Eliot I. Bernstein

From: Eliot I. Bernstein [iviewit@adelphia.net]
Sent: Sunday, November 23, 2003 5:41 AM

To: Martyn W. Molyneaux (E-mail)

Cc: P. Stephen Lamont (E-mail); Caroline Prochotska Rogers (E-mail); Thomas M. Coester (E-

mail); Norman Zafman (E-mail); Farzad E. Amini (E-mail); Harry Moatz (E-mail); Simon L.

Bernstein (E-mail); Simon L. Bernstein (E-mail)

Subject: Iviewit Patent App - PO10

Importance: High

Sensitivity: Confidential



Dear Martyn,

Per our last conversations, I am attaching the response I View It wishes to file for P010 for you to file. As we discussed, until the proper inventors are listed, ownership issues are corrected, and the hosts of other issues including fraud on the US and Foreign offices committed by our prior patent counsel, is investigated by the US OED and it's foreign counterpart, we ask that this be filed as our response.

Best regards,

Eliot I Bernstein

Founder

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Suite 801

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iviewit@adelphia.net

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IVIEWIT HOLDINGS, INC.

P. Stephen Lamont Chief Executive Officer Direct Dial: 914-217-0038

By Facsimile and Electronic Mail

November 22, 2003

Martyn W. Molyneaux Wildman, Harrold, Allen & Dixon 11th Floor, Tower 3 Clements Inn London WC2A 2AZ

Re: Written Statement and Answers to European Patent Appln. No. 00938126.0 on behalf of Iviewit Holdings, Inc., as Assignee

Dear Mr. Molyneaux:

As a collective declaration prefacing the answers to the Invitations to File Observations detailed below, the Company submits this Written Statement, substantially in the form submitted to the Office of Enrollment and Discipline of the United States Patent and Trademark Office ("OED/USPTO"), and a true copy of which is attached herein as Exhibit A.

Secondly, the Company wishes the European Patent Office ("EPO") to apply this Written Statement to all future Invitations to File Observations, if any, across its entire international patent portfolio attached herein as Exhibit B, until which time as OED/USPTO/EPO may initiate actions to right the many wrongs in the alleged knowing and willful improprieties in the filing of the Company's U.S. non–provisional patents applications, the subject matter and claims, for the most part, that were the bases for the subject matter and claims of their Paris Conference Treaty ("PCT") counterparts, evidenced by Exhibit B.

Moreover, in the series of allegations described herein, the Company is confident that the EPO will find a reasonable certainty that Messrs. Kenneth Rubenstein, Raymond A. Joao, William J. Dick, Steven Becker, and Douglas Boehm, all present or former members of the distinguished Bar of the USPTO, designed and executed, either for themselves or others similarly situated, the deceptions, improprieties, and, even in certain circumstances, outright misappropriation by the disingenuous redirection of the disclosed Company techniques by: (i) burying the critical elements of the inventions in patent applications; (ii) allowing the unauthorized use of Company



inventions under confidentiality agreements ("NDA's") without enforcement of said NDA's; (III) filing patent applications of their own or others based on the Company's inventions; (IV) knowingly submitting false statements and falsified documents done with the resulting fraud on the USPTO, the EPO, the Company's shareholders, and the Company's inventors.

Furthermore, as a result of the series of allegations enclosed, the Company is confident that your Office: (i) shall find the requisite merit to stand down any and all Invitations to File Observations until OED/USPTO/EPO initiates investigations; (ii) shall witness the OED/USPTO/EPO pass these allegations to a staff attorney for further investigation; (iii) shall further witness OED/USPTO/EPO instruct said staff attorney to institute a formal investigation, including questioning, requests for records, and other information from all parties involved; (iv) shall still further witness OED/USPTO/EPO refer said attorney's findings back to Harry Moatz in his capacity as Director of the OED/USPTO/EPO; (v) shall still further witness OED/USPTO/EPO present such findings to an appropriate committee for determinative review; and finally (vi) shall still further witness said committee of OED/USPTO/EPO to initiate disciplinary action against the alleged offending attorneys, and to right the many wrongs in the alleged knowing and willful improprieties in the filing of the U.S. non-provisional patent applications the subject matter and claims, for the most part, that were the bases for the subject matter and claims of their PCT counterparts of Exhibit B.

WRITTEN STATEMENT

In mid 1998, the Company's founder, Eliot I. Bernstein, among others ("Inventors"), came upon inventions pertaining to what industry experts have heretofore described as profound shifts from traditional techniques in video and imaging then overlooked in the annals of video and imaging technology. Factually, the technology is one of capturing a video frame at a 320 by 240 frame size (roughly, \(\frac{1}{4} \) of a display device) at a frame rate of one (1) to infinity frames per second ("fps" and at the twenty four (24) to thirty (30) range commonly referred to as "full frame rates" to those expert in the industry). Moreover, once captured, and in its simplest terms, the scaled frames are then digitized (if necessary), filtered, encoded, and delivered to an agnostic display device and zoomed to a full frame size of 1280 by 960 at the full frame rates of 24 to 30 fps. The result is, when combined with other proprietary technologies, DVD quality video at bandwidths of 56Kbps to 6MB per second, at a surprising seventy five percent (75%) savings in throughput ("bandwidth") on any non-terrestrial digital delivery system such as digital terrestrial, cable, satellite, multipoint-multichannel delivery system, or the Internet, and a similar 75% savings in storage on mediums such as digital video discs ("DVD's") and the hard drives of personal video recorders. Moreover, said Company inventions, among others, are used on almost every digital camera or present screen technology that utilizes the feature of "digital zoom". Furthermore, industry observers who benefited from the Company's disclosures have gone on to claim "you could have put 10,000 engineers in a room for 10,000 years and they would never have come up with these ideas."

Not very well connected in emerging technologies, the Inventors contacted an accountant, Mr. Gerald Lewin, CPA of Goldstein Lewin & Co., Boca Raton, Fla., who in turns refers Inventors to Mr. Christopher Wheeler, a partner in the Florida office of Proskauer Rose LLP. Moreover, once Inventors present the technology to Wheeler, Wheeler in turn introduces



Inventors to Mr. Kenneth Rubenstein, a soon to be Proskauer partner, and the main protagonist of the Motion Pictures Experts Group ("MPEG" and the standards body for video technology) patent pool, wherein Rubenstein describes the technology as "novel..." claims that "he missed that..." that "he never thought of that..." that "this changes every thing..." and, paraphrasing, "this is essential to MPEG 2..."

Subsequently, Rubenstein factually becomes a member of the Advisory Board of the Company and is instrumental in securing investments based on his analysis of the inventions and that the aforementioned patent pools would soon pay royalties to the Company based on its inventions. Furthermore, when Rubenstein through Joao fail to properly list inventors, fail to file timely patent filings, fail to file inventions entirely, fail to file copyrights entirely and finally file patents that have been fraudulently changed without knowledge or consent of the inventors constituting a fraud on the USPTO, Wheeler then recommends another friend and patent attorney, William J. Dick of Foley & Lardner, Milwaukee, Wis. to undertake a correction of the errors of Rubenstein through Joao's filings. Beginning in the spring 2002, investigations began that showed that Raymond Joao had begun a series of his own patent filings (now totaling 90 patents filed in his own name) that many appear based on ideas and concepts learned from the Company. Moreover, in a similar time frame, it also became clear that the patent pools overseen by Rubenstein had also begun to use concepts learned by Rubenstein from Company disclosures sent to him and that Proskauer Rose clients introduced to the Company by Proskauer partners under NDA's were also beginning to use the technologies without authorization.

Furthermore, rather than the unearthing of the buried inventions by Rubenstein through Joao, Dick proceeds to undertake and continue to allegedly further fraud the USPTO by: (i) further compounding the problems by changing titles of applications without knowledge and consent of the inventors, changing the content of applications without knowledge and consent of the inventors, and applying incorrect math to a series of patent filings even after having been informed of the errors prior to filing by the inventors; and (ii) creates further problems as Dick, along with Brian G. Utley, former President & COO of the Company, together with other Foley & Lardner patent attorneys, Steven Becker and Douglas Boehm stage their own spectacular "grab" at the Company's inventions by filing a series of fraudulent patent applications in the name of Utley, their long time associate, sending said patent documents to Utley's home address, and failing to assign said patent applications to the Company, wherein the Foley & Lardner attorneys were fully cognizant of the inventors of said patent concepts that did not include Mr. Utley.

Still further, it is interesting to note and establishes a past conspiratorial behavior on the Company's inventions prosecuted by Foley & Lardner in that Mr. Utley and Mr. Dick had been involved in other patent misappropriations that led to the closure of a prior employer of Mr. Utley's, a one Diamond Turf Lawnmower in Florida; this information was not disclosed to the Company by Mr. Wheeler, Mr. Utley, or Mr. Dick, all who were aware of the past malfeasances. Moreover, these patent misappropriations, including the continued fraud of the USPTO, pertaining to the Company's inventions, by Dick, Becker, and Boehm have caused the Company the loss of enormous funds in the reassignment of the stolen inventions of which we are aware, and, perhaps, entire inventions of which we are not aware. Estimates to



correct many of the flaws in the current filings and file the missing and abandoned inventions have been projected to cost upwards of Two Hundred and Fifty Thousand U.S. Dollars (USD \$250,000) to Five Hundred Thousand U.S. Dollars (USD \$500,000), after the Company has already spent over One Million U.S. Dollars (USD \$1,000,000) to file, then fix, and then further recover the stolen and damaged patents. It also is of interest to note that the Company cannot get an opinion from current counsel as to the ability to truly fix and recapture the lost and damaged patents.

Lastly, reference is made to: (i) a flow chart attached herein as Exhibit C as a graphical portrayal of how the named attorneys all have worked together, in a coordinated conspiratorial way and for their self serving purposes, in a civil as well as criminal conspiracy to deprive the Company and their inventors of their intellectual property rights; and (ii) a counterclaim filed in the State of Florida pertaining to many of the allegations ascribed to herein, attached as Exhibit D.

Finally, by highly respected firms and engineers alike, the value of these patents has been estimated to be several billion dollars annually, thus providing the motive for these events and the Company assesses further motive in the ability of these inventions, when combined with other proprietary technologies, to not only provide a competitive threat to, but to effectually trump, the MPEG patent pools overseen by Rubenstein and Proskauer Rose LLP.

