

**AFFIDAVIT OF DENNIS LEE**

I, Dennis Lee, am one of the defendants in this action. I am over 18 years of age, and am submitting these statements voluntarily. I do declare that these statements are true to the very best of my knowledge and ability.

I am the General Manager of Dutchman Enterprises, LLC. I am just ONE of the employees. I do manage the company for the owners. There are many more employees. While it is true that people have had a field day with (mainly misrepresenting) my legal history, it is NOT true that I train the mechanics or have been the single guy to build the technology in question. This is a team of individuals doing their level best to make a difference in the energy field. I do want to at least attempt to set the record straight about myself (one of the people involved in a thing far bigger than me.)

I have NEVER had a trial in my ENTIRE life. I have NOT had one that I have either won or lost. I do not know what it is like to go to trial. I have had several Summary Judgments in Civil Cases because I was unwilling to surrender top secret projects in research, that were not even products that had ever been offered for sale. They were not germane to the cases then at hand. I have NEVER had the opportunity to present evidence in a trial before a jury of my peers, or EVER had the opportunity to defend myself against evidence in a trial. There has NEVER been a contest based upon the merits in any case that has involved me.

In California, in 1988, I was accused of failing to register my business with the SAMP Act. That business was United Community Services of America (UCSA.) The action was brought to protect the dealers from me. These are the very same UCSA dealers that are now, over 20 years later, being named as defendants in this action. My supposed victims and I are still together to this very day, in spite of the actions of the Consumer Protection Agency that made it necessary for us to rebuild our company. Some have sold their dealerships since then for over 100 times as much as they paid for them in 1988. I protected and defended them against the consumer advocates that were trying to protect them from the guy who did not fill out a form (myself). I hotly contest that there was any real due process involved in 1988 and I have a LOT of evidence to defend that position.

Since then, every time anyone wants to shut me down they drag that carcass back up and show the judges the appearance of a bad guy. But, this is not about whether or not everyone loves me, or in my quest to stand for right, there have not been battles. It seems like, looking at the documents, the FTC Agent is trying to make it be as much or more about my past as it is about the present. I encounter that all the time and that is how the goodies of my bad reputation have grown to help people try to

make everything that happens in the present be about the past. I have to believe it is very effective, since everyone always does it. They use this to paint me as a heinous criminal, but the conviction record does not match the fluff. My big crime in California was not filing a registration that I still believe I was not required to fill out. I did go to prison (once in my life), a decade and a half ago, for two years for violating that CC 1812 registration in California. Upon leaving prison, my "victims" and I, worked hard to rebuild the business that had supposedly injured them. As usual there had never been ANY complaints from any of them.

Why can this not just be about whether or not Dutchman Enterprises has engaged in some provable impropriety and not about whether or not there are other agencies over two decades who have taken me on, but have never taken me to trial and proven anything on the merits, who do not like me? I beg your Honor to make this just be about what is being done or not done and not about the obvious attempt to play on your emotions. In every case ever brought against me by consumer protection agencies there have NEVER been ANY consumer complaints against me or the company involved. In this case, as usual, it claims victims without even one complaint. Please let this be based upon the facts of THIS case...

The following is a statement of the facts supported by Exhibits. We are very confident that we can PROVE all of the following facts in court when required to do so. I will include some Exhibits so you can have some supporting documentation now.

We are being accused of falsely representing the HAFC technology and of using false representations to take advantage of consumers:

In the first place, Dutchman Enterprises does NOT sell the HAFC kit to the retail buyers of that kit. The ONLY persons or businesses that Dutchman Enterprises sells the kit to are the UCSA dealers. In an agreement with said dealers (see Exhibit A), Dutchman is allowed to set all guidelines and rules for the dealers in their sales of our product to the public. ALL UCSA dealers have been instructed that they are **only** allowed to sell the HAFC kit to customers in the public if they are willing to offer the savings guarantee. Their guarantee states that if the customer does a proper orange test prior to the installation of the kit on the vehicle it is intended for, and, upon having it properly installed, they do a follow up orange test as described in the Installation Manual (pg 4-8) that accompanies all HAFC kits, and it does not achieve the requisite 50% improvement in fuel economy, and the dealer involved has had an opportunity to get a "can-do" tuner for the customer to make sure it was tuned properly, then the UCSA dealer involved in selling that HAFC kit WILL buy back the HAFC kit from the customer for the same price

the customer originally bought it for, assuming the customer drains and cleans all of the components, and mails them back in good condition to the dealer who sold them. (See the Savings Warrantee in the Installation Manual on page 4-5 as Exhibit B.)

