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Fluent Home LLC

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

**FLUENT HOME LTD, a Canadian
corporation, and FLUENT HOME, LLC, a
Delaware limited liability company,**

Plaintiffs,
v.

**JACK ELBAUM,
an individual, CHAD BINGHAM, an
individual**

Defendants.

**DECLARATION OF MICHAEL
CASPERSON**

Case No.: 2:18-cv-00570

Honorable Tena Campbell

I, Michael Casperson, declare as set forth below.

1. I am over twenty-one years of age and have personal knowledge of the facts contained in this declaration. If asked to testify, I could and would testify as set forth below.

2. I am one of the founders and one of the co-presidents of Crorzar, LLC (“Crorzar”). Crorzar designs, manufacturers, and sells home security equipment directly to alarm dealers. Crorzar was founded in 2014.

3. In April 2018, I and my business partner Brandon Hess ("Hess") attended the ISC West Conference in Las Vegas, Nevada on behalf of Crorzar.

4. While attending the ISC West Conference, I was introduced to Jack Elbaum ("Elbaum") and Chad Bingham ("Bingham") by a Crorzar prospective customer Claudio Hand ("Hand"). While chatting, Elbaum said he had developed a panel and alarm system that was nearly ready to be manufactured, and it was clear that Elbaum was no longer pursuing it. Upon discovering this, we inquired if the purportedly developed panel and alarm system was available for purchase and we were led to believe that Elbaum owned the panel and all rights to the panel and alarm system that we were inquiring about purchasing from Elbaum.

5. However, we were concerned that Elbaum may not actually own or have all the rights to the panel and alarm system because Hess had heard rumors that Fluent Home had been developing its own panel and being aware of the past relationship between Elbaum and Fluent Home, Hess was concerned that Elbaum's purported panel and alarm system was Fluent Home's property. We therefore inquired multiple times of Elbaum as to his ownership and rights to the panel and alarm system that he was offering to sell us. Elbaum continued to represent that he owned the panel and all rights to the panel and alarm system. Further, Elbaum and Bingham represented to me that the panel and home security system was "95% complete." Elbaum and Bingham also represented that the remaining tasks to complete the home security system and panel was to manufacture the product, and find a company to provide backend communication (such as, Verizon, T-Mobile, Telit or Alarm.com) for the home security system and panel. Crorzar is developing their own alarm panel and from talking to Elbaum and Bingham, the

purchase of the home security system and panel would have significantly sped up our process of having a product to market.

6. Interested, and relying on the statements of Elbaum and Bingham that they actually owned a home security system and panel to sell, I agreed to meet with Elbaum and Bingham to further explore the possibility of purchasing their home security system and panel.

7. In May 2018, Elbaum and Bingham came to Crorzar's office located in Washington, Utah to further the discussions regarding the home security system and panel that they purported to own and held out to be "95% complete." I was under the impression that at this meeting, that Elbaum and Bingham would be bringing a physical prototype of their home security system and panel to show and demonstrate. They did not. Rather, Elbaum and Bingham brought a laptop from which they began showing me certain of the files and images of the home security system and panel that they purported to own. They only used a laptop. They did not use any external hard drive at our meeting. Specifically, I was shown what was purported to be the latest version of the app for the home security system in both PDFs and still images. Further, I was shown what was purported to be the latest version of the panel in both PDFs, and still images. Finally, they represented to me that the home security system and panel's source code was complete.

8. During this presentation, I became very concerned that Elbaum and Bingham did not actually own the home security system and panel that they were attempting to sell us. I noticed that many of the files being shown to me by Elbaum and Bingham were files marked as "Fluent." I told Elbaum that I knew the owner of Fluent Home, Graham Wood ("Wood"), and that I was going to call him to confirm that Fluent Home did not have a claim to this home

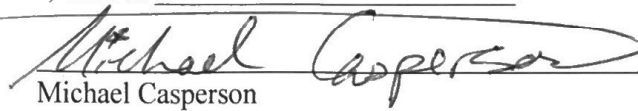
security system and panel. In response, Elbaum encouraged me to call him and from my perspective Elbaum was not only ok with me calling Wood and doing my due diligence, but he welcomed it. Indeed, Elbaum was so confident in his statements regarding ownership and rights in the home security system and panel that I nearly did not contact Graham.

9. I texted Wood to inquire regarding the home security system and panel. Wood called me almost immediately after my text and it became very clear that Fluent Home felt strongly that they owned the home security system and panel, as well as the related intellectual property. To adequately conduct my diligence, I questioned Wood and asked to see what evidence he had that supported Fluent Home's position. Wood then initiated a three-way call with me, Elbaum, and Wood. I do not think Elbaum knew that I was also on the call because when questioned by Wood, he was denying that he was attempting to sell us anything. This was not true. I then expressed to Wood and Elbaum that Elbaum was offering to sell us the home security system and panel, as well as the related intellectual property. Elbaum then changed his story to something else. I did not purchase the home security system and panel.

10. In May 2018, I met with Omar Taveras and Kim Blakeney of Fluent Home at Fluent Home's office in Utah. During this meeting, I was shown a prototype of a home security system and panel that Fluent Home calls the Gabriel home security system and panel. The Gabriel prototype shown to me at Fluent Home's office was the same home security system and panel that Elbaum and Bingham had previously tried to sell me.

I declare under criminal penalty under the law of Utah that the foregoing is true and correct.

Signed on the 17 day of December, 2018 at _____.


Michael Casperson