ANSWERS

European Patent Appln. No. 00938126.0

• Claims:

Until which time, as the above referenced malfeasances are investigated, we cannot agree or disagree with your analysis

• Prior Art:

Until which time, as the above referenced malfeasances are investigated, we cannot agree or disagree with your analysis

Furthermore, on behalf of the Company, I request copies of all original documents filed on the Company's behalf and all communications and records thereto as a means for the Company to amend, if necessary, this Written Statement with subsequent allegations and the respective patent applications relating thereto. Moreover, I would request, if possible, that your Office also conduct a search into any and all patents filed relating to Messrs. Kenneth Rubenstein, Raymond Joao, Steven Becker, Douglas Boehm, William Dick, Brian Utley, and Real3D filed after August 1998, whether as inventors, attorney(s) of record, assignor, or any and all involvement whatsoever in any patent applications or patents issued as the Company is in need of knowing, as a result of the above allegations, that there are no further unpublished patent applications or patents issued that utilize the disclosed proprietary Company techniques described herein.



Finally, the Company requests, as indicated above, that the EPO stand down any and all Invitations to File Observations until OED/USPTO/EPO conducts an expedited review of the above referenced allegations and the Company has further requested OED/USPTO/EPO work in conjunction with the Bar Association of the State of New York pertaining to Mr. Rubenstein and Mr. Joao, with the Bar Association of the Commonwealth of Virginia with respect to Mr. Dick, with the Bar Association of the State of Wisconsin with respect to Mr. Becker (soon to be filed), and, finally, with the Bar Association of the State of Illinois with respect to Mr. Boehm (soon to be filed).

Very truly yours,

IVIEWIT HOLDINGS, INC.

By: P. Stephen Lamont Colored by Suprature Valid

P. Stephen Lamont Chief Executive Officer

By: Signature Valid

Eliot I. Bernstein President & Founder



EXHIBIT A



IVIEWIT HOLDINGS, INC.

P. Stephen Lamont Chief Executive Officer Direct Dial: 914-217-0038

By Electronic Mail and Certified Mail

September 23, 2003

Harry Moatz Director, Office of Enrollment and Discipline United States Patent and Trademark Office Mail Stop OED, P. O. Box 1450 Alexandria, Va. 22313-1450

Re: Written Statement of Alleged Improprieties in the Filings, Among Others, of U.S. Patent No.'s 09,522,721, 09,587,734, 09,587,026, and 09,587,730, on behalf of Iviewit Holdings, Inc., as Assignee; and 9,630,939, on behalf of Eliot I. Bernstein, Zakirul Shirajee, Jude Rosario, and Jeffrey Friedstein as Inventors.

Dear Mr. Moatz:

Thank you for spending the time on the phone twice previously, on or about May 9, 2002 and on or about August 2003, and your suggestions and descriptions of how Iviewit Holdings, Inc. ("Company") may initiate actions to right the many wrongs in the alleged knowing and willful improprieties in the filing of the above referenced patent applications.

Moreover, in the series of allegations that are enclosed in the CD-ROM titled *Iviewit Bar Complaints* – Table of Contents of which is attached herein as Exhibit A, the Company is confident that your Office will find a reasonable certainty that Messrs. Kenneth Rubenstein, Raymond A. Joao, William J. Dick, Steven Becker, and Douglas Boehm, all present or former members of the distinguished Bar of the United States Patent and Trademark Office ("USPTO"), designed and executed, either for themselves or others similarly situated, the deceptions, improprieties, and, even in certain circumstances, outright misappropriation by the disingenuous redirection of the disclosed Company techniques by: (i) burying the critical elements of the inventions in patent applications; (ii) allowing the unauthorized use of Company inventions under confidentiality



agreements ("NDA's") without enforcement of said NDA's; (III) filing patent applications of their own or others based on the Company's inventions; (IV) submitting knowingly false statements and falsified documents done with intent to commit fraud on the USPTO, the Company's shareholders, and the Company's inventors .

Furthermore, as a result of the series of allegations enclosed, the Company is confident that your Office: (i) shall find the requisite merit to initiate investigations; (ii) shall pass these allegations to a staff attorney for further investigation; (iii) shall instruct said staff attorney to institute a formal investigation, including questioning, requests for records, and other information from all parties involved; (iv) shall refer said attorney's findings back to Mr. Moatz in his capacity as Director of the Office of Enrollment and Discipline ("OED") of the USPTO; (v) shall present such findings to an appropriate Disciplinary Committee for determinative review; and finally (vi) shall witness said Committee initiate disciplinary action against the alleged offending attorneys.

BACKGROUND

In mid 1998, the Company's founder, Eliot I. Bernstein, among others ("Inventors"), came upon inventions pertaining to what industry experts have heretofore described as profound shifts from traditional techniques in video and imaging then overlooked in the annals of video and imaging technology. Factually, the technology is one of capturing a video frame at a 320 by 240 frame size (roughly, ¼ of a display device) at a frame rate of one (1) to infinity frames per second ("fps" and at the twenty four (24) to thirty (30) range commonly referred to as "full frame rates" to those expert in the industry). Moreover, once captured, and in its simplest terms, the scaled frames are then digitized (if necessary), filtered, encoded, and delivered to an agnostic display device and zoomed to a full frame size of 1280 by 960 at the full frame rates of 24 to 30 fps. The result is, when combined with other proprietary technologies, DVD quality video at bandwidths of 56Kbps to 6MB per second, at a surprising seventy five percent (75%) savings in throughput ("bandwidth") on any non-terrestrial digital delivery system such as digital terrestrial, cable, satellite, multipoint-multichannel delivery system, or the Internet, and a similar 75% savings in storage on mediums such as digital video discs ("DVD's") and the hard drives of personal video recorders. Moreover, said Company inventions, among others, are used on almost every digital camera or present screen technology that utilizes the feature of "digital zoom". Furthermore, industry observers who benefited from the Company's disclosures have gone on to claim "you could have put 10,000 engineers in a room for 10,000 years and they would never have come up with these ideas."



Not very well connected in emerging technologies, the Inventors contacted an accountant, Mr. Gerald Lewin, CPA of Goldstein Lewin & Co., Boca Raton, Fla., who in turns refers Inventors to Mr. Christopher Wheeler, a partner in the Florida office of Proskauer Rose LLP. Moreover, once Inventors present the technology to

Wheeler, Wheeler in turn introduces Inventors to Mr. Kenneth Rubenstein, a soon to be Proskauer partner, and the main protagonist of the Motion Pictures Experts Group ("MPEG" and the standards body for video technology) patent pool, wherein Rubenstein describes the technology as "novel..." claims that "he missed that..." that "he never thought of that..." that "this changes every thing..." and, paraphrasing, "this is essential to MPEG 2..."

Subsequently, Rubenstein factually becomes a member of the Advisory Board of the Company and is instrumental in securing investments based on his analysis of the inventions and that the aforementioned patent pools would soon pay royalties to the Company based on its inventions. Furthermore, when Rubenstein through Joao fail to properly list inventors, fail to file timely patent filings, fail to file inventions entirely, fail to file copyrights entirely and finally file patents that have been fraudulently changed without knowledge or consent of the inventors constituting a fraud on the USPTO, Wheeler then recommends another friend and patent attorney, William J. Dick of Foley & Lardner, Milwaukee, Wis. to undertake a correction of the errors of Rubenstein through Joao's filings. At this time investigations began that showed that Raymond Joao had begun a series of his own patent filings (now totaling 90 patents filed in his own name) that many appear based on ideas and concepts learned from the Company. Around this time it also became clear that the patent pools overseen by Rubenstein also had begun to use concepts learned by Rubenstein from Company disclosures sent to him and that Proskauer Rose clients introduced to the Company by Proskauer partners under NDA's were also beginning to use the technologies without authorization.

Rather than the unearthing of the buried inventions by Rubenstein through Joao, Dick proceeds to undertake and continue to further fraud on the USPTO by: (i) further compounding the problems by changing titles of applications without knowledge and consent of the inventors, changing the content of applications without knowledge and consent of the inventors, and applying incorrect math to a series of patent filings even after having been informed of the errors prior to filing by the inventors; and (ii) creates further problems as Dick, along with Brian G. Utley, former President & COO of the Company, together with other Foley & Lardner patent attorneys, Steven Becker and Douglas Boehm stage their own spectacular "grab" at the Company's inventions by filing a series of fraudulent patent applications in the name of Utley, their long time associate, sending said patent documents to Utley's home address, and failing to



assign said patent applications to the Company. Foley and Lardner attorney's were fully cognizant of the inventors of said stolen patent concepts and additionally were aware that Mr. Utley had an employment contract that prohibited such activities and finally that investment documents of the Company called for any inventions to be assigned to the Company.

Still further, it is interesting to note and establishes a past conspiratorial shadow on these stolen patents procured by Foley and Lardner in that Utley and Dick had been involved in other patent misappropriations that led to the closure of a prior employer of Utley's, a one Diamond Turf Lawnmower in Florida, owned by a one Monte Friedkin; this information was not disclosed to the Company by Wheeler, Utley, or Dick, all who were aware of the past malfeasances. Moreover, these patent

misappropriations, including the continued fraud of the USPTO, pertaining to the Company's inventions, by Dick, Becker, and Boehm have caused the Company the loss of enormous funds in the reassignment of the stolen inventions of which we are aware, and, perhaps, entire inventions of which we are not aware. Estimates to correct many of the flaws in the current filings and file the missing and abandoned inventions have been projected to cost upwards of \$250,000 to \$500,000, after the Company has already spent over \$1 million to file, then fix, and then further recover the stolen and damaged patents. It also is of interest to note that the Company cannot get opinion from current counsel as to the ability to truly fix and recapture the lost and damaged patents and copyrights.

Lastly, reference is made to: (i) a flow chart attached herein as Exhibit B as a graphical portrayal of how the named attorneys all have relations to Rubenstein and Wheeler and worked together, in a coordinated conspiratorial way and for their self serving purposes, in a civil as well as criminal conspiracy to deprive the Company and their inventors of their intellectual property rights; and (ii) a Counterclaim filed in the State of Florida pertaining to many of the allegations ascribed to herein, attached as Exhibit C.

Finally, Mr. Moatz, by highly respected firms and engineers alike, the value of these patents has been estimated to be several billion dollars annually, thus providing the motive for these events and the Company assesses further motive in the ability of these inventions, when combined with other proprietary technologies, to not only provide a competitive threat to, but to effectually trump, the MPEG patent pools overseen by Rubenstein and Proskauer Rose.

