --

13 Q The first meeting where you met with  
14 Mr. Harrison and Mr. Sawyer and Mr. Renken. At that  
15 time do you recall that the corporation had already  
16 been formed?

17 A I don't recall the sequence of events.

18 Q Well, assuming the corporation was formed on

19 or about March 28th, does that help you?

20 A I don't recall the date of the other  
21 meetings.

22 Q I've showed you a declaration which has been  
23 marked as 507. It's entitled --

24 MR. JARBLUM: Do you have copies for us?

25 MR. DOMBROSKI: Yeah.

81

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1 MR. PERKINS: Let's mark this.

2 (Defendant Exhibit 507 was marked for  
3 identification by the court reporter.)

4 BY MR. PERKINS:

5 Q Do you see that, sir, Exhibit 507?

6 A Yes.

7 Q It's your declaration; is it not?

8 A It appears to be.

9 MR. HELLER: I want to object and move to  
10 strike any questions or answers relating to this  
11 declaration since it was not submitted in relationship  
12 to the preliminary injunction motion. Can I have a  
13 standing objection on this, Mr. Perkins, or do you want  
14 me to object to every question?

15 MR. PERKINS: No. I understand that --

16 MR. HELLER: I don't want to interrupt your  
17 questioning.

18 MR. PERKINS: Thank you. I understand you're  
19 objecting to my questions about the statements made in  
20 this declaration. Okay. All right. The record will  
21 so reflect.

22 MR. HELLER: It exceeds the scope of local  
23 rule 7.5.4.

24 BY MR. PERKINS:

25 Q In paragraph 2, sir, do you see, "Although I

82

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1 have been advised the merits of the issues raised by  
2 the defendants will be resolved by the arbitrators" --

3 Do you see that?

4 A Uh-huh.

5 Q -- "I am compelled to relate certain facts in  
6 order to set the record straight."

7 What were you referring to when you said that?

8 A I don't know. I need to ask some of the  
9 people that work here as to when was this done and in  
10 response to what.

11 MR. HELLER: Well, if you look at the first  
12 paragraph, Mr. Perkins, perhaps, might want to question  
13 you on that. This relates to an ex parte application  
14 and it's in opposition to an ex parte application and  
15 Mr. Perkins is showing you the declaration. He's not  
16 showing you the papers in which this declaration was  
17 not submitted in opposition.

18 BY MR. PERKINS:

19 Q For the record, you signed this document on or  
20 about 26th of October; is that correct?

21 A Yes.

22 Q That is your signature?

23 A Yes.

24 Q And were the statements made of this

25 declarati on true and correct as of that time, to the

83

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1 best of your knowl edge?

2 A Yes.

3 Q Let's go to paragraph 3.

4 The fi rst sentence in paragraph 3 states, "TTC  
5 was incorporated by Mr. Sawyer in hi s capaci ty as a  
6 lawyer on March 28, 2001." Do you see that?

7 A Yes.

8 Q Does that refresh your recollecti on that in  
9 fact a corporati on had not been undertaken -- had not  
10 been fi led as of the date of the meeting you had wi th  
11 Mr. Harri son in Detroi t?

12 A During the meeting wi th Mr. Harri son as well  
13 as pri or phone calls, we di scussed the fact that I was  
14 going to form a corporati on wi th a name such as  
15 Transmi ssi on Technol ogy Corporati on, and Mr. Renken  
16 stated that he wanted to be a part and coul d raise  
17 fi nanci ng for the company, assumi ng we acqui red a  
18 technol ogy whi ch was worthy.

19 And at some poi nt Mr. Renken volun teered that  
20 he had al ready had Mr. Sawyer form i t, whi ch qui te  
21 frankl y annoy ed me somewhat. But si nce he sai d he  
22 woul d raise the fi nanci ng, I fi gured why not go ahead  
23 and use the corporati on. Now i t's evi dent that was a  
24 mi stake.

25 Q Di d you i ndicate to hi m that you were annoy ed?

84

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WILCOXON ONE

1 A Absolutely.

2 Q What did you say?

3 A I said, "That's the name we discussed, and why  
4 did you form the corporation already before discussing  
5 it?" He said, "Just getting ready, trying to be  
6 helpful."

7 Q Were you satisfied with that response?

8 A Yeah, took it on face value.

9 Q Did you discuss how this document was to be  
10 issued in that corporation at that time?

11 A No. He was very clear on the fact that the  
12 primary movers of the corporation was myself and Bill  
13 Arrington.

14 Q Had you thought of a Delaware corporation at  
15 the time? Had you contemplated with that?

16 A Yes.

17 Q Why didn't you do that? Why didn't you form a  
18 Delaware corporation?

19 A Because he ran out and formed a Nevada one.

20 Q All right. And the next sentence says,  
21 "Mr. Sawyer was introduced to me by Mr. Renken and  
22 purported to have sources of funds available to finance  
23 the project." Do you see that on paragraph 3?

24 A Yes.

25 Q I'm a little bit unclear about who was

85

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1 purported to have the funds available. Mr. Sawyer or  
2 Mr. Renken?

WILCOXON ONE

3 A Mr. Renken.

4 Q So your reference to have funds available was  
5 Renken, not Sawyer?

6 A That's right.

7 Q And you understood that they had an office in  
8 Humble, Texas; is that right?

9 A That's what they told me.

10 Q You also understood that was the principal  
11 place of business for the corporation; is that right?

12 MR. HELLER: What corporation?

13 MR. PERKINS: Corporation that was being --  
14 had been formed.

15 THE WITNESS: I did not understand that was  
16 the principal place of business.

17 BY MR. PERKINS:

18 Q When did you learn that?

19 A I didn't believe it was the principal place of  
20 business.

21 Q Humble, Texas?

22 A That's correct.

23 Q You don't believe it ever was --

24 A That's correct.

25 Q -- a principal place of business?

86

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1 A That's correct.

2 Q Okay. In the last sentence you say,  
3 "Notwithstanding his promises to the contrary  
4 Mr. Renken was unable to arrange financing for TTC."

5 A That's correct.

WILCOXON ONE

6 Q Do you know whether Mr. Renken attempted to  
7 obtain financing for TTC?  
8 A It appears that he did attempt to.  
9 Q Did you obtain financing for TTC?  
10 A Yes.  
11 Q And how did you obtain financing?  
12 A I'm not one that put together the plan, along  
13 with Mr. Arrington, and discussed the plan with the  
14 investors and raised the funds.  
15 Q You're talking about Mr. Harrison's investors?  
16 A Mr. Harrison's investors.  
17 Q Mr. Harrison's clients.  
18 A I don't know if "clients" is the right word  
19 but --  
20 Q Folks that Mr. Harrison --  
21 A He introduced us to individuals, which we then  
22 raised money using a business plan.  
23 Q Who drafted the business plan?  
24 A Myself and Mr. Arrington.  
25 Q Do you know whether you produced that business

87

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1 plan in this litigation?  
2 A I'm not aware of it.  
3 MR. HELLER: Has there been a request for  
4 production?  
5 MR. PERKINS: I don't know. I was just  
6 asking. This is what this is about, discovery.  
7 Q Does it exist today, this business plan?  
8 A Certainly someplace, yes.

WILCOXON ONE

9 Q When was it created?

10 A After the signing of the agreement with  
11 Mr. Goldsworthy.

12 Q So you went to the meeting with  
13 Mr. Goldsworthy without a business plan?

14 MR. HELLER: You're referring to a written  
15 business plan?

16 MR. PERKINS: Written business plan.

17 THE WITNESS: Right.

18 BY MR. PERKINS:

19 Q And in paragraph 4 you state, "On or about  
20 April 5, 2001, the first meeting of the board of  
21 directors of TTC was held, in which I was appointed  
22 chief executive officer and C. William Arrington was  
23 appointed president." A true copy of those minutes are  
24 attached as Exhibit A.

25 Let's go to Exhibit A for a second here.

88

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1 Is this the meeting which you testified was  
2 held by a conference call?

3 A Yes.

4 MR. HELLER: Just for the record, this is a  
5 two-page document entitled "Minutes of First Meeting of  
6 Board of Directors of Transmission Technology  
7 Corporation, a Nevada corporation," signed by Tom  
8 Sawyer, secretary.

9 BY MR. PERKINS:

10 Q And in this meeting that you held by  
11 telephone, this board meeting, was it agreed that



WILCOXON ONE

12 Mr. Sawyer would be secretary of the corporation?

13 A Yes.

14 Q And it was also agreed that you would be chief  
15 executive officer, and William Arrington would be  
16 president; is that right?

17 A Yes.

18 Q Were there any other principals in the company  
19 that attended as directors in this meeting?

20 A Principals?

21 Q Any other directors present at the first  
22 meeting of the board of directors besides you,  
23 Arrington, and Sawyer?

24 A No. There were other people present.

25 Q Who else was present?

89

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1 A There was Mel drum.

2 Q Was it agreed that he would become a director  
3 of the company?

4 A It was discussed that he would be a director  
5 of the company.

6 Q Was he to be an officer?

7 A No.

8 Q Was Mr. Renken present at the meeting?

9 A I don't recall Mr. Renken.

10 Q Was anyone else present?

11 A Mr. Arrington.

12 Q So we have you, Sawyer, Arrington. You don't  
13 recall Renken, and you do recall Mel drum. Anyone else?

14 A I don't recall.

WILCOXON ONE

15 Q And this was a conference call that was  
16 arranged by someone, with a telephone company?

17 A I don't believe with a telephone company, no.

18 Q How do you have a conference call without the  
19 phone company being involved?

20 A There is a conference capability on many  
21 telephones.

22 Q Where were you located?

23 MR. HELLER: Objection. Asked and answered.

24 BY MR. PERKINS:

25 Q You weren't located in your office, is that

90

♀

1 right? You were located in your home somewhere?

2 MR. HELLER: Objection. Asked and answered.

3 BY MR. PERKINS:

4 Q You can answer it.

5 MR. HELLER: You can answer it again.

6 THE WITNESS: Okay. I was not located in my  
7 office, nor was I located in my home.

8 BY MR. PERKINS:

9 Q Where were you located?

10 A I'm not sure where I was located.

11 Q Where was Mr. Arrington; do you recall?

12 A I'm not certain.

13 Q Do you recall where Mr. Sawyer was?

14 A I have to go back and study all kinds of  
15 records to try to figure this out precisely. I travel  
16 extensively. I was moving from one place to another,  
17 as I've indicated earlier. I use my mobile phone

WILCOXON ONE

18 exclusively. And I have more than one consulting job I  
19 was doing at the same time. I do not recall the  
20 precise dates of something which is basically our  
21 project. We've carried on as such.

22 Q Are you finished?

23 A Sure.

24 Q This is the first meeting of the board of  
25 directors of Transmission Technology Corporation, and

91

♀

1 you testified it was held via conference call. You  
2 testified you recall who was present, to the best of  
3 your knowledge. You told me that.

4 Now, how would you have -- do you have any  
5 idea how I would get a record from the phone company of  
6 that call?

7 A No, I don't.

8 Q Who was paying the bills? Who paid the phone  
9 bills for Transmission Technology?

10 A Transmission Technology, as it was just  
11 formed, didn't have any office.

12 Q Do you have any idea who paid the bill for  
13 this conference call?

14 A I pay my own phone bills.

15 Q Would it be true that there would be evidence  
16 of this call on your phone bill?

17 A It's possible. It's also possible that there  
18 would be evidence on other people's phone bills  
19 assuming you linked more than one phone together with  
20 conference capability.

WILCOXON ONE

21 Q Did your phone have a conference capability?

22 A Yes.

23 Q Let me get this -- which phone was that? A  
24 cell phone?

25 A Assuming I was on the cell phone at the time,

92

♀

1 yes, the cell phone has conference capability.

2 Q So your phone records would help us in  
3 determining from where that call was made, correct?

4 A Most likely. I mean, like I said, if I was in  
5 someone else's office at the time, I may have used  
6 their phone.

7 Q But you don't recall?

8 A As I said earlier, I don't recall.

9 Q You recall who -- now, when you had the  
10 meeting, someone took it upon themselves to record the  
11 meeting by typing up the minutes, correct?

12 A Usually the secretary does that.

13 Q And is that who did that in this case?

14 A Yes.

15 Q That would be Mr. Sawyer?

16 A That's correct.

17 Q So Exhibit A of your declaration was prepared  
18 by Mr. Sawyer; is that right?

19 A That is correct.

20 Q And it bears his signature?

21 A That is correct.

22 Q And do you believe it was prepared -- well, do  
23 you know when it was prepared, when it was typed up?

WILCOXON ONE

24 A I do not know when he would have prepared it.  
25 Q When did you first see it?

93

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1 A It was faxed to us at some point.  
2 Q Within days, weeks, months?  
3 A I don't recall.  
4 Q When you saw it, did you see any entries in it  
5 which were inconsistent with your understanding of what  
6 happened at the meeting?  
7 A This one?  
8 Q Exhibit A, yes.  
9 A No.  
10 Q Now, also attached to your declaration is  
11 another document entitled "Action Without a Meeting."  
12 Do you see that?  
13 A Yes.  
14 Q That's the second exhibit, Exhibit B?  
15 A Yes.  
16 Q That's dated April 6th; is that right?  
17 A That's correct.  
18 Q And it states, quote, "The board of directors  
19 of Transmission Technology Corporation, a Nevada  
20 corporation, hereby takes the following actions without  
21 a meeting effective on the 6th of April 2001."  
22 Do you know who prepared this document?  
23 A This document?  
24 Q Exhibit B, yeah.  
25 A This document was prepared by myself.