The dealers have all agreed to do this and to not misrepresent the benefits of the product to the public in a **MANDATORY AGREEMENT TO SELL ENGINE MODIFICATIONS** (See Exhibit A.) This agreement MUST be signed by a UCSA dealer BEFORE he or she is allowed to buy any HAFC kits. It states that they will not misrepresent saving claims and that they MUST offer the savings guarantee when they sell a kit. They are agreeing to follow only what we represent to them to their customers. ALL our representations are documented and are exactly as I have reported them above.

**Regarding representations on our website:**

The sticker on the window of new cars, in which the expected highway and city mileage of the vehicle are stated, was basically calculated in the same manner as we calculate mileage on modified vehicles. The variables are controlled so the test is as scientific as possible. Our test is no more of a misrepresentation of the facts than that sticker is. When we report mileage improvement, there is always a before and after test comparison in which all the variables are completely controlled and made identical, so both the before and after tests can be scientifically determined. We require testers to use the same gas station and even the same pump. We get right on the interstate at a low traffic time (not rush hour) and put the vehicle on cruise control without hitting the brakes. We get back off at the end of having driven the same distance at the same speed for both tests. An orange is compared to an orange, thus it is called an "orange test".

The ONLY representations Dennis Lee, or Dutchman Enterprises, has ever made to the public in any way is what we put on the PICCTV website ([www.picctv.com](http://www.picctv.com)), and we are prepared to substantiate that every statement made on that site is true to the best of our knowledge. I have included an e-mail (see Exhibit C) that I swear came from the owner of the Mazda mentioned on the website and shown in the ads mentioned in the complaint. We do not ANYWHERE misrepresent that any claims have been confirmed by any well known testing facilities. People know how we have arrived at these performance conclusions. An orange test was performed by either the owner, mechanic, or us.

Some of the claims on the website are from consumers and field mechanics that we did not directly experience, but have every reason to believe to be true. The Honda Civic shown on the website is driven by me and I have tested it with scores of other people present, including our corporate counselor. I invite your

Honor to take the test with me any time. In most cases advertised we can present the evidence of the claim. In a few instances, extenuating circumstances prevent us from being able to, as in the case of two cars referred to which have had accidents. One was completely totaled. We are prepared to go way beyond that and prove that the examples of our successes shown on the website are just a drop in the bucket. There are far more than those specified on the website that we, ourselves, were involved in testing.

Dutchman Enterprises warrantees one thing and ONE thing only. As the manufacturer, the kit is warranted to be free of defective parts for one full year from the date of purchase and that is our only warrantee. (See Exhibit B again, Installation Manual page 4-5.) We make no other representations to the public, nor have we done so. We do not represent that we are perfect, or that all of the time our unit saves 50% or better. In fact, we do make a statement in the Installation Manual on paged 4-5, ... "we would like to repeat here that we have NOT tested all makes and models of cars. Each purchaser, therefore, can be considered an extension of the continued research into the effectiveness of the kit. We would love to hear from you about your experience with the HAFC kit. We welcome the purchaser to follow our instructions for a proper test of the effect the kit has on his/her vehicle (See proper test procedure for the kit) and to assure themselves of getting a satisfactory fuel mileage increase prior to being fully committed to the purchase." It is, then made very clear to the buyer that the seller is the UCSA Dealer that he purchased the kit from, and that the savings is NOT warranted by the manufacturer. We just warrantee the parts replacement for one year.

**Regarding savings claims:**

Dutchman DOES NOT ANYWHERE and has not at any time, represented to anyone that we are perfect, or that all the time our unit will get a 50% or better fuel economy (We have not even represented that to the UCSA dealers.) We have had countless weekly 2 hour long hotlines in which we have explained that to the UCSA dealers, and kept them posted on our progress. We have also NEVER anywhere told anyone that the kit can be successfully installed by just anyone. We have told them that most mechanics can install the savings devices, but absolutely not all mechanics can make the unit work! In fact, we have worked hard to make it clear to the dealers that there are a large number of mechanics (even those we train) who absolutely CANNOT do it! We have openly, and honestly, shared our progress as we have evolved the technology. We have shared failures as well as successes.