SUMMARY ALLEGATIONS



Furthermore, the Company summarily describes the allegations contained in the enclosed bar complaints as follows and asserts these same claims to the USPTO for purposes of separate investigation on each of the following registered patent attorneys:

Raymond A. Joao

- 1. Failed to take reasonable steps to ensure that the intellectual property of the Company was protected;
- 2. Failed to and/or inadequately completed work regarding patents;
- 3. Failed to list proper inventors of the technologies based on improper legal analysis that foreign inventors could not be listed until their immigration status was adjusted, resulted in the failure of the patents to include their
 - rightful and lawful inventors and represents a direct fraud on the USPTO and the Companies investors and inventors;
- 4. Failed to ensure that the patent applications for the technologies, contained all necessary and pertinent information relevant to the technologies and as disclosed by the inventors and required by law thereby perpetrating a fraud on the USPTO and the Companies investors and inventors;
- 5. Falsified billing statements;
- 6. Falsified patent documents and changed the contents of provisional and non-provisional patent applications prior to filing so to effectively bury the Company's inventions and limit their scope should they be issued notwithstanding, thereby constituting a fraud on the USPTO and the Company's investors and inventors;
- 7. Filed patent applications in his name based upon proprietary and confidential information as disclosed by the inventors. That Joao who was contracted to prosecute patents for the Company has now applied for more than ninety patents in his own name, many of which appear to be ideas learned while representing the Company, thereby constituting a fraud on the USPTO and the Companies investors and inventors; and,
- 8. The negligent actions of Joao resulted in and were the proximate cause of loss to the Company; today, the Company's processes are believed to be on digital cameras, DVD discs, and virtually all terrestrial broadcast, digital cable, satellite, and Internet streams of video.
- 9. Finally, Joao has misrepresented to a tribunal, the New York State Bar Association, with regard to his knowledge of the Company inventions and inventors, all conduct unbecoming of a member of the U.S. Patent Bar.



Kenneth Rubenstein

- 1. Failed to take reasonable steps to ensure that the intellectual property of the Company was protected;
- 2. Failed to and/or inadequately completed work regarding patents;
- 3. Failed to list proper inventors of the technologies based on improper legal analysis that foreign inventors could not be listed until their immigration status was adjusted; this resulted in the failure of the patents to include their rightful and lawful inventors, thereby constituting a fraud on the USPTO and the Company's investors and inventors;
- 4. Failed to ensure that the provisional and non-provisional patent applications for the technologies, contained all necessary and pertinent information relevant to the technologies as disclosed by the inventors and as required by law, thereby constituting a fraud on the USPTO and the Company's investors and inventors;
- 5. By redacting information from billing statements regarding services provided so to as to give the appearance that the services provided by Rubenstein were limited in nature, when in fact they involved various aspects of intellectual property protection;
- 6. By knowingly and willfully representing and agreeing to accept representation of clients in conflict with the interests of the Company, without either consent or waiver by the Company;
- 7. Allowed the unauthorized use of intellectual property of the Company by other clients of Proskauer Rose LLP and Rubenstein, including uses by patent pools overseen by Rubenstein (i.e., MPEG 2, MPEG 4, and DVD);
- 8. Instructed a one Raymond A. Joao to file provisional and non-provisional patents for the Company that knowingly and willfully withheld critical elements of the inventions and further filing provisional and non-provisional patents in an untimely manner, thereby constituting a fraud on the USPTO and the Company's investors and inventors;
- 9. The negligent actions of Rubenstein resulted in and were the proximate cause of loss to the Company; today, the Company's processes are believed to be on digital cameras, DVD discs, and virtually all terrestrial broadcast, digital cable, satellite, and Internet streams of video.
- 10. Failing to report crimes and fraud committed against the Company and the USPTO after becoming knowledgeable of said crimes
- 11. Knowing and willful misrepresentations to the Company's investors, including Wachovia Securities, a unit of Wachovia Corp., a registered



- bank holding company in Charlotte, N.C., by Rubenstein and Wheeler of patent applications filed and inventions covered.
- 12. Finally, Rubenstein has perjured himself in deposition with regard to knowledge of the Company inventions and inventors, all conduct unbecoming of a member of the U.S. Patent Bar.

William J. Dick, Steven Becker, and Douglas Boehm

- 1. Knowing and willful misrepresentations to the Company with regard to his past involvement in patent malfeasances with Brian G. Utley at Utley's past employer, Diamond Turf Lawnmower.
 - a. Utley was a past President of the Company and formerly a President of Diamond Turf Lawnmower and had referred Dick without reference to their past patent disputes at Utley's prior employer, which led to the termination of Utley and the closing of Diamond Turf Lawnmower.
 - b. These misrepresentations and frauds have led to similar damage to the Company, as a result of the stolen inventions by Utley, aided and abetted by Dick, Boehm and Becker. Moreover, the Company found patents written into Utley's name, not disclosed or assigned to the Company, and that Dick was fully aware that inventors Bernstein, Schirajee, Rosario, and Friedstein had developed the inventions. Blakely Sokoloff Taylor and Zafman LLP discovered these patents, and then attempted to re-assign said falsely filed and stolen patent applications to the Company.
- 2. Perpetrating a fraud on the USPTO, by submitting applications with false information and wrong inventors.
- 3. Knowing and willful misrepresentations to the Company's investors, including Wachovia Securities, a unit of Wachovia Corp., a registered bank holding company in Charlotte, N.C., by Dick and Utley of patent applications filed and inventions covered.
- 4. Knowingly committing fraud of USPTO, Company shareholders, and potential investors by switching inventors and invention disclosures.
- 5. Participation in a civil and criminal conspiracy to bury patent applications and inventions.
- 6. Not reporting information to proper tribunals regarding Rubenstein and Joao malfeasances.
- 7. Furthering work of Rubenstein and Joao to not capture inventions and identify inventors;
- 8. Knowing and willful destruction of Company records



9. Aiding and abetting Utley in filing patents in Utley's name disclosed to Dick under attorney-client privilege.

Alan M. Weisberg

- 1. Failed to file foreign filings on two PCT applications without proper time for Company to arrange other counsel to complete
- 2. Failed to maintain records properly
- 3. Loss of two patents in the PCT

Not previously mentioned, Weisberg is the retained patent attorney of Schiffrin & Barroway LLP, the Company's latest counsel and investor, the subjects of which are described in more detail in the enclosed CD-ROM.

Furthermore, in light of the above referenced allegations, and in the Company's estimation, the above named attorneys have violated one or more of the following sections of the USPTO Code of Professional Responsibility, the list of which is not meant as exhaustive:

§ 10.21 Canon 1.

A practitioner should assist in maintaining the integrity and competence of the legal profession.

§ 10.23 Misconduct.

- (a) A practitioner shall not engage in disreputable or gross misconduct.
- (b) A practitioner shall not:
 - (1) Violate a Disciplinary Rule.
 - (2) Circumvent a Disciplinary Rule through actions of another.
 - (3) Engage in illegal conduct involving moral turpitude.
 - (4) Engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.
 - (5) Engage in conduct that is prejudicial to the administration of justice.
- (6) Engage in any other conduct that adversely reflects on the practitioner's fitness to practice before the Office.
- (c) Conduct which constitutes a violation of paragraphs (a) and (b) of this section includes, but is not limited to:



- 2) Knowingly giving false or misleading information or knowingly participating in a material way in giving false or misleading information, to:
- (i) A client in connection with any immediate, prospective, or pending business before the Office.
 - (ii) The Office or any employee of the Office...
- 7) Knowingly withholding from the Office information identifying a patent or patent application of another from which one or more claims have been copied...
- 9) Knowingly misusing a "Certificate of Mailing or Transmission" under § 1.8 of this chapter.
- (10) Knowingly violating or causing to be violated the requirements of § 1.56 or § 1.555 of this subchapter.
- (11) Except as permitted by § 1.52(c) of this chapter, knowingly filing or causing to be filed an application containing any material alteration made in the application papers after the signing of the accompanying oath or declaration without identifying the alteration at the time of filing the application papers...
- 15) Signing a paper filed in the Office in violation of the provisions of § 10.18 or making a scandalous or indecent statement in a paper filed in the Office.
- (16) Willfully refusing to reveal or report knowledge or evidence to the Director contrary to § 10.24 or paragraph (b) of § 10.131...
- 18) In the absence of information sufficient to establish a reasonable belief that fraud or inequitable conduct has occurred, alleging before a tribunal that anyone has committed a fraud on the Office or engaged in inequitable conduct in a proceeding before the Office.
- d) A practitioner who acts with reckless indifference to whether a representation is true or false is chargeable with knowledge of its falsity. Deceitful statements of half-truths or concealment of material facts shall be deemed actual fraud within the meaning of this part...

§ 10.24 Disclosure of information to authorities.

- (a) A practitioner possessing unprivileged knowledge of a violation of a Disciplinary Rule shall report such knowledge to the Director.
- (b) A practitioner possessing unprivileged knowledge or evidence concerning another practitio-ner, employee of the Office, or a judge shall reveal fully such knowledge or evidence upon proper request of a tribunal or other authority empowered to investijate or act upon the conduct of practitioners, employees of the Office, or judges.



§ 10.31 Communications concerning a practitioner's services.

(a) No practitioner shall with respect to any prospective business before the Office, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any prospective applicant or other person having immediate or prospective business before the Office.

§ 10.56 Canon 4.

A practitioner should preserve the confidences and secrets of a client.

§ 10.57 Preservation of confidences and secrets of a client.

- (a) "Confidence" refers to information protected by the attorney-client or agent-client privilege under applicable law. "Secret" refers to other information gained in the professional relationship that the client has requested be held inviolate or the disclosure of which would be embarrassing or would be likely to be detrimental to the client.
 - (b) Except when permitted under paragraph (c) of this section, a practitioner shall not:
 - 1) Reveal a confidence or secret of a client.
 - (2) Use a confidence or secret of a client to the disadvantage of the client.
- (3) Use a confidence or secret of a client for the advantage of the practitioner or of a third person, unless the client consents after full disclosure.

§ 10.61 Canon 5.

A practitioner should exercise independent professional judgment on behalf of a client.

§ 10.65 Limiting business relations with a client.



A practitioner shall not enter into a business transaction with a client if they have differing interests therein and if the client expects the practitioner to exercise professional judgment therein for the protection of the client, unless the client has consented after full disclosure.

§ 10.76 Canon 6.

A practitioner should represent a client competently.

§ 10.77 Failing to act competently.

A practitioner shall not:

- (a) Handle a legal matter which the practitioner knows or should know that the practitioner is not competent to handle, without associating with the practitioner another practitioner who is competent to handle it.
 - (b) Handle a legal matter without preparation adequate in the circumstances.
 - (c) Neglect a legal matter entrusted to the practitioner.

