

**MOUNT DIABLO MERCURY MINE**

**PROSECUTION TEAM'S REBUTTAL BRIEF –**

**EXHIBIT A**

23075 HEIDEMAN GEORGE 110211

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SUPERIOR COURT FOR THE STATE OF CALIFORNIA  
COUNTY OF SACRAMENTO  
CASE NO. 34-2011-00108372

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IN THE MATTER OF THE PETITION OF  
KENNAMETAL, INC. TO PERPETUATE  
TESTIMONY AND EVIDENCE BEFORE  
COMMENCEMENT OF ACTION

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DEPOSITION OF GEORGE HEIDEMAN  
(VIDEOTAPED)

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wednesday, November 2, 2011  
9:06 - 10:47 a.m.

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400 North U.S. Highway One  
Tequesta, Florida

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Reported By:  
Wendy Beath Anderson, RPR, CRR, FPR  
Notary Public, State of Florida  
Esquire Deposition Services  
West Palm Beach Office Job #253063

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APPEARANCES:  
On behalf of the Kennametal, Inc.:  
LAUREN C. RODRIGUEZ, ESQUIRE  
ROBERT W. THOMSON, ESQUIRE  
BABST CALLAND  
Two Gateway Center  
Pittsburgh, Pennsylvania 15222  
Phone: 412.394.5656

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On behalf of Sunoco, Inc.:  
JOHN D. EDGCOMB, ESQUIRE  
EDGCOMB LAW GROUP  
115 Sansome Street, Suite 700  
San Francisco, California 94104  
Phone: 415.399.1555

On behalf of the State Water Board's Office of  
Enforcement (via telephone):

JULIE MACEDO, ESQUIRE, ESQUIRE  
1001 I Street  
Sacramento, California 95812  
Phone: 916.323.6847

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I N D E X  
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WITNESS:	DIRECT	CROSS	REDIRECT	RECROSS
GEORGE HEIDEMAN				
BY MS. RODRIGUEZ:	5			
BY MR. EDGCOMB:		26		
BY MS. MACEDO:		51		
BY MS. RODRIGUEZ:			54	
BY MS. MACEDO:				61
BY MR. EDGCOMB:				63

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E X H I B I T S  
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NUMBER	DESCRIPTION	PAGE
DEPOSITION EX. A	INTERIM REPORT	12
DEPOSITION EX. B	MINUTES OF DIRECTORS' MEETING	15
DEPOSITION EX. C	LETTER	19
DEPOSITION EX. D	SECRETARY OF STATE DOCUMENT	20
DEPOSITION EX. E	CALIFORNIA JOURNAL OF MINES AND GEOLOGY	23
DEPOSITION EX. F	CERTIFICATE OF DISSOLUTION	24

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P R O C E E D I N G S  
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Deposition taken before Wendy Beath Anderson,  
Certified Realtime Reporter and Notary Public in and for  
the State of Florida at Large, in the above cause.

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THE VIDEOGRAPHER: We are now on the video  
record. Today is Wednesday, the 2nd day of  
November, 2011. The time is 9:06. We are here at  
400 North U.S. Highway One in Tequesta, Florida.  
This is tape No. 1 in the videotaped deposition of  
George Heideman.

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The court reporter is Wendy Anderson. The  
videographer is George B. Ellis.  
Will counsel please announce their appearances  
for the record.

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MS. RODRIGUEZ: Lauren Rodriguez on behalf of  
Kennametal, Inc.

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MR. EDGCOMB: John Edgcomb on behalf of  
Sunoco, Inc.

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MS. MACEDO: And on the phone, this is Julie  
Macedo for the State Water Board's Office of  
Enforcement.

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24 Thereupon,  
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(GEORGE HEIDEMAN)

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1 having been first duly sworn or affirmed, was examined  
2 and testified as follows:

3 THE WITNESS: I do.

4 DIRECT EXAMINATION

5 BY MS. RODRIGUEZ:

6 Q. Good morning, Mr. Heideman. We met off the  
7 record, but again, my name is Lauren Rodriguez and I'm  
8 here on behalf of Kennametal, Inc.

9 A. Good morning.

10 Q. This is the matter of the Petition of  
11 Kennametal, Inc. to Perpetuate Testimony and Evidence  
12 before a Commencement of Action, Case  
13 No. 34-2011-00108372 in the Superior Court of  
14 California, County of Sacramento.

15 Mr. Heideman, you were served with a subpoena  
16 to come here to testify here today; is that correct?

17 A. That's correct.

18 Q. Okay. Have you ever been deposed before?

19 A. No.

20 Q. Before we get started, I just want to go over  
21 some basic instructions with you.

22 We have Wendy here as our court reporter and  
23 she's going to be taking down everything that you say  
24 and producing a written record at the end of the day.  
25 To help Wendy out, I'd ask that you wait until I finish

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1 asking a question before you start to answer it and I'll  
2 do the same thing. I'll wait until you finish answering  
3 before I ask you the next question.

4 Again, in order to help Wendy out, she can  
5 only take down verbal responses, so I'd ask that you  
6 answer yes or no instead of nodding your head. I also  
7 ask that you try to refrain from using uh-huh or uh-uh  
8 because it's pretty hard to tell the difference between  
9 the two in written transcript, okay?

10 If at any point you cannot hear any of the  
11 questions that I ask or you don't understand any of the  
12 questions that I ask, please let me know and I'll repeat  
13 them or rephrase them, okay?