♀

1 Q It was prepared by yourself?

2 A Yes.

3 Q Do you recall when you prepared it?

4 A I don't recall the date. It was after we got  
5 the minute book from Mr. Sawyer and realized he had  
6 failed to keep accurate records, failed to file the  
7 list of officers and directors, failed to pay for the  
8 corporation, and failed to pay the fee for the officers  
9 and directors.

10 Q That would have been in June?

11 A I do not recall the dates.

12 Q You received it in June, did you not?

13 A May.

14 Q You received it in May. Okay.

15 When in May, do you recall?

16 A I don't recall the exact dates.

17 Q So it was sometime after April 6th you  
18 received the minute book and then you prepared this  
19 action without a meeting; is that right?

20 A Yes.

21 Q And what caused you to prepare it?

22 A As I stated a little earlier, extremely sloppy  
23 work on the part of the secretary of the corporation,  
24 not reflecting what was stated in the meeting, in the  
25 subsequent meeting tried to clear it up.

♀

1 Q What meeting are you talking about by  
2 subsequent meeting?

3 A April 6th.

4 Q So you actually had a meeting on April 6th?

5 A Yes. We had discussions on the telephone.  
6 It's an action without a meeting. We had discussions  
7 to clarify the fact that he may or may not have added  
8 someone different -- directors and officers that were  
9 inconsistent with the minutes which he had prepared.  
10 So we discussed --

11 MR. HELLER: "He" would be?

12 THE WITNESS: Mr. Sawyer.

13 So we discussed the way to clarify the issue.

14 BY MR. PERKINS:

15 Q Let's go back to April 6th.

16 You said you had a telephone conference, and  
17 that was not a board meeting?

18 A Telephone calls.

19 Q Telephone calls?

20 A Yes.

21 Q Who participated in those calls?

22 A Various calls went back and forth between  
23 Mel drum, between myself, between Harrison, Arington,  
24 Renken, Sawyer.

25 Q All on the 6th of April?

1 A Thereabouts.

2 Q You did not consider those calls to constitute  
3 a meeting of the board of directors?

WILCOXON ONE

4 A If you go back to the previous meeting, the  
5 minutes on the 5th, you'll see three officers here --

6 MR. HELLER: You're referring to Exhibit A now  
7 to your declaration, Mr. Wilcoxon?

8 THE WITNESS: I believe that's what it's  
9 called. That's right, Exhibit A.

10 BY MR. PERKINS:

11 Q I thought you were satisfied with these  
12 minutes.

13 A I want to draw your attention to, it says,  
14 "Resolved, that the specific form (list of officers,  
15 directors, and agent) of resolutions appointing the  
16 resident agent and specifying the principal place of  
17 business supplied by the Nevada Secretary of State be  
18 and is hereby adopted as the official resolutions and  
19 list of this corporation."

20 Since what was reflected in this meeting did  
21 not coincide with what was faxed to us later as the  
22 list of officers and directors that Mr. Sawyer stated  
23 that he had filed, then it required clarification.

24 Q That is the start of the chain of phone calls?

25 A That is why you have an action without a

97

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1 meeting to clarify the discrepancies.

2 Q But that occurred in May, right?

3 A I'm not clear if things occurred in May. Many  
4 things occurred in May, including all kinds of  
5 different pieces of paper which came from Mr. Sawyer,  
6 all highly irritating in that there was no consistency



7 or accuracy to anything generated by Mr. Sawyer.  
8 Q But you weren't irritated on April 5th. It  
9 wasn't until May that you got the minute book that you  
10 got irritated?  
11 A Irritated prior to that as well.  
12 Q When were you first irritated by actions of  
13 Mr. Sawyer?  
14 A I don't recall the precise date because these  
15 items were faxed to Mr. Harrison. They were faxed to  
16 me. Mr. Renken faxed things to me, faxed things to  
17 Mr. Arrington on different days. All I know is that  
18 there is a great deal of inconsistency.  
19 Q So Exhibit B is an action without a meeting?  
20 A That's correct.  
21 Q And you took the action on April 6th; is that  
22 right?  
23 A It reflects what was agreed upon at an action  
24 without a meeting.  
25 Q But you didn't -- you didn't have a board

98

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1 meeting on April 6th?  
2 A I don't know about the legalities of what  
3 constitutes -- we had an action without a meeting on  
4 the 6th reflecting what was supposed to have been  
5 written down, to clarify what occurred.  
6 Q On the 6th, did you keep any minutes of any  
7 meeting which occurred on the 6th?  
8 A Yes. I kept minutes, handwritten notes.  
9 Certainly.

WILCOXON ONE

10 Q What occurred on the 6th? Where are those  
11 minutes? Are they recorded anywhere in the corporate  
12 book?

13 A These are recorded in the corporate book. The  
14 corporate book was in the possession of Mr. Sawyer at  
15 the time.

16 MR. HELLER: By "these" you refer to -- are  
17 the minutes of the actions without a meeting Exhibit B  
18 to your declaration?

19 THE WITNESS: I'm confused.

20 BY MR. PERKINS:

21 Q I'll tell you, sir. I'm confused as well. Is  
22 it your testimony that this document, Exhibit B,  
23 constitutes minutes of a meeting, or is it something  
24 other than minutes of a meeting?

25 A This document is recorded as action without a

99

♀

1 meeting and is in the minutes of the corporation,  
2 Transmission Technology Corporation.

3 Q So no meeting took place on April 6th; is that  
4 right?

5 A Meetings took place on April 6th.

6 Q A board meeting? A board of directors meeting  
7 occurred -- we know what occurred on April 5th,  
8 correct? And we have minutes of that. And then on  
9 April 6th, was there a second meeting?

10 A There were meetings to go about doing the  
11 business of the corporation.

12 Q Did that occur on April 6th?

13 A Yes.

14 Q And was it a board of directors meeting?

15 A I don't know if you would call it a formal  
16 board of directors. It's an action without a meeting  
17 of the board of directors. I don't know the specific  
18 legalities. I could talk to the lawyer about that and  
19 get a specific answer.

20 Q You knew on October 26th. You knew the  
21 answer, didn't you? Look at paragraph 4 and look at  
22 paragraph 5. I'll just read it to you.

23 Paragraph 5 states, "On or about April 6,  
24 2001, a second meeting of the board of directors was  
25 held, in which, among other things, Mr. Sawyer was

100

♀

1 replaced as secretary and his oral resignation as a  
2 director was accepted."

3 Now, was a meeting held of the board of  
4 directors on April 6th, or was a meeting not held?

5 A Yes.

6 Q Now, you recall a meeting was held on April  
7 6th?

8 A Yes.

9 Q Who was present at the meeting on April 6th,  
10 sir?

11 A Mr. Arrington and myself.

12 Q Two directors. Anyone else?

13 A And Mr. Grob.

14 Q Was Mr. Sawyer present?

15 A No.

WILCOXON ONE

16 Q Was he a director at that time?

17 A He was not a director at that time.

18 Q He was not a director on April 6th?

19 A No.

20 Q At that meeting on April 6th, you agreed to  
21 issue stock to Mr. Arrington, Mr. Grob and, quote,  
22 "myself"; is that right?

23 A That's correct.

24 Q That's what you stated in your declaration in  
25 paragraph 5; is that right?

101

♀

1 A Yes.

2 Q You also agreed in the meeting, this meeting  
3 that occurred on April 6th, that no stock was to be  
4 issued to Mr. Sawyer; is that true?

5 A That is correct. There was never a discussion  
6 of stock to be issued to Mr. Sawyer.

7 Q And you state that Exhibit B is a true copy of  
8 the minutes of that meeting; is that right?

9 A That's correct.

10 Q All right. How was that meeting held? By  
11 telephone?

12 A I am not certain. I have to think back. I  
13 was with Arrington during part of that. I might have  
14 been with him.

15 Q Where was Mr. Grob?

16 A The U. K.

17 Q You're confident that he wasn't physically  
18 present at the meeting; is that right?

19 A That's correct.  
20 Q Was he present by telephone?  
21 A Yes.  
22 Q Do you recall specifically that he  
23 participated in the meeting on April 6th?  
24 A He signed the minutes, yes.  
25 Q He didn't sign them on April 6th, did he?

102

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1 A Of course not.  
2 Q When were these minutes signed, by the way,  
3 Exhibit B?  
4 A It was signed later because we did not have  
5 the minutes from the meeting. Mr. Sawyer had not given  
6 us the book.  
7 Q So let's refer to Exhibit B, specifically.  
8 We'll find out what happened at the meeting.  
9 Do you have it in front of you there?  
10 A Uh-huh.  
11 Q So it says, quote, in the second paragraph,  
12 "Resolve" -- and I quote -- "that the minutes of the  
13 first board of directors meeting held on April 5, 2001,  
14 are hereby approved." Do you see that?  
15 A That's correct.  
16 Q And as of the time of this meeting, which was  
17 held on April 6th, you had the minutes of April 5th; is  
18 that right?  
19 A We knew what we had discussed.  
20 Q Please -- it would be helpful in terms of  
21 time, so I don't have to repeat these questions over

22 and over again, if you could just try to answer that  
23 question yes or no.

24 MR. HELLER: Finish your answer.

25 THE WITNESS: If I don't understand the

103

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1 question --

2 MR. PERKINS: If you don't understand the  
3 question, just tell me that. I'll rephrase it.

4 MR. JARBLUM: Excuse me, sir. Let him finish  
5 his answer before you interrupt his answer.

6 THE WITNESS: I think I need to hear the  
7 question again.

8 MR. PERKINS: I will withdraw the question and  
9 rephrase it.

10 Q Did you or did you not have a copy of the  
11 minutes of the first board of directors meeting in your  
12 possession on or about April 6th at the time of the  
13 meeting entitled "Action Without a Meeting of the Board  
14 of Directors"?

15 A I believe they were read to us.

16 Q The minutes were read to you on April 6th?

17 A Yes.

18 Q And who read those minutes?

19 A I don't recall.

20 Q It wouldn't have been Mr. Sawyer, correct?

21 A I'm not certain about the events exactly on  
22 that day precisely, because we thought accurate records  
23 were taken, but it turns out they were not. For  
24 example, there's still ambiguities as to the original

25 alleged list of officers and directors.

104

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1 Q I understood you to testify earlier that you  
2 had no problem, and indeed you approved the minutes of  
3 the first meeting, which is Exhibit A, which reflects  
4 or evidences the meeting which took place on April  
5 5th. Is that right? You don't have any problem with  
6 these minutes, do you, Exhibit A?

7 A No.

8 Q And on April 6th you didn't have any --

9 A Well, they're not minutes that we wanted to  
10 have because we thought they would be more specific  
11 when they arrived, but they are what they are. That's  
12 what the secretary sent.

13 Q You approved them in the first resolution, did  
14 you not?

15 A That's correct.

16 Q So my question is, did you have them in front  
17 of you when you approved them?

18 A They were read to us, yes.

19 Q Somebody -- who read them?

20 A I believe Mr. Sawyer read them. He's the only  
21 one who could have unless he faxed them to someone  
22 else.

23 Q Did he read them to you during this meeting  
24 that you had on April 6th or at some later time or  
25 earlier time?

105

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WILCOXON ONE

1           A    You know, minutes were sent at some point. I  
2    have to go back and try to look through records to try  
3    to determine the precise series of events. Since we  
4    were running the corporation, we assumed that the  
5    secretary was following and taking the notes of the  
6    corporation.

7           Q    When you drafted your declaration on October  
8    of 2001, did you have access to all of that  
9    information?

10           MR. HELLER:  Objection.  Vague and ambiguous.

11           THE WITNESS:  I don't know what you're talking  
12    about.

13           BY MR. PERKINS:

14           Q    You said you needed information. You wanted  
15    records of the company.

16           A    You want precise dates of this and that, and  
17    that has to be searched for. If you want to know who  
18    is this, where they were, I mean --

19           Q    Okay. That's not what I want. What I want is  
20    your best recollection. If you don't recall --

21           A    I don't recall.

22           Q    That's all I want to know. If you don't  
23    recall, the record will so reflect you don't recall.

24                    Now, let's get back to the declaration which  
25    it appears you did recall.

106

♀

1           MR. HELLER:  Objection.  Move to strike the  
2    commentary.



WILCOXON ONE

3 BY MR. PERKINS:

4 Q In paragraph 5 you state, "On or about April  
5 6, 2001, a second meeting of the board of directors was  
6 held, in which, among other things, Mr. Sawyer was  
7 replaced as secretary and his oral resignation as a  
8 director was accepted." Do you see that?

9 A Yes.

10 Q Does that lead you to conclude or recollect  
11 that Mr. Sawyer was in fact present at the meeting  
12 which you claim to have been held on April 6th?

13 A Yes.

14 Q Yes?

15 A Yes.

16 Q How was he present?

17 A He was present either by phone -- like I said,  
18 I don't recall the specific events precisely.

19 Q So the fact is, you don't recall whether he  
20 was present or not?

21 A I would have to go back and look at the  
22 records, my notes.

23 Q Did you look at those records of your notes at  
24 the time you drafted this declaration?

25 A Yes. Because I believe that's what happened.

107

♀

1 Q At the time you drafted this declaration your  
2 notes led you to conclude that Mr. Sawyer was present  
3 at the meeting on April 6th?