§ 10.78 Limiting liability to client.

A practitioner shall not attempt to exonerate him-self or herself from, or limit his or her liability to, a client for his or her personal malpractice.

§ 10.83 Canon 7.

A practitioner should represent a client zealously within the bounds of the law.

§ 10.84 Representing a client zealously.

(a) A practitioner shall not intentionally:



- (1) Fail to seek the lawful objectives of a client through reasonable available means permitted by law and the Disciplinary Rules, except as provided by paragraph (b) of this section. A practitioner does not violate the provisions of this section, however, by acceding to reasonable requests of opposing counsel which do not prejudice the rights of the client, by being punctual in fulfilling all professional commitments, by avoiding offensive tactics, or by treating with courtesy and consideration all persons involved in the legal process.
- (2) Fail to carry out a contract of employment entered into with a client for professional ser-vices, but a practitioner may withdraw as permitted under §§ 10.40, 10.63, and 10.66.
- (3) Prejudice or damage a client during the course of a professional relationship, except as required under this part.
- (b) In representation of a client, a practitioner may:
- (1) Where permissible, exercise professional judgment to waive or fail to assert a right or position of the client.
- (2) Refuse to aid or participate in conduct that the practitioner believes to be unlawful, even
- 2) Refuse to aid or participate in conduct that the practitioner believes to be unlawful, even though there is some support for an argument that the conduct is legal.

§ 10.85 Representing a client within the bounds of the law.

- (a) In representation of a client, a practitioner shall not:
- (1) Initiate or defend any proceeding before the Office, assert a position, conduct a defense, delay a trial or proceeding before the Office, or take other action on behalf of the practitioner's client when the practitioner knows or when it is obvious that such action would serve merely to harass or maliciously injure another.
- (2) Knowingly advance a claim or defense that is unwarranted under existing law, except that a practitioner may advance such claim or defense if it can be supported by good faith argument for an exten-sion, modification, or reversal of existing law.
- (3) Conceal or knowingly fail to disclose that which the practitioner is required by law to reveal.
 - (4) Knowingly use perjured testimony or false evidence.
 - (5) Knowingly make a false statement of law or fact.
- (6) Participate in the creation or preservation of evidence when the practitioner knows or it is obvious that the evidence is false.
- (7) Counsel or assist a client in conduct that the practitioner knows to be illegal or fraudulent.



- (8) Knowingly engage in other illegal con-duct or conduct contrary to a Disciplinary Rule.
 - (b) A practitioner who receives information clearly establishing that:
- (1) A client has, in the course of the representation, perpetrated a fraud upon a person or tribunal shall promptly call upon the client to rectify the same, and if the client refuses or is unable to do so the practitioner shall reveal the fraud to the affected per-son or tribunal.
- (2) A person other than a client has perpetrated a fraud upon a tribunal shall promptly reveal the fraud to the tribunal.

§ 10.87 Communicating with one of adverse interest.

During the course of representation of a client, a practitioner shall not...:

(b) Give advice to a person who is not represented by a practitioner other than the advice to secure counsel, if the interests of such person are or have a reasonable possibility of being in conflict with the interests of the practitioner's client.

§ 10.110 Canon 9.

A practitioner should avoid even the appearance of professional impropriety.

§ 10.112 Preserving identity of funds and property of client.

- 3) Maintain complete records of all funds, securities, and other properties of a client coming into the possession of the practitioner and render appropriate accounts to the client regarding the funds, securities, or other properties.
- (4) Promptly pay or deliver to the client as requested by a client the funds, securities, or other properties in the possession of the practitioner which the client is entitled to receive.

Furthermore, Mr. Moatz, on behalf of the Company, I request copies of all original documents filed on the Company's behalf and all communications and records thereto as a means for the Company to amend, if necessary, this Written Statement with subsequent allegations and the respective patent applications relating thereto. Moreover, I would request, if possible, that your Office also conduct a search into any and all patents filed relating to Messrs. Kenneth Rubenstein, Raymond Joao, Steven Becker, Douglas Boehm,



William Dick, Brian Utley, and Real3D filed after August 1998, whether as inventors, attorney(s) of record, assignor, or any and all involvement whatsoever in any patent applications or patents issued as the Company is in need of knowing, as a result of the above allegations, that there are no further unpublished patent applications or patents issued that utilize the disclosed proprietary Company techniques described herein.

Finally, the Company requests expedited review of the above referenced allegations and further requests that your office work in conjunction with the Bar Association of the State of New York pertaining to Rubenstein and Joao, and later with the Bar Association of the Commonwealth of Virginia with respect to Dick (soon to be filed), with the Bar Association of the State of Wisconsin with respect to Becker (soon to be filed), and, finally, with the Bar Association of the State of Illinois with respect to Boehm (soon to be filed).

Very truly yours,

IVIEWIT HOLDINGS, INC.

By:



P. Stephen Lamont

P. Stephen Lamont Chief Executive Officer Digitally signed by P. Stephen Lamont DN: cn=P. Stephen Lamont, o=Iviewit Holdings, Inc., ou=Corporate, c=US Date: 2003.09.23 21:25:49 -04'00'



Exhibit A

Contained on the enclosed CD-ROM are the following items, most items are in Adobe PDF format. Media files are in Microsoft Media Player.

 New York Bar Complaint, Raymond Joao, Esq.
 First Judicial Department Departmental Disciplinary Committee Thomas J. Cahill
 Chief Counsel
 Broadway, 2nd Floor
 New York, New York 10006

 New York Bar Complaint, Kenneth Rubenstein, Esq.
 First Judicial Department Departmental Disciplinary Committee Thomas J. Cahill
 Chief Counsel
 Broadway, 2nd Floor
 New York, New York 10006

❖ The Florida Bar Complaint, Christopher C. Wheeler, Esq. (not a registered patent attorney) Lorraine Christine Hoffman, Esq. Cypress Financial Center, Suite 835 5900 North Andrews Avenue Fort Lauderdale, Florida 33309

- Police Reports Boca Raton PD Stolen Patents
 Stolen Cash and Investment Funds
- ❖ Taped conversations as evidence and statements (Windows Media Player files or WAV)
- Shareholder Letters
- ❖ Evidence and Exhibits used in Bar Complaints
- Documents Pertaining to Schiffrin & Barroway LLP legal engagement and investment



Exhibit B

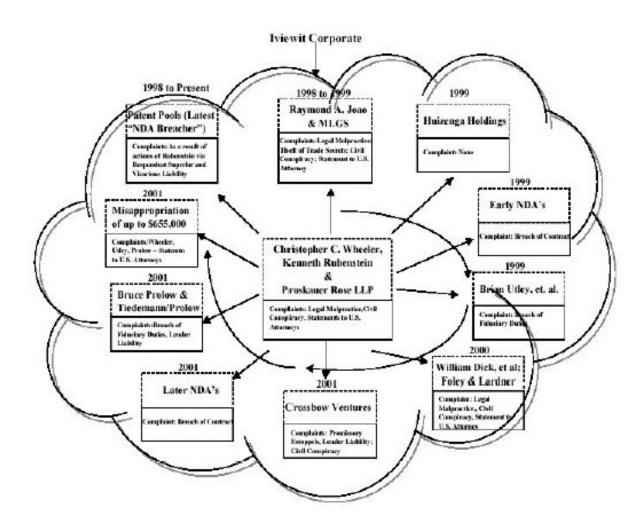




Exhibit C

IN THE CIRCUIT COURT OF THE 15TH JUDICIAL CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA

PROSKAUER ROSE L.L.P, a New York limited partnership,

CA 01-04671 AB

Plaintiff,

٧.

IVIEWIT.COM, INC., a Delaware corporation, IVIEWIT HOLDINGS, INC., a Delaware corporation, and IVIEWIT TECHNOLOGIES, INC., a Delaware corporation.

Defendants.

COPY / ORIGINAL RECEIVED FOR FILING

JAN 28 2003

DOROTHY H. WILKEN
CLERK OF CIRCUIT COURT
CIRCUIT CIVIL DIVISION

<u>DEFENDANTS MOTION FOR LEAVE TO AMEND TO ASSERT</u> <u>COUNTERCLAIM FOR DAMAGES</u>

Defendants, IVIEWIT.COM, INC., IVIEWIT HOLDINGS,

INC. and IVIEWIT TECHNOLOGIES, INC., by and through their undersigned counsel, hereby move this Court for Leave to Amend their Answer so as to assert a counterclaim in this matter pursuant to Rule 1.170(f) of the Florida Rules of Civil Procedure and as grounds therefore would state as follows:

1. That the Defendants move to amend their answer in this matter so as to include a counterclaim in this matter, which by its nature appears to be a compulsory counterclaim to the extent that the issues arise out of the same nexus of events, as

justice requires that the counterclaim be tried at the same time as the complaint and answer so that all pending issues between the parties may be adjudicated in this action.

2. That as a result of fact that additional evidence in support of the Defendants' counterclaims is found in the Plaintiff's own files and records, the Plaintiff will not be prejudiced by the amendment of the Defendants' answer in this matter, nor will this matter be delayed as to the trial of same.

3. Defendants have attached hereto a copy of the proposed counterclaim.

WHEREFORE the Defendants, move this Honorable Court for the entry of an order permitting the Defendants to amend their answer in this matter.

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by U.S. Mail and fax transmission this 26th day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

SELZ & MUVDI SELZ, P.A. 214 Brazilian Avenue, Suite 220 Palm Beach, FL 33480

Tel: (561) 820-9409 Fax: (561) 833-9715

STEVEN M. SELZ

FBN: 777420

IN THE CIRCUIT COURT OF THE 15th JUDICIAL CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA

PROSKAUER ROSE, LLP, a New York limited partnership,

CASE NO.: CA 01-04671 AB

Plaintiff,

vs.

IVIEWIT.COM, INC., a Delaware corporation, IVIEWIT HOLDINGS, INC., a Delaware corporation and, IVIEWIT TECHNOLOGIES, INC., a Delaware corporation,

Defendants,

COUNTERCLAIM FOR DAMAGES

COME NOW the Counter Plaintiffs, IVIEWIT.COM, INC., IVIEWIT
HOLDINGS, INC., IVIEWIT TECHNOLOGIES, INC. and IVIEWIT LLC,
hereinafter collectively referred to as "IVIEWIT" or Counter Plaintiffs, and hereby
sues Counter Defendant, PROSKAUER ROSE, LLP, hereinafter "PROSKAUER",
a New York limited partnership, and alleges as follows:

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

1. This is an action for damages in a sum greater than \$15,000.00, exclusive

Page 1 of 17

of interest, taxable costs and attorneys fees.

