

Page 1

1 IN THE UNITED STATES DISTRICT COURT  
 2 FOR THE DISTRICT OF UTAH  
 3 CENTRAL DIVISION  
 4 UNITED STATES OF AMERICA, )  
 Plaintiff, )  
 5 )  
 -vs- ) CIVIL NO.  
 6 )2:15-cv-00828 DN  
 RaPOWER-3, LLC, INTERNATIONAL )  
 7 AUTOMATED SYSTEMS, INC., LTB1, )  
 LLC, R. GREGORY SHEPARD, NELDON )  
 8 JOHNSON and ROGER FREEBORN, )  
 Defendants. )  
 9  
 10  
 11 Deposition of FRANK FREDERICK LUNN IV, taken at  
 12 the instance of the Plaintiff, before Laurel A.  
 13 Patkes, CSR #084-001340, on Monday, August 1, 2016  
 14 at the hour of 9:00 a.m., at 318 S. Sixth Street,  
 15 Springfield, Illinois, pursuant to notice.  
 16  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24  
 25

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1 A P P E A R A N C E S  
 2  
 3 U. S. DEPARTMENT OF JUSTICE, by  
 ERIN HEALY GALLAGHER  
 CHRISTOPHER R. MORAN  
 4 ERIN R. HINES (present by phone)  
 P.O. Box 7238  
 5 Ben Franklin Station  
 Washington, D.C. 20044  
 6 erin.healygallagher@usdoj.gov  
 (202)353-2452  
 7  
 appearing on behalf of the  
 8 Plaintiff;  
 9  
 10 HEIDEMENT & ASSOCIATES, by  
 JUSTIN D. HEIDEMAN  
 2696 N. University Avenue  
 Suite 180  
 11 Provo, Utah 84604  
 jheideman@heidlaw.com  
 12 (801)472-7742  
 13  
 appearing on behalf of Defendants  
 14 RaPower-3, LLC, International  
 Automated Systems, Inc., LTB1,  
 15 LLC and Neldon Johnson;  
 16  
 17 STOEL RIVES, LLP, by  
 PAUL JONES  
 4766 S. Holladay Boulevard  
 Salt Lake City, Utah 84117  
 18 (801)930-5101  
 paul@pauljonesattorney.com  
 19 appearing on behalf of the  
 20 Deponent.  
 21  
 22  
 23  
 24  
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1 I N D E X  
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 3 WITNESS DIRECT CROSS  
 4 FRANK FREDERICK LUNN IV  
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 17 38; skips to 46 and 47; then to  
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1 (Whereupon the witness was sworn  
 2 by the reporter.)  
 3 MS. HEALY GALLAGHER: Good morning.  
 4 We're on the record in the case of United States  
 5 versus RaPower et al. on August 1st.  
 6 Mr. Lunn, we met a moment ago, but my  
 7 name is Erin Healy Gallagher, and I'm from the  
 8 United States Department of Justice in the Tax  
 9 Division appearing on behalf of the United States.  
 10 We have a court reporter here to take  
 11 down the proceedings.  
 12 Counsel, would you please make your  
 13 appearances?  
 14 MR. JONES: Paul Jones representing  
 15 Frank Lunn.  
 16 MR. HEIDEMAN: Justin Heideman here  
 17 on behalf of a plethora of defendants.  
 18 MS. HEALY GALLAGHER: And I do note  
 19 for the record that Donald Reay who represents Greg  
 20 Shepard and Roger Freeborn in this case is not in  
 21 attendance.  
 22 Also with me is Chris Moran on behalf  
 23 of the United States, and Erin Hines also on behalf  
 24 of the United States is with us by phone.  
 25 All right. This deposition will be

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1 governed by the Federal Rules of Civil Procedure and  
 2 the local rules.  
 3 For purposes of the depositions that  
 4 we have today and tomorrow, counsel, I'll be keeping  
 5 the witness copy of the exhibits in the event that  
 6 we use the same ones tomorrow.  
 7 After tomorrow's deposition, we'll  
 8 send the exhibits with the court reporter to be made  
 9 part of the deposition.  
 10 MR. JONES: No objection.  
 11 MS. HEALY GALLAGHER: Any other  
 12 stipulations will be addressed as the need arises.  
 13  
 14 FRANK FREDERICK LUNN IV  
 15 called as a witness herein, having been first duly  
 16 sworn on his oath, was examined and testified as  
 17 follows:  
 18  
 19 DIRECT EXAMINATION  
 20 BY MS. HEALY GALLAGHER:  
 21 Q. All right. Mr. Lunn, you were sworn  
 22 in just a moment ago.  
 23 A. Yes.  
 24 Q. Would you please state your name and  
 25 the city and state where you live for the record?

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1 A. Yes. My name is Frank Frederick Lunn  
 2 IV, and I live in LeRoy, Illinois 61752.  
 3 Q. Mr. Lunn, have you been deposed  
 4 before?  
 5 A. Yes, I have.  
 6 Q. And how many cases?  
 7 A. Three.  
 8 Q. Three cases. So that's three  
 9 depositions?  
 10 A. Well, three depositions, two  
 11 different matters. I'm sorry.  
 12 Q. We'll talk about those depositions a  
 13 little later on.  
 14 A. Sure.  
 15 Q. But for right now, I'd just like to  
 16 cover the ground rules for today. It's helpful for  
 17 us all to be on the same page.  
 18 So in this deposition I will ask you  
 19 questions. My questions and your answers will be  
 20 recorded by the court reporter here so you and I  
 21 both need to speak loudly enough for her to hear us,  
 22 and you'll need to answer my questions verbally.  
 23 A. Yes, ma'am.  
 24 Q. Do you understand?  
 25 A. Yes, ma'am.

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1 Q. Okay. The court reporter cannot  
 2 record a nod or shake of the head, and words like  
 3 uh-huh are not clear on the transcript that will be  
 4 created.  
 5 Also, we've done it already this  
 6 morning but we have a tendency in casual  
 7 conversation to speak over one another sometimes and  
 8 to answer a question before it's finished being  
 9 asked, so please wait until I'm finished asking my  
 10 question before you answer.  
 11 Now, if it happens like it just did,  
 12 I'll stop, ask the question again, and then you can  
 13 give your full answer.  
 14 Do you understand that obligation?  
 15 A. Yes, I do.  
 16 Q. Thank you.  
 17 All right. Occasionally, another  
 18 attorney present may object to a question that I  
 19 ask. Unless your attorney instructs you not to  
 20 answer, the objection is made simply to make a note  
 21 on the record, so please go ahead and answer the  
 22 question that I ask after an objection.  
 23 Then sometimes it happens that you'll  
 24 give an answer as completely as you can but then  
 25 later in the deposition you may remember additional

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1 information or are able to clarify something about  
 2 your previous answer. When that occurs, if it does,  
 3 please let me know that there's something you'd like  
 4 to clarify or supplement, and we'll take care of  
 5 that right away.  
 6 Will you do that?  
 7 A. Yes, I will.  
 8 Q. I'll also try to give you some  
 9 opportunities for that throughout the deposition.  
 10 Similarly, you know, if you recall  
 11 that a previous answer was not quite correct, that's  
 12 fine too. We can also change that and address it in  
 13 a moment.  
 14 Also, if you're answering a question  
 15 and you think that a document or some documents  
 16 might help you answer better, you can let me know  
 17 and we'll see if we have it here.  
 18 So I'll try to remember to take a  
 19 break every 90 minutes or so but if you need a break  
 20 at any time, please let me know, counsel as well,  
 21 and, of course, please let me know Madame Court  
 22 Reporter.  
 23 If there is a question pending, you  
 24 must complete your answer to that question before we  
 25 break however.