4 A Yes.

5 Q Where are those notes?

WILCOXON ONE

6 A In various locations.

7 Q Is it your practice to keep notes of meetings,  
8 business meetings?

9 A I often keep notes.

10 Q Do you ever record meetings?

11 A Never.

12 Q Does Mr. Arrington ever record meetings?

13 A I don't know. You'd have to ask him.

14 Q Well, to your knowledge, has he ever recorded  
15 a meeting in which you have been present?

16 MR. HELLER: What do you mean by "record"?

17 MR. PERKINS: With a tape-recorder.

18 THE WITNESS: Not that I'm aware of.

19 BY MR. PERKINS:

20 Q Do you recall that stock was to be issued to  
21 Mr. Arrington and Mr. Grob at this meeting on April  
22 6th? Is that right?

23 A Yes.

24 Q And did you discuss in that meeting of April  
25 6th at which Mr. Sawyer was present the fact that stock

108

♀

1 was going to be issued?

2 A Absolutely.

3 Q And what do you recall Mr. Sawyer saying at  
4 that time with respect to the fact that stock was to be  
5 issued to three different individuals other than  
6 himself?

7 A Nothing.

8 Q You said nothing?

WILCOXON ONE

9 A Yes.

10 Q He was the secretary of the corporation,  
11 correct, at the time of the meeting?

12 A It says here, "Resolved, his resignation  
13 afterwards, the shares were issued," so I wouldn't have  
14 expected commentary.

15 Q What happened? What was the order of the  
16 events that happened at the meeting? Is it reflected  
17 accurately in the --

18 A Yes.

19 Q -- Exhibit B?

20 A Yes.

21 Q The first thing that happened was, you  
22 approved the minutes of the prior meeting of the day  
23 before, right?

24 A Right.

25 Q The next thing that happened was Tom Sawyer

109

♀

1 resigned, right?

2 A That's correct.

3 Q Why did he resign?

4 A Because we asked him to resign.

5 Q Why did you ask him to resign?

6 A Because he was just incorporating on behalf of  
7 Mr. Renken whom we had doubts about.

8 Q And who had doubts about him?

9 A Myself, for one.

10 Q Okay. Anybody else?

11 A Obviously others.

WILCOXON ONE

12 Q Who others? What others? Mr. Arrington?

13 A Arrington didn't know him very well.

14 Q Did Mr. Grob have doubts about him?

15 A I don't know the answer to that. You'd have  
16 to ask him. Mr. Meldrum had doubts about him. That's  
17 for certain.

18 Q And Meldrum was present at this meeting?

19 A Meldrum was present at earlier meetings, and  
20 he was probably present at this meeting.

21 Q Probably.

22 I don't see his name as being present in  
23 reference to Exhibit B. Would it be your practice to  
24 include persons' presence in the meetings?

25 A It says here, "Further Resolve, that the

110

♀

1 resignation of Stephen Meldrum as a temporary director  
2 and officer concerning the formation of the company."  
3 That's page 2.

4 MR. HELLER: Mr. Perkins, I don't know whether  
5 this is deliberate or unintentional, but you keep  
6 switching back and forth between "meeting" and  
7 "meetings" in questioning the witness. I think it's  
8 confusing the record as to whether there was one  
9 meeting or a series of meetings, as the witness  
10 testified to earlier.

11 MR. PERKINS: Counsel, I'm not trying to  
12 mislead the witness. I'm trying to allow him to read  
13 his declaration in which it says, quote, "second  
14 meeting." He doesn't say a series of meeting or

WILCOXON ONE

15 anything. He says a second meeting. If that's not  
16 correct, we can --

17 MR. HELLER: I think you're ignoring the  
18 testimony that was given earlier in response to your  
19 questions.

20 MR. PERKINS: Let's clear it up, then.

21 Q Was there one meeting on the 6th or a series  
22 of meetings?

23 A There was this particular meeting, but there  
24 were certain other meetings between the different  
25 parties involved.

111

♀

1 Q On the 6th?

2 A Absolutely.

3 Q So you had a series of meetings on the 6th of  
4 April?

5 A I had meetings with different individuals,  
6 such as Mr. Arrington and Mr. Grob, Mr. Meldrum and  
7 Mr. Harrison.

8 Q Was Mr. Harrison present at the board of  
9 directors meeting on the 6th?

10 A I don't recall. I'd have to go back and look  
11 at my notes.

12 Q Mr. Sawyer was present, and Mr. Sawyer was  
13 asked to resign; is that right?

14 A Mr. Sawyer and Mr. Meldrum were asked to  
15 resign because there was a confusion due to the fact  
16 that Mr. Sawyer had inaccurately reflected the prior  
17 minutes -- in the minutes of the meeting on the 5th of

WILCOXON ONE

18 April wherein, in this list of officers and directors  
19 and agent, he had placed individuals on it which were  
20 not reflected in this particular lineup of officers as  
21 well as directors. So, therefore, it called for a  
22 clarification immediately thereafter.

23 It turns out he never filed those officers and  
24 directors list, but he so indicated that he had filed  
25 it.

112

♀

1 Q I don't understand. You didn't know any of  
2 that on the 6th of April, did you?

3 MR. HELLER: Objection. Argumentative.

4 THE WITNESS: These are the minutes of the  
5 corporation.

6 BY MR. PERKINS:

7 Q These are the minutes of the corporation,  
8 yes. I'm asking you a different question now. I don't  
9 know why you're telling me these are the minutes of the  
10 corporation. I knew that.

11 MR. HELLER: Objection. Argumentative.

12 THE WITNESS: I'm not sure.

13 BY MR. PERKINS:

14 Q You're not sure what?

15 A That you knew that.

16 Q I know what you told me. You told me that the  
17 minutes don't say anything about any inconsistencies in  
18 the paperwork done by Mr. Sawyer. Do they?

19 A Further minutes of the corporation certainly  
20 do show that because they were required when we

WILCOXON ONE

21 realized he had not signed the original -- he had not  
22 sent in the actual -- the original officers and  
23 directors office.

24 Q I heard that now three times. Believe me, I  
25 understand your position on that.

113

♀

1 Will you please explain to me the fact that I  
2 do not understand and it's unclear on the record, did  
3 you know on April 6th that the list of officers and  
4 directors about which you were concerned was in fact  
5 improperly prepared by Mr. Sawyer? Did you know that  
6 on April 6th?

7 A Yes. We didn't know the entire list was  
8 wrong. We knew that there was inconsistency in the  
9 fact that during the minutes of the first meeting there  
10 were discussions about Mr. Mel drum being a director and  
11 the president of the company for which he objected  
12 saying he didn't understand the business of the  
13 company, that that was really myself and Mr. Arrington,  
14 and therefore we should be running the company as it  
15 really was our entity.

16 So, for some reason, Mr. Sawyer wanted him to  
17 be a director and the president. And I thought we had  
18 clarified that in the meeting.

19 Q Which meeting?

20 A In the 5th of April meeting. And this  
21 reflects that partially correct -- partially clarified  
22 it. But in order to clear up the ambiguities,  
23 Mr. Mel drum resigned.

WILCOXON ONE

24 Q Resigned on the 6th?  
25 A Yes. And likewise Mr. Sawyer.

114

♀

1 Q Nothing in the minutes about ambiguities,  
2 correct?

3 MR. HELLER: Objection as to the form of the  
4 question.

5 BY MR. PERKINS:

6 Q Nothing in the minutes of April 6th about any  
7 of the discussions regarding ambiguities and problems  
8 with the list of directors; is that right?

9 A I didn't see anything.

10 MR. PERKINS: Could we have this marked as  
11 next in order.

12 (Defendant Exhibit 508 was marked for  
13 identification by the court reporter.)

14 BY MR. PERKINS:

15 Q Mr. Wilcoxon, when you asked Mr. Sawyer for  
16 his resignation, what did he say?

17 A He said yes.

18 Q And that was on the 6th and not the 5th; is  
19 that right?

20 A Yes.

21 Q And what happened with respect to Mr. Sawyer's  
22 continued participation in the meeting after he agreed  
23 to resign?

24 A Continued participation? I don't know what  
25 you mean.



♀

1 Q Who asked him to resign?

2 A Myself.

3 Q And he was on the telephone?

4 A I believe so.

5 Q You're not sure?

6 A Yes, I'm sure.

7 Q If you're not sure, just tell me. I'm not  
8 trying to trick you.

9 I got the impression from your response that  
10 you weren't sure if it was on the telephone or if he  
11 was present personally. You know he wasn't present  
12 personally, correct?

13 A That's correct.

14 Q That leaves us with the telephone. The only  
15 other way he could be present would be on the phone,  
16 right?

17 A Right.

18 Q You asked him -- do you recall specifically  
19 what you said about his resignation?

20 A No, I don't recall.

21 Q Did you tell him you were concerned about the  
22 work he had done or not done?

23 A Later I certainly had discussions --

24 Q I'm not talking about later. I'm talking  
25 about your conversation on the 6th of April.

♀

WILCOXON ONE

1           A    I think it was along the vein that he had  
2 formed the corporation and was handing it over so we  
3 could get on with the business of the corporation.

4           Q    And did he indicate that he wanted to be  
5 compensated as far as the work involving forming the  
6 corporation?

7           A    No.

8           Q    Did he indicate that he wanted to be  
9 compensated for funds that he had advanced on behalf of  
10 the corporation?

11          A    We were not aware of any funds that he  
12 advanced.

13          Q    You weren't?

14          A    No.

15          Q    You think that the State of Nevada files  
16 corporations for free?

17          A    He did not pay for them.

18          Q    I didn't ask that.

19          A    Right.

20          Q    I asked, are you aware that it costs money to  
21 form a corporation in Nevada?

22          A    Yes.

23          Q    Did you pay any money to have the corporation  
24 formed before March 2001?

25          A    No.

117

♀

1           Q    And it was your understanding that Mr. Sawyer  
2 advanced whatever funds were necessary to form the  
3 corporation in Nevada; is that right?

WILCOXON ONE

4 A He said it would be invoiced, and we assumed  
5 that we would pay for it when the invoice arrived.

6 Q Beyond April 6th, this meeting held by  
7 telephone, was the subject of his expenditures  
8 discussed?

9 A No.

10 Q He didn't mention it, and you didn't mention  
11 it; is that correct?

12 A Correct.

13 MR. HELLER: Objection. Questions are  
14 repetitive and we do this again and again and again and  
15 that's why this deposition is taking so long.

16 MR. PERKINS: Your objection was longer than  
17 my repetitive question.

18 MR. HELLER: This is the first time I have  
19 indicated this and I have been sitting here in  
20 frustration over the fact that --

21 MR. PERKINS: I'll try to do better. I  
22 understand appropriately that you're tired. Let's  
23 proceed.

24 MR. HELLER: That's not the point,  
25 Mr. Perkins.

118

♀

1 MR. PERKINS: I told you I will try to do  
2 better. I don't want to fight with you about it. It's  
3 too expensive and time consuming.

4 MR. HELLER: Just ask your question and move  
5 on. Don't repeat your question.

6 BY MR. PERKINS:

WILCOXON ONE

7 Q Now, what else was said at that time by  
8 Mr. Sawyer with respect to the question of his  
9 resignation? Anything?

10 A Not that I recall.

11 Q Do you recall having copies of the minutes  
12 which you had prepared from the day before as of the  
13 time of that meeting?

14 MR. JARBLUM: Asked and answered.

15 MR. PERKINS: I'm trying to refresh his  
16 collection.

17 THE WITNESS: I don't recall whether we had  
18 them present or whether they were faxed or whether they  
19 were read.

20 BY MR. PERKINS:

21 Q But you know what they contained?

22 A Yes.

23 Q As of April 5th?

24 A Yes.

25 Q And you --

119

♀

1 A With the exception there's still confusion, as  
2 indicated earlier, as to the attached list of officers  
3 and directors.

4 Q Other than the resignation by Mr. Sawyer, do  
5 you recall any other discussions about any other  
6 subject matter with Mr. Sawyer on April 6th?

7 A I think that -- I don't think so.

8 Q Mr. Arrington was present in these  
9 discussions?

10 A Yes.

11 Q Did he overhear Mr. Sawyer's resignation?

12 A I believe so.

13 Q Did Mr. Sawyer have a conversation with him  
14 directly on April 6th?

15 A I don't know.

16 Q You don't know? You don't recall?

17 A I don't recall.

18 Q There wasn't a separate phone conversation, to  
19 your knowledge, between those two? This was a  
20 conference call arrangement?

21 A I stated earlier I don't recall.

22 Q Well, I submit to you, sir, it's fairly  
23 important we try to figure out what happened. And I  
24 submit also that it's important to know whether or not  
25 everyone involved was in fact participating

120

♀

1 simultaneously.

2 I ask you to direct your attention and memory  
3 to that fact and tell me, as best you can recall,  
4 whether each of the principals, Mr. Sawyer,  
5 Mr. Mel drum, yourself, Mr. Arrington, and Mr. Grob were  
6 all simultaneously participating in this meeting of the  
7 board of directors on April 6th.

8 MR. HELLER: Objection. Asked and answered.

9 BY MR. PERKINS:

10 Q You do not have any specific recollection that  
11 there was a simultaneous meeting by telephone amongst  
12 all of those people?