- Counter Plaintiff, IVIEWIT.COM, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and the State of California.
- 3. Counter Plaintiff, IVIEWIT HOLDINGS, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and California.
- 4. Counter Plaintiff, IVIEWIT TECHNOLOGIES, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and the State of California.
- 5. IVIEWIT LLC, is a Florida limited liability company, formed by PROSKAUER, which, at all times relevant hereto, was authorized to conduct and conducted business in the Palm Beach County Florida and the State of California.
- 6. Counter Defendant PROSKAUER ROSE, LLP, (hereinafter "FROSKAUER") is a New York limited partnership, operating a law office in Boca Raton, Palm Beach County, Florida.

Boca Raton, Palm Beach County, Florida.

- 7. BRIAN G. UTLEY, (hereinafter "UTLEY") was at all times relevant hereto a sui juris resident of the State of Florida and who on or about September of 1999 was the president of Counter Plaintiff, IVIEWIT LLC.
- 8. CHRISTOPHER WHEELER, (hereinafter "WHEELER") is a sui juris individual and resident of Palm Beach County, Florida, who at all times relevant hereto was a partner of PROSKAUER and who provided legal services to the Counter Plaintiffs.
- 9. KENNETH RUBENSTEIN, (hereinafter "RUBENSTEIN") is a sui juris individual believed to be a resident of the State of New York and who various times relevant hereto was initially misrepresented by WHEELER as a partner of PROSKAUER and later became a partner of PROSKAUER, and who provided legal services to the Counter Plaintiffs both while at Meltzer, Lippie, et al., and PROSKAUER.
- 10. RAYMOND JOAO, (hereinafter "JOAO") is a sui juris individual believed to be a resident of the State of New York and who at all times relevant hereto was represented to be RUBENSTEIN's associate at PROSKAUER, when in fact JOAO has never been an employee of PROSKAUER but in fact was an employee of Meltzer, Lippie, et al.

- 11. That beginning on or about November of 1998, the Counter Plaintiff, IVIEWIT, through it's agent and principal, Eliot I. Bernstein ("Bernstein"), held discussions with WHEELER with regard to PROSKAUER providing legal services to the company involving specific technologies developed by Bernstein and two others, which technologies allowed for:
- i) Zooming of digital images and video without degredation to the quality of the digital image due to what is commonly refereed to as "pixilation";
 and.
- ii) The delivery of digital video using proprietary scaling techniques;
 and,
- iii) A combination of the image zoom techniques and video scaling techniques described above; and,
- iv) The remote control of video cameras through communications networks.
- 12. That Bernstein engaged the services of PROSKAUER to provide legal services to the company to be formed, including corporate formation and governance for a single entity and to obtain multiple patents and oversee US and foreign filings for such technologies including the provisional filings for the technologies as described in Paragraph 11 above, the "Technology", and such

other activities as were necessary to protect the intellectual property represented by the Technology.

- 13. That at the time of the engagement of PROSKAUER, Bernstein was advised and otherwise led to believe that WHEELER was the PROSKAUER partner in charge of the account.
- 14. Upon information and belief, WHEELER, RUBENSTEIN and JOAO upon viewing the technologies developed by Bernstein, and held by IVIEWIT, realized the significance of the technologies, its various applications to communication networks for distributing video data and images and for existing digital processes, including, but not limited to digital cameras, digital video disks (DVD), digital imaging technologies for medical purposes and digital video, and that WHEELER, RUBENSTEIN and JOAO conspired to undertake and in fact undertook a deliberate course of conduct to deprive Bernstein and IVIEWIT of the beneficial use of such technologies for either the use of third parties, who were other clients of PROSKAUER and WHEELER, or for WHEELER, RUBENSTEIN and JOAO's own financial gain, to the detriment and damage of the Counter Plaintiffs.
- 15. That WHEELER, who was a close personal friend of UTLEY, recommended to Bernstein and other members of the board of directors of

IVIEWIT that the IVIEWIT engage the services of UTLEY to act as President of the Iviewit.com, LLC based on his knowledge and ability as to technology issues.

- 16. That at the time that WHEELER made the recommendation of UTLEY to the board of directors, that WHEELER knew that UTLEY was in a dispute with his former employer, Diamond Turf Products and the fact that UTLEY had misappropriated certain patents on hydro-mechanical systems to the detriment of Diamond Turf Products.
- 17. Additionally, WHEELER was fully aware of the fact that UTLEY was not the highly qualified "engineer" that UTLEY represented himself to be, and that in fact UTLEY lacked real engineering expertise or even an engineering degree and that UTLEY had been fired from Diamond Turf Products due to his misappropriation of patents.
- 18. That despite such knowledge, WHEELER never mentioned such facts concerning UTLEY to any representative of IVIEWIT and in fact undertook to "sell" UTLEY as a highly qualified candidate who would be the ideal person to undertake day to day operations of IVIEWIT and work on the patents, acting as a qualified engineer.
- 19. Additionally, WHEELER continued to assist UTLEY in perpetrating such fraud on both the Board of Directors of IVIEWIT and to third parties,

including Wachovia Bank, by approving a false resume for UTLEY to be included in seeking approval of a private placement for IVIEWIT.

- 20. That based on the recommendations of WHEELER, as partner of PROSKAUER, the board of directors agreed to engage the services of UTLEY as president.
- 21. That almost immediately after UTLEY's employment and almost one year after initially providing of services, WHEELER provided a retainer agreement for the providing of services by PROSKAUER to IVIEWIT LLC, addressed to UTLEY, a true and correct copy of such retainer agreement (the "Fletainer") being attached hereto and made a part hereof as Exhibit "A". That the services provided were in fact to be paid out of the royalties recovered from the use of the Technology, which was to be included in patent pools overseen by RUBENSTEIN.
- 22. That the Retainer by its terms contemplated the providing of corporate and general legal services to IVIEWIT LLC by PROSKAUER and was endorsed by UTLEY on behalf of IVIEWIT LLC, the Board of Directors of IVIEWIT LLC would not have UTLEY authorized to endorse same as it did not include the intellectual property work which PROSKAUER had already undertaken.
 - 23. That prior to the Retainer, PROSKAUER and WHEELER had provided

legal services to IVIEWIT, including services regarding patent procurement and acted to coordinate such services both internally and with outside counsel, including RUBENSTEIN and JOAO, including times when they were misrepresented as PROSKAUER attorneys.

- 24. That PROSKAUER billed IVIEWIT for legal services related to corporate, patent, trademark and other work in a sum of approximately \$800,000.00.
- 25. That PROSKAUER billed IVIEWIT for legal service never performed, double-billed by the use of multiple counsel on the same issue, and systematically overcharged for services provided.
- 26. That summaries of the billing statements provided by PROSKAUER to IVIEWIT are attached hereto and made a part hereof as Exhibit "B".
- 27. That based on the over-billing by PROSKAUER, IVIEWIT paid a sum in of approximately \$500,000.00 plus together with a 2.5% interest in IVIEWIT, which sums and interest in IVIEWIT was received and accepted by PROSKAUER.
- 28. That WHEELER, UTLEY, RUBENSTEIN, JOAO and PROSKAUER, conspired to deprive IVIEWIT of its rights to the technologies developed by Bernstein by:

- a) Transferring patents using Foley & Lardner so as to name UTLEY as the sole holder of multiple patents in his individual name and capacity when in fact they were and arose from the technologies developed by Bernstein and others and held by IVIEWIT prior to UTLEY's employment with IVIEWIT, and;
- b) Upon discovery of the "lapses" by JOAO, that WHEELER and PROSKAUER referred the patent matters to WILLIAM DICK, of Foley & Lardner, who was also a close personal friend of UTLEY and who had been involved in the diversion of patents to UTLEY at Diamond Turf Products; and,
- c) Failing to list proper inventors of the technologies based on improper legal advise that foreign inventors could not be listed until their immigration status was adjusted, resulting in the failure of the patents to include their rightful and lawful inventors and the payment by IVIEWIT for unnecessary immigration work; and,
- d) Failing to ensure that the patent applications for the technologies, contained all necessary and pertinent information relevant to the technologies and as required by law; and,
- e) Failing to secure trademarks and copyrights and failing to complete trademark and copyright work for the use of proprietary names of IVIEWIT and source code for the Technologies of IVIEWIT as intellectual property, and;

- f) Allowing the infringement of patent rights of IVEIWIT and the intellectual property of IVIEWIT by other clients of PROSKAUER and WHEELER, and;
- g) Aiding JOAO in filing patents for IVIEWIT intellectual property by intentionally withholding pertinent information from such patents and not filing same timely, so as to allow JOAO to apply for similar patents in his own name, both while acting as counsel for IVIEWIT and subsequently.
- 29. As a direct and proximate result of the actions of the Counter Defendant, Counter Plaintiffs have been damaged in a sum estimated to be greater than \$10,000,000,000.000, based on projections by Gerald Stanley, CEO of Real 3-D (a consortium of Lockheed, Silicone Graphics and Intel) as to the value of the technologies and their applications to current and future uses together with the loss of funding from Crossbow Ventures as a result of such conduct.
- 30. All conditions precedent to the bringing of this action have occurred or have been waived or excused.

COUNT I- LEGAL MALPRACTICE

- 31. This is an action for legal malpractice within the jurisdiction of this court.
- 32. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.

- 33. PROSKAUER employed by IVIEWIT for purposes of representing IVIEWIT to obtain multiple patents and oversee foreign filings for such technologies including the provisional filings for the technologies as described in Paragraph 11 above.
- 34. That pursuant to such employment, PROSKAUER owed a duty to ensure that the rights and interests of IVIEWIT were protected.
- 35. WHEELER, RUBENSTEIN, JOAO and PROSKAUER neglected that reasonable duty of care in the performance of legal services in that they:
- a) Failed to take reasonable steps to ensure that the intellectual property of IVIEWIT was protected; and,
 - b) Failed to complete work regarding copyrights and trademarks; and,
- c) Engaged in unnecessary and duplicate corporate and other work resulting in billing for unnecessary legal services believed to be in excess of \$400,000.00; and,
- d) By redacting information from the billing statements regarding services provided so to as to give the appearance that the services provided by PROSKAUER were limited in nature, when in fact they involved various aspects of intellectual property protection; and,
 - e) By knowingly representing and agreeing to accept representation of

clients in conflict with the interests of IVIEWIT, without either consent or waiver by IVIEWIT.