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1 Also, if you want to talk to your  
 2 attorney at any time, that's fine. I just ask that  
 3 if there's a question pending or you're in the  
 4 middle of the answer, you finish the answer and then  
 5 discuss.  
 6 So, Mr. Lunn, we're here today to get  
 7 as accurate a record as we can of the facts of this  
 8 case as you remember them, so I have to ask if  
 9 there's anything that would prevent you from  
 10 understanding and answering my questions with the  
 11 full capacity of your recollection?  
 12 A. No, there is not.  
 13 Q. Are you taking any medications that  
 14 might interfere with memory?  
 15 A. No, I am not.  
 16 Q. Have you had anything alcoholic to  
 17 drink in the last eight hours?  
 18 A. No, I have not.  
 19 Q. And are you feeling at all sick or  
 20 unwell today?  
 21 A. No, I am not.  
 22 Q. All right. Mr. Lunn, I'd like to  
 23 start off asking you a little bit about your  
 24 background, so let's start off, we're going to try  
 25 to do a broad and quick run through your education

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1 and your professional experiences to date.  
 2 So did you graduate from high school?  
 3 A. Yes, I did.  
 4 Q. Great. What year?  
 5 A. 1984.  
 6 Q. What did you do after high school?  
 7 A. I attended Illinois State University  
 8 in Normal, Illinois.  
 9 Q. Did you complete a degree there?  
 10 A. I did not.  
 11 Q. How long were you there?  
 12 A. I was there for three and a half  
 13 years.  
 14 Q. What did you do after the university?  
 15 A. Well, I did receive my commission as  
 16 a United States Army officer in 1986 between the  
 17 Illinois National Guard and also the U.S. Army and  
 18 Reserves, and so I had done some training with  
 19 military, and then I had embarked on a career of  
 20 entrepreneurship.  
 21 Q. So are you still in the Army Reserves  
 22 or with the National Guard?  
 23 A. I am considered -- I am inactive  
 24 Reserves as a captain.  
 25 Q. And so was it also around 1986 that

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1 you say you started your work as an entrepreneur?  
 2 A. I did. I studied initially to be a  
 3 life insurance salesperson with Northwestern Mutual.  
 4 I completed a year of training there quite  
 5 successfully and then was called into additional  
 6 service for the army, my army officers basic course  
 7 in Fort Knox, Kentucky, and that course was  
 8 approximately nine months.  
 9 The graduation of that course came in  
 10 August of 1990 which coincided with the start of the  
 11 first Gulf War, and so I stayed in the army; did not  
 12 go back to Northwestern Mutual Life Insurance. I  
 13 stayed in the army and was deployed overseas to the  
 14 Port of Dammam in Saudi Arabia, and although trained  
 15 as an armor officer, I was put in charge of  
 16 transportation and logistics for the first Gulf War  
 17 and subsequently Operation Desert Shield turning  
 18 into Desert Storm.  
 19 Q. So once you entered active service  
 20 leading up to the first Gulf War, were you engaged  
 21 in entrepreneurship while you were active or were  
 22 you pretty much solely occupied with army tasks?  
 23 A. I was very much occupied with army  
 24 tasks. I had given up at that time my  
 25 entrepreneurial endeavors and put them on hold until

<p style="text-align: right;">Page 33</p> <p>1 Q. What are the primary websites that 2 you use for social media? 3 A. Basically LinkedIn and some Facebook 4 and very, very minor Twitter, and those are used for 5 business purposes except on Facebook which is just 6 to keep up with my kids. 7 Q. So you used LinkedIn for your 8 business purposes, yes? 9 A. Yes. 10 Q. What's your LinkedIn identifier? 11 A. I don't recall. 12 Q. Is your LinkedIn account linked to 13 frank@kahunaworld.com? 14 A. Yes. 15 Q. And how about Twitter, what's your 16 Twitter handle? 17 A. I don't know. 18 Q. Is that also linked to 19 frank@kahunaworld.com? 20 A. Yes, it is. 21 Q. And what about Facebook, is that 22 linked to frank@kahunaworld.com? 23 A. Yes, it is. 24 Q. All right. So, Mr. Lunn, you 25 mentioned that you first learned about RaPower-3 in</p>	<p style="text-align: right;">Page 35</p> <p>1 and I did some research. 2 Q. Do you remember about when that 3 meeting was with Roger Freeborn? 4 A. I do not. 5 Q. Was it just you and Mr. Freeborn? 6 A. No. 7 Q. Who else was there? 8 A. I don't recall -- well, B.J. was 9 there. 10 Q. Were there more people than you and 11 Mr. Zeleznik and Mr. Freeborn? 12 A. Yes. 13 Q. Do you recall about how many? 14 A. I don't. 15 Q. Was it more than five? 16 A. I don't believe so. 17 Q. Where was that meeting held? 18 A. I don't recall. 19 Q. Was Roger Freeborn the only person 20 there from RaPower-3? 21 A. Yes. 22 Q. Did Mr. Zeleznik speak at this 23 meeting? 24 A. I think he just introduced who Roger 25 was.</p>
<p style="text-align: right;">Page 34</p> <p>1 or around 2010 or 2011, is that correct? 2 A. I believe so. 3 Q. Tell me about how you came to learn 4 about RaPower-3. 5 A. I was doing research on various 6 energy, again, conservation creation, and was 7 introduced to RaPower-3 through B.J. Zeleznik case 8 who introduced me to Roger Freeborn. 9 Q. How did you know B.J. Zeleznik? 10 A. He is a coach and administrator at 11 the school where my kids went to high school. 12 Q. How did you first start talking to 13 him about RaPower-3? 14 A. I don't recall. 15 Q. Did he introduce it to you? 16 A. Yes. 17 Q. What did he tell you about it? 18 A. That it was something interesting, 19 and he thought I would have some interest in it 20 because he knew that I was an entrepreneur and 21 interested in things like that and invited me to 22 meet Roger Freeborn who was going to be in town. 23 Q. What happened next? 24 A. I met with Roger Freeborn and learned 25 about what RaPower-3 was doing. I was interested</p>	<p style="text-align: right;">Page 36</p> <p>1 Q. What did Mr. Freeborn say at that 2 meeting? 3 A. He shared the concept of RaPower-3 4 and the lenses and the creation of heat as a 5 different technology. I can't really recall, I 6 mean, I'd be guessing if... 7 Q. So what was the concept of RaPower-3? 8 A. Are you asking me to guess or -- 9 Q. How did he explain it to you or what 10 did you understand at that time was the concept of 11 RaPower-3? 12 MR. HEIDEMAN: Objection. Vague. 13 A. That heat could be created in an 14 efficient way through the refraction of the sunlight 15 in a concentrated way and then be able to convert 16 that heat into energy also in a very efficient way. 17 Q. To do what with the energy? 18 A. To produce energy; to create heat, 19 transfer heat into a mechanical device such as a 20 turbine to be able to convert that into electricity 21 in a very efficient, cost-efficient way. 22 Q. Sure, but to produce energy for 23 what -- to connect to the electrical grid? 24 MR. JONES: I'd just object. Leading 25 the witness.</p>