There have been many cars that have gotten over 100 miles per gallon highway mileage. There have been dealers who have gotten on our hotlines and announced that they have gotten that they

have broken the 100 mile per gallon range. We have had class projects that have achieved that with the mechanics in the classes witnessing it. In fact the owner of a Christian radio station will testify on the 26<sup>th</sup> that he has gotten 104 miles per gallon highway with our kit for months.

But, there have also been failures. We have had our chief trainer do a four hour hotline every Monday night in which he helps those who are having difficulties try to trouble shoot the installs that are not working. We have NEVER tried to conceal the fact that we were not able to get every one of the cars we did to work at first. We have also shown that we have improved and discovered the secrets to making cars work that we originally could not do. We have been proud of the fact that we have improved and gotten more and more mechanics to be able to do it as time has gone on. We have consistently raised the number of "can do" mechanics.

Initially, we felt it was just a matter of time before we were able to figure it all out and train an abundance of mechanics who could do it. It went more slowly than we wanted it to, but we can certainly prove that we put out our "best efforts." We also took our training program and put it on video in order to expedite the numbers of mechanics we could train. As for the DVD training, we were excited that there were many mechanics who were able to make our technology work effectively by getting all their training on the DVDs. We have mechanics who have done it that we have never even met. Many UCSA dealers bought the training DVDs and sent them out to their customers to have the customers help them recruit mechanics in more locations. Every week we had more successes and trained mechanics went into the field and reported back their successes and failures, and, working with them, we were able to learn more and more about our technology, until we felt pretty good about our knowledge and the number of mechanics who we felt got the results. All of the UCSA dealers who were selling our kit were made aware that this was not absolute. We misrepresented nothing. We have never tried to conceal our failures. We have been proud of our successes as we did cars that had been even hard for us to do. That is why it was so important for us to make sure the dealers were honoring their duty relative to the repurchase of the kit where customers qualified and requested it.

Our successes in our training classes where hundreds of mechanics attended (most of whom were Master Mechanics) far outweighed our failures by most likely around a 80-90% success rate. Typically we did three cars and only occasionally one of the three cars did not achieve our 50% savings benchmark. We have even met and trained mechanics who left our classes and were able to be successful at exceeding or hitting our benchmark 100% of the time. One of them from here in New Jersey will testify on the 26<sup>th</sup>. I think he is up to about 100 successful installs. One of them is the owner of the Christian radio station who has a Honda

that is currently getting 104 miles per gallon, who is also willing to testify on the 26<sup>th</sup>.

The idea was to help dealers not have to buy back any more than half of the kits they sold. They are on a 100% profit margin and that means that even if they did buy back half the kits they sold, it would still be very profitable for them. The buy backs that we are aware of are far less than that average. One of our dealers sold hundreds of kits (I think 600) and has cheerfully repurchased any kit anyone has asked him to (even if they do not do the orange test) and has only been asked to do it less than 30 times. He says the customers are happy even when they save 30%. He is typical. I have spent more time with the dealers who have been the most successful at this, but I believe that the dealers who have sold over 90% of the kit buyers have ALWAYS honored the savings warrantee. I have been told they have and I do not know to the contrary. I cannot speak for every dealer, but it is not our pledge or duty to buy anything back. WE, not the dealers, are being charged with misrepresentation and our representations are exactly as I have reported them to you and we can absolutely PROVE that in court. I do not see even one customer complaint in this action. Where are the consumers that the FTC is talking about? Have them produce even one.

