

IN THE SUPREME COURT OF THE STATE OF NEVADA

Electronically Filed  
Apr 20 2021 09:49 a.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

REZA ZANDIAN, AKA GOLAMREZA  
ZANDIANJAZI, AKA GHOLAM REZA  
ZANDIAN, AKA REZA JAZAI, AKA J.  
REZA JAZI AKA G. REZA JAZI, AKA  
GHONOREZA ZANDIAN JAZI, AN  
INDIVIDUAL

No. 82559

Appellant,

vs.

JED MARGOLIN, AN INDIVIDUAL,

---

RECORD ON APPEAL

VOL VIII

REZA ZANDIAN  
6 RUE EDOUARD FOURNIER  
75116 PARIS FRANCE

BROWNSTEIN HYATT FARBRE  
SCHRECK, LLP/RENO  
5371 KIETZKE LANE  
RENO, NV 89511

APPELLANT IN PROPER PERSON

ATTORNEYS FOR RESPONDENT



**THE SUPREME COURT OF THE STATE OF NEVADA**

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G. REZA ZANDIAN JAZI  
P.O. BOX 927674  
SAN DIEGO, CA 92192-7674

1950  
94-7074/3212 282  
2508952484

9/14/2010 Date

Pay to the  
Order of

Franchise Tax Board  
Eight Hundred Thirty Five

\$ 835<sup>00</sup>

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Dollars

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Wells Fargo Bank, N.A.  
Nevada  
wellsfargo.com

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For Optima Technology Corp

⑆321270742⑆ 2508952484⑆ 01950

G. REZA ZANDIAN JAZI  
P.O. BOX 927674  
SAN DIEGO, CA 92192-7674

12/1/2010 DATE

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Pay to the Order of Franchise Tax Board \$ 1226

One thousand two hundred twenty six Dollars



WELLS FARGO  
WELLS FARGO BANK, N.A.  
wellsfargo.com

For Optima Taxes  
⑆321270742⑆ 2508952484⑆ 01981

and 25/100

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----- Forwarded message -----

From: **reza zand** <rezazand@hotmail.com>

Date: Wed, Oct 9, 2013 at 2:12 PM

Subject: Re: Mailbox

To: Alborz <alborzzandian@gmail.com>

It is very unfortunate and irresponsible for this to happen, I was relying on you to take care of it.

On Oct 10, 2013, at 0:36, "Alborz" <[alborzzandian@gmail.com](mailto:alborzzandian@gmail.com)> wrote:

Baba I'm in SD. Mailbox has been closed since April 22nd. I renewed it on November 2012 for 6 months. It expired on April. I thought you took care of this with Kathy when you visited her recently.

Anyway, fortunately no one else rented out the mailbox so I can still get it and buy it for another year. But all mail that was sent from April 22 til now has been returned to sender.

I am filling out application process and paying to renew the mailbox. I will so pay Kathy to forward mail. But it's very important that you contact anyone that you think has sent you important documents in last 5 months and ask them to mail it again.

Even if they sent it in last 2 weeks relating to escrow of Sd land you need to contact them tell them

To mail it again.

Thanks,  
Alborz

Sent from my iPhone



# Exhibit C

1 CARL J. PENTIS, ESQ., SBN 116453  
2 WILDISH & NIALIS  
3 500 North State College Boulevard, Suite 1200  
4 Orange, California 92868  
5 Tel: (714) 634-8001 / Fax: (714) 634-3869  
6 email: cpentis@wildishandnialis.com

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8 Attorneys for Plaintiff  
9 EMFACO S.A.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE, WEST JUSTICE CENTER

EMFACO S.A., a Swiss Corporation,  
Plaintiff,

vs.

OPTIMA TECHNOLOGY CORPORATION, a  
California corporation;  
ROBERT M. ADAMS, JR., an individual; and  
DOES 1 through 10, inclusive,  
Defendants.

) Case No.: 06CC08517  
) [UNLIMITED CIVIL]  
) NO HEARING DATE PENDING  
)  
) **NOTICE OF ENTRY OF JUDGMENT**  
)  
) Assigned for all purposes to:  
) Judge: Mary Fingal Schulte  
) Dept.: W11  
) Complaint Filed: July 28, 2006  
) Trial Date: Completed

PLEASE TAKE NOTICE that the Court executed and entered the Judgment in the above-entitled matter in favor of Plaintiff, EMFACO s.a., A Swiss Corporation, on September 18, 2006. A copy of the said Judgment is attached hereto as Exhibit "A."

Dated: November 23, 2006

WILDISH & NIALIS

By: 

CARL J. PENTIS  
Attorney for Plaintiff  
EMFACO S.A.

F:\Clients\3579\Pld\06CC08517\Notice of Entry.01.wpd

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
WEST JUSTICE CENTER

SEP 18 2006

ALAN SLATER, Clerk of the Court

BY: K. BLAIR *KB* DEPUTY

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
WEST JUSTICE CENTER

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE, WEST JUSTICE CENTER

EMFACO S.A., a Swiss Corp.

Plaintiff,

vs.

Robert Adams, et al.

Defendants.

) Case No.: 06 CC 08517  
) [UNLIMITED CIVIL]  
) HEARING DATE PENDING  
) HearingType: Trial  
) Date: August 21, 2006  
) Time: 9:00 a.m.  
) Dept.: W 11  
) ~~PROPOSED~~ JUDGMENT ON CORP.  
) CODE 709 TRIAL ON SHARE  
) OWNERSHIP AND DIRECTOR'S OF  
) OPTIMA TECHNOLOGY  
) CORPORATION  
) Assigned for all purposes to:  
) Judge: Mary Erickson  
) Dept.: W11  
) Complaint Filed: July 28, 2006  
) Trial Date: None set

The Corp. 709 Trial in the above entitled action came on regularly for trial on August 21, 2006 at 9:00 a.m. in Dept. 11 of the above entitled Court, the Hon. Mary Erickson sitting without a jury. Carl Pentis, Esq. represented Plaintiff Emfaco S.A., a Swiss Corp. Reza Zandian testified on behalf of EMFACO S.A. a Swiss Corporation concerning the share ownership and directors of Optima Technology Corporation, a California Corporation ("Optmia"). No appearance was made by defendant Robert Adams, although the matter was set for hearing in cooperation with his specially appearing counsel Scott R. Albrecht, Esq. of SAMUELS, GREEN, STEEL & ADAMS, LLP 19800 MacArthur Boulevard, Suite 1000 Irvine, CA 92612 at the ex parte hearing occurring on August 2, 2006 in this department. The court found that service of the summons,

1  
~~PROPOSED~~ JUDGMENT OCSC Case No. 06 CC 08517

TT 00

# Exhibit A

1 complaint, initial hearing date of August 14, 2006, and continued hearing date of August 21,  
2 2006 were accomplished in accordance with the orders of this court.

3 Evidence, both oral and documentary, having been presented, the cause having been  
4 argued and submitted for decision,

5 IT IS ORDERED, ADJUDGED, AND DECREED THAT:

- 6 1. Optima Technology Corporation, a California Corporation's sole director is Reza  
7 Zandian, who was duly elected by EMFACO, S.A. a Swiss Corporation. Robert  
8 Adams is not, and has not been, a duly elected director of Optima Technology  
9 Corporation, a California Corporation ("Optmia")
- 10 2. EMFACO, S.A. a Swiss Corporation is the sole voting shareholder of Optima.  
11 Robert Adams is not the holder of, and has not previously held, any voting or non  
12 voting shares of Technology Corporation, a California Corporation ("Optmia").
- 13 3. All assets of Optima Technology Corporation, a California Corporation including  
14 control of the domain name OPTIMATECH.COM, are placed under the direction  
15 and control of Reza Zandian, as director of Optima Technology Corporation, a  
16 California Corporation.
- 17 4. Plaintiff EMFACO, S.A. a Swiss Corporation is the prevailing party against  
18 Defendant Robert Adams and is awarded its statutory costs of \$ \_\_\_\_\_.

19  
20 DATED: 9-18-06

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23 JUDGE OF THE SUPERIOR COURT

24 F:\Clients\3579\Pld\06CC08517\Judgment .01.wpd

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PROOF OF SERVICE [CCP §1013a]

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the County of Orange, State of California. I am over the age of eighteen years and not a party to the within entitled action; my business address is 500 North State College Boulevard, Suite 1200, Orange, California 92868.

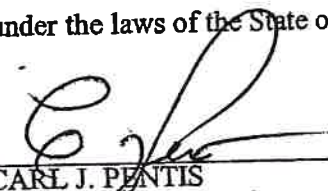
On August 29, 2006, I caused to be served the foregoing document described as **[PROPOSED] JUDGMENT ON CORP. CODE 709 TRIAL ON SHARE OWNERSHIP AND DIRECTOR'S OF OPTIMA TECHNOLOGY CORPORATION** on the interested parties as follows:

Mr. Robert M. Adams, Jr.  
2222 Michelson Drive, No. 222  
Irvine, CA 92612  
T: (949) 981-9208 F: (949) 253-5768

(BY MAIL) By placing  the original  a true copy thereof enclosed in a sealed envelope - as to the above-named interested party. I deposited such envelope in the mail at Orange, California, with postage thereon fully prepaid. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

(STATE) I declare under penalty of perjury under the laws of the State of California that the forgoing is true and correct.

Dated: August 29, 2006

  
CARL J. PENTIS

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PROOF OF SERVICE [CCP §1013a]

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the County of Orange, State of California. I am over the age of eighteen years and not a party to the within entitled action; my business address is 500 North State College Boulevard, Suite 1200, Orange, California 92868.

On November 28, 2006, I caused to be served the foregoing document described as **NOTICE OF ENTRY OF JUDGMENT** on the interested parties as follows:

SEE ATTACHED SERVICE LIST

**BY MAIL [CCP §1013(a)]** By placing  the original  a true copy thereof enclosed in a sealed envelope(s) addressed as to the above-named counsel of record or parties in propria persona. I caused such envelope postage thereon fully prepaid to be placed in the United States mail at Orange, California. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Orange, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

**BY PERSONAL DELIVERY [CCP §1011(a)]** By placing  the original  a true copy thereof enclosed in a sealed envelope(s) addressed as to the above-named counsel of record or parties in propria persona. I caused such envelope to be delivered to the office of the addressee.

**BY OVERNIGHT DELIVERY [CCP §1013(a)]** By placing  the original  a true copy thereof enclosed in a sealed envelope(s) addressed as to the above-named counsel of record or parties in propria persona. I caused such envelope to be deposited in the Federal Express box at 500 North State College Boulevard, Orange, California, which is regularly maintained by Federal Express, with delivery fees prepaid and provided for, addressed to the person on whom said document is to be served.

**BY FACSIMILE [CCP §1013(e)]** I caused said document, along with an unsigned copy of this Declaration, to be transmitted to a facsimile machine telephone number as last given by said counsel or party in propria persona as noted above. A true and correct copy of the transmission sheet is attached to the original of this Proof of Service.

**(STATE)** I declare under penalty of perjury under the laws of the State of California that the forgoing is true and correct.

Dated: November 28, 2006

  
PATTI MARTINEZ

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Service List - Page 1

Re: Reza Zandian vs. Robert Adams, et al. c/w Emfaco A.A., etc. vs. Robert Adams, et al.  
Case No.: 04CC11007 c/w 04CC11008

Mr. Robert M. Adams, Jr.  
2222 Michelson Drive, Suite 222-183  
Irvine, CA 92612

Defendant in Propria Persona



1 Service List - Page 2

2 Re: Reza Zandian vs. Robert Adams, et al. c/w Emfacio A.A., etc. vs. Robert Adams, et al.  
3 Case No.: 04CC11007 c/w 04CC11008

4 **CLIENT COPY:**

5 Mr. Reza Zandian  
6 8775 Costa Verde Boulevard, No. 1416  
7 San Diego, CA 92122  
8 Tel: (775) 450-6833 (cell)  
9 Fax: (858) 625-2460  
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1 CARL J. PENTIS, ESQ., SBN 116453  
WILDISH & NIALIS  
2 500 North State College Boulevard, Suite 1200  
Orange, California 92868  
3 Tel: (714) 634-8001 / Fax: (714) 634-3869  
email: [cpentis@wildishandnialis.com](mailto:cpentis@wildishandnialis.com)

4 Attorneys for Plaintiffs  
5 REZA ZANDIAN and EMFACO S.A.

6  
7  
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

10  
11 REZA ZANDIAN,

12 Plaintiff,

13 vs.

14 ROBERT ADAMS, JACK GEERING, BARRY  
EISLER, PAUL JONES, and Does 1 through  
15 100, inclusive;

16 Defendants.

) Case No.: 04CC11007 c/w 04CC11008  
) [UNLIMITED CIVIL]  
) NO HEARING DATE PENDING

) **NOTICE OF ENTRY OF JUDGMENT**

) Assigned for all purposes to:

) Judge: Charles Margines

) Dept.: C14

) Complaint Filed: Unknown

) Trial Date: Completed

17  
18 TO DEFENDANT, ROBERT ADAMS, AND TO HIS COUNSEL OF RECORD HEREIN:

19 PLEASE TAKE NOTICE that the Court executed and entered the Judgment in the above-  
20 entitled matter in favor of Plaintiff, EMFACO S.A., a derivative Plaintiff, on behalf of OPTIMA  
21 TECHNOLOGY CORPORATION, and against Defendant, ROBERT ADAMS, on November 8,  
22 2006. A copy of the said Judgment is attached hereto as Exhibit "A."