<p style="text-align: right;">Page 37</p> <p>1 A. Creation of energy is the creation of 2 energy and electricity, and what you do with that, 3 there's a market for that, and so having the 4 technology for that is quite beneficial in my eyes. 5 Q. I guess my question is at that time 6 when you were first being introduced to RaPower-3, 7 what was the market for the electricity to your 8 understanding? 9 A. That wasn't really what my 10 understanding was about. My understanding was the 11 technology to be able to create energy. 12 Beyond that was beyond the scope of 13 my concern. 14 Q. About how long did this meeting last? 15 A. I don't recall it being a long 16 meeting but I don't really recall. 17 Q. Okay. What other kinds of things did 18 Mr. Freeborn talk about? 19 A. I don't recall. It was quite a long 20 time ago. 21 Q. What happened after that meeting? 22 What were your next steps with respect to RaPower-3? 23 A. Well, I looked at their website, and 24 I don't recall the specific actions that followed 25 directly after that.</p>	<p style="text-align: right;">Page 39</p> <p>1 typical research and development. It's just being 2 able to look at patterns and looking at things that 3 emerge and being able to stay attuned to what might 4 be future opportunities. 5 Q. So after you were introduced to 6 RaPower-3, what, if any, specific research did you 7 do about that company? 8 A. Well, I know I researched on the 9 website and looked at that. 10 Q. Sorry. Let me interrupt you here. 11 A. Yes. 12 Q. So you looked at the material on 13 RaPower-3's website? 14 A. Yes. 15 Q. Okay. What other research did you do 16 besides reviewing its website? 17 A. I don't recall. 18 Q. What, if any, research, Mr. Lunn, did 19 you do on the type of technology that RaPower-3 20 planned to use? 21 A. I'm not sure I understand. 22 Q. So you identified a couple of 23 different components of the technology that 24 RaPower-3 claims to have: turbines, lenses, the 25 ability to concentrate solar heat and turn it into</p>
<p style="text-align: right;">Page 38</p> <p>1 Q. Mr. Lunn, you mentioned that you 2 researched different aspects about energy efficiency 3 and energy creation. 4 Did you do that before you heard 5 about RaPower-3 or after? 6 A. Both. 7 Q. So what kinds of research did you do 8 after you heard about RaPower-3? 9 A. I continued to just look at the 10 differences in like construction methodologies for 11 energy efficiency, understanding different 12 engineering aspects of that and looking at what the 13 applications might be and then also just energy 14 creation, the different types of solar, the 15 different types of wind. 16 And so I just, I generally research 17 and keep up on those activities. 18 Q. Do you have a research file with 19 respect to, for example, solar energy in particular? 20 A. Not a specific file. 21 Q. So how do you keep and maintain your 22 research with respect to solar energy? 23 A. Well, research with respect to my 24 definition as an entrepreneur is just keeping notes. 25 It's not a statistical analysis research like a</p>	<p style="text-align: right;">Page 40</p> <p>1 energy. 2 What, if any, research did you do 3 about that technology? 4 A. I had looked into other solar 5 concentrator type energy and found it to be wanting 6 in that it wasn't commercially, in my opinion, 7 viable without massive subsidies. 8 The same with photovoltaic. At the 9 time, the technology did not exist to make it 10 stand-alone profitable, and so all of the things 11 that I looked at did not really rise to the 12 threshold of commercial viability or commercial 13 viability in a nonsubsidized manner. 14 Q. So let's take those two things, other 15 solar concentrators first. 16 You said that based on what you saw, 17 they were not commercially viable? 18 A. In my opinion. 19 Q. In your opinion. 20 So why, in your opinion, was 21 RaPower-3 technology different? 22 A. When I went to -- I went to the site 23 and visited the site on my own, and the technology 24 made sense to me. 25 I don't have a degree. I don't have</p>

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1 the business that you have involving your lenses?  
 2 A. Not specifically.  
 3 Q. Mr. Lunn, other than -- well, let me,  
 4 I'll withdraw that.  
 5 Have you sought input or expertise  
 6 from experts on solar energy technology other than  
 7 Mr. Johnson, Mr. Shepard, RaPower-3 or IAUS?  
 8 A. No, I have not.  
 9 Q. To date, Mr. Lunn, how much income  
 10 have you earned through any business activity  
 11 related to the lenses?  
 12 A. I don't know specifically.  
 13 Q. Is it more or less than \$10,000?  
 14 A. Less.  
 15 Q. More or less than \$5,000?  
 16 A. Less I'm guessing.  
 17 Q. Mr. Lunn, how much have you spent on  
 18 lenses or any other costs related to any business to  
 19 do with the RaPower-3 lenses?  
 20 A. I do not have that information.  
 21 Q. Is it more or less than \$10,000?  
 22 A. It is more.  
 23 Q. Is it more or less than \$50,000?  
 24 A. It's more.  
 25 Q. Is it more or less than a hundred

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1 thousand dollars?  
 2 A. More.  
 3 Q. More or less than \$150,000?  
 4 A. More.  
 5 Q. More or less than \$200,000?  
 6 A. Now we're getting to where I don't  
 7 really know.  
 8 Q. We're at least above \$150,000,  
 9 correct?  
 10 A. Correct.  
 11 Q. Mr. Lunn, do you know how much you  
 12 paid for each lens?  
 13 A. Not off the top of my head I don't.  
 14 Q. Well, I'll ask you this way.  
 15 Do you recall what the total purchase  
 16 price is for a given lens?  
 17 A. I don't recall exactly.  
 18 Q. Even if you don't recall the specific  
 19 price, do you recall whether you negotiated the  
 20 price that you would pay for the lens?  
 21 A. I did not.  
 22 Q. So it sounds like a price was quoted  
 23 to you, correct?  
 24 A. Yes.  
 25 MR. JONES: Objection. Leading.