**Regarding Experts and Eye Witness Testimonies:**

We have trained close to a thousand trainer mechanics who were supposed to train others. The majority of them are extremely top shelf mechanics. We have had a policy that if they come to training the first day and are not convinced that the technology can and does work, they are entitled to back out of the commitment to pay \$1,000 (currently \$1,200) for the training. There has, over a two year period, only been ONE mechanic who asked to quit the class for a full refund at the end of the first day. Why do all these mechanics (experts themselves) believe this technology works? Why do so many of them and their customers think they have been successful in getting the results? If, as Dr. Halperin has claimed, it is impossible for it to work, why do so many experts disagree? We will bring expert witnesses who build engines and are experts on the internal combustion engines, that will show the court the flaws in the affidavit of Dr. Halperin. That is not to say that we believe that Dr. Halperin's representations of science, for the most part, are not true and accurate science, but, we do believe that they, for the most part, are not relevant to the technology in question, with which Dr Halperin has had no experience. Dr. Halperin has done some really neat work on cryogenics, but has not had a lot of experience with internal combustion engines. A statement can be factual, but, in another context may not be applicable, and that is what we believe has happened here. There is a world of difference between statements about how much gas burns in the engine and how much burns when you include the unburned gasoline

that is burned under the car in the catalytic converter. How much burns in the engine in just a few milliseconds at 2,000 RPMs? If more is burned in the engine, then less is burned in the pollution control device, and that results in more distance traveled per gallon.

I am including affidavits of several experts who rebuild and even design internal combustion engines. (See *Exhibit D*) Dr. Halperin accurately points out that what we are calling a Fuel Cell is not what others have designed and called a fuel cell. Their fuel cell produces electricity. I decided what to call the device. In my opinion a device that makes electricity is a GENERATOR, and, since our device actually produces combustible fuel, it has more right to the name "fuel cell" than an electric generator. I do not believe it is illegal to make that distinction.

The HAFC technology is patented by the US Patent Office. The Patent Attorney who filed that patent along with two others and has extended it to world-wide protection, pointed out to me the following: "The US Patent Office will NOT issue a patent on purely bogus technology". I will include a copy of the issued patent and an affidavit of our Patent Attorney. There are two more HAFC patents pending, as well as pending protection on the PICC, which is in research and has NEVER been presented as a product for sale anywhere. (See *Exhibits E&F*) I am also including the affidavits of our top trainers (who are well known in their own right) (*Exhibits G & H*) as well as other training assistants (*Exhibits I & J*) who have had direct experience with this technology. I hope your Honor can see that it is not as simple as it has been presented by Dr. Halperin.

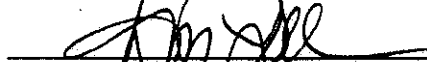
I feel the need to also add a short essay and DVD on the true value of water. (see *Exhibit L*). Water is not just H<sub>2</sub>O as Dr Halperin suggests. It has properties that are still not fully understood by the scientific community. There is a short DVD that will explain how complex the structure of water is. It is chemically simple, but structurally it is extremely complex. I think my selection of experts (any one of which I could pay to testify if I had my funds released) will be sufficient to make the point. I also tagged a few minutes on to the end of their ten minute presentation to show your Honor exactly what I teach the mechanics in our class. I am an expert in that area, and have rights to the original patent rights for all of North America to the water gas technology first developed by Professor Yull Brown. I hope you will agree with scores of scientists including two Nobel prize winners that water gas is hardly just H<sub>2</sub>O.

In conclusion, when you really examine the FTC's case that has been prepared over months at great expense, in light of the evidence we have been able to assemble in a couple of days with all our funds frozen, they do not have much of a case. They have presented as evidence for their Motions, the appearance of a bad

guy who's conviction record does not rise to the image portrayed, and the affidavit of an expert who has been mainly involved in cryogenic research, with no real experience with internal combustion engines. And this expert without pertinent experience, is trying to prove a negative - that a thing which apparently has happened, cannot happen. We have hundreds upon hundreds of satisfied customers, who are convinced they are getting mileage increases, and no complaints. There also possibly a thousand trained mechanics who are convinced it can happen. We have included only a small sample of affidavits from customers and mechanics who have seen it happen over and over. (See Exhibit K) Field research from dozens of experts shows that water is not just H<sub>2</sub>O and that gasoline is not fully burned in an engine under operating conditions, thus the need for catalytic converters and other pollution devices to protect the environment from vehicular pollution (unburned fuel.) Above all, we are discussing a patented product with an issued patent!

We pray that justice will prevail.

SIGNED



Dennis Lee, Pro Se

DATE

January 21, 09

Sworn before me this 21st day of January 2009  
M. Suzanne Fairbrother