23 Dated: November 15, 2006

WILDISH & NIALIS

24  
25 By: 

CARL J. PENTIS

Attorney for Plaintiffs

REZA ZANDIAN and EMFACO S.A.

26  
27 F:\Clients\3579\Pld\04CC11007 c.w 04CC11008\Notice of Entry.01.wpd

# Exhibit A

RECEIVED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER  
NOV 07 2006  
ALAN SLATER, Clerk of the Court

RECEIVED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER  
NOV 08 2006  
ALAN SLATER, Clerk of the Court  
BY K. PALACIOS

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

9 REZA ZANDIAN, ) Case No.: No.: 04CC11007 c/w 04CC11008  
10 Plaintiff, ) [UNLIMITED CIVIL]  
11 vs. ) HEARING DATE PENDING: None  
12 ROBERT ADAMS, JACK GEERING, BARRY ) HearingType: Trial  
13 EISLER, PAUL JONES, and Does 1 through ) Date: November 6, 2006  
14 100, inclusive; ) Time: 9:00 a.m.  
15 Defendants. 04CC1107 ) Dept.: C19  
16 ) [PROPOSED] JUDGMENT  
17 ) Assigned for Trial:  
18 EMFACO S.A. a Swiss Corporation ) Judge: Randell L. Wilkinson  
19 Plaintiff ) Dept.: 19  
20 v. ) Complaint Filed:  
21 Robert Adams, et al. ) Trial Date: Completed  
22 Defendants 04CC11008 )

22 The Trial in the above entitled action came on regularly for trial in the above  
23 consolidated actions on November 6, 2006 at 9:00 a.m. in Dept. 14 (Judge Charles Margines), and  
24 was transferred to Judge Randell L. Wilkinson, Department 19, of the above entitled Court,  
25 sitting without a jury. Carl Pentis, Esq. represented Plaintiffs Emfaco S.A., a Swiss Corp., Reza  
26 Zandian a.k.a. Gholam-Reza Zandian-Jazi. Reza Zandian provided testimony.  
27 No appearance was made by defendant Robert Adams. The court received evidence and finds  
28 pursuant to C.C.P. 594 that notice of trial for November 6, 2006 was timely served on non

1 appearing Defendant Robert Adams. The court granted Emfaco S.A.'s motion to amend and  
2 substitute parties, namely from Emfaco S.A., as Plaintiff, to Emfaco, S.A., a derivative Plaintiff  
3 on behalf of Optima Technology Corporation, a California Corporation ("Optmia"), a nominal  
4 defendant.

5 Evidence, both oral and documentary, having been presented, the cause having been  
6 argued and submitted for decision,

7 IT IS ORDERED, ADJUDGED, AND DECREED THAT:

8

9 **04CC11008 Emfaco v. Adams**

10 1. Plaintiff Emfaco S.A., a derivative plaintiff on behalf of Optima Technology  
11 Corporation, a California Corporation, shall recover from Defendant Robert Adams **\$1,200,000**  
12 in damages for the transfer of assets to LaCie S.A., the **325,000** shares of LaCie S.A. (France)  
13 shall be transferred from any beneficial ownership by Robert Adams, Optima Technology  
14 Corporation, a Delaware Corporation, or any entities under their direction and control to Optima  
15 Technology Corporation, A California Corporation.

16 2. Plaintiff Emfaco S.A., a derivative plaintiff on behalf of Optima Technology  
17 Corporation, a California Corporation, shall recover from Defendant Robert Adams **\$225,000** in  
18 damages for the transfer of assets to Soft 77, LLC and receipt of payment from Soft 77, LLC .  
19 All payments received by Adams or his related entity Optima Technology Corporation, A  
20 Delaware Corporation, on payment of any license fees from Soft 77, LLC, shall be paid over to  
21 Optima Technology Corporation, a California Corporation.

22 3. Plaintiff Emfaco S.A., a derivative plaintiff on behalf of Optima Technology  
23 Corporation, a California Corporation, shall recover from Defendant Robert Adams **\$1,676,000**  
24 in damages for Adams conversion of receivables from Optima Technology Corporation, a  
25 California Corporation.

26 4. Plaintiff Emfaco S.A., a derivative plaintiff on behalf of Optima Technology  
27 Corporation, a California Corporation, shall recover from Defendant Robert Adams  
28 **\$10,000,000.00** in damages for the conversion of the software of ,Optima Technology

1 Corporation, a California Corporation.

2 5. The monetary damages awarded to Plaintiff Emfaco S.A., a derivative plaintiff on  
3 behalf of Optima Technology Corporation, a California Corporation, from Defendant Robert  
4 Adams itemized in paragraphs 1-4 above total \$13,101,000.00 upon which interest shall accrue at  
5 the legal rate (10%), from the date of entry of this judgment, until paid. The damages in 1-4  
6 arise solely from the fraud/embezzlement of Robert Adams while acting in his C.E.O. fiduciary  
7 capacity of Plaintiff Emfaco S.A., derivative Plaintiff for Optima, by converting corporate assets.

8 6. A permanent injunction against Defendant Robert Adams:

9 A. Prohibiting Defendant from directly or indirectly infringing upon Optima Technology  
10 Corporation, a California Corporation (hereinafter "Optima") Optima's copyrights in its  
11 products Xchange PRO, Xchange Pro, DeskTape Pro, CD-R Access Pro, SCSI Inspector, and  
12 DiskArray Pro, U.S. Patent 5,666,531 (hereinafter collectively referred to as "Products"), or  
13 continuing to market, offer, sell, dispose of, license, transfer, display, advertise, reproduce,  
14 develop, or manufacture any works derived or copied from Optima, or to participate in or assist  
15 such activity.

16 B. Prohibiting Defendant Robert Adams from marketing, distributing, licensing, or selling  
17 unauthorized goods using the marks or any portion of such marks Desk Tape, Desk-Tape Pro,  
18 CD-R Access, CD-R Access Pro, Xchange, Xchange Pro, Disk-Array and Disk-Array Pro, the  
19 "Optima Technology" name or Optima's distinctive Product packaging.

20 C. Prohibiting Defendant Robert Adams from passing off, or allowing others to pass off,  
21 products consumers believe are Optima products and services, which are in fact no produced by,  
22 connected with, or sponsored by Optima.

23 D. Prohibiting Defendant Robert Adams from otherwise injuring Optima's business reputation,  
24 or diluting Optima's marks.

25 E. Requiring Defendant Robert Adams to turn over to Optima within 10 days of entry of this  
26 order, any and all source code, object code, instructions, executable programs, or other data  
27 which reflects, discusses or embodies any of the Products including all forms whatsoever  
28 including electronic data.

1 F. After providing Zandian's counsel Carl Pentis, Esq. 500 N. State College Blvd. Suite 1200,  
2 Orange, CA 92868, fax 714 634-3869, notice and opportunity to recover the electronic data,  
3 requiring Defendant Robert Adams to destroy any electronic form of all source code, object code,  
4 instructions, executable programs, or other data which reflects, discusses or embodies any of the  
5 Products existing on any hard drives, discs which cannot be turned over pursuant to paragraph E  
6 above, file servers, any independent 3<sup>rd</sup> party electronic data banks, to which Robert Adams has  
7 access or any other location under the custody, control or access of Robert Adams.

8 G. Requiring all payments received by Robert Adams or his related entity Optima Technology  
9 Corporation, A Delaware Corporation, or those under the control of Robert Adams, on payment  
10 of any license fees from Soft 77, LLC, to be paid over to Optima Technology Corporation, a  
11 California Corporation.

12 H. Requiring Robert Adams or others under his direction and control, to transfer Optima  
13 Technology Corporation, A Delaware Corporation the 325,000 shares of LaCie S.A. (France)  
14 which were issued in software transaction with LaCie S.A.

15 **04CC11007 Zandian v. Adams**

16 Plaintiff Reza Zandian a.k.a. Gholam-Reza Zandian-Jazi shall recover from Defendant  
17 Robert Adams ~~\$100,000~~ <sup>\$50,000 RRW</sup> as damages for emotional distress, \$850,000 as damages for loss of the  
18 Nevada Land real estate transaction through Robert Adams' defamation of Mr. Zandian. For an  
19 order and permanent injunction, all enjoining Adams and his agents, servants, and employees,  
20 and all persons acting under, in concert with, or for him:

21

22 Plaintiffs Reza Zandian and Emfaco S.A., a derivative plaintiff on behalf of Optima Technology  
23 Corporation, a California Corporation, are prevailing parties, and are entitled to an award of  
24 statutory costs of \$ \_\_\_\_\_ against Defendant Robert Adams.

25 DATED: 11/4/06

Hon. Randell L. Wilkinson

  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

28 F:\Clients\3579\Pld\04CC11007 c.w 04CC11008\TrialJudgment .01.wpd

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Service List - Page 2

Re: Emfaco S.A., etc. vs. Optima Technology Corporation, etc, et al.  
Case No.: 06CC08517

**CLIENT COPY:**

Mr. Reza Zandian  
8775 Costa Verde Boulevard, No. 1416  
San Diego, CA 92122  
Tel: (775) 450-6833 (cell)  
Fax: (858) 625-2460



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Service List - Page 1

Re: Emfacó S.A., etc. vs. Optima Technology Corporation, etc, et al.  
Case No.: 06CC08517

Mr. Robert M. Adams, Jr.  
2222 Michelson Drive, Suite 222-183  
Irvine, CA 92612

Defendant in Propria Persona

**From:** [radams@optimatech.com](mailto:radams@optimatech.com)  
**To:** [rezazand@hotmail.com](mailto:rezazand@hotmail.com)  
**Subject:** FW: We accept and agree to the term of the settlement discussed today between you and my attorney Scott Albrecht,  
**Date:** Fri, 11 Aug 2006 14:56:15 -0700

You won, all yours as I give up as your BS is way to much for me

---

**From:** Robert Adams [<mailto:radams@optimatech.com>]  
**Sent:** Friday, August 11, 2006 1:17 PM  
**To:** '[cpentis@wildishandnialis.com](mailto:cpentis@wildishandnialis.com)'  
**Cc:** 'Scott Albrecht'  
**Subject:** We accept and agree to the term of the settlement discussed today between you and my attorney Scott Albrecht,

Carl,

I accept and agree to the term of the settlement discussed between you and my attorney Scott Albrecht, here is the requested information and is the same information provided already under oath in the recent Roxio litigation.

Let's just wrap this up ASAP so that parties can go our separate ways as I am tired of this BS and fighting with Zandian.

We are willing to settle all of the outstanding litigation and disputes with Reza on your terms and conditions – essentially \$12,500.00 - and here is the documentation that you I was told Mr. Zandian was looking for relating to Optima Technology, California:

**Assets:**

1. URL domain [www.optimatech.com](http://www.optimatech.com)
2. Patent 5,666,531
3. Soft 777 licensing agreement for 6% on patent 531", not produced a penny yet, See attached file: CW 20041029
4. State of California registration of Company name in California Optima Technology Corp. Fed Tax ID 33-0391754 and State CA Tax ID 1565687
5. Optima Technology Corp. Phone [949-476-0515](tel:949-476-0515) and fax [949-476-0613](tel:949-476-0613) numbers

**Liabilities:**

A lien against us for \$6-700K, Holland and Knight for Roxio case  
According to our D&B we there is about \$750K in UCC's against us and/or judgments from Reza's past ownership of Optima 1990-1999  
As per Mr. Fish our recent Attorney who blew the appeal says Optima owes him \$30k  
As per Mr. Fish, he says the attorneys for Roxio have a judgment for \$8-10k against Optima Technology Corp.

**That means we owe out about \$1.46 to \$1.59 million in debts**

**Income received from product sales or asset sales since Dec 2002**

\$225,000.00\* on 30 Apr 2004 sales of rights to Soft777 for trademark names, any source code (none) and to develop and own Desktop, CD R Access, Xchange Pro.

\$28,836.13 Sales for 1999-2006, see attached excel sheet Sales for 1999-2006

Notes:

\*1. Money from 2004 sale for software to Soft 777 was used to retain and pay Holland & Knight and experts

Thank you,

Robert Adams  
CEO, Optima Technology  
949-476-0515 Phone  
949-476-0613 Fax

Simply Smarter Storage & Encryption Software Solutions since 1990!

The information contained in this e-mail and any attachments are legally privileged or confidential. If you are not an intended recipient, you are hereby notified that any dissemination, distribution or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please notify the sender and permanently delete the e-mail and any attachments immediately. You should not retain, copy or use this e-mail or any attachment for any purpose, nor disclose all or any part of the contents to any other person. Thank you.