14 A. (Nodding.)

15 Q. If I ask you a question and you answer it, I'm  
16 going to assume that you've understood that question.  
17 Is that a fair assumption?

18 A. Yes.

19 Q. Okay. Are you currently taking any medication  
20 or is there any other reason that you would not be able  
21 to understand and answer the questions that I ask you  
22 today?

23 A. No, except I'm at an advanced age.

24 Q. Understood. I don't anticipate that we will  
25 be here very long, Mr. Heideman, but if at any point you

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1 need a break, please just let me know and we'll be happy  
2 to take one.

3 Do you have any questions for me before we  
4 begin?

5 A. I do not.

6 Q. Okay. Could you please state your full name  
7 for the record, spelling the last.

8 A. My name is George J. Heideman. Heideman is

9 H-E-I-D-E-M-A-N.

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Q. And what is your date of birth?

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A. April 9th, 1912.

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Q. And your current address?

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A. 400 North US-1, Apartment 202, Tequesta,  
Florida 33469.

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Q. And how long have you lived here at this  
address, Mr. Heideman?

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A. Since September 1st, 2010.

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Q. Okay. Mr. Heideman, could you tell us a  
little bit about your education?

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A. I graduated from the University of Illinois  
with a double major in accounting and insurance. I then  
went to Yale, taught accounting there and also did  
graduate work in economics. I then went into public  
accounting with the firm of Arthur Andersen & Co --  
that's spelled A N-D-E-R-S-E-N, "and" sign, Co period --

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and became a CPA.

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Q. And how long were you with Arthur Andersen?

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A. Thirteen or fourteen years.

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Q. What year did you leave Arthur Andersen?

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A. In 1954.

6

Q. And where did you work after Arthur Andersen?

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A. Kennametal, Inc., Kennametal, Inc. in Latrobe,  
Pennsylvania.

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Q. What was your position once you started at  
Kennametal, Inc.?

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A. I was treasurer and chief financial officer.

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Q. And what were your responsibilities as  
treasurer and CFO?

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A. It was generally overseeing all the financial  
and accounting matters and I -- it was a small family  
company and I also had other functions reporting to me  
like purchasing and advertising.

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Q. Who was head of Kennametal at the time that  
you first became treasurer and CFO?

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A. Philip M. McKenna. That's Philip spelled with  
one "L."

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Q. And did you work closely with Mr. McKenna?

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A. Very, very closely.

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Q. What sorts of things would Mr. McKenna consult  
you on?

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A. Practically everything about the operations of  
the business, particularly the financial aspects and the  
forward planning. I might add that frequently he would  
call me when I was at home, particularly on weekends, to  
discuss matters with me because he always found that I  
was a good audience.

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Q. Did you ever hear of a company known as Nevada  
Scheelite Corporation?

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A. Yes.

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Q. And how did you become aware of that entity?

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A. When I became an officer of Kennametal,  
Incorporated, I was aware that Nevada Scheelite  
Corporation was a wholly owned subsidiary.

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Q. And did you hold a position with Nevada  
Scheelite Corporation?

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A. Yes, I did.

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Q. What position was that?

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A. I was treasurer.

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Q. Where did Nevada Scheelite Corporation

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A. Yes.  
Q. Did Nevada Scheelite Corporation have any other assets or operations besides the mine in Rawhide?  
A. No.  
Q. So it was a one-mine operation?  
A. That's correct.  
Q. Do you know when Nevada Scheelite Corporation was first created or organized?  
A. In 1951.  
Q. And why was it organized in 1951?  
A. Kennametal wanted to take over the tungsten

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mine at Rawhide, which had been owned by a previous corporation, and so they made arrangements with the shareholders of the previous corporation to buy it. But in order to have a clean start, the previous corporation was dissolved and Kennametal set up a new corporation.  
Q. I see. That previous corporation, that was called Nevada Scheelite, Inc., wasn't it?  
A. As far as I know, yes.  
Q. And when Nevada Scheelite Corporation was dissolved in 1957, what happened to its assets?  
A. They were taken over by Kennametal.  
Q. And what assets did it have in 1957 that you can remember?  
A. I have no specific recollection. They would have been minor, other than the mine.  
Q. What happened -- did Nevada Scheelite Corporation own the mine in Rawhide?  
A. Yes.  
Q. And what happened to the mine? Was it sold off?  
A. It was just closed down.  
Q. Is it still owned within the Kennametal company?  
MS. RODRIGUEZ: Objection; calls for speculation.

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THE WITNESS: I do not know.  
BY MR. EDGCOMB:  
Q. And -- okay. In 1955, how many employees approximately did Nevada Scheelite Corporation have?  
A. I have no direct knowledge, but it could not have been very substantial.  
Q. Can you give me any -- a range?  
A. Oh, maybe 60, 70 at most.  
Q. And where did those 60 to 70 employees at most work?  
A. They worked at the mine, both below the surface and in the cleanup operations after the ore was brought to the surface.  
Q. So they would have all worked at Rawhide?  
A. Yes, they would have worked at Rawhide.  
Q. Okay.  
A. I met the manager there, Ernest M. Colwell. I recall meeting with him.  
Q. How do you spell that?  
A. He was also the mayor of Rawhide.  
C-O-L-W-E-L-L.  
Q. Was there anything in Rawhide other than the Nevada Scheelite mine?  
A. Sage brush.  
Q. Was that another mine?