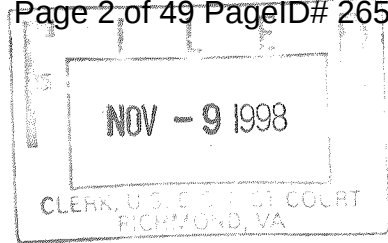


# EXHIBIT 13



IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

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ADVANCED REFRACTORY TECHNOLOGIES, INC., D/B/A CRYSTALLUME,	:	
	:	
Plaintiff	:	
	:	
-vs-	:	CIVIL ACTION
	:	NO. 3:98CV616
SP3, INC.,	:	
	:	
Defendant	:	November 2, 1998

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TRANSCRIPT OF HEARING  
BEFORE THE HONORABLE ROBERT E. PAYNE  
UNITED STATES DISTRICT JUDGE

APPEARANCES:

MAYS & VALENTINE  
Richmond,, Virginia  
BY: ANTHONY F. TROY, ESQ.

KENYON & KENYON  
Washington, D.C.  
BY: BRIAN M. KOIDE, ESQ.  
EDWARD T. COLBERT, ESQ.

Counsel on behalf of the Plaintiff

COUDERT BROTHERS  
Washington, D.C.; San Francisco, California  
BY: MARK LUNN, ESQ.  
DAVID SCHNAPF, ESQ.  
ROBERT D. BECKER, ESQ.

Counsel on behalf of the Defendant

SANDRA M. BEVERLY, RPR  
OFFICIAL COURT REPORTER

1 THE CLERK: Civil Action Number 3:98CV616, Advanced  
2 Refractory Technologies D/B/A Crystallume v. SP3, Inc.

3 Will counsel please stand, identify themselves for  
4 record and the parties they represent.

5 MR. TROY: May it please the court.

6 THE COURT: Mr. Troy.

7 MR. TROY: Your Honor, I'm Anthony Troy with the law  
8 firm of Mays & Valentine, and if I may in introducing, I would  
9 ask also that a motion pro hac vice be allowed and introduce to  
10 the court Mr. Edward T. Colbert, who is a member of the D.C. and  
11 Maryland Bars, also a member of the Bar of the Fourth Circuit  
12 Court of Appeals as well as the federal circuit, and Mr. Brian  
13 Koide, also a member of the D.C. Bar, a member of the federal  
14 circuit court, introduce those individuals to the court and ask  
15 that they be allowed to proceed pro hac vice. We will be local  
16 counsel on the matter for Advanced Refractory.

17 THE COURT: Any objection? It's a pleasure to grant  
18 your motion. You're admitted pro hac vice on this matter.

19 MR. KOIDE: Thank you, Your Honor.

20 MR. LUNN: Your Honor, my name is Mark Lunn. I'm with  
21 the law firm of Coudert Brothers in Washington, D.C. I'm a  
22 member of the Virginia State Bar and of this court. At this  
23 moment I'd like to present a motion pro hac vice for my  
24 colleagues, David Schnapf and Robert Becker, both with Coudert  
25 Brothers in San Francisco.

1 THE COURT: Any objection?

2 MR. TROY: No, Your Honor.

3 THE COURT: All right. Thank you. It's a pleasure to  
4 grant your motion. Glad to have you with us. Who wants to  
5 argue the motion to transfer?

6 MR. SCHNAPF: Your Honor, I'm David Schnapf with  
7 Coudert Brothers. I was just introduced. We have brought this  
8 motion to transfer not short of the time. There is absolutely  
9 no connection between this case and the state of Virginia or the  
10 federal district court in Virginia. There are no witnesses in  
11 Virginia. There are documents --

12 THE COURT: Now, wait a minute. I thought you all  
13 have offices in Williamsburg.

14 MR. SCHNAPF: We do have a sales office in  
15 Williamsburg. Those people we don't consider them to be  
16 witnesses. Any knowledge they have is only as to sales and not  
17 likely to be pertinent to this action. The ultimate sales  
18 figures and financial documents are maintained in California.  
19 We would expect that the administrative person from California  
20 would present testimony about sales and the financial numbers.

21 THE COURT: That usually ends up getting stipulated  
22 anyway, doesn't it?

23 MR. SCHNAPF: That's absolutely correct, Your Honor.

24 THE COURT: So it's really not going to be an issue  
25 between two --

1 MR. SCHNAPF: I don't think it would be an issue. I  
2 really don't see that our office -- the fact that our office is  
3 in Virginia is just an accident. Is it just happenstance that  
4 there is that office there. Those people have no connection  
5 whatever to this lawsuit.

6 The people that have connection to this lawsuit on  
7 both sides of the suit are all in California, all of SP3's  
8 employees, and it's a very small company, would absolutely be  
9 devastated by having to try this case in Virginia.

10 THE COURT: Have you ever tried a case in Virginia?

11 MR. SCHNAPF: I have not.

12 THE COURT: There ain't anybody ever been devastated  
13 yet, except by the verdict.

14 MR. SCHNAPF: Excuse me, Your Honor?

15 THE COURT: Except by the verdict.

16 MR. SCHNAPF: Just the financial burden is what I was  
17 referring to, Your Honor. Having to do all that travel, having  
18 to be away from their business to be here.

19 There are basically two principals in the company, Mr.  
20 Zimmer and Mr. Herlinger, and for them to be active participants  
21 in this litigation, which they would have to be, they would have  
22 to be 2,000, 3,000 miles away from their offices trying this  
23 matter, and it would be quite a blow on their business.

24 They have already suffered a very substantial blow  
25 from a prior piece of litigation that Crystallume brought

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