## Case Summary:

Case Id:	04CC11007
Case Title:	ZANDIAN VS ADAMS
Case Type:	DEFAMATION
Filing Date:	11/04/2004
Category:	CIVIL - UNLIMITED

## Register Of Actions:

ROA	Docket	Filing Date	Filing Party	Document	Select
1	CASE HAS BEEN INITIATED ON 11/04/2004	11/04/2004		NV	
2	CIVIL CASE COVER SHEET (CIVIL CASE COVER SHEET) WAS FILED BY REZA ZANDIAN ON 11/04/2004	11/04/2004		NV	
3	COMPLAINT (COMPLAINT) WAS FILED BY REZA ZANDIAN ON 11/04/2004	11/04/2004		NV	
5	ORDER TO SHOW CAUSE (OSC RE: RULE 438 & NOTICE SENT) WAS FILED ON 02/14/2005	02/14/2005		NV	
6	REQUEST FOR ENTRY OF DEFAULT (REQUEST TO ENTER DEFAULT) WAS FILED BY REZA ZANDIAN ON 02/18/2005	02/18/2005		NV	
7	PROOF OF SERVICE (PROOF OF SERVICE) WAS FILED BY REZA ZANDIAN ON 02/18/2005	02/18/2005		NV	
8	REQUEST FOR DISMISSAL WITHOUT PREJUDICE - PARTY (REQUEST FOR DISMISSAL - PARTIAL W/O PREJUDICE) WAS FILED BY REZA ZANDIAN ON 02/24/2005	02/24/2005		NV	
9	PROOF OF SERVICE (PROOF OF SERVICE - SUBSTITUTED) WAS FILED BY REZA ZANDIAN ON 02/24/2005	02/24/2005		NV	
10	NOTICE - OTHER (NOTICE OF CASE MANAGEMENT HEARING) WAS FILED ON 03/25/2005	03/25/2005		NV	
11	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY REZA ZANDIAN ON 04/15/2005	04/15/2005		NV	
12	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 05/05/2005	12/08/2007		NV	
13	CASE MANAGEMENT CONFERENCE HEARD ON 05/05/2005 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	05/05/2005		NV	
14	MOTION - OTHER (MOTION - OTHER) WAS FILED BY ROBERT ADAMS ON 05/12/2005	05/12/2005		NV	
15	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY REZA ZANDIAN ON 05/16/2005	05/16/2005		NV	
16	MOTION TO BE RELIEVED AS COUNSEL OF RECORD (MOTION TO BE RELIEVED AS COUNSEL) WAS FILED BY REZA ZANDIAN ON 06/03/2005	06/03/2005		NV	
7	DECLARATION IN SUPPORT (DECLARATION IN SUPPORT OF MOTION) WAS FILED BY REZA ZANDIAN ON 06/03/2005	06/03/2005		NV	

18	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY ROBERT ADAMS ON 06/21/2005	06/21/2005		NV	
19	MINUTES GENERATED (MOTION - GRANTED/DENIED) ON 06/22/2005	12/08/2007		NV	
20	ANSWER TO COMPLAINT (ANSWER, FIRST APP FEE PREVIOUSLY PAID) WAS FILED BY ROBERT ADAMS ON 06/29/2005	06/29/2005		NV	
21	NOTICE OF RULING (NOTICE OF RULING) WAS FILED BY ROBERT ADAMS ON 06/29/2005	06/29/2005		NV	
22	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 06/29/2005	12/08/2007		NV	
23	MOTION TO BE RELIEVED AS COUNSEL OF RECORD HEARD ON 06/29/2005 AT 14:00:00 IN CJC AT CENTRAL JUSTICE CENTER	06/29/2005		NV	
24	NOTICE OF CONTINUANCE (NOTICE OF CONTINUANCE) WAS FILED BY REZA ZANDIAN ON 06/30/2005	06/30/2005		NV	
25	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 07/05/2005	12/08/2007		NV	
26	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY REZA ZANDIAN ON 07/08/2005	07/08/2005		NV	
27	MINUTES GENERATED (MOTION - GRANTED/DENIED) ON 07/27/2005	12/08/2007		NV	
28	MOTION TO BE RELIEVED AS COUNSEL OF RECORD HEARD ON 07/27/2005 AT 14:00:00 IN CJC AT CENTRAL JUSTICE CENTER	07/28/2005		NV	
29	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 08/02/2005	08/02/2005		NV	
30	SUBSTITUTION OF ATTORNEY (SUBSTITUTION OF ATTORNEY) WAS FILED BY REZA ZANDIAN ON 08/23/2005	08/23/2005		NV	
31	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY ROBERT ADAMS ON 08/29/2005	08/29/2005		NV	
32	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY REZA ZANDIAN ON 08/29/2005	08/29/2005		NV	
33	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 08/30/2005	12/08/2007		NV	
34	CASE MANAGEMENT CONFERENCE HEARD ON 08/30/2005 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	08/30/2005		NV	
35	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY REZA ZANDIAN ON 08/31/2005	08/31/2005		NV	
	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT)				

36	STATEMENT) WAS FILED BY REZA ZANDIAN ON 10/07/2005	10/07/2005		NV	
37	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 10/25/2005	12/08/2007		NV	
38	CASE MANAGEMENT CONFERENCE HEARD ON 10/25/2005 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/25/2005		NV	
39	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY REZA ZANDIAN ON 10/28/2005	10/28/2005		NV	
40	NOTICE - OTHER (MASS NOTICE OF REASSIGNMENT) WAS FILED ON 12/06/2005	12/06/2005		NV	
41	MINUTES GENERATED (OFF CALENDAR - MISC) ON 01/10/2006	12/08/2007		NV	
42	CASE MANAGEMENT CONFERENCE HEARD ON 01/10/2006 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	01/10/2006		NV	
43	NOTICE - OTHER (NOTICE OF REASSIGNMENT ORDER) WAS FILED BY REZA ZANDIAN ON 01/11/2006	01/11/2006		NV	
44	DECLARATION IN SUPPORT (DECLARATION IN SUPPORT OF MOTION RE: DISQUALIFICATION OF JUDGE) WAS FILED BY ROBERT ADAMS ON 01/12/2006	01/12/2006		NV	
45	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 01/17/2006	12/08/2007		NV	
46	NOTICE OF RULING (NOTICE OF RULING) WAS FILED BY REZA ZANDIAN ON 01/20/2006	01/20/2006		NV	
47	NOTICE - OTHER (NOTICE OF OSC) WAS FILED BY REZA ZANDIAN ON 02/02/2006	02/02/2006		NV	
48	DECLARATION - OTHER (DECLARATION) WAS FILED BY REZA ZANDIAN ON 02/10/2006	02/10/2006		NV	
49	DECLARATION - OTHER (DECLARATION) WAS FILED BY ROBERT ADAMS ON 02/14/2006	02/14/2006		NV	
50	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 02/17/2006	12/08/2007		NV	
51	NOTICE - OTHER (NOTICE - TRIAL SETTING CONFERENCE) WAS FILED BY REZA ZANDIAN ON 02/21/2006	02/21/2006		NV	
52	STIPULATION AND ORDER (STIPULATION AND ORDER) WAS FILED BY REZA ZANDIAN ON 03/13/2006	03/13/2006		NV	
53	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 03/13/2006	12/08/2007		NV	
54	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 03/22/2006	03/22/2006		NV	
55	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 03/22/2006	03/22/2006		NV	
5	MINUTES GENERATED (ORDER - MINUTE ORDER) ON	12/08/2007		NV	

	04/14/2006			
57	STIPULATION TO JUDGE PRO TEM (STIPULATION FOR TEMPORARY JUDGE) WAS FILED ON 04/14/2006	04/14/2006		NV
58	MOTION TO BE RELIEVED AS COUNSEL OF RECORD (MOTION TO BE RELIEVED AS COUNSEL) WAS FILED BY REZA ZANDIAN ON 05/03/2006	05/03/2006		NV
59	DECLARATION IN SUPPORT OF MOTION TO BE RELIEVED AS COUNSEL (DECL IN SUPPORT OF ATTY MTN TO BE RELIEVED AS COUNSEL) WAS FILED BY REZA ZANDIAN ON 05/03/2006	05/03/2006		NV
60	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 05/08/2006	05/08/2006		NV
61	ORDER GRANTING ATTORNEYS MOTION TO BE RELIEVED AS COUNSEL (ORDER GRANTING ATTYS MTN TO BE RELIEVED AS COUNSEL) WAS FILED BY REZA ZANDIAN ON 06/07/2006	06/07/2006		NV
62	MINUTES GENERATED (MOTION - GRANTED/DENIED) ON 06/07/2006	12/08/2007		NV
63	MOTION TO BE RELIEVED AS COUNSEL OF RECORD HEARD ON 06/07/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	06/08/2006		NV
64	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 06/20/2006	06/20/2006		NV
	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 08/11/2006	12/08/2007		NV
66	NOTICE - OTHER (NOTICE OF OSC) WAS FILED BY ROBERT ADAMS ON 08/14/2006	08/14/2006		NV
67	CASE MANAGEMENT CONFERENCE HEARD ON 08/11/2006 AT 09:00:00 IN CJC AT CENTRAL JUSTICE CENTER	08/14/2006		NV
68	SUBSTITUTION OF ATTORNEY (SUBSTITUTION OF ATTORNEY) WAS FILED BY ROBERT ADAMS ON 08/16/2006	08/16/2006		NV
69	SUBSTITUTION OF ATTORNEY (SUBSTITUTION OF ATTORNEY) WAS FILED BY REZA ZANDIAN ON 08/29/2006	08/29/2006		NV
70	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY ROBERT ADAMS ON 08/29/2006	08/29/2006		NV
71	DECLARATION - OTHER (DECLARATION) WAS FILED BY REZA ZANDIAN ON 09/20/2006	09/20/2006		NV
72	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 09/22/2006	12/08/2007		NV
73	EX PARTE APPLICATION - OTHER (EX PARTE MOTION/APPLICATION) WAS FILED BY REZA ZANDIAN ON 09/22/2006	09/22/2006		NV
	ORDER - OTHER (ORDER - OTHER) WAS FILED ON	09/22/2006		NV

	09/22/2006			
75	MOTION TO COMPEL DEPOSITION (ORAL OR WRITTEN) (DM-DEPOSITION. ORAL OR WRITTEN) WAS FILED BY REZA ZANDIAN ON 09/22/2006	09/22/2006		NV
76	MOTION TO COMPEL DEPOSITION (ORAL OR WRITTEN) (DM-DEPOSITION. ORAL OR WRITTEN) WAS FILED BY REZA ZANDIAN ON 09/22/2006	09/22/2006		NV
77	EX PARTE HEARD ON 09/22/2006 AT 09:00:00 IN CJC AT CENTRAL JUSTICE CENTER	09/22/2006		NV
78	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 09/22/2006	09/22/2006		NV
79	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 09/22/2006	09/22/2006		NV
80	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 10/03/2006	10/03/2006		NV
81	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY REZA ZANDIAN ON 10/03/2006	10/03/2006		NV
82	ORDER - OTHER (ORDER - OTHER) WAS FILED ON 10/04/2006	10/04/2006		NV
83	ORDER - OTHER (ORDER - OTHER) WAS FILED ON 10/04/2006	10/04/2006		NV
84	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 10/04/2006	12/08/2007		NV
	MOTION FOR DISCOVERY HEARD ON 10/04/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/06/2006		NV
86	MOTION FOR DISCOVERY HEARD ON 10/04/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/06/2006		NV
87	MOTION FOR DISCOVERY HEARD ON 10/04/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/06/2006		NV
88	MOTION FOR DISCOVERY HEARD ON 10/04/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/06/2006		NV
89	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 11/06/2006	12/08/2007		NV
90	STIPULATION AND ORDER (STIPULATION AND ORDER) WAS FILED ON 11/06/2006	11/06/2006		NV
91	NOTICE - OTHER (NOTICE/ACKN OF COUNSEL JURY/RPD FEES) WAS FILED ON 11/06/2006	11/06/2006		NV
92	PROOF OF SERVICE (PROOF OF SERVICE) WAS FILED BY REZA ZANDIAN ON 11/07/2006	11/07/2006		NV
93	JUDGMENT (JUDGMENT - OTHER) WAS ENTERED ON 11/08/2006	11/08/2006		NV
94	TRIAL BRIEF (TRIAL BRIEF) WAS FILED BY REZA ZANDIAN ON 11/08/2006	11/08/2006		NV
	NOTICE OF ENTRY OF JUDGMENT (NOTICE OF ENTRY OF			



95	JUDGMENT) WAS FILED BY REZA ZANDIAN ON 11/16/2006	11/16/2006		NV	
96	RECEIPT FOR EXHIBITS (RECEIPT FOR EXHIBITS - REMARK) WAS FILED ON 11/17/2006	11/17/2006		NV	
- 1	OPPOSITION (OPPOSITION/OBJECTION) WAS FILED BY REZA ZANDIAN ON 03/09/2007	03/09/2007		NV	

## Participants:

Name	Type	Assoc	Start Date	End Date
ROBERT ADAMS	DEFENDANT		11/04/2004	
BARRY EISLER	DEFENDANT		11/04/2004	
REZA ZANDIAN	PLAINTIFF		11/04/2004	
WILDISH & NIALIS	ATTORNEY		08/29/2006	
SAMUELS GREEN STEEL & ADAMS, LLP	ATTORNEY		05/12/2005	08/16/2006
MARC BRESLER	ATTORNEY		11/04/2004	07/27/2005
GORDON & REES LLP	ATTORNEY		08/23/2005	06/07/2006
PAUL JONES	DEFENDANT		11/04/2004	02/24/2005
JACK GEERING	DEFENDANT		11/04/2004	02/24/2005