36. That the negligent actions of PROSKAUER and its partners, WHEELER and RUBENSTEIN, resulted in and was the proximate cause of loss to IVIEWIT.

WHEREFORE, Counter Plaintiff demands judgement for damages against Defendant together with reasonable attorneys fees, court costs, interest and such other and further relief as this Court deems just and equitable.

COUNT II- CIVIL CONSPIRACY

- 37. This is an action for civil conspiracy within the jurisdiction of this court.
- 38. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.
- 39. Defendant, PROSKAUER and UTLEY, WHEELER, RUBENSTEIN and JOAO, jointly conspired to deprive the Counter Plaintiffs of their rights and interest in the Technology.
- 40. That UTLEY, WHEELER, RUBENSTEIN, JOAO and PROSKAUER with such intent, directed that certain patent rights be put in the name of UTLEY and/or that such patent rights were modified or negligently pursued so as to fail to provide protection of the intellectual property, resulting in the ability of other clients of WHEELER, RUBENSTEIN, JOAO and PROSKAUER to make use of such

technologies without being liable to IVIEWIT for royalties normally arising from such use.

- 41. That PROSKAUER, without either consent of the Board of Directors or proper documentation, transferred securities to Tiedemann/Prolow Investment Group, which entity was also referred by WHEELER, who acted as counsel for such unauthorized transaction.
- 42. That upon the discovery of the above-described events and conspiracy, IVIEWIT's lead investor, Crossbow Ventures, ceased its funding of IVIEWIT.
- 43. That Crossbow Ventures, which was a referral of WHEELER, took a security interest in the Technology under the guise of protecting IVIEWIT and its shareholders from the actions of UTLEY, based on the filing of an involuntary bankruptcy (which was later withdrawn), and as to WHEELER and PROSKAUER based on the instant law suit, when in fact such conduct was motivated by Crossbow's attempts to wrongfully detain the interests of IVIEIT in the Technology. Such conduct, upon information and belief, was undertaken with the knowledge and assistance of WHEELER and PROSKAUER.
- 44. As a direct and proximate result of the conspiracy and acts of PROSKAUER, UTLEY, WHEELER, JOAO and RUBENSTEIN, the Counter Plaintiffs have been damaged.

WHEREFORE, Counter Plaintiffs demand judgement for damages against Defendant together with court costs, interest and such other and further relief as this Court deems just and equitable.

COUNT III- BREACH OF CONTRACT

- 45. This is an action for breach of contract within the jurisdiction of this Court.
- 46. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.
- 47. Defendant, PROSKAUER, breached the contract with Counter Plaintiff, IVIEWIT LLC by failing to provide services billed for pursuant to the billing statements presented to the Counter Plaintiffs and over-billing for services provided.
- 48. That such actions on the part of PROSKAUER constitute beaches of the contract by and between IVIEWIT LLC and PROSKAUER.
- 49. That as a direct and proximate result of such conduct on the part of PROSKAUER, IVIEWIT LLC has been damaged by overpayment to PROSKAUER and the failure of PROSKAUER to perform the contracted for legal services.

WHEREFORE, IVIEWIT demands judgement for damages against Counter

Defendant together with court costs, interest and such other and further relief as this

Court deems just and equitable.

COUNT IV- TORTIOUS INTERFERENCE WITH AN ADVANTAGEOUS BUSINESS RELATIONSHIP

- 50. This is an action for tortious interference with an advantageous business relationship within the jurisdiction of this Court.
- 51. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.
- 52. Counter Plaintiff was engaged in negotiations of technology agreements with both Warner Bros. and AOL/Time Warner as to the possible use of the Technologies of the Counter Plaintiffs and investment in Counter Plaintiffs as a strategic partner.
- 53. That despite the prior representations of RUBENSTEIN, at a meeting held on or about November 1, 2000, by and between UTLEY, RUBENSTEIN and representatives of Warner Bros. as to the Technology of IVIEWIT and the efficacy, novelty and unique methodology of the Technology, RUBENSTEIN refused to subsequently make the same statements to representatives of AOL and Warner Bros., taking the position that since Warner Bros./AOL is "now a big client of Proskauer, I can't comment on the technologies of Iviewit." or words to that effect in response to inquiry from Warner Brother/AOL's counsel as to the status and condition of the pending patents on the intellectual property.

- 54. That RUBENSTEIN, having served as an advisor to the Board of Directors for IVIEWIT, was aware of the fact that at the time of the making of the statements set forth in Paragraph 50, above, IVIEWIT was in the midst of negotiations with AOL/Warner Bros. as to the possible funding of the operations of IVIEWIT in and sum of between \$10,000,000.000 and \$20,000,000.00.
- 55. Further, RUBENSTEIN as a partner of PROSKAUER, and despite his clear prior actions in representing the interests of IVIEWIT, refused to answer questions as to the enforcement of the Technology of IVIEWIT, with the intent and knowledge that such refusal would lead to the cessation of the business relationship by and between IVIEWIT and Warner Bros./AOL and other clients familiar with the Warner Bros./AOL technology group then in negotiations with IVIEWIT, including, but not limited to Sony Corporation, Paramount, MGM and Fox.
- 56. That the actions of RUBENSTEIN were and constituted an intentional and unjustified interference with the relationship by and between IVIEWIT and Warner Bros./AOL designed to harm such relationship and further motivated by the attempts to "cover-up" the conflict of interest in PROSKAUER's representation of both IVIEWIT and Warner Bros./AOL.
- 57. That indeed, as a direct and proximate result of the conduct of RUBENSTEIN, Warner Bros./AOL ceased business relations with IVIEWIT to the

damage and detriment of Counter Plaintiffs.

WHEREFORE, Counter Plaintiffs demand judgement for damages against Counter Defendant together with court costs, interest and such other and further relief as this Court deems just and equitable.

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by U.S. Mail and fax transmission this _______ day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

SELZ & MUVDI SELZ, P.A. 214 Brazilian Avenue, Suite 220 Palm Beach, FL 33480

Tel: (561) 820-9409 Fax: (561) 833-9715

STÉVEN M. SELZ FBN: 777420



EXHIBIT B

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FOREIGN PATENT APPLICATIONS

7020		IVIEWII.COM FALENI SIAIOS KEFUKI	A FALEINE	IAIUS KE	ZY		FOREIGN PATENT APPLICATIONS
TITLE	OUR REF.	INVENTOR/ PATENTEE	COUNTRY	SERIAL NO./ PATENT NO.	FILED/ISSUE DATE	ASSIGNEE	REMARKS
System and Method for Streaming an Enhanced Digital	P010EP	Eliot I. Bernstein Zakinıl A. Shirajee	EPO - Europe	Serial No. 00938126.0	Filed	Iviewit.com, Inc.	Pending.
Video File							Published: 3/06/02. Publication No.: 1183870
							First Office Action received. Request for Extension to respond pending.
System and Method for Streaming an Enhanced Digital Video File	P010JP	Eliot I. Bernstein Zakirul A. Shirajee	Japan	Serial No. 2001-502364	Filed 06/02/00	Iviewit.com, Inc.	Pending.
System and Method for Streaming an Enhanced Dioital	P011EP	Eliot I. Bernstein, Zakirul A. Shiraiee	EPO - Europe	Europe Serial No. 009446196	Filed	Iviewit.com, Inc.	Pending.
Video File					000710710		Published: 3/20/02. Publication No.: 1188318
							First Office Action received.
System and Method for Streaming an Enhanced Digital Video File	POILIP	Eliot I. Bernstein, Zakirul A. Shirajee	Japan	Serial No. 2001-502362	Filed 6/20/2000	Iviewit.com, Inc.	Pending.
System and Method for Providing and Enhanced Digital	P018EP	Eliot I. Bernstein Brian I Itley	EPO - Europe	Europe Serial No.	Filed	Iviewit Holdings, Inc.	Pending.
Image File		form mind			00/70/00		Published: 5/2/2002 Publication No.: 1200935
System and Method for Providing and Enhanced Digital Image File	P018JP	Eliot I. Bernstein Brian Utley	Japan	Serial No. 2001-514379	Filed 08/02/00	Iviewit Holdings, Inc.	Pending.
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IVIEWIT.COM PATENT STATUS REPORT

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TITLE	OUR REF.	INVENTOR/ PATENTEE	COUNTRY	SERIAL NO./ PATENT NO.	FILED/ISSUE DATE	APPLICANT	REMARKS
Apparatus and Method for Producing Enhanced Digital Images	P009PCT	Eliot I. Bernstein	Patent Cooperation Treaty	Serial No. PCT/US00/07772	Filed 03/23/00	Iviewit Holdings, Inc.	Lapsed. Filed based on Provisional Application No. 60/125824 (P001Z).
System and Method for Streaming an Enhanced Digital Video File	P010PCT	Eliot I. Bernstein	Patent Cooperation Treaty	Serial No. Filed PCT/US00/15408 06/02/00	Filed 06/02/00	Iviewit Holdings, Inc.	Lapsed. Filed based on Provisional Application Nos. 60/137,297 (P002Z), 60/155,404 (P007Z) and 60/169,559 (P008Z).
System and Method for Providing an Enhanced Digital Video File	POLIPCT	Eliot I. Bernstein	Patent Cooperation Treaty	Serial No. Filed PCT/US00/15405 06/02/00	Filed 06/02/00	Iviewit Holdings, Inc.	Lapsed. Filed based on Provisional Application No. 60/137,297 (P002Z), 60/155,404 (P007Z) and 60/169,559 (P008Z).
System and Method for Playing a P012PCT Digital Video File	a P012PCT	Eliot I. Bernstein	Patent Cooperation Treaty	Serial No. PCT/US00/15406 06/02/00	Filed 06/02/00	Iviewit Holdings, Inc.	Lapsed. Filed based on Provisional Application No. 60/137,297 (P002Z), 60/155,404 (P007Z) and 60/169,559 (P008Z).
System and Method for Video Playback Over a Network	P016PCT	Eliot I. Bernstein	Patent Cooperation Treaty	Serial No. Filed PCT/US00/15602 06/07/00	Filed 06/07/00	Iviewit Holdings, Inc.	Lapsed. Filed based on Provisional Application Nos. 60/137,921 (P003Z), 60/141,440 (P004Z) and 60/155,404 (P007Z).
System and Method for Providing an Enhanced Digital Image File	P018PCT	Eliot I. Bernstein	Patent Cooperation Treaty	Serial No. Filed PCT/US00/21211 08/02/00	Filed 08/02/00	Iviewit Holdings, Inc.	Lapsed. Filed based on Provisional Application Nos. 60/125824 (P001Z), 60/146,726 (P005Z), 60/149,737 (P006Z), 60/155,404 (P007Z) and 60/169,559 (P008Z).

