

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF TEXAS  
3 HOUSTON DIVISION

4 WESTERNGECO LLC \* 09-CV-1827  
5 VS. \* Houston, Texas  
6 ION GEOPHYSICAL \* 7:49 a.m.  
7 CORPORATION, FUGRO \* August 2, 2012  
8 GEOTEAM, INC., ET AL \*

9 JURY TRIAL

10 Volume 9

11 Morning Session

12 BEFORE THE HONORABLE KEITH P. ELLISON  
13 UNITED STATES DISTRICT JUDGE

14 APPEARANCES:

15 FOR THE PLAINTIFF:

16 Lee L. Kaplan  
17 **SMYSER, KAPLAN & VESELKA, LLP**  
18 700 Louisiana, Suite 2300  
Houston, Texas 77002  
713.221.2300

19 Gregg F. LoCascio  
20 **KIRKLAND & ELLIS LLP**  
21 655 Fifteenth Street Northwest  
Washington, DC 20005  
202.879.5290

22 Sarah Tsou  
23 Timothy K. Gilman  
24 **KIRKLAND & ELLIS LLP**  
25 Citigroup Center  
153 East 53rd Street  
New York, New York 10022  
212.446.6435

Johnny C. Sanchez, RMR, CRR - jscourtreporter@aol.com

TRUE COPY I CERTIFY  
ATTEST:  
By *Sheri L. Jones*  
Clerk of Court  
Terry Clark

1 technology on 2D vessels.

2 **Q.** Give us an example.

3 **A.** 2D vessels we tend to use for exploration. One of  
4 the areas where exploration is big right now is the  
10:38:03 5 Arctic. So there's a lot of 2D vessels going into the  
6 Arctic, the single streamers, working in ice conditions.  
7 So we have a lot of specialized technology going in these  
8 vessels.

9 **Q.** How does your lateral steering assist in 2D surveys  
10:38:16 10 in the Arctic?

11 **A.** Well, I think we heard previously that icebergs are a  
12 bit of a problem out there, and you know, having some  
13 ability to steer your streamer is very, very useful.

14 **Q.** Is that similar to the environment that Mr. Scoulios  
10:38:27 15 talked about at the beginning of his case when they did  
16 work on the OFFSHORE HORIZON where they had to snake a  
17 single streamer through all the equipment being used out  
18 there in the Gulf?

19 **A.** I guess you could say it's very similar.

10:38:39 20 **Q.** Let's take a look at an early business plan for the  
21 DigiFIN system.

22 MR. WADE: I'd like to look at Trial Exhibit --  
23 Defendant's Trial Exhibit 125. Pull that up.

24 And, Mr. Carlock, if you could bring up  
10:39:10 25 the top portion of the document, expand a little bit. All

1 right.

2 BY MR. WADE:

3 Q. Exhibit 125 is titled "Business Plan." See in the  
4 left "Project DigiFIN. Originator: Clem Guillot.

10:39:25 5 Who is Mr. Guillot?

6 A. Clem is the product service line manager, for our  
7 positioning products.

8 Q. Does he ultimately report to you?

9 A. Yes, he does.

10:39:33 10 Q. All right. And you see on the left, "Input/Output  
11 Division, MISD."

12 Is that the marine imaging systems  
13 division?

14 A. Yes, it is.

10:39:41 15 Q. And we have a date of 8-3-06?

16 A. Correct.

17 MR. WADE: Just to clarify a date issue, please  
18 turn to the next page, if you would, Mr. Carlock, and go to  
19 the upper right.

10:39:55 20 BY MR. WADE:

21 Q. And we see in the upper right date, July 13, '06.  
22 You see that?

23 A. Yes.

24 Q. All right. It's a little unclear what version of  
10:40:08 25 this document is. It's probably the August version.

1 But do you know what a living document is?

2 **A.** Yes.

3 **Q.** What's a living document?

4 **A.** Well, these typical -- these business plans are not  
10:40:16 5 static documents. As we're developing the technology, the  
6 document gets upgraded when new information becomes  
7 available. We may have to change direction anytime. We  
8 may have new information. So we have to react to that, so  
9 these are live documents.

10:40:29 10 **Q.** Okay. But these two dates are prior to the  
11 introduction of DigiFIN to the market?

12 **A.** Yes.

13 **Q.** All right. Let's take a look at the first paragraph,  
14 the executive summary. Look at your business plan for  
10:40:41 15 developing DigiFIN.

16 MR. WADE: Blow up the first paragraph,  
17 Mr. Carlock.

18 BY MR. WADE:

19 **Q.** All right. Up in the first sentence, "DigiFIN  
10:40:50 20 addresses the towed marine seismic data acquisition needs  
21 for lateral controller streamers on all existing marine  
22 seismic streamers."

23 And reading further right here, "DigiFIN  
24 has been well received by customers that have seen the  
10:41:11 25 presentation given after the Alpha test."