## Hearings:

Description	Date	Time	Department	Judge
MOTION FOR DISCOVERY	10/04/2006	01:30	C14	
EX PARTE	09/22/2006	09:00	C14	

Print this page

## Case Summary:

Case Id:	04CC11008
Case Title:	EMFACO S A VS ADAMS
Type:	MISC COMPLAINTS - OTHER
Filing Date:	11/04/2004
Category:	CIVIL - UNLIMITED

## Register Of Actions:

ROA	Docket	Filing Date	Filing Party	Document	Select
1	CASE HAS BEEN INITIATED ON 11/04/2004	11/04/2004		NV	
2	COMPLAINT (COMPLAINT) WAS FILED BY EMFACO S A ON 11/04/2004	11/04/2004		NV	
3	CIVIL CASE COVER SHEET (CIVIL CASE COVER SHEET) WAS FILED BY EMFACO S A ON 11/04/2004	11/04/2004		NV	
5	ORDER TO SHOW CAUSE (OSC RE: RULE 438 & NOTICE SENT) WAS FILED ON 02/14/2005	02/14/2005		NV	
6	REQUEST FOR ENTRY OF DEFAULT (REQUEST TO ENTER DEFAULT) WAS FILED BY EMFACO S A ON 02/18/2005	02/18/2005		NV	
7	PROOF OF SERVICE (PROOF OF SERVICE) WAS FILED BY EMFACO S A ON 02/18/2005	02/18/2005		NV	
8	REQUEST FOR DISMISSAL WITHOUT PREJUDICE - PARTY (REQUEST FOR DISMISSAL - PARTIAL W/O PREJUDICE) WAS FILED BY EMFACO S A ON 02/24/2005	02/24/2005		NV	
9	PROOF OF SERVICE (PROOF OF SERVICE) WAS FILED BY EMFACO S A ON 02/24/2005	02/24/2005		NV	
10	NOTICE - OTHER (NOTICE OF CASE MANAGEMENT HEARING) WAS FILED ON 03/25/2005	03/25/2005		NV	
11	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY EMFACO S A ON 04/15/2005	04/15/2005		NV	
12	REQUEST FOR ENTRY OF DEFAULT (REQUEST TO ENTER DEFAULT) WAS FILED BY EMFACO S A ON 04/18/2005	04/18/2005		NV	
13	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY ROBERT ADAMS ON 04/29/2005	04/29/2005		NV	
14	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 05/05/2005	12/08/2007		NV	
15	CASE MANAGEMENT CONFERENCE HEARD ON 05/05/2005 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	05/05/2005		NV	
16	MOTION - OTHER (MOTION - OTHER) WAS FILED BY ROBERT ADAMS ON 05/12/2005	05/12/2005		NV	
17	APPLICATION - OTHER (APPLICATION - OTHER) WAS FILED BY ROBERT ADAMS ON 05/13/2005	05/13/2005		NV	
	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE				

18	MANAGEMENT CONFERENCE) WAS FILED BY EMFACO S A ON 05/16/2005	05/16/2005		NV	
	MOTION TO BE RELIEVED AS COUNSEL OF RECORD (MOTION TO BE RELIEVED AS COUNSEL) WAS FILED BY EMFACO S A ON 06/03/2005	06/03/2005		NV	
20	DECLARATION IN SUPPORT (DECLARATION IN SUPPORT OF MOTION) WAS FILED BY EMFACO S A ON 06/03/2005	06/03/2005		NV	
21	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY ROBERT ADAMS ON 06/21/2005	06/21/2005		NV	
22	MINUTES GENERATED (MOTION - GRANTED/DENIED) ON 06/22/2005	12/08/2007		NV	
23	ANSWER TO COMPLAINT (ANSWER, FIRST APP FEE PREVIOUSLY PAID) WAS FILED BY ROBERT ADAMS ON 06/29/2005	06/29/2005		NV	
24	NOTICE OF RULING (NOTICE OF RULING) WAS FILED BY ROBERT ADAMS ON 06/29/2005	06/29/2005		NV	
25	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 06/29/2005	12/08/2007		NV	
26	MOTION TO BE RELIEVED AS COUNSEL OF RECORD HEARD ON 06/29/2005 AT 14:00:00 IN CJC AT CENTRAL JUSTICE CENTER	06/29/2005		NV	
27	NOTICE OF CONTINUANCE (NOTICE OF CONTINUANCE) WAS FILED BY EMFACO S A ON 06/30/2005	06/30/2005		NV	
	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 07/05/2005	12/08/2007		NV	
29	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY EMFACO S A ON 07/08/2005	07/08/2005		NV	
30	MINUTES GENERATED (MOTION - GRANTED/DENIED) ON 07/27/2005	12/08/2007		NV	
31	MOTION TO BE RELIEVED AS COUNSEL OF RECORD HEARD ON 07/27/2005 AT 14:00:00 IN CJC AT CENTRAL JUSTICE CENTER	07/27/2005		NV	
32	ORDER GRANTING ATTORNEYS MOTION TO BE RELIEVED AS COUNSEL (ORDER GRANTING ATTYS MTN TO BE RELIEVED AS COUNSEL) WAS FILED BY EMFACO S A ON 07/28/2005	07/28/2005		NV	
33	NOTICE - OTHER (NOTICE - OTHER) WAS FILED BY EMFACO S A ON 08/02/2005	08/02/2005		NV	
34	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY EMFACO S A ON 08/29/2005	08/29/2005		NV	
35	SUBSTITUTION OF ATTORNEY (SUBSTITUTION OF ATTORNEY) WAS FILED BY EMFACO S A ON 08/29/2005	08/29/2005		NV	
5	MINUTES GENERATED (CONTINUANCE - COURT ORDER)	12/08/2007		NV	

	ON 08/30/2005			
37	CASE MANAGEMENT CONFERENCE HEARD ON 08/30/2005 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	08/30/2005		NV
38	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY EMFACO S A ON 08/31/2005	08/31/2005		NV
39	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY EMFACO S A ON 10/07/2005	10/07/2005		NV
41	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 10/25/2005	12/08/2007		NV
42	CASE MANAGEMENT CONFERENCE HEARD ON 10/25/2005 AT 08:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/25/2005		NV
43	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY EMFACO S A ON 10/28/2005	10/28/2005		NV
44	NOTICE - OTHER (MASS NOTICE OF REASSIGNMENT) WAS FILED ON 12/05/2005	12/05/2005		NV
45	NOTICE - OTHER (NOTICE OF CMC HEARING) WAS FILED ON 12/23/2005	12/23/2005		NV
46	NOTICE - OTHER (NOTICE OF REASSIGNMENT ORDER) WAS FILED BY EMFACO S A ON 01/11/2006	01/11/2006		NV
47	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY EMFACO S A ON 01/11/2006	01/11/2006		NV
48	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY ROBERT ADAMS ON 01/12/2006	01/12/2006		NV
49	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY EMFACO S A ON 01/13/2006	01/13/2006		NV
50	MINUTES GENERATED (CONTINUANCE - COURT ORDER) ON 01/30/2006	12/08/2007		NV
51	CASE MANAGEMENT CONFERENCE HEARD ON 01/30/2006 AT 08:45:00 IN CJC AT CENTRAL JUSTICE CENTER	01/30/2006		NV
52	NOTICE - OTHER (NOTICE BY COUNSEL OF CASE MANAGEMENT CONFERENCE) WAS FILED BY EMFACO S A ON 01/31/2006	01/31/2006		NV
53	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY EMFACO S A ON 02/07/2006	02/07/2006		NV
54	CASE MANAGEMENT STATEMENT (CASE MANAGEMENT STATEMENT) WAS FILED BY ROBERT ADAMS ON 02/15/2006	02/15/2006		NV
55	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 02/27/2006	12/08/2007		NV
	CASE MANAGEMENT CONFERENCE HEARD ON 02/27/2006			

56	AT 08:45:00 IN CJC AT CENTRAL JUSTICE CENTER	02/28/2006		NV	
57	NOTICE - OTHER (NOTICE OF TRIAL) WAS FILED BY EMFACO S A ON 03/09/2006	03/09/2006		NV	
58	MINUTES GENERATED (ORDER - MINUTE ORDER) ON 03/13/2006	12/08/2007		NV	
59	MOTION TO BE RELIEVED AS COUNSEL OF RECORD (MOTION TO BE RELIEVED AS COUNSEL) WAS FILED BY EMFACO S A ON 05/03/2006	05/03/2006		NV	
60	DECLARATION IN SUPPORT OF MOTION TO BE RELIEVED AS COUNSEL (DECL IN SUPPORT OF ATTY MTN TO BE RELIEVED AS COUNSEL) WAS FILED BY EMFACO S A ON 05/03/2006	05/03/2006		NV	
61	MOTION TO BE RELIEVED AS COUNSEL OF RECORD HEARD ON 06/07/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	06/08/2006		NV	
62	CASE MANAGEMENT CONFERENCE HEARD ON 08/11/2006 AT 09:00:00 IN CJC AT CENTRAL JUSTICE CENTER	08/14/2006		NV	
63	CORRESPONDENCE (CORRESPONDENCE) WAS FILED ON 08/29/2006	08/29/2006		NV	
64	SUBSTITUTION OF ATTORNEY (SUBSTITUTION OF ATTORNEY) WAS FILED BY EMFACO S A ON 08/29/2006	08/29/2006		NV	
65	EX PARTE HEARD ON 09/22/2006 AT 09:00:00 IN CJC AT CENTRAL JUSTICE CENTER	09/22/2006		NV	
66	MOTION FOR DISCOVERY HEARD ON 10/04/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/06/2006		NV	
67	MOTION FOR DISCOVERY HEARD ON 10/04/2006 AT 13:30:00 IN CJC AT CENTRAL JUSTICE CENTER	10/06/2006		NV	
68	DECLARATION - OTHER (DECLARATION) WAS FILED BY EMFACO S A ON 11/06/2006	11/06/2006		NV	

## Participants:

Name	Type	Assoc	Start Date	End Date
EMFACO S A	PLAINTIFF		11/04/2004	
ROBERT ADAMS	DEFENDANT		11/04/2004	
WILDISH & NIALIS	ATTORNEY		08/29/2006	
BARRY EISLER	DEFENDANT		11/04/2004	
SAMUELS GREEN STEEL & ADAMS, LLP	ATTORNEY		05/12/2005	08/16/2006
MARC BRESLER	ATTORNEY		11/04/2004	07/28/2005
GORDON & REES LLP	ATTORNEY		08/29/2005	05/03/2006
PAUL JONES	DEFENDANT		11/04/2004	02/24/2005
JACK GEERING	DEFENDANT		11/04/2004	02/24/2005

## Hearings:

Description	Date	Time	Department	Judge

JURY TRIAL	11/06/2006	09:00	C14	
MOTION FOR DISCOVERY	10/04/2006	01:30	C14	
MOTION FOR DISCOVERY	10/04/2006	01:30	C14	
PARTE	09/22/2006	09:00	C14	
ORDER TO SHOW CAUSE RE: SANCTIONS/DISMISSAL	09/22/2006	09:00	C14	
CASE MANAGEMENT CONFERENCE	08/11/2006	09:00	C14	
ORDER TO SHOW CAUSE	04/14/2006	09:00	C14	

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4 Attorneys for Plaintiff  
5 OPTIMA TECHNOLOGY CORPORATION, a California corporation

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

AUG 18 2006

ALAN SLATER, Clerk of the Court

BY: M. SAMELA, DEPUTY

6  
7  
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

10  
11 OPTIMA TECHNOLOGY CORPORATION, a )  
California corporation )

Case No.: 06CC09234

) [UNLIMITED CIVIL]

12 Plaintiff, )

) COMPLAINT FOR:

13 vs. )

1. Breach of Fiduciary Duty

2. Accounting

3. Conversion

14 )  
15 ROBERT M. ADAMS, JR., an individual; and )  
DOES 1 through 10, inclusive, )

16 Defendants. )  
17 \_\_\_\_\_ )

**JUDGE ANDREW P. BANKS**  
**DEPT. C6**

18  
19 Plaintiff, EMFACO S.A., alleges as follows:

20 1. Plaintiff, OPTIMA TECHNOLOGY CORPORATION (hereinafter referred to as  
21 "OPTIMA" or "Plaintiff"), is a corporation duly organized and existing under the laws of the  
22 State of California, created January 16, 1990. EMFACO S.A. (hereinafter referred to as  
23 "EMFACO"), is a Swiss Corporation, with principal place of business located at 34 rue  
24 d'athenee, P.O. Box 5457 1211 Geneve, Switzerland. Reza Zandian (hereinafter "Zandian") is  
25 the sole shareholder of EMFACO. Raymond-Claude Foex, resident of Switzerland, is the  
26 Administrator of EMFACO and has been since the inception of EMFACO. EMFACO is the  
27 sole shareholder of OPTIMA, making OPTIMA a subsidiary of EMFACO. Zandian is the sole  
28 director of OPTIMA as appointed/elected by EMFACO. As a director and then-appointed officer

1 of OPTIMA, Reza Zandian assisted in maintaining the shareholder, corporate formation and  
2 director records of OPTIMA.