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Updated 11/20/2003



Exhibit C

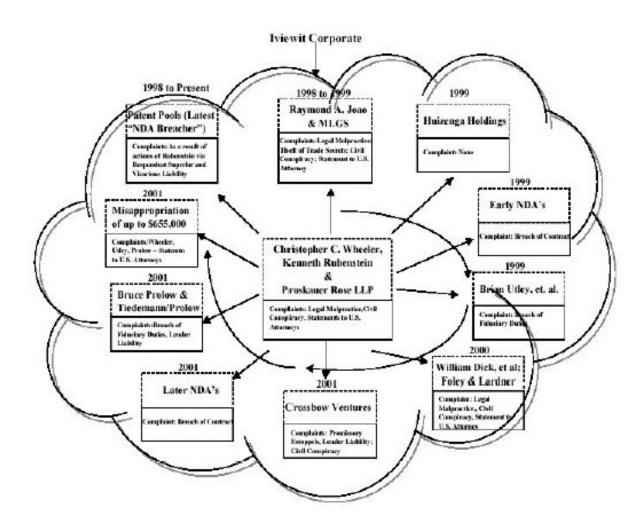




Exhibit D

IN THE CIRCUIT COURT OF THE 15TH JUDICIAL CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA

PROSKAUER ROSE L.L.P, a New York limited partnership,

CA 01-04671 AB

Plaintiff,

٧.

IVIEWIT.COM, INC., a Delaware corporation, IVIEWIT HOLDINGS, INC., a Delaware corporation, and IVIEWIT TECHNOLOGIES, INC., a Delaware corporation.

Defendants.

COPY / ORIGINAL RECEIVED FOR FILING

JAN 28 2003

DOROTHY H. WILKEN
CLERK OF CIRCUIT COURT
CIRCUIT CIVIL DIVISION

<u>DEFENDANTS MOTION FOR LEAVE TO AMEND TO ASSERT</u> <u>COUNTERCLAIM FOR DAMAGES</u>

Defendants, IVIEWIT.COM, INC., IVIEWIT HOLDINGS,

INC. and IVIEWIT TECHNOLOGIES, INC., by and through their undersigned counsel, hereby move this Court for Leave to Amend their Answer so as to assert a counterclaim in this matter pursuant to Rule 1.170(f) of the Florida Rules of Civil Procedure and as grounds therefore would state as follows:

1. That the Defendants move to amend their answer in this matter so as to include a counterclaim in this matter, which by its nature appears to be a compulsory counterclaim to the extent that the issues arise out of the same nexus of events, as

justice requires that the counterclaim be tried at the same time as the complaint and answer so that all pending issues between the parties may be adjudicated in this action.

2. That as a result of fact that additional evidence in support of the Defendants' counterclaims is found in the Plaintiff's own files and records, the Plaintiff will not be prejudiced by the amendment of the Defendants' answer in this matter, nor will this matter be delayed as to the trial of same.

3. Defendants have attached hereto a copy of the proposed counterclaim.

WHEREFORE the Defendants, move this Honorable Court for the entry of an order permitting the Defendants to amend their answer in this matter.

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by U.S. Mail and fax transmission this 26th day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

SELZ & MUVDI SELZ, P.A. 214 Brazilian Avenue, Suite 220 Palm Beach, FL 33480

Tel: (561) 820-9409 Fax: (561) 833-9715

STEVEN M. SELZ

FBN: 777420

IN THE CIRCUIT COURT OF THE 15th JUDICIAL CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA

PROSKAUER ROSE, LLP, a New York limited partnership,

CASE NO.: CA 01-04671 AB

Plaintiff,

vs.

IVIEWIT.COM, INC., a Delaware corporation, IVIEWIT HOLDINGS, INC., a Delaware corporation and, IVIEWIT TECHNOLOGIES, INC., a Delaware corporation,

Defendants,

COUNTERCLAIM FOR DAMAGES

COME NOW the Counter Plaintiffs, IVIEWIT.COM, INC., IVIEWIT
HOLDINGS, INC., IVIEWIT TECHNOLOGIES, INC. and IVIEWIT LLC,
hereinafter collectively referred to as "IVIEWIT" or Counter Plaintiffs, and hereby
sues Counter Defendant, PROSKAUER ROSE, LLP, hereinafter "PROSKAUER",
a New York limited partnership, and alleges as follows:

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

1. This is an action for damages in a sum greater than \$15,000.00, exclusive

Page 1 of 17

of interest, taxable costs and attorneys fees.

- Counter Plaintiff, IVIEWIT.COM, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and the State of California.
- 3. Counter Plaintiff, IVIEWIT HOLDINGS, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and California.
- 4. Counter Plaintiff, IVIEWIT TECHNOLOGIES, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and the State of California.
- 5. IVIEWIT LLC, is a Florida limited liability company, formed by PROSKAUER, which, at all times relevant hereto, was authorized to conduct and conducted business in the Palm Beach County Florida and the State of California.
- 6. Counter Defendant PROSKAUER ROSE, LLP, (hereinafter "FROSKAUER") is a New York limited partnership, operating a law office in Boca Raton, Palm Beach County, Florida.

Boca Raton, Palm Beach County, Florida.

- 7. BRIAN G. UTLEY, (hereinafter "UTLEY") was at all times relevant hereto a sui juris resident of the State of Florida and who on or about September of 1999 was the president of Counter Plaintiff, IVIEWIT LLC.
- 8. CHRISTOPHER WHEELER, (hereinafter "WHEELER") is a sui juris individual and resident of Palm Beach County, Florida, who at all times relevant hereto was a partner of PROSKAUER and who provided legal services to the Counter Plaintiffs.
- 9. KENNETH RUBENSTEIN, (hereinafter "RUBENSTEIN") is a sui juris individual believed to be a resident of the State of New York and who various times relevant hereto was initially misrepresented by WHEELER as a partner of PROSKAUER and later became a partner of PROSKAUER, and who provided legal services to the Counter Plaintiffs both while at Meltzer, Lippie, et al., and PROSKAUER.
- 10. RAYMOND JOAO, (hereinafter "JOAO") is a sui juris individual believed to be a resident of the State of New York and who at all times relevant hereto was represented to be RUBENSTEIN's associate at PROSKAUER, when in fact JOAO has never been an employee of PROSKAUER but in fact was an employee of Meltzer, Lippie, et al.

- 11. That beginning on or about November of 1998, the Counter Plaintiff, IVIEWIT, through it's agent and principal, Eliot I. Bernstein ("Bernstein"), held discussions with WHEELER with regard to PROSKAUER providing legal services to the company involving specific technologies developed by Bernstein and two others, which technologies allowed for:
- i) Zooming of digital images and video without degredation to the quality of the digital image due to what is commonly refereed to as "pixilation";
 and.
- ii) The delivery of digital video using proprietary scaling techniques;
 and,
- iii) A combination of the image zoom techniques and video scaling techniques described above; and,
- iv) The remote control of video cameras through communications networks.
- 12. That Bernstein engaged the services of PROSKAUER to provide legal services to the company to be formed, including corporate formation and governance for a single entity and to obtain multiple patents and oversee US and foreign filings for such technologies including the provisional filings for the technologies as described in Paragraph 11 above, the "Technology", and such

other activities as were necessary to protect the intellectual property represented by the Technology.

- 13. That at the time of the engagement of PROSKAUER, Bernstein was advised and otherwise led to believe that WHEELER was the PROSKAUER partner in charge of the account.
- 14. Upon information and belief, WHEELER, RUBENSTEIN and JOAO upon viewing the technologies developed by Bernstein, and held by IVIEWIT, realized the significance of the technologies, its various applications to communication networks for distributing video data and images and for existing digital processes, including, but not limited to digital cameras, digital video disks (DVD), digital imaging technologies for medical purposes and digital video, and that WHEELER, RUBENSTEIN and JOAO conspired to undertake and in fact undertook a deliberate course of conduct to deprive Bernstein and IVIEWIT of the beneficial use of such technologies for either the use of third parties, who were other clients of PROSKAUER and WHEELER, or for WHEELER, RUBENSTEIN and JOAO's own financial gain, to the detriment and damage of the Counter Plaintiffs.
- 15. That WHEELER, who was a close personal friend of UTLEY, recommended to Bernstein and other members of the board of directors of

IVIEWIT that the IVIEWIT engage the services of UTLEY to act as President of the Iviewit.com, LLC based on his knowledge and ability as to technology issues.

- 16. That at the time that WHEELER made the recommendation of UTLEY to the board of directors, that WHEELER knew that UTLEY was in a dispute with his former employer, Diamond Turf Products and the fact that UTLEY had misappropriated certain patents on hydro-mechanical systems to the detriment of Diamond Turf Products.
- 17. Additionally, WHEELER was fully aware of the fact that UTLEY was not the highly qualified "engineer" that UTLEY represented himself to be, and that in fact UTLEY lacked real engineering expertise or even an engineering degree and that UTLEY had been fired from Diamond Turf Products due to his misappropriation of patents.
- 18. That despite such knowledge, WHEELER never mentioned such facts concerning UTLEY to any representative of IVIEWIT and in fact undertook to "sell" UTLEY as a highly qualified candidate who would be the ideal person to undertake day to day operations of IVIEWIT and work on the patents, acting as a qualified engineer.
- 19. Additionally, WHEELER continued to assist UTLEY in perpetrating such fraud on both the Board of Directors of IVIEWIT and to third parties,

including Wachovia Bank, by approving a false resume for UTLEY to be included in seeking approval of a private placement for IVIEWIT.

- 20. That based on the recommendations of WHEELER, as partner of PROSKAUER, the board of directors agreed to engage the services of UTLEY as president.
- 21. That almost immediately after UTLEY's employment and almost one year after initially providing of services, WHEELER provided a retainer agreement for the providing of services by PROSKAUER to IVIEWIT LLC, addressed to UTLEY, a true and correct copy of such retainer agreement (the "Fletainer") being attached hereto and made a part hereof as Exhibit "A". That the services provided were in fact to be paid out of the royalties recovered from the use of the Technology, which was to be included in patent pools overseen by RUBENSTEIN.
- 22. That the Retainer by its terms contemplated the providing of corporate and general legal services to IVIEWIT LLC by PROSKAUER and was endorsed by UTLEY on behalf of IVIEWIT LLC, the Board of Directors of IVIEWIT LLC would not have UTLEY authorized to endorse same as it did not include the intellectual property work which PROSKAUER had already undertaken.
 - 23. That prior to the Retainer, PROSKAUER and WHEELER had provided

legal services to IVIEWIT, including services regarding patent procurement and acted to coordinate such services both internally and with outside counsel, including RUBENSTEIN and JOAO, including times when they were misrepresented as PROSKAUER attorneys.