WILCOXON ONE

13 MR. HELLER: Objection. Asked and answered.  
14 I also object to the characterization of Mr. Sawyer as  
15 a principal.  
16 THE WITNESS: Yes, I was going to object to  
17 that by saying that I can't answer the question.  
18 BY MR. PERKINS:  
19 Q Prior to the resignation, he was a principal,  
20 wasn't he?  
21 A How do you define "principal"?  
22 Q He was an officer?  
23 A That's not the same as principal.  
24 Q Okay. We'll use your definition.  
25 Mr. Sawyer was present, correct, in whatever

121

♀

1 capaci ty?  
2 A Right.  
3 Q Given that was everyone else present  
4 simultaneously? That's what I want to know.  
5 MR. HELLER: Objection. Asked and answered.  
6 MR. PERKINS: He said he didn't recall. I'm  
7 trying to refresh his recollection.  
8 MR. HELLER: By asking the question again?  
9 MR. PERKINS: This is cross-examining.  
10 MR. HELLER: You're refreshing his  
11 recollection by asking the question again?  
12 MR. PERKINS: That's the best I can do now.  
13 Q Do you have a recollection, as you sit here  
14 today, whether this was one simultaneous conversation  
15 or numerous separate phone calls?

WILCOXON ONE

16 MR. HELLER: Objection. Asked and answered.

17 THE WITNESS: I do not recall precisely.

18 There were times that some of them were present on  
19 mobile phones. Some disconnections occurred, and you  
20 put people back on. I don't know the precise answer to  
21 that question.

22 BY MR. PERKINS:

23 Q Let me show you Exhibit 508. Do you see that,  
24 sir?

25 A Yes.

122

♀

1 Q Have you ever seen it before?

2 A Yes.

3 Q When did you first see it?

4 A As a part of one of the legal documents which  
5 have come back, I don't know which one, legal documents  
6 as a result of this case.

7 Q That's what it was. I asked you when you saw  
8 it. When did you first see it?

9 A When I first saw the documents which came back  
10 on the legal case. That's the first time I've seen  
11 it.

12 Q It appears to bear Mr. Sawyer's signature,  
13 does it not?

14 A It does look like a signature.

15 Q Do you have any knowledge as to when this  
16 document was prepared?

17 A No.

18 Q Do you see there about the middle of the page

19 where the word "president" and opposite is the name  
20 "Tom Sawyer" and then crossed out and then "Steve  
21 Meldrum" is placed there?

22 A Yes.

23 Q Does it refresh your recollection seeing this  
24 document that at some point Mr. Meldrum was president  
25 of TTC?

123

♀

1 A This document doesn't refresh my memory of  
2 anything because it is false.

3 Q It is what?

4 A It is false.

5 Q What is false about it?

6 A Everything.

7 Q Well, there was a meeting on the 5th of April,  
8 was there not, a board meeting?

9 A We discussed that earlier.

10 Q Was Tom Sawyer elected temporary chairman at  
11 that meeting?

12 A If you want to go through and do a comparison  
13 between the two, it will take more time.

14 I'm gonna go to lunch shortly.

15 Q Well, I don't want to take too much time. You  
16 say it's false, and I would like to know what about it  
17 is false.

18 MR. HELLER: Mr. Wilcoxon, why don't you go  
19 through the exhibit and explain.

20 MR. JARBLUM: And compare it with the other  
21 one.



WILCOXON ONE

22 THE WITNESS: And then I'm going to formally  
23 request I'm going to leave for lunch.

24 MR. PERKINS: I said we'll leave at 12:30. I  
25 thought we agreed on that. It's 20 after 12:00.

124

♀

1 MR. HELLER: We don't have time to do this.  
2 Why don't we break for lunch and do this.

3 MR. PERKINS: Who said we don't have time to  
4 do this? We have time. I would like to do it now in  
5 the next ten minutes. Do you mind?

6 MR. HELLER: All right. We can start now, and  
7 then if we don't finish, we'll break at 12:30.

8 BY MR. PERKINS:

9 Q This document is entitled "Minutes of the  
10 First Meeting of the Board of Directors." It purports  
11 to be the minutes of what happened on April 5th, does  
12 it not?

13 A I don't know which one we're talking about.

14 Q I'm talking about Exhibit 508.

15 A All right. What's the question?

16 Q This document is entitled "Minutes of the  
17 First Meeting of the Board of Directors," and it's  
18 signed by Tom Sawyer in his capacity as secretary. Do  
19 you see that on the second page?

20 A I do.

21 Q Now, I asked you before, and I'll ask you  
22 again at the risk of incurring the wrath of your  
23 counsel. You indicated there is something false about  
24 this document. What is it that is false about this

25 document?

125

♀

1 MR. HELLER: Do you want him to compare  
2 Exhibit 508 --

3 MR. PERKINS: No.

4 MR. HELLER: -- to Exhibit A to the  
5 declaration, which is also signed by Mr. Sawyer or do  
6 you want him to go through Exhibit 508 line by line?  
7 What do you want him to do, Mr. Perkins?

8 MR. PERKINS: I don't care what he does as  
9 long as what he tells me what about Exhibit 508 is  
10 false.

11 Q Was Mr. Mel drum elected president on April 5th  
12 during the board of directors meeting?

13 A No.

14 Q So it's your position that that's an incorrect  
15 statement?

16 A That's correct.

17 Q It incorrectly reflects what occurred at the  
18 April 5th meeting?

19 A Right. It was discussed, and these are the  
20 minutes signed by Mr. Sawyer, the ones previously  
21 discussed in my declaration. And did they say that?  
22 No.

23 Q Was Mr. Sawyer elected secretary/treasurer on  
24 April 5th?

25 A Mr. Sawyer was secretary/treasurer, elected

126

♀

WILCOXON ONE

1 secretary/treasurer.

2 MR. HELLER: Are you skipping over the word  
3 "temporary"? I'm sorry. Go ahead.

4 THE WITNESS: Well, that's true. He was  
5 elected temporary secretary in the beginning part. It  
6 depends on whether you're talking about secretary for  
7 the meeting or --

8 BY MR. PERKINS:

9 Q I'm confused. I have no idea what you're  
10 talking about. Can you please refer me what it is  
11 you're referring to?

12 A The second paragraph says, "Tom Sawyer is  
13 elected temporary secretary each to serve only until  
14 the close of the meeting."

15 Q That is 507 that you're referring to?

16 A They both state that, yes. Yes, I'm referring  
17 to 507 as it's the only document that I'm aware of.

18 Q They both say -- they talk about temporary?

19 A Yes.

20 Q Is there anything else that is not correct  
21 about the document?

22 A The officers are not correct. I'll have to go  
23 line by line and study it in depth, but certainly the  
24 other part here which jumps to mind is, in this version  
25 he has inserted that Tom Sawyer's purchased all of the

127

♀

1 shares of the corporation and paid the sum of \$24 cash,  
2 which is absolutely incorrect.

WILCOXON ONE

3 Q How do you know that?

4 A Well, if I was the CEO of the corporation and  
5 a director of the corporation and the first time that I  
6 have seen this is after the litigation has commenced  
7 and Mr. Sawyer has joined the fray with  
8 Mr. Goldsworthy, then I know that that was not the  
9 case. It requires a board of directors meeting,  
10 resolution to issue out the shares, and you issue share  
11 certificates. So I know it's not correct. None of  
12 those things ever occurred.

13 Q To the best of your knowledge, they never  
14 occurred?

15 A I know they never occurred.

16 Q Is there anything else that is incorrect about  
17 this document?

18 A I'd have to go through, and if you want to  
19 study it line by line, we can do that. I can see  
20 typos. I can see other changes.

21 For example, this one does not have "5th"  
22 written in by hands, which actually is in the  
23 handwriting of Mr. Sawyer. We have the originals. In  
24 the document called 507, in this case it's typed in.  
25 It appears to be his same word processor, because it

128

♀

1 looks almost the same, with the exception he has added  
2 some things in here, changing the officers.

3 And then we have gone onto the second page  
4 and, let's see, we have certificate thereof -- we have  
5 that one paragraph, "resolved to offer Tom Sawyer,"

WILCOXON ONE

6 that's a completely new one, as I described earlier,  
7 with a typo in it.

8 Without taking a lot more additional time, I  
9 would say that's the principal changes in this falsely  
10 created document.

11 Q All right. Referring back to your declaration  
12 and Exhibit B, which is the action without a meeting  
13 referencing April 6th --

14 A Yes.

15 Q -- do you see the signatures on that, sir?

16 A Yes.

17 Q When were those signatures affixed?

18 MR. JARBLUM: Asked and answered.

19 THE WITNESS: I don't know which day.

20 BY MR. PERKINS:

21 Q Sometime after April 6th?

22 MR. HELLER: Asked and answered.

23 THE WITNESS: Yes, it would be after April  
24 6th.

25 BY MR. PERKINS:

129

♀

1 Q And you testified that you typed up the action  
2 without a meeting, correct --

3 MR. HELLER: Objection. Asked and answered.

4 MR. PERKINS: I'm not finished with the  
5 question yet.

6 Q -- where were you when you typed it up?

7 A I don't recall.

8 Q Do you have a secretary?

WILCOXON ONE

9 A No.  
10 Q Do you do your own typing?  
11 A Yes.  
12 MR. HELLER: It's 12:30.  
13 MR. PERKINS: Okay.  
14 (Lunch recess.)  
15 MR. PERKINS: Back on the record.  
16 Q Referring you back to your declaration --  
17 A Yes.  
18 Q -- that we referred to earlier --  
19 A I would like to just state that I just want to  
20 clarify an issue. I'm sorry that I have -- I have to  
21 eat every once in a while due to low blood sugar  
22 condition. So I must have protein once in a while, and  
23 I became a little agitated due to that condition.  
24 And wanted to state that in the line of  
25 questioning regarding the meeting on the 6th, to

130

♀

1 clarify where I discussed that there was more than one  
2 call or more than one meeting, that's why there is an  
3 action without a meeting because there was no formal  
4 meeting, per se. There were a series of calls and  
5 meetings.  
6 Q So you're saying in your declaration in  
7 paragraph 5, quote, "On or about April 6th a second  
8 meeting of the board of directors was held, in which,  
9 among other things, Mr. Sawyer was replaced as  
10 secretary" --  
11 A Correct.

WILCOXON ONE

12 Q -- "and his oral resignation was accepted."  
13 Is that incorrect?

14 A Yes. What I meant was the meeting, more  
15 precisely, would be an action without a meeting but  
16 there's certainly the word "meeting" so --

17 Q All right. Did you obtain waivers of notice  
18 signed by the directors of the meeting on April 6th?

19 A I would have to check the minutes to reflect  
20 them.

21 Q Which minutes?

22 A Minutes of the meeting, minutes of the --

23 MR. JARBLUM: I'm going to object. I believe  
24 under Nevada law if you have an action without a  
25 meeting, you don't need a waiver of notice of meeting.

131

♀

1 MR. PERKINS: Thank you. Nice to know, but  
2 that's not responsive to the question. The question is  
3 did you or did you not obtain a waiver, and the witness  
4 answered he doesn't know, he'd have to check. And  
5 that's fine with me.

6 MR. JARBLUM: You're asking the question that  
7 as a matter of law doesn't make any sense, and I would  
8 like to set the record straight.

9 MR. PERKINS: Doesn't make any sense?

10 MR. JARBLUM: Right.

11 MR. PERKINS: So you're telling me that in --

12 MR. JARBLUM: By law, if you have an action  
13 without a meeting, by consent, you don't need a  
14 waiver.

WILCOXON ONE

15 MR. PERKINS: You don't need a consent?

16 MR. JARBLUM: That's right.

17 BY MR. PERKINS:

18 Q You didn't get a written consent in any event;  
19 is that right?

20 MR. JARBLUM: Asked and answered.

21 BY MR. PERKINS:

22 Q All right. Let me refer you to your  
23 supplemental declaration, sir.

24 MR. PERKINS: Can you mark that next in  
25 order.

132

♀

1 (Defendant Exhibit 509 was marked for  
2 identification by the court reporter.)

3 BY MR. PERKINS:

4 Q This document, which has been marked 509, was  
5 executed by you on or about what date, sir?

6 A The 20th of November.

7 Q Executed by fax?

8 A Yes.

9 Q You read it before you signed it?

10 A Yes.

11 Q You had copies of all the exhibits when you  
12 signed the document?

13 A Yes.

14 Q And everything in it is true and correct, to  
15 the best of your knowledge?

16 A Yes.

17 Q Isn't it true, sir, that in fact the directors



WILCOXON ONE

18 of Transmission Technology Corporation were elected on  
19 April 12th, not April 6th?

20 A Not that I'm aware of.

21 Q Isn't it also a fact that you were appointed  
22 as CEO and Arrington as president and Grob as secretary  
23 on April 12th and not April 6th?

24 A No.

25 Q Let me refer you to Exhibit E to your

133

♀

1 supplemental declaration.

2 MR. JARBLUM: What is the page number in the  
3 lower right-hand corner?

4 MR. PERKINS: Let's start with 28.

5 Q Do you see that, sir?

6 A Uh-huh.

7 Q There is a waiver of notice of special meeting  
8 of stockholders.

9 A Uh-huh.

10 Q And it's dated April 12th; is it not?

11 A Yes.

12 Q Signed by you?

13 A Yes.

14 Q Mr. Grob and Mr. Wilcoxon?

15 A Mr. Arrington and Mr. Grob, yes.

16 Q And it reflects a teleconference meeting of  
17 the shareholders; is that right?

18 A Right.

19 Q And it was held on April 12th, as stated?

20 A Yes.

WILCOXON ONE

- 21 Q Do you recall when it was signed?  
22 A No.  
23 Q It wasn't signed on April 12th; is that right?  
24 A No.  
25 Q Sometime thereafter?

