Exhibit A-1

Exhibit 1 to Aalok Sharma Supplemental Declaration

STATE OF NORTH DAKOTA — IN DISTRICT COURT

COUNTY OF BURLEIGH — SOUTH CENTRAL JUDICIAL DISTRICT

ALKANE MIDSTREAM, LLC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No. 08-2021-CV-01257
	)	
GUILLERMO BARRETO, ET AL.,	)	
	)	
Defendants.	)	

CIVIL HEARING
VIA ZOOM

Before
The Honorable Bobbi L. Weiler
District Judge

Monday, August 30, 2021
Morton County Courthouse
Mandan, North Dakota

Q. (MR. SHARMA CONTINUING:) As you look at plaintiff's -- document that's been previously marked as Exhibit 4, does it appear to be authentic to you?

A. It is.

Q. And you mentioned several documents that are part of the on-boarding process that would be going through the system. Is the employment agreement here?

A. It is.

MR. SHARMA: Your Honor, we'd move to offer Plaintiff's Exhibit 4 into evidence.

THE COURT: All right. Ms. Conroy, any objections?

MS. CONROY: No, not to Plaintiff's Exhibit 4.

THE COURT: Mr. Ripley, any objections?

MR. RIPLEY: No, Your Honor.

THE COURT: Oh, sorry. Mr. Forward?

MR. FORWARD: (Shakes head.)

THE COURT: No? Okay. Court will admit Exhibit 4.

Q. (MR. SHARMA CONTINUING:) Now, Mr. -- Mr. Ryan -- Mr. Blazei, can you repeat, you said that there was an employment agreement here on this form?

A. Yes.

Q. And where is it specifically listed?

A. Can you scroll down a little further?

Q. Yeah.

A. It is the fourth from the bottom.

Q. Is it the fourth on the bottom?
A. Fourth from the bottom.
Q. Fourth from the bottom?
A. Yep.
Q. If you want -- there, you can drive if you'd like, Mr. Blazei.
A. Yeah.
Q. Or I'll let you drive.
A. No problem.
Q. Can you -- for the -- can you show for the Court where it is? With the mouse, please.
A. Right here (indicating.)
Q. And what does that line item say?
A. It's Alkane new employee employment agreement, and then it's got the date of March 5, 2020, 12:44 p.m. You can see the timestamps consistent with when he -- when Memo also agreed to the background check, the distracted driving policy, his -- you know, various other documents.

And also over on the second column from the right, it shows the last time that that document was edited and by whom, and you can see that it has not been edited since he executed it, and the 0CL101036, that's his user -- unique username in the Paycom system.
Q. And how do you know that's the unique username in the Paycom system?

A. If you scroll back up to the top, you'll see that his employee number is 1036, which matches the last four, and our company code is 0CL10, which you see at the top up here under Alkane Midstream.

Q. Excellent. Thank you.

MR. SHARMA: Now, Your Honor, I'm going to direct the Court to another document.

Q. (MR. SHARMA CONTINUING:) Now, you referenced the employment agreement. Is this the employment agreement that you referenced, Ryan?

A. It is.

Q. And how do you know -- and how are you familiar with this employment agreement?

A. I was involved in drafting it, and also after each employee signs it, we -- we download it, print it, and then I execute the -- the employer's portion.

Q. And just to confirm -- you know, I'll scroll at the bottom here.

A. So there's -- anything printed in there is prefilled by our -- by our payroll system. So you can see his name, his address, that all matches with what is in our Paycom HRIS system. And then we have an e-signature, where you can see -- the employees have a few options to pick the script that they would like to use, and then above the name there's an encryption key that on the Paycom database, on their end,

they can tie back to authenticate the document.

Q. Is that your signature on this page?

A. It is.

Q. Does this document appear to be authentic?

A. Yes.

Q. Is this document -- be something that would be kept in the ordinary course of business?

A. Yes.

MR. SHARMA: Your Honor, we'd move to have Exhibit 1 entered -- Plaintiff's Exhibit 1 entered into evidence, please.

THE COURT: Ms. Conroy?

MS. CONROY: Yes, Your Honor. We object to this particular document. We do not believe that this is the original or authenticated document for Mr. Barreto. And additionally, we are holding them to the best evidence rule. We have requested -- when you do a digital signature, it comes with a verification document. We have requested that document multiple times, it has never been produced.