3 2. Reserved

4 3. Defendant, ROBERT M. ADAMS JR. (hereinafter referred to as "ADAMS") and  
5 Does 1-10 under C.C.P. 474, is (are) alleged, but invalid, member of the Board of Directors of  
6 OPTIMA. ADAMS is, and has been an employee and Officer of OPTIMA, including the Chief  
7 Executive Officer of OPTIMA, wherein ADAMS controlled and managed assets and personnel  
8 of OPTIMA. ADAMS is a fiduciary of OPTIMA. ADAMS claims his residence and his  
9 employment address (including the executive offices and principal place of business of  
10 OPTIMA) to be a private mail box located at a private mail box company located at 2222-222  
11 Michelson Drive, Irvine, California 92612, as stated in the April 21, 2005 -filed- Statement of  
12 Information of Optima Technology Corporation, filed by ADAMS.

13 4. ADAMS caused to be filed a March 1, 2002 Statement by Domestic Stock  
14 Corporation reflecting ROBERT ADAMS, Barry Eisler and Zandian to be the Board of Directors  
15 of OPTIMA. ADAMS caused to be filed a January 30, 2004 Statement by Domestic Stock  
16 Corporation reflecting Jack Geering to be the only director of OPTIMA. ADAMS caused to be  
17 filed a September 16, 2004 Statement by Domestic Stock Corporation reflecting himself,  
18 ROBERT M. ADAMS, JR., to be the only director and officer of OPTIMA. These events and  
19 filing occurred without notice of election to EMFACO and without permitting the vote of  
20 EMFACO. Again, EMFACO is the sole voting shareholder of Optima. ADAMS presented a  
21 non-authentic, non-original, ineffective, forged document to corporate counsel for OPTIMA  
22 implying his right to control OPTIMA as a director of OPTIMA.. EMFACO still holds the  
23 original share certificate and original corporate share record of OPTIMA, reflecting that  
24 EMFACO is the sole voting shareholder of OPTIMA. Due notice has never been sent to the sole  
25 shareholder of record of OPTIMA, EMFACO, informing them that an annual meeting of  
26 OPTIMA corporation for the purpose of electing directors would be held at any location.

27 5. Reserved.

28 6. EMFACO has never been informed of any elections, or opportunities to vote for



1 any of the director or officer changes making ADAMS a director. Defendant ADAMS has never  
2 been a shareholder of OPTIMA and has never been legally voted a director of OPTIMA.

3 7. As a consequence thereof, Plaintiff was denied the right to vote its shares in any  
4 election where ADAMS was a candidate for election to the board of directors of OPTIMA. The  
5 only properly appointed director and officer of OPTIMA is Reza Zandian. In a effort to correct  
6 the illegal designation of ADAMS as director of OPTIMA, EMFACO issued its Written Consent  
7 of Shareholder electing Reza Zandian as its sole director on September 21, 2004.

8 8. The current California Secretary of State data base reflects that ROBERT M.  
9 ADAMS JR. claims to be the agent for service of process of OPTIMA with address of 2222-222  
10 Michelson Dr, Irvine, CA, and that 2222-222 Michelson Dr, Irvine, CA is also the address  
11 provided for OPTIMA's executive offices/principal place of business. 2222-222 Michelson Dr,  
12 Irvine, CA, is an address in a strip mall, where there is a private mail box company that accepts  
13 mail for OPTIMA.

14 **FIRST CAUSE OF ACTION**

15 ***Negligence- Breach of Fiduciary Duties of Loyalty, Disclosure, Confidentiality, and Duty to***  
16 ***Act in Best Interests of OPTIMA TECHNOLOGY CORPORATION, a California corporation***

17 (Against Defendant ADAMS and DOES 1 through 10, Inclusive)

18 9. Plaintiff incorporates the allegations made in Paragraphs 1 through 8, inclusive,  
19 as if stated herein in their entirety. ADAMS failed to properly maintain the financial books and  
20 records of OPTIMA. ADAMS converted the receivable to OPTIMA to his personal use. Adams  
21 failed to act in the best interests of OPTIMA, breaching his of duties (loyalty, disclosure,  
22 confidentiality, and act in best interest of the principal) by a fiduciary (ADAMS), causing  
23 prejudice and harm to his principal (OPTIMA). ADAMS received confidential information of  
24 software, technology, customers, customer needs, customer requirements, and customer business  
25 opportunities for OPTIMA in confidence from OPTIMA, and thus, had a duty to keep the  
26 information confidential, and not use it for his personal gain (Thompson v. California Brewing  
27 (1957) 150 Cal.App.2nd 469.) ADAMS received the confidential information of OPTIMA as  
28 herein alleged, as a claimed director, officer, and managing agent of OPTIMA. As an officer and

1 claimed director of OPTIMA, ADAMS had the duty pursuant to Corporations Code §309 to  
2 perform his duties for OPTIMA in the best interests of OPTIMA. ADAMS has started a  
3 competing company, believed to have a with a similar name, OPTIMA TECHNOLOGY, a  
4 Delaware Corporation, where ADAMS has used the trade marked , and confidential software and  
5 computer technology information of OPTIMA. ADAMS has taken the business opportunities  
6 OPTIMA, and used the opportunities for his own personal benefit, and the benefit of business  
7 entities he controls. ADAMS has converted the assets of OPTIMA, as well as sold the assets of  
8 OPTIMA, using the funds for his own personal benefit, and the benefit of business entities he  
9 controls. As herein alleged, ADAMS acted for his benefit and the benefit of himself and the  
10 business entities he controls, rather than for the best interest of ADAMS has sold the assets of  
11 OPTIMA, and used the funds for his own personal benefit, and the benefit of business entities he  
12 controls. ADAMS provided business opportunities of OPTIMA he obtained while working for  
13 OPTIMA to competing entities, as herein alleged, was not in the best interests of OPTIMA.  
14 ADAMS illegally attempted to take directorship and ownership control of OPTIMA (a software  
15 company), and is converting the receivables/assets of OPTIMA to his personal benefit and  
16 companies under his control in violation of his fiduciary duties. ADAMS wrongfully  
17 represented to 3<sup>rd</sup> parties and attorneys representing OPTIMA, that he controlled the ownership  
18 (shares) and director positions of OPTIMA, and was thus empowered to sell the principal assets  
19 of OPTIMA, all acts in breach of his fiduciary duty to OPTIMA. ADAMS has wasted, failed to  
20 preserve, or converted to his own use/benefit media, source code, tape and intellectual properties,  
21 and assets of Optima Technology Corporation. The products, technology, hardware peripherals,  
22 storage media and patented software ADAMS wasted, failed to preserve, or converted include  
23 "Xchange PRO, Xchange/DT, DeskTape Pro, CD-R Access Pro, SCSI Inspector, and DiskArray  
24 Pro, as well as the products and technology owned by Optima as listed in section II of the June  
25 2002 Optima Technology Strategic Business Plan which was prepared by Mr. Adams. ADAMS  
26 has also converted to his own use, the password of the domain name of www.optimizech.com  
27 and the password to gain access to emails related to optimizech.com.

28 10. ADAMS had a confidential relationship and fiduciary relationship with OPTIMA

1 during his relationship/employment with OPTIMA in the capacities of claimed director, Officer,  
2 and employee. Defendant ADAMS, as an agent, officer, claimed director, and employee of  
3 OPTIMA, who managed assets and personnel of OPTIMA, owed OPTIMA, the  
4 employer/principal, the fiduciary duty of loyalty, disclosure, confidentiality, and duty to act in the  
5 best interests of OPTIMA. ADAMS, as an employee of OPTIMA, had a fiduciary duty of  
6 loyalty not to assist potential competitors in any way (Fowler v. Varian (1987) 196 Cal.App. 3d  
7 34, 41.)

8 11. ADAMS had a fiduciary duty of loyalty not to take OPTIMA business  
9 opportunities and provide them to competitors, or to use them for ADAMS personal benefit.  
10 ADAMS breached his duties by directly competing with Plaintiff while ADAMS was an officer  
11 and alleged director of Plaintiff. ADAMS received business opportunities for OPTIMA as part  
12 of his duties at OPTIMA; however, ADAMS provided portions of these OPTIMA business  
13 opportunities non OPTIMA entities and other defendants, rather than develop them within  
14 OPTIMA. ADAMS sold, or claims he has sold principal and primary assets of OPTIMA without  
15 obtaining the permission of the Board of Directors, and did not disclose his conflict of interest to  
16 the Board of Directors. ADAMS converted the proceeds of the sale of assets to his personal use  
17 and benefit.

18 12. ADAMS as a faithless fiduciary is required to repay OPTIMA the entire profit  
19 ADAMS has caused OPTIMA to lose. (Prince v. Harting (1960) 177 Cal.App.2d 720, 731.)

20 13. As a proximate result of ADAMS' and DOES 1 through 10, and each of their,  
21 conduct, OPTIMA suffered damages in an amount to be proven at trial, in excess of  
22 \$1,000,000 including the profits lost by OPTIMA, and interest as allowed by law (including  
23 interest on damages against director (Tevis v. Beigel (1959) 174 Cal.App. 2<sup>nd</sup> 90).

## 24 SECOND CAUSE OF ACTION

### 25 *Accounting*

26 (Against Defendant ADAMS and DOES 1 through 10, Inclusive)

27 14. Plaintiff restates, realleges, and incorporates herein by reference Paragraphs 1  
28 through 13, inclusive, of this Complaint as though fully set forth herein.

1 15. Defendants, as a fiduciary of Plaintiffs, holding Plaintiffs' funds, are obligated to  
2 to provide statements of accounts of all monies paid from OPTIMA and received by OPTIMA  
3 while ADAMS was the officer of OPTIMA. Defendants, and each of them, had a fiduciary  
4 obligation to accurately maintain records and accounts. Defendants' obligations as a fiduciary of  
5 OPTIMA included the duty to care for and protect in all particulars the Plaintiffs' financial  
6 interests and properties in connection with those operations, to provide periodic statements of  
7 accounts of all moneys used or received..

8 16. In the course of the pendency of ADAMS as an officer of OPTIMA, he provided  
9 contradictory and/or incorrect information concerning the funds and assets of OPTIMA.  
10 ADAMS has converted assets of OPTIMA to his personal use, and has wasted the assets of  
11 OPTIMA, as herein alleged.

12 17. The amount of money due from Defendants to Plaintiff is unknown to Plaintiff  
13 and cannot be ascertained without an accounting. Plaintiffs are informed and believe, and  
14 thereon allege, that the amount owed, however, exceeds the sum of \$1,000,000.00.

15 18. Plaintiff requested that Defendants, and each of them, provide a complete  
16 accounting. However, Defendants have failed and refused, and continue to fail and refuse, to  
17 provide an accounting to Plaintiffs, and pay to Plaintiff the monies wrongfully taken by  
18 Defendants.

### 19 THIRD CAUSE OF ACTION

20 For Conversion/Embezzlement Against Defendant ADAMS and Does 1-10

21 19. Plaintiff hereby incorporates by reference the allegations set forth in Paragraphs 1  
22 through 18, of this Complaint as though they were set forth here in full.

23 20. Defendant ADAMS as a officer, employee, and claimed director of Plaintiff, and  
24 Does 1-10 improperly used and converted funds and assets belonging to Plaintiff as herein  
25 alleged in paragraphs 9-13 above, , thus converting/embezzling funds due OPTIMA (Penal Code  
26 507 and 508)

27 21. As a proximate cause of Defendant' ADAMS 's and Does 1-10 conversion of the  
28 above-mentioned assets and funds, Plaintiff has suffered great financial losses in an amount to be

1 determined according to proof at time of Trial.

2 22. In doing the acts herein alleged, Defendant ADAMS and Does 1-10 acted with  
3 willfulness, fraud and malice and with the intent to injure Plaintiff. Plaintiff is, therefore, entitled  
4 to punitive damages in an amount according to proof and to be determined at time of Trial.


5  
6  
7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff seeks judgement against Defendants, and each of them, as  
9 follows:

- 10 1. Compensatory damages (consisting of general and special damages) and
- 11 consequential damages, in an amount to be proven at trial; in excess of \$1,000,
- 12 000.
- 13 2. Damages for breach of fiduciary duty, according to proof, but in excess of
- 14 \$1,000,000;
- 15 3. An accounting;
- 16 4. An award of punitive damages according to proof;
- 17 5. Costs of suit incurred herein;
- 18 6. Damages for negligent breach of fiduciary duty, according to proof
- 19 7. Interest as allowed by law (including interest on damages against director (Tevis
- 20 v. Beigel (1959) 174 Cal.App. 2<sup>nd</sup> 90); and
- 21 8. Such other and further relief as justice may require.