134

♀

- 1 A That's correct.  
2 Q If you'll turn to the next page, page 29.  
3 A Yes.  
4 Q 29 is a special meeting -- minutes of a  
5 special meeting of the shareholders of Transmission  
6 Technology Corporation dated April 12; is it not?  
7 A Yes.  
8 Q It was a meeting of the board of directors of  
9 the shareholders held on April 12?  
10 A Yes.  
11 Q This document accurately reflects what  
12 happened at that meeting?  
13 A Yes.  
14 Q You see on page 30, the second page there?  
15 A Yes.  
16 Q It says "Resolved" and about the middle of the  
17 page "the following persons are hereby elected to the  
18 board of directors and ratified as officers of the  
19 company to serve until their successors are duly  
20 elected."  
21 Do you see that?  
22 A Yes.  
23 Q And it lists you, Arrington, and Grob as board

24 of directors; does it not?

25 A That's correct.

135

♀

1 Q And it indicates its officers, Benton Wilcoxon  
2 chief executive officer and Arrington president and  
3 Grob treasurer, correct?

4 A Yes.

5 Q And it also indicates that you each were  
6 present and owning 1,250 shares, correct?

7 A Yes.

8 Q So I'm not quite clear.

9 If you're already a director, why would you be  
10 reappointed new director six days later?

11 A The stockholders -- the new stockholders can  
12 elect to have a meeting, and they usually elect the  
13 board of directors. So it's quite common to do that.

14 Q That's what happened?

15 A Yes.

16 Q Okay. So even though you are a director, the  
17 shareholders felt it was necessary to have a meeting  
18 and reappoint yourselves as officers and directors; is  
19 that right?

20 A I'm unclear on the question.

21 Q Okay. What is it that confuses you?

22 A Well, you use the term I felt. Is this  
23 something that --

24 Q You believe it's necessary?

25 A The board obviously believed it was

♀

1 necessary.

2 Q Was the board getting legal advice at that  
3 time?

4 A Yes.

5 Q From Mr. Sawyer?

6 A No.

7 Q Who was providing legal advice to the board as  
8 of April 12th?

9 A For the structure of the company?

10 Q Or anything.

11 A We were having -- we had investment banking  
12 advice. We didn't have a lawyer retained as such.

13 Q Did someone tell you to have a shareholders  
14 meeting to perform this function?

15 A Yes.

16 Q Who was that?

17 A We, as the board, decided to have the meeting  
18 because you need to clarify all of the minutes of the  
19 corporation in order to have a due diligence package  
20 necessary for raising finance of the corporation.

21 Q On April 12th you didn't have any agreement  
22 with respect to CRAC technology, did you?

23 A No.

24 Q And on April 16th you had another meeting, did  
25 you not, a special meeting of the board of directors?

♀

1 A Which is page --

2 MR. JARBLUM: What's the page number?

3 MR. PERKINS: Page 36.

4 THE WITNESS: It's a waiver of a notice.

5 Yes.

6 BY MR. PERKINS:

7 Q And you obtained the waiver of notice for this  
8 meeting; is that right? Did you have legal advice with  
9 respect to that?

10 A To obtain the waiver of notice?

11 Q Uh-huh.

12 A No.

13 Q Is there any reason why you didn't obtain a  
14 waiver of notice with respect to the meeting of April  
15 6th?

16 A It was an action without a meeting.

17 Q So you didn't think you needed a waiver of  
18 notice, correct?

19 A We discussed that.

20 Q Your attorney told me he believed that to be  
21 the case, but did some lawyer tell you that at that  
22 time?

23 MR. HELLER: Objection to the extent that it's  
24 covered by the attorney-client privilege. I instruct  
25 Mr. Wilcox not to answer any questions involving

138

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1 discussions with attorneys in which he received legal  
2 advice.

3 BY MR. PERKINS:

WILCOXON ONE

4 Q Did you have any discussions with any attorney  
5 other than with Mr. Sawyer at or about April 6th?

6 MR. HELLER: You can answer that question yes  
7 or no.

8 THE WITNESS: I need to hear the question  
9 again.

10 BY MR. PERKINS:

11 Q At or about April 6th, did you have any  
12 conversations with any lawyers about Transmission  
13 Technology Corporation other than Mr. Sawyer?

14 A No.

15 Q Was Mr. Sawyer --

16 MR. JARBLUM: Can I interrupt for one second?  
17 (Witness conferred with his attorney.)

18 MR. HELLER: Again, you're excluding counsel  
19 in this litigation?

20 BY MR. PERKINS:

21 Q After conferring with counsel, do you wish to  
22 add or -- add anything to your answer?

23 A He was pointing out that we did have  
24 discussions with Mr. Harrison, who is an attorney by  
25 training, however not a practicing attorney at this

139

♀

1 time. Therefore, I said I didn't get legal advice from  
2 attorney.

3 MR. HELLER: And by "attorney" did you mean to  
4 exclude current counsel when you asked your question  
5 about TTC conferring with any lawyer since April 6th?

6 MR. PERKINS: I didn't say "since." I said

7 "on or about April 6th," but I will not exclude  
8 current counsel.  
9 Q Did you speak with current counsel on or about  
10 April 6th with respect to the board meeting which was  
11 reportedly held on that date?  
12 A No.  
13 Q When did you retain current counsel?  
14 A For this action?  
15 Q At any time.  
16 A Okay. You define current counsel as --  
17 Q These gentlemen in this room.  
18 A Because we have other lawyers.  
19 Q I'm asking about counsel in this room that  
20 represent you in this litigation?  
21 A I don't recall the date.  
22 Q You had a meeting of the board of directors on  
23 the 15th of April; is that right? If you'll refer to  
24 page 40.  
25 MR. JARBLUM: Let the record reflect it says

140

♀

1 15th of May, not 15th of April.  
2 BY MR. PERKINS:  
3 Q 15th of May. I'm sorry.  
4 Between the 6th of April and 15th of May, was  
5 there any board meeting?  
6 A I don't believe so. I would have to look,  
7 again, at the minute book.  
8 Q And that is in your possession; is that right?  
9 A Yes.

- 10 Q And when did it come into your possession?  
11 A Sometime in May.  
12 Q Sometime in May. You don't remember the exact  
13 date?  
14 A That's correct.  
15 Q What were the circumstances surrounding your  
16 obtaining the minute book?  
17 A I had been requesting the minute book to be  
18 sent for sometime from Mr. Sawyer.  
19 Q When you say "sometime," what do you mean?  
20 A In April and in May.  
21 Q And, so, during the time of the minutes on  
22 April 12th and April 15th, you didn't have the minute  
23 book; is that right?  
24 A That's correct.  
25 Q Do you find -- did you mention to the

141

♀

- 1 shareholders of the company that you did not have a  
2 minute book on April 12th?  
3 A The corporation had a minute book.  
4 Q All right. Let me rephrase the question.  
5 Did you mention to the shareholders in the  
6 meeting of April 12th the fact that Mr. Sawyer had  
7 retained the corporate books and records?  
8 A The shareholders did know that, yes.  
9 Q "The shareholders did know that" is not  
10 responsive.  
11 Did you talk about it in the meeting?  
12 A No.



WILCOXON ONE

13 Q And in fact it was not mentioned anywhere in  
14 the meeting that Mr. Sawyer had retained the minute  
15 book, is that right, even though you asked for it and  
16 he refused to provide it?

17 A He said he would provide it.

18 Q He said he would provide it?

19 A Absolutely.

20 Q When did he say he would provide the minute  
21 book?

22 A Several times, in May and in April.

23 Q When was the first time in April?

24 A I don't recall the dates.

25 Q How did you -- how did the conversation

142

♀

1 transpire? Was it a telephone call?

2 A Telephone calls.

3 Q You had an ongoing relationship with  
4 Mr. Sawyer throughout the month of April after he  
5 had -- after the meeting of April 5th and April 6th; is  
6 that right?

7 A That's correct.

8 Q Did he perform work for the company?

9 A He was supposed to be sending in the minute  
10 book.

11 Q The question is, sir, did Mr. Sawyer perform  
12 work --

13 A Yes.

14 Q -- for Transmission --

15 MR. HELLER: Let Mr. Perkins finish his

16 question, and then you can answer. Don't interrupt  
17 each other.

18 BY MR. PERKINS:

19 Q Did Mr. Sawyer perform legal work for the  
20 company between April 5th and approximately the time  
21 you received the minute book?

22 A Yes.

23 Q What legal work did he perform?

24 A He reviewed the contract, the agreement, with  
25 Goldsworthy, the May 7th 2001 agreement.

143

♀

1 Q He reviewed that contract?

2 A That's correct.

3 Q Did he do anything else?

4 A No.

5 Q Did he give you money?

6 A Not that I am aware of.

7 Q At any time did Mr. Sawyer advance funds to  
8 you personally?

9 A Not that I'm aware.

10 Q At any time did Mr. Sawyer advance funds for  
11 the purchase of airline tickets for you?

12 A I'm not aware of what Mr. Sawyer has purchased  
13 or not.

14 Q As you sit here --

15 A Mr. Sawyer -- I'm sorry.

16 Q Finish answering your questions.

17 A Mr. Sawyer and I never had a conversation  
18 about providing something.

19 Q Are you finished?  
20 A Yes.  
21 Q Is it your testimony that Mr. Sawyer never  
22 gave you any money?  
23 MR. HELLER: Objection. Asked and answered.  
24 THE WITNESS: Not that I'm aware of.  
25 BY MR. PERKINS:

144

♀

1 Q Is it your testimony Mr. Sawyer never loaned  
2 you any money?  
3 A Not that I'm aware of.  
4 Q Is it your testimony that Mr. Sawyer never  
5 bought any airline tickets for you?  
6 MR. HELLER: Objection. Asked and answered.  
7 THE WITNESS: Not that I'm aware of. I don't  
8 know who buys tickets.  
9 BY MR. PERKINS:  
10 Q If you know, you tell me. If you don't know,  
11 you don't know. Just say you don't know, and that's  
12 fine. We'll go onto the next issue.  
13 Are you aware, as you sit here today, of any  
14 incidences that Mr. Sawyer paid any hotel  
15 accommodations for you?  
16 A Not that I'm aware of.  
17 Q Are you aware of any incidences when  
18 Mr. Renken gave you money, cash?  
19 A Yes.  
20 Q When did that occur?  
21 A I don't remember because those were primarily

22 involving the consulting work with the energy -- the  
23 electric capacitor project.

24 Q Again, do you recall that occurring in the  
25 month of March 2001, Mr. Renken giving you funds?

145

♀

1 A I don't recall dates.

2 Q Do you recall Mr. Renken providing funds to  
3 you in the month of April 2001?

4 A I don't recall dates.

5 Q Do you recall Mr. Renken purchasing airline  
6 tickets for you in the month of April 2001?

7 A I don't recall dates.

8 Q Do you recall any time Mr. Renken providing  
9 money to you after March 1st 2001?

10 A I think that -- I think he did arrange for  
11 tickets on one occasion, but I don't know the dates.

12 Q It was after March?

13 A I'm not clear on any dates.

14 Q Why would he arrange tickets for you?

15 A Mr. Renken wanted to assist the company so he  
16 could get a position in the company to arrange  
17 financing for the company. And, so, Mr. Renken  
18 provided the tickets. He also wanted assistance with  
19 some of his other companies.

20 Q And when did he provide the tickets again?  
21 After March 2001? Or you don't recall?

22 MR. HELLER: Objection. Asked and answered.

23 THE WITNESS: I don't recall.

24 BY MR. PERKINS:

25 Q Did you accept those tickets that he provided?

146

♀

1 A Yes, whatever tickets we're talking about.

2 Q Did he or Mr. Sawyer give you money to finance  
3 your trip to meet with Mr. Harrison?

4 A I don't recall.

5 Q Do you recall whether Mr. Sawyer or  
6 Mr. Harrison provided your airline tickets for your  
7 trip to meet with Mr. Harrison in Detroit?

8 MR. HELLER: Can I hear that question again.

9 (Record read.)

10 MR. HELLER: Objection. Compound.

11 THE WITNESS: I don't recall. I don't know.

12 MR. PERKINS: Unfortunately I only received  
13 these last night so I don't have copies.

14 MR. DOMBROSKI: We do have copies.

15 MR. HELLER: For the record, you're not  
16 referring to anything you received from us last night,  
17 are you?

18 MR. PERKINS: No.

19 Let me have this marked as next in order,  
20 please.

21 (Defendant Exhibit 510 was marked for  
22 identification by the court reporter.)

23 BY MR. PERKINS:

24 Q I'm showing you a document which you probably  
25 haven't seen before, and I only want to give it to you

147

♀

1 for the purposes of refreshing your recollection.

2 It appears to have various receipts attached  
3 to it. The first one is a Citi Platinum Select Card  
4 credit card statement. Do you see that?

5 A Yes.

6 Q Do you see where it says in the second entry  
7 on May 14, 5-14?

8 MR. HELLER: Whose credit card is this?

9 MR. PERKINS: Mr. Sawyer's credit card.

10 MR. JARBLUM: His name doesn't appear on it.

11 I'd like the record to reflect that. Do you have the  
12 original document, sir? We can authenticate this.

13 MR. PERKINS: I do and I'll get it in a minute  
14 but I don't want to spend a lot of time on this  
15 particular document, anyway.