And if it was, in fact, kept according to a SaaS, or a Software-as-a-Service, such as Paycom, it would have been very easy to get the authenticated document for this. That has never been produced, therefore we object.

THE COURT: Mr. Sharma?

MR. SHARMA: Yeah. So, Your Honor, under Rule 901 of

the North Dakota Rules of Evidence, I only have to produce someone who has knowledge of what the document is and what it purports to be. At this point, we have met that burden. Mr. Ryan Blazei here has testified that this document came from Alkane's system, he testified to the process of how those signatures were obtained, and he testified that this document was kept in the ordinary course of business, and that it is authentic.

We have met our burden for this to be admitted. Now, I understand Ms. Conroy's objections as to authenticity, but that does not go to admissibility, that goes to the weight of the evidence.

THE COURT: Mr. Ripley, any other -- or any objection from you?

MR. RIPLEY: Yeah. I just concur with Ms. Conroy's objection.

THE COURT: The objection is noted and overruled. The Court will admit Exhibit 1.

Q. (MR. SHARMA CONTINUING:) Ryan, you stated that you were familiar with this employment agreement. Is this employment agreement standard for all employees?

A. It is.

Q. And what does this employment agreement typically do?

A. Basically it's a protection of Alkane work product and -- and disparagement. So we ask employees not to

generation. We were pretty caught off guard, and I was just trying to think, like, okay, this is a bit of a surprise, is there any way to -- disappointed to hear the news, but is there any way to make some lemons out of this lemonade and can we work with Arugadi to incorporate them in some of our projects that we're actively pursuing?

And that's when he shared that in addition to Arugadi, that Baker Consulting had also recently agreed to contract -- have -- subcontract underneath them, a different power generation provider, Tractor and Equipment, the CAT dealer in the Williston area, and that he did not think partnering would be possible because of that.

And -- and then after -- and then from there, that was, again, another -- a pretty big shock because, you know, T&E was not only a vendor to Alkane, but also could be a competitor at times. So clearly, you know, something didn't smell right. And after -- after he left -- again, he turned in his resignation, he was heading off for a vacation.

We quickly decided to email a couple projects that we had been involved in with -- with Mr. Barreto and followed up to see kind of how those things -- how those projects were sitting, because we believed they were close to completion.

THE COURT: If I can just interrupt for a minute. Can you spell the name of the company that told you that they couldn't work with you?

MR. BLAZEI: So it was Arugadi, so it's A-r-u-g-a-d-i, I believe, Organics. That's -- and -- and, Your Honor, how it works is when you're on the Fort Berthold Indian Reservation, if you're not a native-owned company, they have a tiered structure. And so to do work on the reservation, you need to subcontract underneath a Tier 1 provider.

So Baker Consulting would be a -- would be a native-owned company. They could have subcontractors underneath of them. Alkane subcontracts under AH Inc., which was the former owner of AH Power, and thus if Baker was to have another power provider as their subcontractor, it's my understanding that they cannot have a second power contractor underneath them. They can only have one. And likewise, we are -- we're contracted under AH Inc., I could not be contracted under AH Inc. and Baker Consulting at the same time for the same services.

THE COURT: Okay. Thank you.

Q. (MR. SHARMA CONTINUING:) You mentioned that you followed up with some customers. Can you explain your -- your sort of interactions with those customers?

A. Yeah. So Memo was -- or Mr. Barreto was very -- we were very close on -- as Alkane, a project with XTO Energy. In fact, Mr. Barreto put a lot of pressure on Tom Cuthbert, our general counsel, and I the week before to get a legal

document done and back to XTO because we were very close to making a decision. So we got that legal document done and then we didn't hear anything for a few days.

So I followed up to that email to the XTO team to say, hey, you know, we got that document turned around for you guys last week. It seemed like everything was very close to happening. Memo was on vacation. I copied -- I copied Memo on the email, as -- as was standard for, you know, this project. And I just said, you know, with him on vacation is there any way that, you know, we can get an update?

And we didn't hear anything back, and by then we had already started kind of investigating, just because of the nature of the resignation, and that's when we came across an email response from XTO letting us know that -- or it was directly to Memo, not -- not to myself or Ed or Tom Cuthbert, and letting -- asking Memo what was going on because all of -- all of the documents and all of the presentations internally at XTO thus far had been at Alkane, and it was their understanding that -- that it was no longer going to be an Alkane project.