22 Dated: 8/18/06

WILDISH & NIALIS

23  
24 By: 

25 CARL J. PENTIS  
26 Attorney for Plaintiff  
27 OPTIMA TECHNOLOGY  
CORPORATION, a California corporation

28 F:\Clients\3579\Pld\Complaint Optima.01.wpd

# Exhibit D



**Robert Adams**  
*CEO*

World Headquarters  
6 rue Edouard Fournier  
Paris, France 75116

U.S.A. Corporate Offices  
2102 Business Center Drive  
Irvine, CA 92612

phone 949-476-0515  
fax 949-253-5769



**Reza Zandian**  
Vice President  
Finance & Operations

**Optima Technology Corp.**  
17526 Von Karman  
Irvine, CA 92714  
Tel: 714/476-0515  
Fax: 714/476-0613  
Telex: 67 88 48

Rosa, call me

949-931-9208

in LV until Sunday



# Exhibit E

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

Optima Technology Inc.  
Robert Adams - CEO  
2222 Michelson, Suite 1830  
Irvine, California 92612

---

**MARGOLIN DURABLE POWER OF ATTORNEY  
FOR MANAGEMENT OF PROPERTY AND PERSONAL AFFAIRS  
RELATED ONLY TO THE SALE AND/OR LICENSING OF RELATED PATENTS'  
AND TO PERSON EXECUTING THIS DOCUMENT**

**DURABLE GENERAL POWER OF ATTORNEY AND A DURABLE POWER OF ATTORNEY IS AN IMPORTANT LEGAL DOCUMENT. BY SIGNING THE DURABLE POWER OF ATTORNEY, YOU ARE AUTHORIZING ANOTHER PERSON TO ACT FOR YOU, THE PRINCIPAL. BEFORE YOU SIGN THIS DURABLE POWER OF ATTORNEY, YOU SHOULD KNOW THESE IMPORTANT FACTS:**

**YOUR AGENT (ATTORNEY IN FACT) HAS NO DUTY TO ACT UNLESS YOU AND YOUR AGENT AGREE OTHERWISE IN WRITING.**

**THIS DOCUMENT GIVES YOUR AGENT THE POWERS TO MANAGE, DISPOSE OF, SELL AND CONVEY YOUR PERSONAL PROPERTY, PATENTS ONLY, LISTED AS:**

**Issued Patents:**

5,422,998 ✓  
5,553,229 ✓  
5,933,156 ✓  
5,566,073  
5,904,724  
5,974,423 ✓  
6,023,278 ✓  
6,377,436  
6,177,943 ✓  
5,978,488

**Pending patents:**

09/947,801

**Non-Provisional Application for patent:**

11/130,939

**THE POWERS YOU GIVE YOUR AGENT IN THIS DURABLE POWER OF ATTORNEY SHALL BECOME EFFECTIVE UPON THE DATE NOTED NEXT TO YOUR SIGNATURE AND WILL REMAIN IN EFFECT TO EXIST FOR FIVE (5) YEARS, UNLESS YOU STATE THAT THE DURABLE POWER OF ATTORNEY WILL LAST FOR A SHORTER PERIOD OF TIME OR UNLESS YOU OTHERWISE TERMINATE THE DURABLE POWER OF ATTORNEY.**

**YOU CAN AMEND OR CHANGE THIS DURABLE POWER OF ATTORNEY ONLY BY EXECUTING A NEW DURABLE POWER OF ATTORNEY OR BY EXECUTING AN AMENDMENT THROUGH THE SAME FORMALITIES AS AN ORIGINAL.**

J.M.  
Initials

I, Jed Margolin, a resident located at 3570 Pleasant Echo, San Jose California, appoint Optima Technology Inc. - Robert Adams, CEO, residing at 2222 Michelson, Suite 1830, Irvine CA 92612, whose telephone number is 949-476-0515, as my attorney in fact, hereinafter referred to as "my attorney in fact.". All references herein to "my attorney in fact" refer to the attorney in fact acting at the pertinent time. Optima Technology Inc. - Robert Adams, CEO, shall have full power and authority to act on my behalf under the terms of this power of attorney. This person shall act on their own direction and shall sign whenever execution by my attorney in fact is required.

I give my attorney in fact the powers specified in this Power with the understanding that they will be used for my benefit and on my behalf and will be exercised only in a fiduciary capacity.

**ARTICLE ONE**  
**POWERS**

1.1. Real and Personal Property. I give my attorney in fact the power to take any actions my attorney in fact believes necessary or desirable for the management or maintenance of my Patents, both issued and pending as well as future patents that I may develop which I own an interest when this Power is executed, or in which I later acquire an interest, including the power to acquire, sell, and convey ownership of property; control the manner in which property is managed, maintained, and used; change the form of title in which property is held; satisfy and grant security interests and other encumbrances on property; obtain and make claims on insurance policies covering risks of loss or damage to property; collect proceeds generated by property; **except those acts that conflict with or are limited by a more specific provision in this Power.**

1.2. Patent Securities. I give my attorney in fact the power to take any actions my attorney in fact believes necessary or desirable with respect to any patent securities that I own when this Power becomes effective, or that are required thereafter, **including the power to purchase and sell patent securities; collect licensing fees, related royalties, and any other proceeds generated by patent securities; transfer title of patents and patent securities, except those acts that conflict with**

or are limited by a more specific provision in this Power. For the purposes of this paragraph, the term "patent securities" includes only listed patents, both pending and issues to me personally.

**1.3. Claims and Litigation.** I give my attorney in fact the power to take any actions my attorney in fact believes necessary or desirable with respect to any claim that I may have or that has been asserted against me as it relates to said Patents and with respect to any legal proceeding in which I have an interest when this Power is executed, or in which I later acquire an interest, including the power to institute, prosecute, and defend legal proceedings and claims on my behalf; file actions to determine adverse claims, intervene in litigation, and act as amicus curiae in any proceedings affecting my interests; seek preliminary, provisional, or intermediate relief on my behalf; apply for the enforcement or satisfaction of judgments that have been rendered in my favor; participate fully in the development of claims and proceedings; submit any dispute in which I have an interest to arbitration; submit and accept settlement offers and participate in settlement negotiations; handle all procedural aspects, such as service of process, filing of appeals, stipulations, verifications, waivers, and all other matters in any way affecting the process of any claim or litigation; fully participate in any voluntary or involuntary bankruptcy proceeding involving me or in which I am a claimant; satisfy judgments that have been rendered against me; and perform any other acts.

**1.4 Enforce authority.** To seek appropriate court orders mandating acts that my attorney-in-fact deems appropriate if a third party refuses to comply with actions taken by my attorney-in-fact that are authorized by this instrument or enjoining acts by third parties that my attorney-in-fact has not authorized. In addition, my attorney-in-fact may sue a third party who fails to comply with actions I have authorized my attorney-in-fact to take and may demand damages, including punitive damages, on my behalf for such noncompliance. My attorney-in-fact is authorized to commence enforcement proceedings, at my expense, against any bank, financial institution, or other person or entity that fails or refuses to honor this durable power of attorney.

**1.5. Incidental Powers.** In connection with the exercise of any of the powers described in the preceding paragraphs, I give my attorney in fact full authority, to the extent that a principal can act through an agent, to take all actions that my attorney in fact believes necessary, proper, or convenient, to the extent that I could take such actions myself, including the power to prepare, execute, and file all documents and maintain records; enter into contracts; hire, discharge, and pay reasonable compensation to attorneys, accountants, expert witnesses, or other assistants; engage in litigation regarding a claim in favor of or against me; execute, acknowledge, seal, and deliver any instrument; and perform any other acts described as it relates to aid listed patents

**ARTICLE TWO**  
**GENERAL PROVISION**

2.1. Signature of Attorney in Fact. Optima Technology Inc. - Robert Adams, CEO, when acting as my attorney in fact shall use the following form when signing on my behalf pursuant to this Power: " Jed Margolin by Optima Technology, Inc., c/o Robert Adams, CEO his attorney in fact."



Acceptance by Attorney in Fact

Robert Adams  
Optima Technology

Dated: 20 July 2004

ACKNOWLEDGMENT

2.2. Photostatic Copies. Persons dealing with my attorney fact may rely fully on a photostatic copy of this Power.

2.3. Severability. If any of the provisions of this Power are found to be invalid for any reason, such invalidity shall not affect any of the other provisions of this Power, and all invalid provisions shall be wholly disregarded.

2.4. Governing Law. All questions pertaining to validity, interpretation, and administration of this Power shall be determined in accordance with the laws of California.

2.5. Explanation of Durable Power for Property Management. I understand that this Power is an important legal document. Before executing this document, my lawyer explained to me the following: (1) this document provides my attorney in fact with broad powers to dispose of, sell, convey, and encumber my related and listed patents both pending, issued and future; (2) the powers granted in this Power will exist for a period of Five (5) years time the powers granted in this Power will become effective upon my signature and the appointment of an attorney-in-fact pursuant to this Power will continue to exist for an indefinite period of time unless I limit the duration by the terms of this Power and/or revoke this Power, and they will continue to exist notwithstanding my subsequent Termination of the Power; and (3) I have the right to revoke or terminate this Power at any time.

2.6 Termination on Death. On my death, this Power shall terminate and my assets shall be distributed to the duly appointed personal representative of my estate; or, if no estate is being administered, to the persons who lawfully take the assets without the necessity of administration when they have supplied my attorney in fact with satisfactory documents as provided by law. This Durable Power of Attorney is executed by me on July 20, 2004, at San Jose, California.

STATEMENT OF

I, Jed Margolin, am the principal under a Margolin Durable Power of Attorney for Management

of Property and related Personal Affairs to said patents, which I am executing at the same time that I am executing this statement. I hereby acknowledge that I am fully aware of my rights in connection with this Margolin Durable Power of Attorney for Management of Property and related Personal Affairs to said patents and understand the applicable law and the consequences of signing or not signing this Margolin Durable Power of Attorney for Management of Property and related Personal Affairs to said patents, which have been substantively reproduced on Page 1 of this Margolin Durable Power of Attorney for Management of Patents also known as real Property and related Personal Affairs to said patents and which I have initialed. Executed on July 20, 2004, at San Jose, California.

Dated: 20 July 2004

Jed Margolin

## PATENT ASSIGNMENT

**Whereas** I, the undersigned, Jed Margolin having an address in Virginia City Highlands, Nevada have made certain inventions or discoveries (or both) set forth in the following-identified Letters Patent of the United States of America, and

**Whereas** Optima Technology Group Inc, a Delaware corporation having a place of business at 1981 EMPIRE Road, Reno, NV 89521-7430, which, together with its successors and assigns, is hereinafter called "Assignee," is desirous of acquiring the title, rights, benefits and privileges hereinafter recited;

**Now, therefore,** for valuable consideration furnished by Assignee to me, receipt and sufficiency of which is hereby acknowledged, I do hereby, without reservation:

1. Assign, transfer and convey to Assignee the entire right, title and interest in and to the following Letters Patent and to all inventions disclosed and/or claimed in U.S. Patent No. 5,566,073 issued October 15, 1996 for a Pilot Aid Using A Synthetic Environment and U.S. Patent No. 5,904,724 issued May 18, 1999 for Method and Apparatus For Remotely Piloting An Aircraft, and to any and all other applications for Letters Patent on said inventions and discoveries in whatsoever countries worldwide, including all divisional, renewal, substitute, continuation, continuing, Convention and non-Convention applications based in whole or in part upon said inventions or discoveries, or upon said Letters Patent, and any and all reissues, reexaminations, and extensions of said Letters Patent or upon said applications, reissues, reexaminations, and extensions and every priority right that is or may be predicated upon or arise from said inventions, said discoveries and/or said Letters Patent.
2. Authorize and request the Commissioner of Patents and Trademarks of the United States of America and the empowered officials of all other governments to issue, transfer and record all said Letters Patent to and in the name of Assignee, as assignee of the entire right, title and interest therein or otherwise as Assignee may direct.
3. Bind my heirs, legal representatives and assigns, as well as myself, to do, upon Assignee's request and at Assignee's expense, but without additional consideration to me or them, all acts reasonably serving to assure that the said inventions and discoveries, the said Letters Patent and patent applications shall be held and enjoyed by Assignee as fully and entirely as the same could have been held and enjoyed by my heirs, legal representatives and assigns if this assignment had not been made.

In testimony of which I have executed this Assignment of Patent Application on the date indicated next to my name.

Jed Margolin  
Jed Margolin

Date: 7-20-2004

02582

14 Feb 2011 AS

Assignment

**Free format text:** ASSIGNEE AND CORRESPONDENCE CHANGE OF ADDRESS;ASSIGNOR:OPTIMA TECHNOLOGY GROUP, INC.;REEL/FRAME:025799/0916

**Effective date:** 20080331

**Owner name:** OPTIMA TECHNOLOGY GROUP, INC., CAYMAN ISLANDS



# Exhibit F

COPY

Case No.: 09 DC 00579 B

Dept. No.: I

REC'D & FILED

2009 DEC 11 PM 4:07

MARGLOVER  
MARGLOVER

BY \_\_\_\_\_ CLERK  
DEPUTY

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR CARSON CITY

JED MARGOLIN, an individual,

Plaintiff,

vs.

OPTIMA TECHNOLOGY CORPORATION, a California corporation,  
OPTIMA TECHNOLOGY CORPORATION, a Nevada corporation, REZA ZANDIAN aka  
GOLAMREZA ZANDIANJAZI aka GHOLAM REZA ZANDIAN aka REZA  
JAZI aka J. REZA JAZI aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI,  
an individual, DOE Companies 1-10, DOE Corporations 11-20, and DOE Individuals  
21-30,

Defendants.

COMPLAINT

(Exemption From Arbitration Requested)

Plaintiff, JED MARGOLIN ("Mr. Margolin"), by and through his counsel of record,  
WATSON ROUNDS, and for his Complaint against Defendants, hereby alleges and complains  
as follows:

The Parties

1. Plaintiff Mr. Margolin is an individual residing in Storey County, Nevada.
2. On information and belief, Defendant Optima Technology Corporation is a

1 California corporation with its principal place of business in Irvine, California.

2 3. On information and belief, Defendant Optima Technology Corporation is a  
3 Nevada corporation with its principal place of business in Las Vegas, Nevada.