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1 Q. Mr. Lunn, did you ever get an  
 2 independent opinion or appraisal of the value of the  
 3 lenses that you purchased?  
 4 A. No.  
 5 Q. How did you decide how many lenses to  
 6 purchase?  
 7 A. It was not necessarily a scientific  
 8 system. It was essentially what I could afford  
 9 within the parameters of other obligations.  
 10 Q. Say more about that. What does that  
 11 mean?  
 12 A. It just means that I made decisions  
 13 based on my current cash flow situation.  
 14 Q. Did you look at your likely tax  
 15 liability in helping you determine how many lenses  
 16 to purchase?  
 17 A. Not directly. I mean, that was  
 18 certainly part of a consideration as it is with all  
 19 investments.  
 20 Q. Tell me about what the consideration  
 21 was. How did you factor it in?  
 22 A. Well, the first factor was what cash  
 23 that I had available and what I wanted to be able to  
 24 purchase, and then beyond that was how it fit into  
 25 the residual income that would come in the future,

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1 and then beyond that would be tax opportunities to  
 2 make this less painful.  
 3 Q. So to pay lower taxes?  
 4 A. That's --  
 5 MR. JONES: Objection. Leading.  
 6 A. As I've stated before, the government  
 7 provides, Congress provides specific tax incentives  
 8 for job creation, energy, food and housing, and I  
 9 have investments in all four of those sectors.  
 10 And so taxes certainly -- I don't  
 11 want to mischaracterize -- taxes certainly are a  
 12 consideration, but I've never made a consideration  
 13 based on the tax consequence.  
 14 Q. And perhaps I was assuming too much.  
 15 You said to make this less painful so  
 16 what did you mean by that?  
 17 A. To be able to have an offset related  
 18 to taxes is always beneficial.  
 19 When I'm investing in low income  
 20 housing or other job creation, anything that you can  
 21 do, the government specifically or Congress  
 22 specifically has tax incentives to promote things,  
 23 an agenda that it has, and so as an entrepreneur, I  
 24 would always look to see what could I take advantage  
 25 of within the scope of those investments.

<p style="text-align: right;">Page 161</p> <p>1 A. Certain tax incentives for being able 2 to be part of the energy creation tax deductions I 3 believe. 4 Q. So depreciation? 5 A. Depreciation and tax credits. 6 Q. And then No. 3 on the page, 7 commissions from sales force, correct? 8 A. Yes. 9 Q. And Bryan Bolander's name is at the 10 end of this page again, correct? 11 A. Yes. 12 Q. So let's turn to page 234, and at the 13 top of the page it says cost benefits, correct? 14 A. Yes. 15 Q. Then the line says, each system costs 16 \$3,000? 17 A. That's what I wrote. 18 Q. With downpayment of \$1,050, correct? 19 A. Yes. 20 Q. Okay. So did, in fact, each system 21 cost \$3,000? 22 A. I think each system was actually 23 3,500, but I wrote down 3,000. 24 Q. Okay. What do the first two notes 25 under that line say?</p>	<p style="text-align: right;">Page 163</p> <p>1 Q. Okay. So then let's take a look 2 about a third down the page. It looks to me like 3 receive 30 percent federal tax credit - \$900 per 4 system. 5 Did I read that right? 6 A. Yes. 7 Q. And then it says 60 percent 8 depreciation, and it looks like \$1,800, is that 9 right? 10 A. Yes. 11 Q. Okay. Then it says 900 plus 1,800 12 equals 15 to 20 percent return, correct? 13 A. That's what it says here. 14 Q. So what does that all mean to you? 15 A. I have no idea in the way that this 16 is constructed. I was just taking notes and 17 obviously not doing a very good job. 18 Q. So you were taking notes on what 19 Mr. Freeborn was saying? 20 A. Yes. 21 Q. Okay. Then down below, there's a 22 note that looks like sponsor ID, LeRoy schools? 23 A. Yes. 24 Q. What does that mean? 25 A. The way that they had originally</p>
<p style="text-align: right;">Page 162</p> <p>1 A. Balance carried and zero percent 2 interest. 3 Q. What does No. 1 mean to you, balance 4 carried? 5 A. I can only assume balance beyond the 6 downpayment. 7 Q. Okay. But you don't remember what 8 that means? 9 A. Not from these notes. 10 Q. And zero percent interest, what does 11 that mean to you? 12 A. Just an assumption for the same. 13 Q. That after the downpayment of \$1,050 14 was paid, there would be no interest on the 15 remaining payment for the lens? 16 MR. JONES: Objection. 17 A. I don't recall. 18 MR. JONES: Leading. 19 Q. Oh, and I'll just check, but is page 20 234 a continuation of the notes from the same 21 meeting with the notes that started on 233? 22 A. I can only guess yes. 23 Q. Any reason to think that's not the 24 case? 25 A. No.</p>	<p style="text-align: right;">Page 164</p> <p>1 constructed the bonus was that there was an 2 incentive for the party that introduced you to this 3 and then also a component related to like a 4 nonprofit, and so I was looking at I believe a way 5 to benefit the school system. That's what the note 6 was. 7 I don't know whether any of that 8 happened or not, but that's the context for the 9 note. 10 MS. HEALY GALLAGHER: Okay. You can 11 put that aside. Thank you very much. 12 (Plaintiff's Exhibit 40 was 13 marked for identification.) 14 MS. HEALY GALLAGHER: So please take 15 a look at that. That's Plaintiff's Exhibit 40. 16 Counsel, you have one piece of paper 17 that's tucked in there but not stapled. 18 (Pause) 19 THE WITNESS: I'm good. 20 MR. HEIDEMAN: I don't have 48 or 49. 21 MS. HEALY GALLAGHER: So Plaintiff's 22 Exhibit 40 begins with a series of pages initially 23 marked with Lunn_F&amp;L-26 through 38. Then it skips 24 to 46 and 47; then to 50; then to 182. 25 So we'll walk through this and see</p>

<p style="text-align: right;">Page 165</p> <p>1 what's what.  2 THE WITNESS: Okay.  3 Q. So, Mr. Lunn, do you recognize these  4 documents?  5 A. Vaguely, yes.  6 Q. Okay. Well, let's take a walk  7 through.  8 The first one is entitled 2011 Tax  9 Benefits, at least that's a page.  10 Do you remember where you got this  11 from?  12 A. I'm assuming I got it from the  13 website.  14 Q. From which website?  15 A. The RaPower-3 website.  16 Q. Okay. So you potentially downloaded  17 it rather than somebody sending it to you?  18 A. That's my assumption.  19 Q. And why do you think that?  20 A. Because I don't recall anybody ever  21 sending me anything.  22 The material that I had produced was  23 material that I originally downloaded and printed  24 and had the file on, and that's what I provided.  25 Q. Okay. Then let's take a look at the</p>	<p style="text-align: right;">Page 167</p> <p>1 A. I don't. It looks different than the  2 previous so I don't want to make an assumption. I  3 just don't know for sure.  4 Q. Okay. The second line in the  5 left-hand column says prepared by Greg Shepard,  6 Chief Director of Operations at RaPower-3.  7 Do you see that?  8 A. Yes, I do.  9 Q. Do you have any reason to think that  10 this was not prepared by Greg Shepard?  11 A. No.  12 Q. Do you have any idea where you would  13 have gotten it from other than RaPower-3 or Greg  14 Shepard?  15 A. Well, I definitely would have gotten  16 it from one of those. I don't know whether I  17 received this when I was there or if it was on the  18 Internet or the website.  19 Q. Fair enough.  20 Do you remember when?  21 A. I don't know specifically.  22 Q. Okay. How about the next page, 30.  23 Quarterly Taxes is the header.  24 Do you remember where you got this  25 document from?</p>
<p style="text-align: right;">Page 166</p> <p>1 next page, Solar Energy Tax Benefit History.  2 Similar situation? Do you believe  3 you downloaded this from the RaPower-3 website?  4 A. Yes.  5 Q. Do you remember when?  6 A. No.  7 Q. How about the next page, Solar  8 Investment Tax Credit (ITC). Did you download this  9 from the RaPower3 website?  10 A. Yes.  11 Q. Do you remember when?  12 A. I do not.  13 Q. Page 29, it's two columns. The  14 column on the left says tax benefits for Jim at the  15 top.  16 Do you see that?  17 A. Yes.  18 Q. And the column on the right says for  19 average dual income family.  20 Did I read that right?  21 A. Yes.  22 Q. Did you download this from the  23 RaPower3 website?  24 A. I do not know.  25 Q. Do you know where you got it?</p>	<p style="text-align: right;">Page 168</p> <p>1 A. I don't know specifically. It would  2 have been either from a meeting with Roger Freeborn  3 or the website.  4 Q. Just out of curiosity, why do you  5 think that this one is from Roger Freeborn rather  6 than from someone else?  7 A. It just doesn't look the same as the  8 ones from the website.  9 Q. Okay. And how about page 32 with the  10 header "Wait: This sounds too good to be true."  11 A. I'm not sure where that came from.  12 Q. Would you have gotten it from anyone  13 other than Greg Shepard, Roger Freeborn or  14 RaPower-3?  15 A. No.  16 Q. How about the pages marked 33 through  17 36. It starts with the header "Depreciation."  18 Do you know where you got this set of  19 documents, pages from?  20 A. Not with specificity, but, like you  21 had said before, either Roger, Greg or from the  22 website.  23 Q. How about page 37?  24 A. I'll say the same.  25 Q. Okay. It's titled Typical Teaching</p>