Q. And we'll get to that email later. So after you -- you mentioned an investigation. What -- can you kind of walk me through the -- how did that investigation go about? What was that investigation?

A. So we -- we -- we agreed Memo would go on his

vacation. He offered two weeks of leave notice -- notice, and one week of that would be his PTO time in Mexico. So we immediately started, not only reaching out to clients, but then also looking at documents and our email system to see if anything was going on, and that led to the discovery of a few problematic emails, surprise emails.

And at that point, we immediately notified Mr. Barreto that we would not be needing his two-week resignation and that we were going to forward his phone to Mr. Ed Woods, and his email as well to Mr. Ed Woods, and then -- and then removing his access to our systems and files.

Q. And how did you remove his access to the systems and files?

A. We use Microsoft Office, and so there's a feature in their admin console where you can click on the user and you can just log them out of all devices. So he had a -- he had a company phone with him in Mexico, he also had his personal phone, and he had his laptop. And so basically a logout just means it doesn't erase any data for them, it just basically logs them out of the system and doesn't allow them to log back in to access your system.

Q. You mentioned some of these problematic emails. Can you walk me through examples of what you found and --

A. Yeah. So unfortunately for us it went all of the way back to November, mid-November of 2020. We started finding

Mr. Barreto's email.

Q. And what is this email purportedly stating?

A. It's an email from Mr. Barreto to a group of investors, some familiar to Alkane, some not, about starting their own bitcoin mining operation outside of Alkane, and it's dated in December of 2020.

Q. And in relation to Mr. Barreto's resignation, when is that -- where does that fall in the timeline?

A. Approximately six months before.

Q. Was Alkane reaching out to companies for this work?

A. We were. So Alkane was building their own -- our own bitcoin mining servers, but also reaching out to third parties to have them locate their servers, and we provide power and gas services.

Q. And does that appear what Mr. Barreto is doing here in Plaintiff's Exhibit 10?

A. Yes.

Q. Can you clarify? I'm sorry.

A. Yeah. So he -- here it appears he's -- he's -- instead of partnering with -- bringing on business to collaborate with Alkane, it appears that he is trying to put together a group to compete with Alkane to own the boxes.

MR. SHARMA: Your Honor, we have -- we move to offer Plaintiff's Exhibit 10 into evidence.

THE COURT: Ms. Conroy?

MS. CONROY: Your Honor, I believe this was one of the stipulated exhibits.

THE COURT: Mr. Ripley?

MR. RIPLEY: No objection, Your Honor.

THE COURT: Court will admit Exhibit 10.

Q. (MR. SHARMA CONTINUING:) So I want to rewind a little bit. You mentioned Mr. -- Mr. Baker, you found some emails with Mr. Baker?

A. Yeah.

Q. Is this -- what is this document, Ryan -- Mr. Blazei?

A. It's an email from Jason Baker to Mr. Barreto dated January 12 of 2021. There's a chain of emails attached to it that date all of the way back to mid-November of 2020.

Q. And how are you familiar with this document?

A. We discovered it as part of our investigation into Mr. Barreto's email.

Q. So this document was in Mr. Barreto's email?

A. It was.

Q. Okay. This document appear to be authentic from what you found on the system?

A. It is.

MR. SHARMA: Your Honor, we move to offer Plaintiff's Exhibit 11.

THE COURT: Ms. Conroy?

MS. CONROY: Yes, Your Honor. We vigorously object

to this. This -- as you can see, this is from Mr. Barreto's personal Hotmail account. It is in no way, shape, or form associated with Alkane, and we have reason to believe that Mr. Barreto's personal email, including his Hotmail, was inappropriately accessed by Mr. Blazei, therefore we object to this particular document. As you can see, it's not related to Alkane at all.

THE COURT: Mr. Ripley?

MR. RIPLEY: I don't have anything to add, Your Honor.

THE COURT: Mr. Sharma?

MR. SHARMA: Your Honor, this is the same exhibit -- the reason why Mr. Ripley had nothing to add, because it's the same as Baker Consulting Exhibit A, which Ms. -- Ms. Conroy has already stipulated to. So it's coming in one way or the other. And with respect to whether it is Alkane's document, it's already a party admission.

It's clearly relevant to the issue of whether Mr. Barreto was ferreting out Alkane's confidential and proprietary trade secret information. And as I noted, Mr. Blazei's testified that he found this on Alkane's systems.

THE COURT: So this is the same exhibit as Exhibit A?