16 Q I just want to know whether or not it  
17 refreshes your recollection that on May 14th Mr. Sawyer  
18 purchased an airline ticket for you.

19 MR. HELLER: I object --

20 BY MR. PERKINS:

21 Q Does it help you at all?

22 A It does not help me at all.

23 MR. HELLER: -- to this document as it is not  
24 authenticated.

25 MR. BOONE: You know it doesn't take an

1 authenticated document to refresh his recollection.

2 MR. JARBLUM: We have no idea what this  
Page 134

WILCOXON ONE

3 document is?

4 THE WITNESS: It doesn't mean anything.

5 BY MR. PERKINS:

6 Q Let me refer you to the third page. Can you  
7 skip -- you can skip the second page for now. I'll get  
8 to that in a minute. Go to the next page.

9 Do you see the Western Union money transfer  
10 from TJ's Liquor, 204 Bender Avenue, Humble, Texas. Do  
11 you see that?

12 A Yes.

13 Q Do you see the amount \$177 plus \$23 in service  
14 charges?

15 A Yes.

16 Q Totaling \$200?

17 A Yes.

18 Q Do you see the receiver right there in the  
19 left-hand corner at the top?

20 A Right.

21 Q It says Benton Wilcoxon, do you see that?

22 A Yes.

23 Q Does that refresh your recollection that on or  
24 about May 14th Mr. Renken wired \$177 to you via Western  
25 Union?

149

♀

1 A Yes, I recall.

2 Q Do you recall that?

3 A Yeah, vaguely.

4 Q Do you recall what the purpose of that  
5 transfer was?

WILCOXON ONE

6 A No.

7 Q He just sent you some money. Where were you  
8 at the time?

9 MR. JARBLUM: You said "he." Who is "he"?

10 MR. PERKINS: Mr. Renken.

11 Q Is that right? Is that consistent with your  
12 recollection?

13 A Yes, I believe.

14 Q Okay. Why would Mr. Renken send you cash?

15 MR. HELLER: Objection. Calls for  
16 speculation.

17 BY MR. PERKINS:

18 Q Do you have any idea? Did you ask him to send  
19 you some cash?

20 A No.

21 Q You didn't ask him. Do you have any idea, as  
22 you sit here today, what this transaction was about?

23 A No.

24 Q Do you recall picking up \$177 at Western Union  
25 in Baltimore, Maryland on or about May 14th?

150

♀

1 A No.

2 Q You don't recall?

3 A No.

4 Q You don't recall anything about that  
5 transaction. Let's go to the next page, then.

6 Do you see the document on Chase Manhattan  
7 Bank letterhead?

8 A Yes.



WILCOXON ONE

9 Q Do you have any recollection of Mr. Sawyer  
10 sending you \$2,500?

11 A No.

12 MR. JARBLUM: Is there anything that indicates  
13 that it's going to Mr. Wilcoxon?

14 MR. PERKINS: Well, that will be my client's  
15 testimony.

16 Q We're just using this to refresh your  
17 recollection about the fact that funds were sent to you  
18 in that amount on or about January 4th -- I'm sorry,  
19 that's not correct -- April 26th. Do you see that?

20 A Yes, I see April 26th.

21 Q Do you recall receiving approximately \$2,500  
22 on April 26th?

23 A No.

24 Q You don't recall that at all?

25 MR. HELLER: Objection. Asked and answered.

151

♀

1 MR. PERKINS: Fair enough.

2 Q Do you see the next document called "funds  
3 transfer request"?

4 A Yes.

5 Q Do you see the client name Tom Sawyer?

6 A Yes.

7 Q The address 316 Main Street, Humble, Texas?

8 A Yes.

9 Q Do you see the amount in U.S. dollars?

10 A Yes.

11 Q Do you recall receiving that amount?

WILCOXON ONE

12 A No.

13 Q As a result of a wire transmission from  
14 Mr. Sawyer?

15 A No.

16 Q Do you recall him sending that amount, that  
17 money to Suffolk, England?

18 A It's the first time I've seen this document.

19 Q I'm not suggesting you've ever seen it. I'm  
20 suggesting that money was transferred to you, on your  
21 behalf, either to you or Mr. Grob, by Mr. Sawyer about  
22 this time, and I'm asking you if you recollect any of  
23 the transaction.

24 A I recollect none of the transaction involving  
25 Mr. Sawyer because I never had discussions with

152

♀

1 Mr. Sawyer involving funds transfer.

2 Q Did you have discussions with Mr. Renken in  
3 mid to late April about transferring funds?

4 A I'd say early April or in March, actually.

5 Q Well, these documents are dated around the  
6 25th of April. Does it refresh your recollection that  
7 funds were transferred on your behalf?

8 A I do not know what date funds were transferred  
9 and how much was transferred.

10 Q You'll see on the next page a Chase Manhattan  
11 Bank letterhead, and you'll see the date of April  
12 12th. Do you see that?

13 A Right.

14 Q And the debit in the amount of \$900?

WILCOXON ONE

- 15 A Right.
- 16 Q The name of Tom Sawyer, Humble, Texas?
- 17 A Right.
- 18 Q And who is the beneficiary on the right-hand  
19 side there?
- 20 A Myself.
- 21 Q Do you recall receiving \$900 on or about April  
22 12th 2001 from Mr. Sawyer?
- 23 A Again, I don't know the specific amounts and I  
24 never had discussions with Sawyer so I don't recall  
25 Sawyer sending any money.

153

♀

- 1 Q This is the same day -- you had a board  
2 meeting about this time, didn't you, April 12th?
- 3 A I'd have to go back and look at the minutes.
- 4 Q You don't recall. Okay.
- 5 At any event, this was -- April 12th was five  
6 or six days after you received Mr. Sawyer's  
7 resignation, right, five or six days after you had  
8 advised Mr. Sawyer that you were unhappy with his  
9 performance, right, five or six days after Mr. Sawyer  
10 was informed that he was not going to be a principal in  
11 the company, correct, and five or six days after that  
12 meeting with Mr. Sawyer, which you testified about in  
13 length, you do not recall him sending you \$900 in cash?
- 14 A That's correct.
- 15 Q Did he owe you any money as of April 12th,  
16 April 14th as of 2001?
- 17 A Mr. Renken did.

WILCOXON ONE

18 Q Mr. Renken owed you money?

19 A Right.

20 Q What for?

21 A For prior consulting work.

22 Q Is it your testimony that this payment was  
23 made on behalf of Mr. Renken for prior consulting  
24 work?

25 A Since I've never seen this particular piece of

154

♀

1 paper nor do I have any idea that funds come out of  
2 Sawyer on behalf of Mr. Renken, then I don't know the  
3 answer to the question.

4 Q On the 10th of April, there's a similar  
5 debit. Do you see that on the second page? No, not  
6 that one. The next page.

7 Do you see it dated April 10th?

8 A Right.

9 Q It says we debited your account in the amount  
10 of \$1,500, same-day fund.

11 A Right.

12 Q The payer is Tom Sawyer.

13 MR. HELLER: I want to object to continuously  
14 asking this witness questions about documents that he's  
15 never seen before and have not been authenticated.

16 MR. PERKINS: Your objection is noted. Thank  
17 you.

18 MR. HELLER: You asked the witness if it  
19 refreshed his recollection and he told you and he  
20 answered your questions.

WILCOXON ONE

21 MR. PERKINS: We're going to go through every  
22 one of them, and I'm going to ask him if any of these  
23 refreshes his recollection. I'm entitled to that.  
24 It's cross-examination.

25 MR. HELLER: Well, you've done that.

155

♀

1 MR. PERKINS: He remembers Mr. Sawyer's  
2 resignation from the board in great detail  
3 approximately seven days earlier, but he doesn't  
4 remember what apparently is payment by Mr. Sawyer to  
5 him of almost \$10,000 within the next few days. I  
6 don't understand it. And if that's the fact of the  
7 case, I want it on the record, and I want the record to  
8 be clear on it.

9 MR. HELLER: Move to strike all of your  
10 statement.

11 MR. PERKINS: Thank you. Your motion denied.

12 MR. HELLER: Thank you, judge.

13 BY MR. PERKINS:

14 Q Do you recall on April 10th receiving \$1,500  
15 from Mr. Sawyer?

16 MR. HELLER: Objection. Asked and answered.

17 THE WITNESS: As I stated before, I'm not  
18 aware of any funds that came from Mr. Sawyer.

19 BY MR. PERKINS:

20 Q Did you receive \$1,500 from Mr. Renken on  
21 April 10th?

22 A I do not know the dates I received funds. I  
23 would have to consult my bank records and notes.

WILCOXON ONE

24 Q Look at the last page. It's another Western  
25 Union money transfer. Do you see that?

156

♀

1 A Yes.

2 Q Do you see it comes from a place called Fiesta  
3 Market in Houston, Texas? Do you see that on the top  
4 there?

5 A Yes.

6 Q And Benton Wilcoxon is the receiver, do you  
7 see that?

8 A Right.

9 Q Have you ever been to Fiesta Market in  
10 Houston, Texas?

11 A No.

12 Q Do you recall sending \$2,300 to Mr. Arrington  
13 on or about March 30, 2001?

14 A No.

15 Q Do you know anything about the transaction  
16 wherein funds were wired to Mr. Arrington from the  
17 Fiesta Market in the amount of \$2,300 in your name?

18 A Again, I don't know what Mr. Renken was doing.

19 Q Okay. So you don't recall that?

20 A That's right.

21 Q And you don't know who paid that \$2,500, if it  
22 was in fact paid?

23 A 2,300. I don't know.

24 Q Well, it's \$2,425; is that correct? 2,300 was  
25 sent and the service was \$125, making it a total of

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1 \$2,425.

2 A Since I wasn't there, I don't know.

3 Q So you don't know anything about any of these?

4 MR. HELLER: Objection. Asked and answered  
5 repeatedly. It's almost 2:00. How much more time do  
6 you need, Mr. Perkins? Can you give us some estimate?

7 MR. PERKINS: No. I'm going to finish these  
8 declarations. We're making progress.

9 MR. HELLER: For the record, it was  
10 represented to us that this deposition will take no  
11 longer than three hours. We started at 9:30, and now  
12 it's 2:00.

13 MR. PERKINS: I didn't make that  
14 representation. I don't know what made that.

15 MR. JARBLUM: Mr. Dombroski made that  
16 representation.

17 MR. PERKINS: Take it up with him, then.

18 Q You indicated, sir, that Mr. Sawyer reviewed a  
19 contract for you, is that right, sometime in May?

20 I'm sorry. I misspoke. He reviewed a  
21 contract at your request on behalf of TTC; is that  
22 right?

23 A Yes. He volunteered to review a contract.

24 Q A draft?

25 A Yes.

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WILCOXON ONE

- 1 Q And who wrote the contract? Who drafted it?
- 2 A Myself with Mr. Arrington.
- 3 Q You drafted the contract and sent a copy to
- 4 him; is that right?
- 5 A That's correct.
- 6 Q When did you draft the contract?
- 7 A May the 6th. Well, started on May 5th.
- 8 Q You typed the contract up on your typewriter
- 9 somewhere?
- 10 A On a computer.
- 11 Q On a computer?
- 12 A Yes.
- 13 Q Printed it out and sent it to Mr. Sawyer; is
- 14 that right?
- 15 A I believe it would have been E-mailed to him.
- 16 Q And was there any cover letter or discussion
- 17 about what he was to do with it when he got it?
- 18 A Mr. Renken volunteered Mr. Sawyer to take a
- 19 quick look at it for his opinion as to the accuracy of
- 20 the contract.
- 21 Q And when did that conversation occur?
- 22 A On the Sunday, May the 6th.
- 23 Q You had met in a meeting with Mr. Goldsworthy
- 24 that weekend; is that right?
- 25 A The 4th of May and the 5th of May.

159

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- 1 Q And on the 6th you undertook to have a
- 2 conversation with Mr. Renken; is that right?
- 3 A Mr. Renken had volunteered him prior to that,



4 so I'm not sure that the conversation was on the 6th.

5 Q I didn't understand that.

6 When did Mr. Renken volunteer Mr. Sawyer's  
7 services?

8 A I think on a continuing basis he had  
9 volunteered it since he was still interested in  
10 providing financing for the company. He was trying to  
11 be helpful to the company.

12 Q So up to and including May 6th, Mr. Renken was  
13 still involved with you in trying to obtain -- by "you"  
14 I mean TTC and other principals -- in trying to obtain  
15 financing for the company; is that right?

16 A Yes. He still stated that he believed he  
17 could provide financing for the company.

18 Q Okay. And in return for that, you had agreed  
19 to provide him shares in the company if he provided  
20 financing?

21 MR. HELLER: Objection. Asked and answered.

22 BY MR. PERKINS:

23 Q As of May 6th, that was still your  
24 understanding?

25 A As of May 6th, it would still be the

160

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1 understanding that if he raised funds for the company  
2 he would be entitled to something in the company.

3 Q He made a commitment to raise funds?

4 A He stated he could raise funds for the  
5 company.

6 Q Did he provide any evidence of the fact that

7 he was attempting to raise funds?  
8 A He provided a couple of letters.  
9 Q How much was he attempting to raise?  
10 A I don't recall the details.  
11 Q You don't recall his providing you a  
12 documentation of a commitment to provide \$70 million?  
13 A There were several letters, and I don't know  
14 what the specific amounts were. We'd have to look at  
15 each one, and I could tell you what it says.  
16 Q Okay. We won't do that.  
17 So you met with Mr. Goldsworthy on the 4th or  
18 the 5th and drafted a contract on the 6th, right?  
19 A Correct.  
20 Q Did you have something to work from, or did  
21 you start from scratch?  
22 A From scratch.  
23 Q And you E-mailed this agreement to Mr. Sawyer?  
24 A Correct.  
25 Q What did he do to it, to your knowledge?