<p style="text-align: right;">Page 169</p> <p>1 Couple.  2 A. Right.  3 Q. And you think you would have gotten  4 it from Roger Freeborn, Greg Shepard or the RaPower3  5 website?  6 A. Correct.  7 Q. Do you recognize the logo at the  8 lower right hand portion of the text?  9 A. Yes.  10 Q. Who's logo is that?  11 A. RaPower-3.  12 Q. Now, let's take a look at page 38.  13 This looks to be a generally blank  14 Form 1040 for tax year 2011.  15 Do you see that?  16 A. I do.  17 Q. Do you know where you got this from?  18 A. I do not.  19 Q. Do you know whose handwriting is on  20 this document?  21 A. I do not know with certainty.  22 Q. Would it either have, well, would you  23 have gotten this from either Roger Freeborn or Greg  24 Shepard?  25 A. Yes.</p>	<p style="text-align: right;">Page 171</p> <p>1 A. Yes.  2 MS. HEALY GALLAGHER: Okay. You can  3 put that exhibit to the side.  4 (Plaintiff's Exhibit 41 was  5 marked for identification.)  6 MS. HEALY GALLAGHER: Okay. Please  7 take a look at what's been marked Plaintiff's  8 Exhibit 41.  9 Go ahead and take a look at that and  10 let me know when you've had a chance.  11 For the record, Plaintiff's  12 Exhibit 41 is ZLEZ_B&amp;A593 through 595.  13 (Pause)  14 THE WITNESS: Okay.  15 Q. If we could actually first take a  16 look at the page marked 595. The last full e-mail  17 on this page starts about a quarter of the way down,  18 and please correct me if I read this incorrectly.  19 From RaPower-3 Solar, and then it says mail to:  20 admin@rapower3.net. Sent on September 9, 2010 to  21 Frank Lunn, and the subject is RaPower3, New Member.  22 Did I read that right?  23 A. Yes.  24 Q. And I just wanted to offer this for  25 bracketing for our information from this morning.</p>
<p style="text-align: right;">Page 170</p> <p>1 Q. How about the pages marked 46 and 47,  2 do you know where you got these two pages from?  3 A. Well, it says on there, "Thank you  4 for coming to this page," so I will assume that it's  5 from the RaPower3 website.  6 It stipulates that in the first  7 paragraph. "Thank you for coming to this page."  8 Q. To learn more about our RaPower-3 tax  9 benefit program?  10 A. Yes.  11 Q. Okay. And we'll go actually to the  12 page marked 182.  13 It looks like there's handwriting at  14 the top that says Greg.  15 Do you see that?  16 A. Yes.  17 Q. So did you get this from Greg  18 Shepard?  19 A. Actually, that could be Greg or it  20 could be, when I first saw it, I thought it said  21 ORG, so I don't...but yeah, it could be from Greg  22 Shepard.  23 Q. If you didn't get it from  24 Mr. Shepard, would you have gotten it either from  25 Mr. Freeborn or the RaPower3 website?</p>	<p style="text-align: right;">Page 172</p> <p>1 Is this consistent with your  2 recollection for when you bought your first lens?  3 A. Yes.  4 Q. And the user name KAHUNANRG, that's  5 the entity that purchased that one first lens?  6 A. Yes.  7 Q. Or the name that you used to purchase  8 that lens?  9 A. Yes.  10 Q. Okay. So then if we flip over to  11 593, about a quarter of the way down the page, it  12 looks like it says Frank Lunn, and that's  13 frank@kahunaworld.com, correct?  14 A. Yes.  15 Q. And it looks like this is an e-mail  16 from you to Mr. Zeleznik, correct?  17 A. It was to Greg and Roger Freeborn and  18 then copied B. J. Zeleznik if I'm looking at the  19 right one.  20 Q. Oh, well, I'm up at the -- up here.  21 So then there's an e-mail where you're sending it to  22 Brian, and you have forwarded him I think the e-mail  23 that you're talking about.  24 A. Okay. All right. I see what you're  25 saying.</p>