MR. SHARMA: For Baker Consulting, Your Honor.

THE COURT: And that's already been admitted -- or stipulated to?

MR. SHARMA: With respect to foundation. So unless Ms. Conroy has other objections, it should be admissible.

THE COURT: Okay. So you have to explain to me, though, how -- I understand the relevance. It would be admitted based on relevance, but I don't know the foundation. If this is with his personal email, he can't lay the foundation for that.

MR. SHARMA: I can explain in further detail, Your Honor, to lay proper foundation.

THE COURT: Okay. You can ask further questions.

Q. (MR. SHARMA CONTINUING:) Okay. Yeah. Mr. -- Mr. Ryan, can you -- as you've heard from the Court, can you give us an idea how you found Mr. Barreto's personal Hotmail accounts on Alkane's Ecosystem -- on Alkane's servers? I'm sorry.

A. Yeah. Not an expert, but I would -- we have no access to the Hotmail server or his Hotmail account. So the only way that it would be in the folders on the Alkane Microsoft environment would be if Mr. Barreto saved them there in a folder of his own volition.

Q. And to be clear, this folder was on --

A. On the Alkane servers, yes. We have no access to his personal computer or his personal email account.

MR. SHARMA: Your Honor, we'd move to offer Plaintiff's Exhibit 11, which is the same exhibit as Baker

about their well sites and what they were planning or not planning to do with their location.

Q. You've had the opportunity to review Exhibit 1, which I have right here, that is the employment agreement that the Court has chosen to accept. When was the first time that you saw this document?

A. I -- I -- it's -- it's been long. I know that when AH Power was finalizing its sale of its business to Alkane, I had a conversation with Tom Payne, and it was a very -- my stance was very adamant that I would not sign a noncompete. I would not join the Alkane team if I had to sign a noncompete.

There was some back and forth email communications with Mr. Blazei about my stance, and that, you know, some agreement would be put in the works. I do not have recollection of having signed the employment agreement ever.

Q. And did you at some point try to get into that dashboard to see if it was, in fact, the real employment agreement?

A. I did, but I don't -- I don't have access to it. Only my pay stubs.

Q. You were denied access to the employment agreement on your dashboard?

A. And other documents that I signed. I only had access to pay stubs.

Q. Do you ever recall picking that signature?
A. No.
Q. Were you ever free to hire and fire anyone?
A. No, not really.
Q. Were you ever -- well, let me ask you this, what was Alkane's reputation when you would go talk to -- what was your perception of their -- of their reputation?
MR. FORWARD: Objection; relevancy, Your Honor.
THE COURT: Ms. Conroy?
MS. CONROY: Yes, Your Honor. It goes directly to relevancy because one of the reasons that he left was because of Alkane's poor reputation in the field.
THE COURT: But how -- what's that have to do with whether he took confidential information with him?
MS. CONROY: Thank you. I'll move on.
THE COURT: Okay.
Q. (MS. CONROY CONTINUING:) I want to now talk about another exhibit, which is Exhibit 11, which again the Court has accepted it over our -- over our objection. What was the purpose of that email exchange?
A. This was an email exchange between Mr. Baker and I. My -- my family's been in the agricultural business for a very long time, and I saw an opportunity to develop a brand around bringing a high-value crop into North Dakota. And so this -- this email back and forth was communications with

Mr. Baker to that effect to see if we could build a brand.

Q. And was the Alkane folks, so I'm talking about Ed Woods and Ryan Blazei, did they know that you had side projects?

A. They did from the onset. I mean, Dakota Oilfield Solutions was a company that had its own MSAs, it had power generation equipment, temperature control equipment. I was involved with those operations. Alkane knew about it. And -- and, in fact, bitcoin mining, you know, I brought a few potential investors to Alkane, where the idea of these investors was that they would own their bitcoin mining operation and Alkane would provide the power generation.

One of the exchanges in the emails has been misconstrued to that effect, saying that, you know, I was going to siphon bitcoin mining away from Alkane when, in fact, it had -- extremely the opposite. I was putting together a group of investors that would invest an infrastructure so that Alkane could generate power to power these bitcoin mines.

Alkane had a money problem, a capital problem. They -- they -- they needed capital infusion. They could not create some of these components that they wanted to marry through this ecosystem, and I offered to bring some investors and to help some of these ecosystem components be brought to reality. This was the case with the hydropods that I