161

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1 A E-mailed it back.  
2 Q Did he have changes?  
3 A Yes.  
4 Q Did you have a discussion with him about the  
5 changes?  
6 A No.  
7 Q You had no conversation on the telephone with  
8 Mr. Sawyer on the 6th; is that your testimony?  
9 A No. I mean, it's not true. I did have a

10 conversati on wi th hi m on the 6th.

11 Q Via E-mai l?

12 A No. On the telephone.

13 Q What was sai d on the telephone conversati on?

14 A He gave me hi s E-mai l address and sai d send i t  
15 to me, I' d l i ke to take a look and help out.

16 Q And that was agreeabl e to you?

17 A Yes.

18 Q Had you changed your mi nd wi th respect to hi s  
19 competence as a corporate counsel ?

20 A I thi nk I never di scussed hi s competence as a  
21 corporate counsel . I di scussed before hi s competence  
22 as secretary of a corporati on.

23 Q So you had -- you had -- is i t true to say you  
24 had confi dence in hi s legal abi l i ty when you sent hi m  
25 that contract on the 6th?

162

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1 A I di d not have confi dence in hi s legal  
2 abi l i ty. I had confi dence in the fact that he' s a  
3 lawyer, and he coul d look at i t. And I al ways look at  
4 advi ce from vari ous lawyers and draw my own  
5 concl usi ons.

6 Q On that Sunday di d you get any other advi ce  
7 from lawyers on that contract?

8 A I bel i e ve I cal led two other fri ends about i t,  
9 but peopl e are usual ly busy on Sunday and not  
10 avai l abl e.

11 Q Mr. Sawyer was avai l abl e, ri ght?

12 A He wanted to be avai l abl e.

WILCOXON ONE

13 Q I'd like to look at that contract. Technology  
14 license agreement is on page 10 of your declaration.

15 MR. DOMBROSKI: You want to mark that?

16 MR. JARBLUM: It's in the original  
17 declaration.

18 MR. PERKINS: Let's mark it then.

19 (Defendant Exhibit 511 was marked for  
20 identification by the court reporter.)

21 BY MR. PERKINS:

22 Q Referring you to Exhibit 511, specifically  
23 page 10 thereof, do you see the technology license  
24 agreement there?

25 A Yes.

163

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1 Q This is a copy of the document to which we  
2 have been referring with respect to the contract which  
3 you prepared on Sunday, May 6th?

4 A Yes.

5 Q And you testified that you did not work from  
6 another format, is that right, in preparing this  
7 document?

8 A No, I did not work from another format.

9 Q So things like indemnification in paragraph 7,  
10 dispute resolution in paragraph 8, those are things  
11 that you had inserted in the contract?

12 A Some items were inserted by Mr. Sawyer, as I  
13 stated.

14 Q Are those the items that were inserted by him?

15 A I would have to go through and look at the

16 original, my original and compare it to know.

17 Q I notice the contract states paragraph 10.3 --  
18 do you see that?

19 A Yes.

20 Q Notices are to be provided to Transmission  
21 Technology Corporation, attention Tom Sawyer, 316 Main  
22 Street, Humble, Texas. Do you see that?

23 A Yes.

24 Q That was Mr. Sawyer's address in Texas,  
25 correct?

164

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1 A And Mr. Renken's.

2 Q And did you insert that provision into the  
3 agreement?

4 A No.

5 Q Who did?

6 A Mr. Sawyer.

7 Q Did you discuss that with him?

8 A No.

9 Q Did you draft the first term definitions? Did  
10 you draft that, or did he draft it?

11 A Most likely I drafted that.

12 Q At the time you met with Mr. Goldsworthy, you  
13 had spent two days talking about CRAC technology and  
14 advanced CRAC technology?

15 A Right.

16 Q You knew what CRAC technology was in, your own  
17 mind?

18 A No, not really. I knew what teleconductors

19 were, to include all subsequent advances, like you're  
20 doing on almost any technology deal.

21 Q You knew what CRAC technology was because  
22 Mr. Goldsworthy had described it to you; is that right?

23 A In general, yes. Composite reinforced  
24 aluminum conductors.

25 Q And you were negotiating with Mr. Goldsworthy

165

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1 for the acquisition of the rights to market CRAC  
2 technology and advanced CRAC technology, correct?

3 A To do what he also called teleconductors in  
4 the early work that he had provided.

5 Q Was it or was it not your intention to enter  
6 into an agreement to market the CRAC and advanced CRAC  
7 technology as of April 6th 2001?

8 MR. JARBLUM: What date?

9 MR. PERKINS: April 6th, the day he wrote this  
10 contract.

11 MR. JARBLUM: That's May 6th, sir.

12 MR. PERKINS: I'm sorry. Correct that date.

13 THE WITNESS: It was to enter into an  
14 agreement for teleconductors, including CRAC and  
15 advanced CRAC, since the definition for advanced CRAC  
16 was still unclear and the differences between the two  
17 were not spelled out.

18 BY MR. PERKINS:

19 Q When you say "the differences were not spelled  
20 out," were not spelled out by whom?

21 A By Mr. Goldsworthy.

22 Q Did you believe those differences to be an  
23 important element in your negotiations regarding the  
24 contract?

25 A No. All teleconductor technology is what we

166

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1 were seeking to license because it only makes sense to  
2 license the earlier versions and then subsequent  
3 versions once you create a market for the composite  
4 reinforced aluminum conductor. Any improvements would  
5 obviously be substituted into the market, providing it  
6 was economical and marketable.

7 Q Had you created this definition yourself?

8 A I believe this definition, part of it comes  
9 out of --

10 Q Referring to Paragraph 1.1?

11 A I believe part of it comes from some of the  
12 other documents which were provided.

13 Q I'm sorry. I do not understand that.

14 A The answer is, without going back to look at  
15 the precise version that I wrote, I can't tell you what  
16 part I created and what part was added by somebody  
17 else.

18 Q And the only -- what people could have been  
19 somebody else?

20 A Mr. Arrington.

21 Q Did he have input into this as well?

22 A Absolutely.

23 Q How did he have input?

24 A He was there when I was writing it.

25 Q In your physical presence?

167

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1 A Correct.

2 Q Where were you located?

3 A I'm not sure. I think it was Palos Verdes or  
4 I'm not sure of the exact -- which hotel.

5 Q You were in a hotel with Mr. Arrington?

6 A That's correct.

7 Q And you were drafting this contract with his  
8 assistance?

9 A That's correct.

10 Q Was anyone else in the hotel room?

11 A Not that I recall.

12 Q And you had access to E-mail in that hotel  
13 room?

14 A Yes.

15 Q And from that hotel room you E-mailed a draft  
16 of the agreement to Mr. Sawyer?

17 A Yes.

18 Q And you spoke by telephone with Mr. Sawyer as  
19 well on that date, May 6th, correct?

20 MR. HELLER: Objection. Asked and answered.

21 BY MR. PERKINS:

22 Q Did Mr. Arrington speak with Mr. Sawyer on  
23 that day?

24 MR. HELLER: Objection. Calls for  
25 speculation.

168

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1 THE WITNESS: I don't know.

2 BY MR. PERKINS:

3 Q You don't know?

4 MR. HELLER: Objecti on. Asked and answered.

5 BY MR. PERKINS:

6 Q So the technology defini ti on was created by  
7 you and Mr. Arrington jointly; is that your testimony?

8 A As I stated before, I cannot tell you what  
9 parts were created by me or Mr. Arrington or jointly or  
10 with other input from other individuals involved.

11 Q That's what I'm trying to get at first, who  
12 the other individuals were. You told me  
13 Mr. Arrington. Who were the other individuals  
14 involved?

15 A I called other people.

16 Q Who?

17 A I have to think of it. I don't remember.  
18 Probably Mr. Meldrum would be one person I called.  
19 Possibly Mr. Harrison.

20 Q Okay. Anybody else?

21 A Maybe Mr. Grob. I don't remember.

22 Q And you don't recall -- do you recall one way  
23 or the other whether you spoke to those people about  
24 the defini ti on of technology in paragraph 1.1?

25 A I do not recall.

1 Q Did you have any conversati on directl y, ei ther  
2 via E-mail or telephone, with Mr. Sawyer about the

WILCOXON ONE

3 definition contained in Paragraph 1.1?

4 A I don't recall.

5 Q Does the definition contained in paragraph 1.1  
6 accurately reflect your understanding of the technology  
7 that you were intending to acquire from  
8 Mr. Goldsworthy?

9 A Yes.

10 Q As of May 6th, the day you drafted this  
11 agreement, did TTC have any assets?

12 MR. HELLER: Other than the license  
13 agreement?

14 MR. PERKINS: Any assets.

15 THE WITNESS: As of this date?

16 BY MR. PERKINS:

17 Q May 6th.

18 A I don't recall. I have to look at the  
19 financial statements and look at the minutes.

20 Q Was there in fact a balance sheet for TTC in  
21 existence as of May 6th?

22 A Again, I don't recall.

23 Q Was there P&L in existence for TTC on May 6th?

24 A I don't recall.

25 Q Did Transmission Technology have a bank

170

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1 account on May 6th?

2 A No.

3 Q Did it own any real estate?

4 A Not that I know of.

5 Q Did it have any equipment, other assets,  
Page 154

WILCOXON ONE

6 office equipment as of May 6th?

7 A Yes.

8 Q What did it have?

9 A It had -- I don't know the precise dates when  
10 things were acquired. Again, looking at the accounting  
11 records would reflect that. But it had computer  
12 equipment contributed to it.

13 Q By whom?

14 A Myself and Mr. Arrington. I just don't know  
15 the dates. And various other finances contributed by  
16 Mr. Arrington and myself as expenses that we had paid  
17 for out of pocket.

18 Q As of May 6th?

19 A Yes.

20 Q Approximately how much were they?

21 A I don't know.

22 Q So the company owed you and Mr. Arrington  
23 money; is that right?

24 MR. JARBLUM: Objection. States facts not in  
25 evidence.

171

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1 BY MR. PERKINS:

2 Q Is it true?

3 A I don't know whether we were owed money or  
4 not. It's accounting and -- there are other things  
5 which were contributed to the company at different  
6 times, and I'd have to go back and look at the precise  
7 dates when things were done and how much.

8 Q As of May 6th, approximately how much had you

WILCOXON ONE

9 invested in the company?  
10 A I do not know.  
11 Q More than \$1,000?  
12 A Absolutely.  
13 Q More than \$100,000?  
14 A I do not know.  
15 Q How would we find that out?  
16 A We would have to look at the corporate records  
17 and books.  
18 Q Are there corporate records which would  
19 reflect those investments on your behalf?  
20 A Yes.  
21 Q And when were they prepared?  
22 A Their contribution's reflected in the minutes  
23 as well. And I don't -- like I said, I really have to  
24 go back and look at it in depth.  
25 Q You and Mr. Arrington and Mr. Grob purchased

172

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1 stock; is that right?  
2 A Correct.  
3 Q Paid \$1,250 for it?  
4 A Correct.  
5 Q Did that money go into the corporation?  
6 A That money did go to the corporation, yes.  
7 MR. HELLER: Can I have the last question read  
8 back, please.  
9 (Record read.)  
10 THE WITNESS: I have to correct that Mr. Grob  
11 has never sent in his \$1,250.

WILCOXON ONE

12 BY MR. PERKINS:

13 Q You and Mr. Arrington did in fact send the  
14 money in?

15 A Yes.

16 Q And you put it in the corporate bank account?

17 A We contributed it.

18 Q In what form, sir?

19 A In the form of the computer equipment.

20 Q So you put a value on your computer and you  
21 gave your computer over to the company; is that  
22 correct?

23 A That's correct.

24 Q And Mr. Harrington did the same thing?

25 A Correct.

173

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1 Q And in return for that you got 1,250 shares in  
2 stock?

3 A In return for that plus other expenses are  
4 still there in the company which will be finally  
5 resolved.

6 Q Mr. Grob was obligated to put 1,250 in, but he  
7 never did?

8 A That's correct.

9 Q Did Mr. Grob understand and agree you were  
10 putting in not cash but computers in as your share?

11 A Yes.

12 Q That was fine with him, as far as you knew?

13 A Absolutely. We were doing the work.

14 Q As far as -- is that the total assets as of

WILCOXON ONE

15 the day of --

16 A I said I did not know.

17 MR. HELLER: Mr. Wilcoxon, let Mr. Perkins  
18 finish his question before you answer.

19 BY MR. PERKINS:

20 Q As of the date of April 6th board meeting, was  
21 that the total amount of the money that had been  
22 contributed to the company, two computers contributed  
23 by you and Mr. Arrington?

24 A As of April 6th, that had not been  
25 contributed.

174

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1 Q So as of April 6th, there had been no money  
2 put into the company; is that right?

3 A Depends on what we define as money into the  
4 company.

5 Q Okay. Let's define it.

6 A There have been numerous expenses, travel,  
7 living, staying out in California, doing all kinds of  
8 things involving this since the first part of the  
9 year. That money is money that went into the company  
10 and is being reflected in the books of the  
11 corporation. So I can't tell you what days things  
12 occurred, which you seem to want to know.