<p style="text-align: right;">Page 185</p> <p>1 purchases.</p> <p>2 A. Oh. The price of each system is</p> <p>3 3,500.</p> <p>4 Q. No. You can just read it to</p> <p>5 yourself?</p> <p>6 A. Oh. I'm sorry.</p> <p>7 Q. Go ahead and read it to yourself.</p> <p>8 I wasn't clear.</p> <p>9 A. Okay.</p> <p>10 Q. And after you've read it to yourself,</p> <p>11 I'll walk you through it.</p> <p>12 (Pause)</p> <p>13 A. Okay.</p> <p>14 Q. All right. So the purchase price of</p> <p>15 each system is \$3,500.</p> <p>16 Where did you get that information?</p> <p>17 A. From RaPower-3.</p> <p>18 Q. From any particular person at</p> <p>19 RaPower-3?</p> <p>20 A. I believe it was on the invoice.</p> <p>21 Q. Then it says, you're required to pay</p> <p>22 an upfront amount of \$1,050 per system.</p> <p>23 A. Yes.</p> <p>24 Q. Where did you get that information?</p> <p>25 A. Also from the RaPower-3 website.</p>	<p style="text-align: right;">Page 187</p> <p>1 1,050.</p> <p>2 The other were essentially a contract</p> <p>3 which there's not necessarily a distinction between</p> <p>4 how much actual cash was paid versus how much was</p> <p>5 paid.</p> <p>6 Q. Okay. So then -- and actually, this</p> <p>7 may help me out.</p> <p>8 So then it didn't actually matter how</p> <p>9 much you paid in actual cash for a lens during a tax</p> <p>10 year, correct?</p> <p>11 MR. HEIDEMAN: Objection. Vague.</p> <p>12 MS. HEALY GALLAGHER: I'll ask</p> <p>13 another question.</p> <p>14 Q. Let's say for example for your first</p> <p>15 ten systems that you purchased here on April 21, if</p> <p>16 you had done those with the ten percent option and</p> <p>17 you didn't pay any more money toward those during</p> <p>18 2011, would that have any impact on the tax benefit</p> <p>19 you would be allowed as a result of owning those ten</p> <p>20 lenses?</p> <p>21 A. I have no idea.</p> <p>22 MR. JONES: Objection. Calls for a</p> <p>23 legal conclusion.</p> <p>24 MR. HEIDEMAN: I'll join in that</p> <p>25 objection.</p>
<p style="text-align: right;">Page 186</p> <p>1 Q. Then you say the remaining balance of</p> <p>2 \$2,450 is to be paid back to company out of future</p> <p>3 earnings.</p> <p>4 A. Yes.</p> <p>5 Q. So who were you paying back?</p> <p>6 A. My understanding is RaPower-3.</p> <p>7 Q. And it says in the next section that</p> <p>8 you paid ten percent of the required upfront payment</p> <p>9 as a downpayment.</p> <p>10 So \$105 per system, correct?</p> <p>11 A. Yes.</p> <p>12 Q. So then in 2011, for all of the 90</p> <p>13 lenses you purchased, you actually paid \$105 per</p> <p>14 lens, correct?</p> <p>15 A. Not exactly. I paid full for many of</p> <p>16 them. I don't recall exactly how much.</p> <p>17 And then I took advantage of the</p> <p>18 program, and I believe to this point I paid all of</p> <p>19 those in full.</p> <p>20 Q. But here when you're explaining it to</p> <p>21 your preparer, you're telling her that you paid 105</p> <p>22 per system in 2011, is that correct?</p> <p>23 A. Not exactly.</p> <p>24 Some, and I don't have my information</p> <p>25 in front of me, but some I actually paid the full</p>	<p style="text-align: right;">Page 188</p> <p>1 A. Yeah, I have no idea.</p> <p>2 Q. So your statement here towards the</p> <p>3 end of that paragraph where you say you financed the</p> <p>4 remaining balance of \$945 per system, do you see</p> <p>5 that?</p> <p>6 A. Yes.</p> <p>7 Q. What does that mean?</p> <p>8 A. Exactly what it says. That I paid</p> <p>9 \$105 for the system out of 1,050, and I financed the</p> <p>10 remaining 945 which I subsequently paid.</p> <p>11 Q. So you paid in 2012 any amount that</p> <p>12 you financed?</p> <p>13 A. I don't recall when that was paid.</p> <p>14 Q. You may have paid it in 2012 as</p> <p>15 opposed to in 2011, correct?</p> <p>16 MR. JONES: Objection. Leading.</p> <p>17 A. I don't know.</p> <p>18 Q. Then you say in the next paragraph,</p> <p>19 "Based on my understanding of the program and the</p> <p>20 tax benefits, my purchasing strategy was to purchase</p> <p>21 enough systems to zero out any 2011 tax obligation</p> <p>22 and hopefully carry back to recover past taxes</p> <p>23 paid."</p> <p>24 Did I read that correctly?</p> <p>25 A. Yes.</p>

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1 Q. Then you say, "I realize this  
 2 strategy is not typical but certainly allowable and  
 3 legitimate within the current tax incentives created  
 4 by Congress to stimulate investment and purchases  
 5 within green energy and energy creation incentives."  
 6 Did I read that correctly?  
 7 A. Initiatives, not incentives.  
 8 Q. Okay. Thank you.  
 9 A. You're welcome.  
 10 Q. Any other changes?  
 11 A. No.  
 12 Q. Who told you that it was allowable  
 13 and legitimate within current tax incentives?  
 14 A. The information from the RaPower3  
 15 website.  
 16 Q. Anyone else?  
 17 A. Not that I can specifically state.  
 18 Q. So no one else that you can recall,  
 19 correct?  
 20 A. Correct.  
 21 Q. Let's take a look at the following  
 22 couple of pages here, first at 267.  
 23 At the top of the page, it reads  
 24 "Additional information from www.RaPower3.com  
 25 website."

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1 Do you see that?  
 2 A. Yes, I do.  
 3 Q. Is this information you included for  
 4 your CPA?  
 5 A. Yes.  
 6 Q. And does that information from the  
 7 RaPower3 website go through the page marked 269?  
 8 A. Yes.  
 9 Q. And what about the information on  
 10 page 270, who created that chart?  
 11 MR. HEIDEMAN: Objection. Lacks  
 12 foundation.  
 13 A. I believe I created this.  
 14 Q. If you'd take a look, please, at page  
 15 271.  
 16 A. Yes.  
 17 Q. Do you recognize what this chart  
 18 might be?  
 19 A. This is from the RaPower-3 back end  
 20 office showing the purchases that I made.  
 21 (Pause)  
 22 MS. HEALY GALLAGHER: I'd like to  
 23 back up just a little bit.  
 24 Exhibit 46, please.  
 25 (Plaintiff's Exhibit 46 was

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1 marked for identification.)  
 2 Q. Mr. Lunn, I'm showing you what's been  
 3 marked Exhibit 46, Bates numbers ZELEZ\_B&A353 to  
 4 354.  
 5 All set with that?  
 6 A. Yes, ma'am.  
 7 Q. Let's start with on 353 toward the  
 8 bottom third, I see an e-mail that starts from Frank  
 9 Lunn from frank@kahunaworld.com.  
 10 Do you see that?  
 11 A. I do.  
 12 Q. And that was sent Monday July 11,  
 13 2011 at 4:30 p.m., is that right?  
 14 A. Yes.  
 15 Q. And that was to Brian Zeleznik,  
 16 correct?  
 17 A. Correct.  
 18 Q. And he's your sponsor?  
 19 A. Yes.  
 20 Q. The subject is Ra3 Convention Photos,  
 21 correct?  
 22 A. Yes.  
 23 Q. So read that e-mail that you've  
 24 written to him to yourself and let me know when  
 25 you're all set.