4 4. On information and belief, Defendant Reza Zandian, aka Golamreza Zandianjazi,  
5 aka Golamreza Zandianjazi, aka Gholam Reza Zandian, aka Reza Jazi, aka J. Reza Jazi, aka G.  
6 Reza Jazi, aka Ghononreza Zandian Jazi (collectively "Zandian"), is an individual who at all  
7 relevant times resided in San Diego, California or Las Vegas, Nevada.

8 5. On information and belief, Defendant Optima Technology Corporation, the  
9 Nevada corporation ("OTC—Nevada") is a wholly owned subsidiary of Optima Technology  
10 Corporation, the California corporation ("OTC—California"), and Defendant Zandian at all  
11 relevant times served as officers of the OTC—California and OTC—Nevada.

12 6. Mr. Margolin believes, and therefore alleges, that at all times herein mentioned,  
13 each of the Defendants was the agent, servant or employee of each of the other Defendant and at  
14 all times was acting within the course and scope of said agency and/or employment and that each  
15 Defendant is liable to Mr. Margolin for the reasons and the facts herein alleged. Relief is sought  
16 herein against each and all of the Defendants jointly and severally, as well as its or their agents,  
17 assistants, successors, employees and all persons acting in concert or cooperation with them or at  
18 their direction. Mr. Margolin will amend his Complaint when such additional persons acting in  
19 concert or cooperation are ascertained.

20  
21  
22 **Jurisdiction and Venue**

23  
24 7. Pursuant to the Nevada Constitution, Article 6, Section 6, the district courts of the  
25 State of Nevada have original jurisdiction in all cases excluded by law from the original  
26 jurisdiction of the justice courts. This case involves tort claims in an amount in excess of the  
27 jurisdictional limitation of the justice courts and, accordingly, jurisdiction is proper in the district  
28 court.



1           16.    Upon discovery of the fraudulent filing, Mr. Margolin: (a) filed a report with the  
2 Storey County Sheriff's Department; (b) took action to regain record title to the '488 and '436  
3 Patents that he legally owned; and (c) assisted OTG in regaining record title of the '073 and '724  
4 Patents that it legally owned and upon which it contracted with Mr. Margolin for royalties.

5           17.    Soon thereafter, Mr. Margolin and OTG were named as defendants in an action  
6 for declaratory relief regarding non-infringement of the '073 and '724 Patents in the United  
7 States District Court for the District of Arizona, in a case titled: *Universal Avionics Systems*  
8 *Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona  
9 Action"). In the Arizona Action, Mr. Margolin and OTG filed a cross-claim for declaratory  
10 relief against Zandian in order to obtain legal title to their respective patents.  
11

12           18.    On August 18, 2008, the United States District Court for the District of Arizona  
13 entered a final judgment in favor of Mr. Margolin and OTG on their declaratory relief action, and  
14 ordered that OTC had no interest in the '073 or '724 Patents, and that the assignment documents  
15 filed with the USPTO were "forged, invalid, void, of no force and effect." Attached as Exhibit A  
16 is a copy of the Order from the United States District Court in the Arizona Action.  
17

18           19.    Due to Defendants' fraudulent acts, title to the Patents was clouded and interfered  
19 with Plaintiff's and OTG's ability to license the Patents.

20           20.    During the period of time Mr. Margolin worked to correct record title of the  
21 Patents in the Arizona Action and with the USPTO, he incurred significant litigation and other  
22 costs associated with those efforts.  
23

24                           **Claim 1--Conversion**  
                              **(Against All Defendants)**

25           21.    Paragraphs 1-20 of the Complaint set forth above are incorporated herein by  
26 reference.

27           22.    Through the fraudulent acts described above, Defendants wrongfully exerted  
28 dominion over the Patents, thereby depriving Mr. Margolin of the use of such property.

1                   23.     The Patents and the royalties due Mr. Margolin under the Patents were the  
2 personal property of Mr. Margolin.

3                   24.     As a direct and proximate result of the Defendants' conversion, Mr. Margolin has  
4 suffered damages in excess of ten thousand dollars (\$10,000), entitling him to the relief set forth  
5 below.

6   **Claim 2--Tortious Interference With Contract**  
7   **(Against All Defendants)**  
8

9                   25.     Paragraphs 1-24 of the Complaint set forth above are incorporated herein by  
10 reference.

11                   26.     Mr. Margolin was a party to a valid contract with OTG for the payment of  
12 royalties based on the license of the '073 and '724 Patents.

13                   27.     Defendants were aware of Mr. Margolin's contract with OTG.

14                   28.     Defendants committed intentional acts intended and designed to disrupt and  
15 interfere with the contractual relationship between Mr. Margolin and OTG.

16                   29.     As a result of the acts of Defendants, Mr. Margolin's contract with OTG was  
17 actually interfered with and disrupted.

18                   30.     As a direct and proximate result of the Defendants' tortious interference with  
19 contract, Mr. Margolin has suffered damages in excess of ten thousand dollars (\$10,000),  
20 entitling him to the relief set forth below.

21   **Claim 3--Intentional Interference with Prospective Economic Advantage**  
22   **(Against All Defendants)**  
23

24                   31.     Paragraphs 1-30 of the Complaint set forth above are incorporated herein by  
25 reference.

26                   32.     Defendants were aware of Mr. Margolin's prospective business relations with  
27 licensees of the Patents.

28                   33.     Defendants purposely, willfully and improperly attempted to induce Mr.  
Margolin's prospective licensees to refrain from engaging in business with Mr. Margolin.



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WHEREFORE, Plaintiff Jed Margolin, prays for judgment against the Defendants as follows:

1. That Plaintiff be awarded damages for Defendants' tortious conduct;
2. That Plaintiff be awarded damages for Defendants' unjust enrichment;
3. That Plaintiff be awarded damages for Defendants' commission of unfair and deceptive trade practices, in an amount to be proven at trial, with said damages being trebled pursuant to NRS 598.0999;
4. That Plaintiff be awarded actual, consequential, future, and punitive damages of whatever type or nature;
5. That the Court award all such further relief that it deems just and proper.

**AFFIRMATION**

Pursuant to NRS 239B.030, the undersigned does hereby affirm that the preceding document, filed in District Court, does not contain the social security number of any person.

DATED: December 10, 2009

WATSON ROUNDS  
  
Matthew D. Francis (6978)  
Cassandra P. Joseph (9845)  
WATSON ROUNDS  
5371 Kietzke Lane  
Reno, NV 89511  
Telephone: 775-324-4100  
Facsimile: 775-333-8171

*Attorneys for Plaintiff Jed Margolin*



**Exhibit 1**

**Exhibit 1**

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY)  
CORPORATION, ROBERT ADAMS and  
JED MARGOLIN,

Defendants.

OPTIMA TECHNOLOGY INC. a/k/a)  
OPTIMA TECHNOLOGY GROUP, INC.,  
a corporation,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION, an Arizona corporation,

Counterdefendant,

OPTIMA TECHNOLOGY INC. a/k/a)  
OPTIMA TECHNOLOGY GROUP, INC.,

Cross-Claimant,

vs.

OPTIMA TECHNOLOGY)  
CORPORATION,

Cross-Defendant.

No. CV 07-588-TUC-RCC

**ORDER**

1 This Court, having considered the Defendants' Application for Entry of Default  
2 Judgment against Cross-Defendant Optima Technology Corporation, finds no just reason to  
3 delay entry of final judgment.

4 Therefore, IT IS HEREBY ORDERED:

5 Final Judgment is entered against Cross-Defendants Optima Technology Corporation,  
6 a California corporation, and Optima Technology Corporation, a Nevada corporation, as  
7 follows:

8 1. Optima Technology Corporation has no interest in U.S. Patents Nos. 5,566,073 and  
9 5,904,724 ("the Patents") or the Durable Power of Attorney from Jed Margolin dated July  
10 20, 2004 ("the Power of Attorney");

11 2. The Assignment Optima Technology Corporation filed with the USPTO is forged,  
12 invalid, void, of no force and effect, and is hereby struck from the records of the USPTO;

13 3. The USPTO is to correct its records with respect to any claim by Optima  
14 Technology Corporation to the Patents and/or the Power of Attorney; and

15 4. OTC is hereby enjoined from asserting further rights or interests in the Patents  
16 and/or Power of Attorney; and

17 5. There is no just reason to delay entry of final judgment as to Optima Technology  
18 Corporation under Federal Rule of Civil Procedure 54(b).

19 DATED this 18<sup>th</sup> day of August, 2008.

20  
21  
22 

23 Raner C. Collins  
24 United States District Judge

ORIGINAL

090C00579 1B

Dept. I

In the First Judicial District Court of the State of Nevada  
in and for Carson City

SUMMONS

JED MARGOLIN, an individual  
Plaintiff,

~~Optima Technology Corporation, a California corporation,~~  
~~Optima Technology Corporation, a Nevada corporation, Reza~~  
~~Zandian aka Golamreza Zandianjazi aka Gholam Reza Zandian~~  
~~aka Reza Jazi aka J. Reza~~ Defendant, ~~Jazi aka G. Reza Jazi~~  
~~aka Chononreza Zandian Jazi, an individual, DOE Companies~~  
~~1-10, DOE Corporations 11-20, and DOE Individuals 21-30~~  
DEFENDANTS

THE STATE OF NEVADA SENDS GREETINGS TO THE ABOVE-NAMED DEFENDANT:

**NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 20 DAYS. READ THE INFORMATION BELOW.**

TO THE DEFENDANT: A civil Complaint has been filed by the plaintiff against you.

1. If you wish to defend this lawsuit, you must, within 20 days after this Summons is served on you, exclusive of the day of service, file with this Court a written pleading in response to this Complaint.
2. Unless you respond, your default will be entered upon application of the plaintiff, and this Court may enter a judgment against you for the relief demanded in the Complaint\*, which could result in the taking of money or property or the relief requested in the Complaint.
3. If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your response may be filed on time.
4. You are required to serve your response upon plaintiff's attorney, whose address is

ALAN GLOVER

Clerk of Court

By

Deputy Clerk

Date December 15<sup>th</sup>, 2009, 20

\*Note - When service by publication, insert a brief statement of the object of the action. See Rule 4.

RETURN OF SERVICE ON REVERSE SIDE

ORIGINAL

Nu. 090C00579 1B

Dept. I

In the First Judicial District Court of the State of Nevada  
in and for Carson City

*Add /*  
SUMMONS

JED MARGOLIN, an individual  
Plaintiff,

Optima Technology <sup>VS</sup> Corporation, a California corporation,  
Optima Technology Corporation, a Nevada corporation, Reza  
Zandian aka Golanreza Zandianjazi aka Gholam Reza Zandian  
aka Reza Jazi aka J. Reza Defendant, Jazi aka G. Reza Jazi  
aka Chononreza Zandian Jazi, an individual, DOE Companies  
1-10, DOE Corporations 11-20, and DOE Individuals 21-30  
DEFENDANTS

THE STATE OF NEVADA SENDS GREETINGS TO THE ABOVE-NAMED DEFENDANT:

**NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 20 DAYS. READ THE INFORMATION BELOW.**

TO THE DEFENDANT: A civil Complaint has been filed by the plaintiff against you.

1. If you wish to defend this lawsuit, you must, within 20 days after this Summons is served on you, exclusive of the day of service, file with this Court a written pleading in response to this Complaint.
2. Unless you respond, your default will be entered upon application of the plaintiff, and this Court may enter a judgment against you for the relief demanded in the Complaint\*, which could result in the taking of money or property or the relief requested in the Complaint.
3. If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your response may be filed on time.
4. You are required to serve your response upon plaintiff's attorney, whose address is

ALAN GLOVER

Clerk of Court

By

Deputy Clerk

Date December 15, 2009, 20

\*Note - When service by publication, insert a brief statement of the object of the action. See Rule 4.

RETURN OF SERVICE ON REVERSE SIDE

ORIGINAL

090C00579 1B

Dept. I

In the First Judicial District Court of the State of Nevada  
in and for Carson City

*Add'l*  
SUMMONS

JED MARGOLIN, an individual  
Plaintiff,

Optima Technology <sup>VS</sup> Corporation, a California corporation,  
Optima Technology Corporation, a Nevada corporation, Reza  
Zandian aka Golanreza Zandianjazi aka Gholam Reza Zandian  
aka Reza Jazi aka J. Reza Defendant, Jazi aka G. Reza Jazi  
aka Chononreza Zandian Jazi, an individual, DOE Companies  
1-10, DOE Corporations 11-20, and DOE Individuals 21-30  
DEFENDANTS

THE STATE OF NEVADA SENDS GREETINGS TO THE ABOVE-NAMED DEFENDANT:

**NOTICE! YOU HAVE BEEN SUED. THE COURT MAY DECIDE AGAINST YOU WITHOUT YOUR BEING HEARD UNLESS YOU RESPOND WITHIN 20 DAYS. READ THE INFORMATION BELOW.**

TO THE DEFENDANT: A civil Complaint has been filed by the plaintiff against you.