13 Q And you don't know the amount?

14 A That's absolutely correct. I do not know.

15 Q You testified there was no bank account as of  
16 April 6th?

17 A That's right.

WILCOXON ONE

18 Q The money that went in came out of your  
19 account, paid for various expenses, hotels and the  
20 like?

21 A That is correct.

22 Q Somewhere along the line they put a value in  
23 that?

24 A The receipts were supplied.

25 Q Other than those expenses which you and

175

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1 Mr. Arrington incurred, did the company have any other  
2 assets as of April 6th?

3 A As of April the 6th, Arrington's and my time.

4 Q How about as of May 6th?

5 A I have to go back and look at the details to  
6 see.

7 Q Did the company have \$70 million on or about  
8 May 6th?

9 A No.

10 Q Did it have access to \$70 million on May 6th?

11 MR. HELLER: Objection. Vague and ambiguous  
12 as to the term "access."

13 BY MR. PERKINS:

14 Q Did it have an expectation of receiving \$70  
15 million on or about May 6th?

16 A No.

17 Q Did it have an expectation of receiving any  
18 money on or about May 6th in addition to the money  
19 you'd already put in in terms of time and expenses?

20 A I don't know what the term "expectation"

21 means.

22 Q What is it about that term that you don't  
23 understand? Did you understand that the company was  
24 going to need \$70 million in order to do this deal with  
25 Mr. Goldsworthy?

176

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1 A No.

2 Q It never had that understanding?

3 A That's correct.

4 Q Did you have an understanding that the company  
5 would have to come up with some money and pay  
6 Mr. Goldsworthy's company in order to consummate this  
7 transaction?

8 A No.

9 Q Did you understand that Mr. Goldsworthy was  
10 giving this technology to you with no consideration?

11 A That's not true.

12 Q What was your understanding of what  
13 Mr. Goldsworthy -- you were paying to Mr. Goldsworthy  
14 and his companies in return for the agreement to  
15 license the technology?

16 A The royalty and the purchase of equipment  
17 lines to produce the said technology.

18 Q By purchase of the equipment, you mean that  
19 TTC would purchase equipment or provide money to  
20 Mr. Goldsworthy to purchase equipment?

21 A TTC would purchase equipment.

22 Q Your understanding is TTC would own the  
23 equipment?



24 A Absolutely.

25 Q Is there something in the agreement that sets

177

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1 forth that concept?

2 A I have to read it.

3 Yes.

4 Q To what are you referring, sir?

5 MR. HELLER: What page, paragraph?

6 MR. JARBLUM: Page 11 he's referring to. Top  
7 middle of the page. Heading starts "Commercial Product  
8 Line Development." That's where his finger's at.

9 THE WITNESS: It says, "TTC agrees to pay WBG  
10 to design, build, test, and install, provide  
11 specifications, manuals, and training for complete  
12 commercial production equipment lines for each  
13 technology. Price to be mutually agreed upon based  
14 upon costs plus reasonable overhead. TTC understands  
15 and agrees it must advance funds to WBG for each phase  
16 as required under a mutually agreed upon budget and  
17 schedule."

18 BY MR. PERKINS:

19 Q Is there something in that paragraph that  
20 indicates that TTC was going to own this equipment?

21 A It says to pay to design, build, test and  
22 install and how we're going to produce it if we don't  
23 own it. Further along it says it agrees to purchase  
24 additional commercial product lines.

25 Q Where are you reading there?

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1 A Next paragraph.

2 Q It says, "TTC agrees to purchase additional  
3 commercial product lines from WBG," correct?

4 A Right.

5 Q You think that means that TTC was going to own  
6 all the equipment that was going to be built?

7 A Absolutely.

8 Q Let's go back to that commercial product line  
9 development.

10 MR. HELLER: Mr. Perkins, we've been going for  
11 about an hour and a half. Whenever it's convenient,  
12 we'd like to take a quick.

13 MR. PERKINS: I just want to finish this  
14 line.

15 MR. HELLER: Whenever it's convenient.

16 BY MR. PERKINS:

17 Q It says under commercial product line  
18 development -- you read that before, do you see that?

19 A Yes.

20 Q It says TTC agrees to pay WBG to design. That  
21 means that TTC was going to send money to WBG and WBG  
22 would use that money to design, build, test and  
23 install, et cetera, product equipment lines; is that  
24 right?

25 A That's what it says.

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WILCOXON ONE

1 Q Did you have an understanding at the time that  
2 you drafted this agreement how much you're gonna have  
3 to pay -- TTC was gonna have to pay?

4 A Only vague concepts that were described  
5 because they needed to be delineated in a proposal by  
6 WBG and WBG, AI, to the company, to TTC, to define what  
7 each line of equipment would do, what it would produce,  
8 what sizes, the volume it would produce, et cetera, and  
9 what the costs would be estimated for this particular  
10 piece of equipment.

11 Q Did you retain -- did you understand that TTC  
12 retained the rights to accept the cost figures which  
13 are submitted by WBG?

14 A It says mutually agreed upon.

15 Q So if they came in with a number which was  
16 beyond TTC's ability to pay, there wouldn't be a mutual  
17 agreement, correct?

18 A I don't think that's an accurate statement.

19 Q What's inaccurate about it?

20 A You have inserted beyond TTC's ability to pay.

21 Q Let's say they came up with a cost of \$100  
22 million to design and build.

23 A We've already discussed what the lines would  
24 cost. In some figures, it was approximately two and a  
25 half million dollars and in other figures it was a high

180

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1 of five. We also had previously meetings prior to this  
2 point where figures of those ranges had been  
3 discussed. So it depends on what you define for the

4 product and whether you're going to wrap the cable  
5 around it or not.

6 Q And that discussion or negotiation was left to  
7 a future time to determine in terms of the details; is  
8 that right?

9 A He promised to send the information, which is  
10 referenced in another portion of the contract, if you'd  
11 like to go through it.

12 Q He promised to send what information?

13 A The information required to include the budget  
14 and plan and et cetera for making this equipment and  
15 the rest of the specifications and all the other  
16 subject matters which have to be done prior to that,  
17 which is to determine if the patents have been filed  
18 correctly, the applications, where it's been filed, et  
19 cetera, conflict searches, market conflict,  
20 acceptability. There are many, many things in due  
21 diligence which one does in technology.

22 Q So, as I understand it, you were expecting him  
23 to provide this information which you just told me  
24 about, and you and the principals at TTC would analyze  
25 it and determine whether to accept it or not, correct?

181

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1 MR. HELLER: Objection. Misstates the  
2 testimony.

3 THE WITNESS: You used the term "principals."

4 BY MR. PERKINS:

5 Q You and Mr. Arrington.

6 A The officers?

WILCOXON ONE

7 Q The officers of the company.  
8 A Yeah, okay. I guess I better hear it again.  
9 Q The second sentence says -- at least begins  
10 "the price to be mutually agreed upon;" do you see  
11 that?  
12 A Yes.  
13 Q And what were the factors that went into  
14 whether or not there would be an agreement on that  
15 price?  
16 A We desired to go into a business of  
17 teleconductors making these, and we needed equipment.  
18 The only factors which would fit into it is he knew  
19 more about the equipment required than we knew,  
20 obviously being in the composite protrusion business  
21 doing the development of such machinery.  
22 So the only thing that would be unreasonable  
23 is if someone takes a standard element, like a standard  
24 computer or a standard motor, and puts an unreasonable  
25 markup on it and says now it has our label on it and

182

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1 therefore it's an absurd price, which one goes back and  
2 says, look, anybody can produce it and they don't need  
3 to pay \$25,000 for it because you can pay \$2,500 for  
4 it.

5 And then you discuss the discrepancy, whether  
6 it's an error or whatever. And then if you can agree  
7 on things, then it says TTC later on has the rights to  
8 produce the same if WBG is unable to supply said  
9 additional commercial production lines.

10 Q Where is that, sir?

11 A It's in the next paragraph.

12 Q Explain to me what you mean by that. It  
13 says -- that paragraph states, "TTC agrees to purchase  
14 additional commercial product lines from WBG for all  
15 additional plant lines as required at mutually agreed  
16 upon prices and delivery schedules. If WBG is unable  
17 to supply said commercial product lines, then TTC shall  
18 have the right to produce the same."

19 A Yes.

20 Q Unable to supply does not mean supplying at a  
21 price not agreeable to you?

22 A Well, let's further define.

23 Goldsworthy's business for the last several  
24 years, as I understand it, has been almost exclusively  
25 involved in government contracts. Government contracts

183

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1 are very specific on costings of items and accounting.  
2 Such things then allow a reasonable markup or a fee to  
3 be made by anyone who is granted these types of  
4 contracts. So we assumed that Mr. Goldsworthy's  
5 operation was a legitimate, proper, and normal research  
6 and development organization which conducted itself in  
7 a reasonable, aboveboard, proper manner.

8 Q Is that stated in the contract anywhere?

9 A I said we assumed since he had these  
10 government contracts. One would assume he survived  
11 audits before.

12 Q Any mention of the government contracts?

13 A In here?  
14 Q Yes.  
15 A Why would there be?  
16 Q Is there any mention in the contract of using  
17 the standards that the government uses in determining  
18 the price to be paid?  
19 A There is no method of doing that. It says  
20 "reasonable."  
21 Q Where does it say "reasonable"?  
22 A Its says "costs plus reasonable overhead  
23 fees."  
24 Q What are costs?  
25 A Costs are -- if that's \$2,500, that's \$2,500.

184

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1 If this is ten cents, it's ten cents.  
2 Q You have to pay someone to build that  
3 computer, would that be a cost?  
4 A Build a computer. Now we're getting into a  
5 whole another discussion. Obviously you haven't dealt  
6 much in technology. If we're gonna do that, we might  
7 talk about several hundred million dollars to develop a  
8 corporation to build it.  
9 In this case we're talking about someone who  
10 represents that they already have the technology to  
11 license. It will be using protrusion equipment. And  
12 in fact part of the CRAC conductor for the tests was  
13 made at -- I guess I could say all of it was made, if  
14 not all of it -- at other suppliers or subcontractors,  
15 according to Mr. Goldsworthy. And, so, therefore there

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16 is no reason to assume that the equipment is not  
17 available since the products for the tests under the  
18 CEC grants were made at other places.

19 Q Look at "Commercial Product Line  
20 Development." Do you see that first sentence?

21 Quote, "TTC agrees to pay WBG to design,  
22 build, test, and install," et cetera. You are going to  
23 pay WBG to build equipment, or you're not?

24 A Where required, yes.

25 Q And you were going to pay WBG to build that

185

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1 equipment, correct?

2 A Right.

3 Q And that cost associated with building that  
4 equipment would include labor, would it not?

5 A That's cost.

6 Q And the cost is something which  
7 Mr. Goldsworthy and his company would submit to you,  
8 and you would retain the right to approve or  
9 disapprove, true?

10 A You would submit a budget which one would  
11 agree upon as a normal proposal, just as in any  
12 contracts you do anywhere when you design a piece of  
13 equipment, which is basically engineering.

14 Q And what would happen according to your  
15 agreement if the production went over budget?

16 A I suppose it would be a cost. I mean, if it  
17 went over budget, then you would look at it and say it  
18 took another 24 hours or a hundred hours, and that's



19 cost. I mean, budget is a budget.

20 Q Does the contract mention anything about  
21 budgets?

22 A I would have to read it with a fine-tooth  
23 comb. If you've got another hour or so, we can sit  
24 here and read.

25 MR. JARBLUM: I'm gonna object --

186

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1 THE WITNESS: But I don't believe that to be  
2 valuable because I think you can read it yourself.

3 MR. JARBLUM: I'm going to object to further  
4 questions along this line because I don't see how it  
5 goes to cross-examination under the local rules.

6 BY MR. PERKINS:

7 Q Reasonable overhead, how is that defined?

8 MR. HELLER: I asked for a break about 15  
9 minutes ago.

10 MR. PERKINS: I'm not finished with this line  
11 of questioning

12 MR. HELLER: Well, how much longer do you  
13 have?

14 MR. PERKINS: I don't have a great deal after  
15 this. I think we'll all be better off just finishing  
16 this.

17 MR. HELLER: I asked for a break 15 minutes  
18 ago. How much longer do you need?

19 MR. PERKINS: Okay. We'll take a break. Just  
20 take a break.

21 /

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9 I, BENTON WILCOXON, do hereby declare under  
10 penalty of perjury that I have read the foregoing  
11 transcript of my deposition; that I have made such  
12 corrections as noted herein, in ink, initialed by me,  
13 or attached hereto; that my testimony as contained  
14 herein, as corrected, is true and correct.

15 EXECUTED this \_\_\_\_ day of \_\_\_\_\_,  
16  
17 20\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_.  
18 (City) (State)

19  
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\_\_\_\_\_  
BENTON WILCOXON

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188

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I, the undersigned, a Certified Shorthand Reporter of the State of California, do hereby certify:

5

That the foregoing proceedings were taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings, prior to testifying, were placed under oath; that a verbatim record of the proceedings was made by me using machine shorthand which was thereafter transcribed under my direction; further, that the foregoing is an accurate transcription thereof.

10

11

12

13

I further certify that I am neither financially interested in the action nor a relative or employee of any attorney of any of the parties.

14

15

16

IN WITNESS WHEREOF, I have this date subscribed my name.

18

19

Dated: \_\_\_\_\_

20

21

22

ANNA STEINERT  
CSR No. 11202

23

24

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189

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