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1 (Pause)  
 2 A. Okay.  
 3 Q. So was this e-mail after your first  
 4 site visit, your second site visit? Do you recall?  
 5 A. I believe it would be the first site  
 6 visit.  
 7 Q. In the second line of your e-mail  
 8 there, you say they are still not quite ready for  
 9 prime time but getting closer.  
 10 A. Yes.  
 11 Q. I am optimistic that they will  
 12 deliver but think they are a little overoptimistic  
 13 on their timeframes.  
 14 What did you mean by that?  
 15 A. Exactly what it says.  
 16 Q. So what indicated to you that they  
 17 were overoptimistic as you say?  
 18 A. As an entrepreneur, every time I  
 19 think something is going to take a certain amount of  
 20 time, it always takes twice as long and costs twice  
 21 as much, and so that's just my skeptical point of  
 22 anything.  
 23 Anything I do or anything I'm  
 24 involved in I always look at increasing the  
 25 timeframe and increasing the expense. So that's

<p style="text-align: right;">Page 193</p> <p>1 what that meant.</p> <p>2 Q. So in July 2011, how long, if you</p> <p>3 thought about this, did you think it would take for</p> <p>4 them to start actually generating heat that could</p> <p>5 produce electricity?</p> <p>6 A. I thought they were creating heat</p> <p>7 right away. To put all of the systems and</p> <p>8 everything together I anticipate would take more</p> <p>9 time. I can't speculate back in 2011 what my time</p> <p>10 horizon would be, but it's always more complicated</p> <p>11 than it seems.</p> <p>12 Q. And, Mr. Lunn, the only heat that you</p> <p>13 saw them generating was from a lens that somebody</p> <p>14 held up, correct?</p> <p>15 A. I believe so.</p> <p>16 Q. Do you recall what their timeframes</p> <p>17 were in 2011?</p> <p>18 A. They never promised, to my knowledge,</p> <p>19 any specific timeframes, and if they did, I would</p> <p>20 have disregarded them.</p> <p>21 As I mentioned before, I've taken a</p> <p>22 much longer view on this.</p> <p>23 MS. HEALY GALLAGHER: Plaintiff's 47,</p> <p>24 please.</p> <p>25</p>	<p style="text-align: right;">Page 195</p> <p>1 Q. So we have the main header that says</p> <p>2 Mega Tour.</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. And then at the last couple of lines</p> <p>6 on page 1281, it says, "Here's a June 27, 2014 Mega</p> <p>7 Tour comment."</p> <p>8 Did I read that right?</p> <p>9 A. Yes.</p> <p>10 MR. JONES: I'm just going to place</p> <p>11 an objection on the record. This lacks foundation.</p> <p>12 A. Yes.</p> <p>13 Q. Go ahead and turn the page.</p> <p>14 On page 1282, I'll read some text to</p> <p>15 you all right, and we'll put it on the record.</p> <p>16 "Totally impressed. In the red zone</p> <p>17 on about the 5 yard line. It is not impressive in</p> <p>18 polish and outward veneer, but all the component</p> <p>19 parts are there. Everything needed to be invented</p> <p>20 is invented and patented, and they are almost ready.</p> <p>21 I believe we will see some great things in the next</p> <p>22 45 days. I am convinced IAUS/RaPower3 will be a</p> <p>23 home-run for us all. Neldon is obviously a Nicola</p> <p>24 Tesla level genius, but I am also super impressed</p> <p>25 with Greg Shepard and Greg's son Matt."</p>
<p style="text-align: right;">Page 194</p> <p>1 (Plaintiff's Exhibit 47 was</p> <p>2 marked for identification.)</p> <p>3 Q. Please take a look at Plaintiff's</p> <p>4 Exhibit 47 which, for the record, is ZELEZ_B&amp;A1281</p> <p>5 through 1283.</p> <p>6 A. Yes.</p> <p>7 Q. Are you familiar with Plaintiff's</p> <p>8 Exhibit 47?</p> <p>9 A. Yes, I am.</p> <p>10 Q. Okay. So your name is not in the</p> <p>11 address field of this e-mail, correct?</p> <p>12 A. Correct.</p> <p>13 Q. But this is an e-mail from Greg at</p> <p>14 RaPower3, right?</p> <p>15 A. Yes.</p> <p>16 Q. And that's to Brian, and the e-mail</p> <p>17 address is zeleznikb@leroyk12.org.</p> <p>18 Do you see that?</p> <p>19 A. I do.</p> <p>20 Q. And that's Brian Zeleznik's e-mail</p> <p>21 address?</p> <p>22 A. Yes.</p> <p>23 Q. And this e-mail is dated July 7,</p> <p>24 2014, current?</p> <p>25 A. Correct.</p>	<p style="text-align: right;">Page 196</p> <p>1 Did I read that correctly?</p> <p>2 A. Yes.</p> <p>3 Q. Next paragraph. "Greg's tireless</p> <p>4 communication and willingness to help others is very</p> <p>5 strong and a big X factor to Neldon's super</p> <p>6 geniusness. Greg has done a masterful job of solid</p> <p>7 communication in the midst of a lot of unknowns. I</p> <p>8 am very confident."</p> <p>9 Did I read that correctly?</p> <p>10 A. Yes, you did.</p> <p>11 Q. And that quote is attributed, or at</p> <p>12 least I should say it has your name underneath it,</p> <p>13 Frank Lunn, Bloomington, Illinois, RaPower3 member.</p> <p>14 A. Yes.</p> <p>15 Q. Did you say those things?</p> <p>16 A. I did.</p> <p>17 Q. And what was it that made you think</p> <p>18 they are in the red zone on about the 5 yard line?</p> <p>19 What does that mean to you?</p> <p>20 A. It means to me that everything that</p> <p>21 they have need for is invented. There's some</p> <p>22 logistics in place, and there's some need to put all</p> <p>23 of the pieces together in the right timeframe, but</p> <p>24 this is a real deal, and I've been out there a</p> <p>25 number of times, and I believe this.</p>

1 Q. And in 2014, how did you know that?  
 2 A. I didn't know that. I just had an  
 3 opinion. I stand by it still.  
 4 Q. So how did you know everything needed  
 5 to be invented is invented?  
 6 A. That's my opinion.  
 7 Q. Who told you that everything needed  
 8 to be invented was invented?  
 9 MR. JONES: Objection. Asked and  
 10 answered.  
 11 A. From the website, I can see all of  
 12 the components that I was looking for, everything  
 13 from how the lenses were held together to how they  
 14 could be mass produced to...you know, all of the  
 15 component parts are there. It's just putting it all  
 16 together and doing it in a way that can be done in a  
 17 mass scale.  
 18 Q. So 2014 is about three years since  
 19 you called them overoptimistic in their timeline, so  
 20 what changed during those three years?  
 21 A. I would still say they're over  
 22 optimistic in the same way that I'm overoptimistic  
 23 in things that I pursue.  
 24 Timeframes don't always work out  
 25 appropriately but that doesn't negate the validity

1 of an idea or concept.  
 2 Q. So later on you say I believe we will  
 3 see some great things in the next 45 days.  
 4 What did you mean by that?  
 5 A. That I'm not sure exactly what I was  
 6 specifically referencing.  
 7 Q. Did you, in fact, see great things 45  
 8 days after the Mega Tour in 2014?  
 9 A. Yes, and no. I mean...  
 10 Q. Well, what happened? Tell me.  
 11 A. Well, as I've said before, in order  
 12 for this to be the pinnacle in the technology and to  
 13 be protected and preserved in a way that can be done  
 14 in the best entrepreneurial fashion is not always  
 15 the most --  
 16 Q. Mr. Lunn, my question was what great  
 17 things did you see in the 45 days after the Mega  
 18 Tour?  
 19 A. I do not know.  
 20 MR. JONES: Objection. Asked and  
 21 answered.  
 22 A. I do not know.  
 23 Q. And, Mr. Lunn, you were on site in  
 24 2015, correct?  
 25 A. I believe I was, yes.