- 24. That PROSKAUER billed IVIEWIT for legal services related to corporate, patent, trademark and other work in a sum of approximately \$800,000.00.
- 25. That PROSKAUER billed IVIEWIT for legal service never performed, double-billed by the use of multiple counsel on the same issue, and systematically overcharged for services provided.
- 26. That summaries of the billing statements provided by PROSKAUER to IVIEWIT are attached hereto and made a part hereof as Exhibit "B".
- 27. That based on the over-billing by PROSKAUER, IVIEWIT paid a sum in of approximately \$500,000.00 plus together with a 2.5% interest in IVIEWIT, which sums and interest in IVIEWIT was received and accepted by PROSKAUER.
- 28. That WHEELER, UTLEY, RUBENSTEIN, JOAO and PROSKAUER, conspired to deprive IVIEWIT of its rights to the technologies developed by Bernstein by:

- a) Transferring patents using Foley & Lardner so as to name UTLEY as the sole holder of multiple patents in his individual name and capacity when in fact they were and arose from the technologies developed by Bernstein and others and held by IVIEWIT prior to UTLEY's employment with IVIEWIT, and;
- b) Upon discovery of the "lapses" by JOAO, that WHEELER and PROSKAUER referred the patent matters to WILLIAM DICK, of Foley & Lardner, who was also a close personal friend of UTLEY and who had been involved in the diversion of patents to UTLEY at Diamond Turf Products; and,
- c) Failing to list proper inventors of the technologies based on improper legal advise that foreign inventors could not be listed until their immigration status was adjusted, resulting in the failure of the patents to include their rightful and lawful inventors and the payment by IVIEWIT for unnecessary immigration work; and,
- d) Failing to ensure that the patent applications for the technologies, contained all necessary and pertinent information relevant to the technologies and as required by law; and,
- e) Failing to secure trademarks and copyrights and failing to complete trademark and copyright work for the use of proprietary names of IVIEWIT and source code for the Technologies of IVIEWIT as intellectual property, and;

- f) Allowing the infringement of patent rights of IVEIWIT and the intellectual property of IVIEWIT by other clients of PROSKAUER and WHEELER, and;
- g) Aiding JOAO in filing patents for IVIEWIT intellectual property by intentionally withholding pertinent information from such patents and not filing same timely, so as to allow JOAO to apply for similar patents in his own name, both while acting as counsel for IVIEWIT and subsequently.
- 29. As a direct and proximate result of the actions of the Counter Defendant, Counter Plaintiffs have been damaged in a sum estimated to be greater than \$10,000,000,000.000, based on projections by Gerald Stanley, CEO of Real 3-D (a consortium of Lockheed, Silicone Graphics and Intel) as to the value of the technologies and their applications to current and future uses together with the loss of funding from Crossbow Ventures as a result of such conduct.
- 30. All conditions precedent to the bringing of this action have occurred or have been waived or excused.

COUNT I- LEGAL MALPRACTICE

- 31. This is an action for legal malpractice within the jurisdiction of this court.
- 32. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.

- 33. PROSKAUER employed by IVIEWIT for purposes of representing IVIEWIT to obtain multiple patents and oversee foreign filings for such technologies including the provisional filings for the technologies as described in Paragraph 11 above.
- 34. That pursuant to such employment, PROSKAUER owed a duty to ensure that the rights and interests of IVIEWIT were protected.
- 35. WHEELER, RUBENSTEIN, JOAO and PROSKAUER neglected that reasonable duty of care in the performance of legal services in that they:
- a) Failed to take reasonable steps to ensure that the intellectual property of IVIEWIT was protected; and,
 - b) Failed to complete work regarding copyrights and trademarks; and,
- c) Engaged in unnecessary and duplicate corporate and other work resulting in billing for unnecessary legal services believed to be in excess of \$400,000.00; and,
- d) By redacting information from the billing statements regarding services provided so to as to give the appearance that the services provided by PROSKAUER were limited in nature, when in fact they involved various aspects of intellectual property protection; and,
 - e) By knowingly representing and agreeing to accept representation of

clients in conflict with the interests of IVIEWIT, without either consent or waiver by IVIEWIT.

36. That the negligent actions of PROSKAUER and its partners, WHEELER and RUBENSTEIN, resulted in and was the proximate cause of loss to IVIEWIT.

WHEREFORE, Counter Plaintiff demands judgement for damages against Defendant together with reasonable attorneys fees, court costs, interest and such other and further relief as this Court deems just and equitable.

COUNT II- CIVIL CONSPIRACY

- 37. This is an action for civil conspiracy within the jurisdiction of this court.
- 38. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.
- 39. Defendant, PROSKAUER and UTLEY, WHEELER, RUBENSTEIN and JCAO, jointly conspired to deprive the Counter Plaintiffs of their rights and interest in the Technology.
- 40. That UTLEY, WHEELER, RUBENSTEIN, JOAO and PROSKAUER with such intent, directed that certain patent rights be put in the name of UTLEY and/or that such patent rights were modified or negligently pursued so as to fail to provide protection of the intellectual property, resulting in the ability of other clients of WHEELER, RUBENSTEIN, JOAO and PROSKAUER to make use of such

technologies without being liable to IVIEWIT for royalties normally arising from such use.

- 41. That PROSKAUER, without either consent of the Board of Directors or proper documentation, transferred securities to Tiedemann/Prolow Investment Group, which entity was also referred by WHEELER, who acted as counsel for such unauthorized transaction.
- 42. That upon the discovery of the above-described events and conspiracy, IVIEWIT's lead investor, Crossbow Ventures, ceased its funding of IVIEWIT.
- 43. That Crossbow Ventures, which was a referral of WHEELER, took a security interest in the Technology under the guise of protecting IVIEWIT and its shareholders from the actions of UTLEY, based on the filing of an involuntary bankruptcy (which was later withdrawn), and as to WHEELER and PROSKAUER based on the instant law suit, when in fact such conduct was motivated by Crossbow's attempts to wrongfully detain the interests of IVIEIT in the Technology. Such conduct, upon information and belief, was undertaken with the knowledge and assistance of WHEELER and PROSKAUER.
- 44. As a direct and proximate result of the conspiracy and acts of PROSKAUER, UTLEY, WHEELER, JOAO and RUBENSTEIN, the Counter Plaintiffs have been damaged.

WHEREFORE, Counter Plaintiffs demand judgement for damages against Defendant together with court costs, interest and such other and further relief as this Court deems just and equitable.

COUNT III- BREACH OF CONTRACT

- 45. This is an action for breach of contract within the jurisdiction of this Court.
- 46. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.
- 47. Defendant, PROSKAUER, breached the contract with Counter Plaintiff, IVIEWIT LLC by failing to provide services billed for pursuant to the billing statements presented to the Counter Plaintiffs and over-billing for services provided.
- 48. That such actions on the part of PROSKAUER constitute beaches of the contract by and between IVIEWIT LLC and PROSKAUER.
- 49. That as a direct and proximate result of such conduct on the part of PROSKAUER, IVIEWIT LLC has been damaged by overpayment to PROSKAUER and the failure of PROSKAUER to perform the contracted for legal services.

WHEREFORE, IVIEWIT demands judgement for damages against Counter

Defendant together with court costs, interest and such other and further relief as this

Court deems just and equitable.

COUNT IV- TORTIOUS INTERFERENCE WITH AN ADVANTAGEOUS BUSINESS RELATIONSHIP

- 50. This is an action for tortious interference with an advantageous business relationship within the jurisdiction of this Court.
- 51. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.
- 52. Counter Plaintiff was engaged in negotiations of technology agreements with both Warner Bros. and AOL/Time Warner as to the possible use of the Technologies of the Counter Plaintiffs and investment in Counter Plaintiffs as a strategic partner.
- 53. That despite the prior representations of RUBENSTEIN, at a meeting held on or about November 1, 2000, by and between UTLEY, RUBENSTEIN and representatives of Warner Bros. as to the Technology of IVIEWIT and the efficacy, novelty and unique methodology of the Technology, RUBENSTEIN refused to subsequently make the same statements to representatives of AOL and Warner Bros., taking the position that since Warner Bros./AOL is "now a big client of Proskauer, I can't comment on the technologies of Iviewit." or words to that effect in response to inquiry from Warner Brother/AOL's counsel as to the status and condition of the pending patents on the intellectual property.

- 54. That RUBENSTEIN, having served as an advisor to the Board of Directors for IVIEWIT, was aware of the fact that at the time of the making of the statements set forth in Paragraph 50, above, IVIEWIT was in the midst of negotiations with AOL/Warner Bros. as to the possible funding of the operations of IVIEWIT in and sum of between \$10,000,000.000 and \$20,000,000.00.
- 55. Further, RUBENSTEIN as a partner of PROSKAUER, and despite his clear prior actions in representing the interests of IVIEWIT, refused to answer questions as to the enforcement of the Technology of IVIEWIT, with the intent and knowledge that such refusal would lead to the cessation of the business relationship by and between IVIEWIT and Warner Bros./AOL and other clients familiar with the Warner Bros./AOL technology group then in negotiations with IVIEWIT, including, but not limited to Sony Corporation, Paramount, MGM and Fox.
- 56. That the actions of RUBENSTEIN were and constituted an intentional and unjustified interference with the relationship by and between IVIEWIT and Warner Bros./AOL designed to harm such relationship and further motivated by the attempts to "cover-up" the conflict of interest in PROSKAUER's representation of both IVIEWIT and Warner Bros./AOL.
- 57. That indeed, as a direct and proximate result of the conduct of RUBENSTEIN, Warner Bros./AOL ceased business relations with IVIEWIT to the

damage and detriment of Counter Plaintiffs.

WHEREFORE, Counter Plaintiffs demand judgement for damages against Counter Defendant together with court costs, interest and such other and further relief as this Court deems just and equitable.

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by U.S. Mail and fax transmission this _______ day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

SELZ & MUVDI SELZ, P.A. 214 Brazilian Avenue, Suite 220 Palm Beach, FL 33480

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STÉVEN M. SELZ FBN: 777420