1 Q. So what changed between 2014 and  
 2 2015?  
 3 A. The ability to scale.  
 4 Q. The ability to scale what?  
 5 A. The ability to scale all of the  
 6 component parts to be able to be a large scale  
 7 operation as opposed to a small scale test.  
 8 Q. A large scale operation to do what?  
 9 A. To create energy.  
 10 Q. By doing what?  
 11 A. By converting heat into electricity.  
 12 Q. Is there any indication they can  
 13 create heat on even a small scale with the lenses  
 14 and the arrays on the towers?  
 15 A. Yes.  
 16 MR. HEIDEMAN: Objection. Asked and  
 17 answered.  
 18 MR. JONES: Join in that objection.  
 19 Q. What is that?  
 20 A. I don't know what you want me to say.  
 21 I've said a number of times I've seen  
 22 the towers. There's heat. I felt the heat. I'm...  
 23 Q. Let me -- we'll back it up.  
 24 So, Mr. Lunn, you've seen heat  
 25 created by individual lenses held up by people,

1 correct?  
 2 A. And held up as a system. I've seen  
 3 the videos that are on the website where literally  
 4 one lens not going through anything else creates  
 5 heat.  
 6 Q. Have you seen lenses in an array  
 7 direct the sunlight to a concentrator to create  
 8 heat?  
 9 A. I have not personally.  
 10 Q. Have you seen a video of that?  
 11 A. I don't recall if I've seen a video  
 12 or if I've seen renderings but...  
 13 Q. So then my question is, if you've  
 14 never seen that, what operation do they have to  
 15 create it in large scale?  
 16 MR. HEIDEMAN: Objection. Lacks  
 17 foundation.  
 18 A. I don't know how you want me to  
 19 answer that question.  
 20 I've never seen gravity but I  
 21 understand its effects.  
 22 I understand that creating heat is  
 23 the base of creating electricity.  
 24 To be able to do that on a large  
 25 scale, you need to have all the component parts.

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<p>1 They have all the component parts.</p> <p>2 They have the ability to do this on a mass scale</p> <p>3 once they're ready for it, and when they're ready</p> <p>4 for it is when everything is ready to go at the same</p> <p>5 time.</p> <p>6 Q. What's left to do?</p> <p>7 A. That's not something that I can</p> <p>8 answer. You'll have to ask Neldon Johnson that.</p> <p>9 MS. HEALY GALLAGHER: Okay. I'm</p> <p>10 going to ask you to take a look at Plaintiff's</p> <p>11 Exhibit 48.</p> <p>12 (Plaintiff's Exhibit 48 was</p> <p>13 marked for identification.)</p> <p>14 MS. HEALY GALLAGHER: Plaintiff's</p> <p>15 Exhibit 48 for the record is Lunn_F&amp;L-184 to 185.</p> <p>16 Q. Just very quickly, Mr. Lunn, again,</p> <p>17 we see your name with the thick bar underneath at</p> <p>18 the top.</p> <p>19 Was this an e-mail that you produced</p> <p>20 to the United States?</p> <p>21 A. Yes.</p> <p>22 Q. This one is from Roger Freeborn,</p> <p>23 correct?</p> <p>24 A. Yes.</p> <p>25 Q. And that's the coachfreeb@bfsmail.com</p>	<p>1 you printed from your system, correct?</p> <p>2 A. Yes.</p> <p>3 Q. And it's from Greg Shepard,</p> <p>4 greg@rapower3.com, correct?</p> <p>5 A. Correct.</p> <p>6 Q. On or about November 17, 7:24 p.m.?</p> <p>7 A. Yes.</p> <p>8 Q. And the subject is Ra3 Vital Tax</p> <p>9 Information, correct?</p> <p>10 A. Yes.</p> <p>11 Q. Okay. So then all the text that</p> <p>12 follows was from Greg Shepard, correct?</p> <p>13 A. I believe so.</p> <p>14 MS. HEALY GALLAGHER: Okay. You can</p> <p>15 put that aside.</p> <p>16 Plaintiff's Exhibit 50, please.</p> <p>17 (Plaintiff's Exhibit 50 was</p> <p>18 marked for identification.)</p> <p>19 MS. HEALY GALLAGHER: Plaintiff's</p> <p>20 Exhibit 50 is Bates numbered Lunn_F&amp;L-492 through</p> <p>21 493.</p> <p>22 Q. And with this one, Mr. Lunn, do you</p> <p>23 recognize Plaintiff's Exhibit 50?</p> <p>24 A. Yes.</p> <p>25 Q. What is it?</p>
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<p>1 e-mail address, right?</p> <p>2 A. Correct.</p> <p>3 Q. Mr. Lunn, did you pay the required</p> <p>4 amounts for all of your lenses?</p> <p>5 A. Yes.</p> <p>6 Q. Did you ever ask what might happen if</p> <p>7 you didn't pay the full amount required for all of</p> <p>8 your lenses?</p> <p>9 A. No.</p> <p>10 MS. HEALY GALLAGHER: Plaintiff's</p> <p>11 Exhibit 49, please.</p> <p>12 (Plaintiff's Exhibit 49 was</p> <p>13 marked for identification.)</p> <p>14 Q. Would you please take a look,</p> <p>15 Mr. Lunn, at Plaintiff's Exhibit 49.</p> <p>16 It's Bates marked Lunn_F&amp;L-461 to</p> <p>17 462.</p> <p>18 (Pause)</p> <p>19 Q. Do you recognize this document?</p> <p>20 A. Vaguely.</p> <p>21 Q. Well, it's double printed so there's</p> <p>22 a couple pages of text on each single page of paper,</p> <p>23 correct?</p> <p>24 A. Yes.</p> <p>25 Q. So we start off with an e-mail that</p>	<p>1 A. It is information I received from</p> <p>2 Greg Shepard or RaPower3. I'm not sure.</p> <p>3 Q. The title of the document is the 1976</p> <p>4 IRS Coal Plant Ruling.</p> <p>5 Do you see that?</p> <p>6 A. I do.</p> <p>7 Q. And, Mr. Lunn, you just said you got</p> <p>8 it from Greg Shepard or RaPower-3. You're not sure</p> <p>9 which.</p> <p>10 A. Correct. I see Greg Shepard's</p> <p>11 comments in bold so...</p> <p>12 Q. Was this something you would have</p> <p>13 downloaded?</p> <p>14 A. I would assume I did.</p> <p>15 Q. And why would you assume that?</p> <p>16 A. Because I printed it, and I try to</p> <p>17 save paper, so it would have been, when I produced</p> <p>18 information, it would have been in a folder marked</p> <p>19 RaPower-3.</p> <p>20 Q. Any reason to think you got it from</p> <p>21 someone other than Greg Shepard or RaPower-3?</p> <p>22 A. No.</p> <p>23 MS. HEALY GALLAGHER: You can put</p> <p>24 that aside.</p> <p>25 Plaintiff's Exhibit 51.</p>