1. If you wish to defend this lawsuit, you must, within 20 days after this Summons is served on you, exclusive of the day of service, file with this Court a written pleading in response to this Complaint.
2. Unless you respond, your default will be entered upon application of the plaintiff, and this Court may enter a judgment against you for the relief demanded in the Complaint\*, which could result in the taking of money or property or the relief requested in the Complaint.
3. If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your response may be filed on time.
4. You are required to serve your response upon plaintiff's attorney, whose address is

ALAN GLOVER

Clerk of Court

By 

Deputy Clerk

Date December 15, 2009, 20

\*Note - When service by publication, insert a brief statement of the object of the action. See Rule 4.

RETURN OF SERVICE ON REVERSE SIDE

# Exhibit G

# Employer's Quarterly Federal Tax Return

▶ See separate instructions revised January 2004 for information on completing this return.  
 Please type or print.

OMB No. 1545-0029

or state  
 code for state  
 in which  
 deposits were  
 made only if  
 different from  
 state in  
 address to  
 the right  
 (see  
 separate  
 instructions).

Name, Trade name, if any Address and ZIP code  
**OPTIMA TECHNOLOGY INC.**

Date quarter ended  
**09/30/2004**  
 EIN

**8775 COSTA VERDE #1416  
 SAN DIEGO, CA 92122**

**33-0391754**

T  
 FF  
 FD  
 FP  
 I  
 T

If address is  
 different  
 from prior  
 return, check  
 here..... ▶

IRS  
 Use

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	3	4	4	4	5	5	5
6	7	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	10	10	10	10	10	10

A If you do not have to file returns in the future, check here  and enter date final wages paid..... ▶

B If you are a seasonal employer, see Seasonal employers in the instructions and check here..... ▶

1	Number of employees in the pay period that includes March 12th..... ▶	1	
2	Total wages and tips, plus other compensation (see separate instructions).....	2	13500.00
3	Total income tax withheld from wages, tips, and sick pay.....	3	383.76
4	Adjustment of withheld income tax for preceding quarters of this calendar year.....	4	0.00
5	Adjusted total of income tax withheld (line 3 as adjusted by line 4).....	5	383.76
6	Taxable social security wages.....	6a	13500.00 x 12.4% (.124) =
	Taxable social security tips.....	6c	0.00 x 12.4% (.124) =
7	Taxable Medicare wages and tips.....	7a	13500.00 x 2.9% (.029) =
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax..... ▶ <input type="checkbox"/>	8	2065.50
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ 0.00 ± Fractions of Cents \$ 0.00 ± Other \$ 0.00 =	9	0.00
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9).....	10	2065.50
11	Total taxes (add lines 5 and 10).....	11	2449.26
12	Advance earned income credit (EIC) payments made to employees (see instructions).....	12	0.00
13	Net taxes (subtract line 12 from line 11). If \$2,500 or more, this must equal line 17, column (d) below (or line D of Schedule B (Form 941)).....	13	2449.26
14	Total deposits for quarter, including overpayment applied from a prior quarter.....	14	0.00
15	Balance due (subtract line 14 from line 13). See instructions.....	15	2449.26
16	Overpayment: If line 14 is more than line 13, enter excess here..... ▶ \$ and check if to be: <input type="checkbox"/> Applied to next return or <input type="checkbox"/> Refunded.		

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941). ▶
- Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here..... ▶
- Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here..... ▶

17 Monthly Summary of Federal Tax Liability. (Complete Schedule B (Form 941) instead, if you were a semiweekly schedule depositor.)			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

Do you want to allow another person to discuss this return with the IRS (see separate instructions)?  Yes. Complete the following.  No

Third Party Designee  
 Designee's name ▶  
 Phone no. ▶  
 Personal Identification number (PIN) ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here  
 Signature ▶  
 Print Your Name and Title ▶ **REZA ZANDIAN**  
 Date ▶



EDD STATE OF CALIFORNIA  
DE 6

EDD



OPY

A0060198

PAGE 1 OF 1

TR ENDED 09 30 04

DUE 09 30 04

DELINQUENT 10 31 04

04 3

370-4722-2

OPTIMA TECHNOLOGY INC.

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

1 1 1

VOLUNTARY PLAN DI

No Payroll

Final Return

625-34-1563 REZA

ZANDIAN

13 500 00

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118 71

13 500 00

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13 500 00

13 500 00

118 71

I declare that the information herein is correct to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_ PHONE \_\_\_\_\_ 1818

0 CAE6ALT NTF 15329C

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COPY

DE 88 Instruction

3rd Quarter

Client Name OPTIMA TECHNOLOGY INC.  
State LD. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before October 31, 2004

1. PAYROLL DATE: 93004  
3. QUARTERLY: 043  
4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>278.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

P.O. Box 54567  
Los Angeles, CA 90054-0567

**Employer's Quarterly Federal Tax Return**

▶ See separate instructions revised January 2004 for information on completing this return.  
 Please type or print.

**COPY**

Enter state code for state in which deposits were made only if different from state in address to the right (see separate instructions).

▶ CA

Name, Trade name, if any Address and ZIP code Date quarter ended  
**OPTIMA TECHNOLOGY INC.** 8775 COSTA VERDE #1416 06/30/2004  
 SAN DIEGO, CA 92122 33-0391754  
 EIN

OMB No. 1545-0029

T
FF
FD
FP
I
T

If address is different from prior return, check here..... ▶

**IRS Use**

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	3	4	4	4	5	5	5
6	7	8	8	8	8	8	8	8	8	9	9	9	9	9	10	10	10	10	10	10	10	10	10	10

**A** If you do not have to file returns in the future, check here  and enter date final wages paid..... ▶   
**B** If you are a seasonal employer, see Seasonal employers in the instructions and check here..... ▶

<b>1</b> Number of employees in the pay period that includes March 12th..... ▶	<b>1</b>	
<b>2</b> Total wages and tips, plus other compensation (see separate instructions).....		<b>2</b> 13500.00
<b>3</b> Total income tax withheld from wages, tips, and sick pay.....		<b>3</b> 383.76
<b>4</b> Adjustment of withheld income tax for preceding quarters of this calendar year.....		<b>4</b> 0.00
<b>5</b> Adjusted total of income tax withheld (line 3 as adjusted by line 4).....		<b>5</b> 383.76
<b>6</b> Taxable social security wages.....	<b>6a</b> 13500.00	x 12.4% (.124) = <b>6b</b> 1674.00
Taxable social security tips.....	<b>6c</b> 0.00	x 12.4% (.124) = <b>6d</b> 0.00
<b>7</b> Taxable Medicare wages and tips.....	<b>7a</b> 13500.00	x 2.9% (.029) = <b>7b</b> 391.50
<b>8</b> Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax..... ▶ <input type="checkbox"/>		<b>8</b> 2065.50
<b>9</b> Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ 0.00 ± Fractions of Cents \$ 0.00 ± Other \$ 0.00 =		<b>9</b> 0.00
<b>10</b> Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9).....		<b>10</b> 2065.50
<b>11</b> Total taxes (add lines 5 and 10).....		<b>11</b> 2449.26
<b>12</b> Advance earned income credit (EIC) payments made to employees (see instructions).....		<b>12</b> 0.00
<b>13</b> Net taxes (subtract line 12 from line 11). If \$2,500 or more, this must equal line 17, column (d) below (or line D of Schedule B (Form 941)).....		<b>13</b> 2449.26
<b>14</b> Total deposits for quarter, including overpayment applied from a prior quarter.....		<b>14</b> 0.00
<b>15</b> Balance due (subtract line 14 from line 13). See instructions.....		<b>15</b> 2449.26
<b>16</b> Overpayment. If line 14 is more than line 13, enter excess here..... ▶ \$		

and check if to be:  Applied to next return or  Refunded.

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941).
- Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here..... ▶
- Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here..... ▶

**17 Monthly Summary of Federal Tax Liability.** (Complete Schedule B (Form 941) instead, if you were a semiweekly schedule depositor.)

(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

Do you want to allow another person to discuss this return with the IRS (see separate instructions)?  Yes. Complete the following.  No

**Third Party Designee**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶ Print Your Name and Title ▶ **REZA ZANDIAN** Date ▶



QTR ENDED 06 30 04

DUE 06 30 04

DELINQUENT 07 31 04

04 2

370-4722-2

OPTIMA TECHNOLOGY INC.

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

1 1 1

VOLUNTARY PLAN DI	No Payroll	Final Return
625-34-1563 REZA	ZANDIAN	
13 500 00	13 500 00	118 71

13 500 00 13 500 00 118 71

13 500 00 13 500 00 118 71

I declare that the information herein is correct to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_  
 DATE \_\_\_\_\_ PHONE \_\_\_\_\_ 1821  
 0 CAE6ALT NTF 15329C  
 Copyright 2000 Greatland/Neico - Forms Software Only

COPY

**DE 88 Instruction**

**2nd Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State ID. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before July 31, 2004

1. PAYROLL DATE: 63004  
3. QUARTERLY: 042  
4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>278.01</u>

**MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:**

**P.O. Box 54567  
Los Angeles, CA 90054-0567**

**Employer's Quarterly Federal Tax Return**

▶ See separate instructions revised January 2004 for information on completing this return.  
 Please type or print.

**COPY**

Enter state code for state in which deposits were made only if different from state in address to the right (see separate instructions).

▶ **CA**

Name, Trade name, if any: **OPTIMA TECHNOLOGY INC.**  
 Address and ZIP code: **8775 COSTA VERDE #1416  
 SAN DIEGO, CA 92122**  
 Date quarter ended: **03/31/2004**  
 EIN: **33-0391754**

OMB No. 1545-0029

T
FF
FD
FP
I
T

If address is different from prior return, check here..... ▶

IRS Use

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	4	4	4	5	5	5
6	7	8	8	8	8	8	8	8	8	9	9	9	9	9	10	10	10	10	10	10	10	10	10

A If you do not have to file returns in the future, check here ▶  and enter date final wages paid ..... ▶  
 B If you are a seasonal employer, see Seasonal employers in the instructions and check here ..... ▶

<b>1</b>	Number of employees in the pay period that includes March 12th..... ▶	<b>1</b>	<b>1</b>			
<b>2</b>	Total wages and tips, plus other compensation (see separate instructions).....	<b>2</b>	13500.00			
<b>3</b>	Total income tax withheld from wages, tips, and sick pay .....	<b>3</b>	383.76			
<b>4</b>	Adjustment of withheld income tax for preceding quarters of this calendar year .....	<b>4</b>	0.00			
<b>5</b>	Adjusted total of income tax withheld (line 3 as adjusted by line 4) .....	<b>5</b>	383.76			
<b>6</b>	Taxable social security wages .....	<b>6a</b>	13500.00	x 12.4% (.124) =	<b>6b</b>	1674.00
	Taxable social security tips.....	<b>6c</b>	0.00	x 12.4% (.124) =	<b>6d</b>	0.00
<b>7</b>	Taxable Medicare wages and tips .....	<b>7a</b>	13500.00	x 2.9% (.029) =	<b>7b</b>	391.50
<b>8</b>	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax .....	<b>8</b>	2065.50			
<b>9</b>	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ 0.00 ± Fractions of Cents \$ 0.00 ± Other \$ 0.00 =	<b>9</b>	0.00			
<b>10</b>	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9) .....	<b>10</b>	2065.50			
<b>11</b>	Total taxes (add lines 5 and 10) .....	<b>11</b>	2449.26			
<b>12</b>	Advance earned income credit (EIC) payments made to employees (see instructions) .....	<b>12</b>	0.00			
<b>13</b>	Net taxes (subtract line 12 from line 11). If \$2,500 or more, this must equal line 17, column (d) below (or line D of Schedule B (Form 941)).	<b>13</b>	2449.26			
<b>14</b>	Total deposits for quarter, including overpayment applied from a prior quarter .....	<b>14</b>	0.00			
<b>15</b>	Balance due (subtract line 14 from line 13). See instructions. ....	<b>15</b>	2449.26			
<b>16</b>	Overpayment. If line 14 is more than line 13, enter excess here ..... ▶ \$ and check if to be: <input type="checkbox"/> Applied to next return or <input type="checkbox"/> Refunded.					

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941).
- Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here ..... ▶
- Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here ..... ▶

<b>17 Monthly Summary of Federal Tax Liability.</b> (Complete Schedule B (Form 941) instead, if you were a semiweekly schedule depositor.)			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

Do you want to allow another person to discuss this return with the IRS (see separate instructions)?  Yes, Complete the following.  No

Third Party Designee: Name ▶, Phone no. ▶, Personal Identification number (PIN) ▶

**Sign Here**  
 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.  
 Signature ▶  Print Your Name and Title ▶ **REZA ZANDIAN** Date ▶

EDD STATE OF CALIFORNIA  
DE 6

EDD



PAGE 1 OF 1

A0060198

TR ENDED 03 31 04

DUE 03 31 04

DELINQUENT 04 30 04

04 1

370-4722-2

OPTIMA TECHNOLOGY INC.

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

1 1 1

VOLUNTARY PLAN DI

No Payroll

Final Return

625-34-1563

REZA

ZANDIAN

13 500 00

13 500 00

118 71

13 500 00

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118 71

13 500 00

13 500 00

118 71

I declare that the information herein is correct to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_ PHONE \_\_\_\_\_

0 CAE6ALT NTF 15329C 1824

COPY

**DE 88 Instruction**

**1st Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before April 30, 2004

1. PAYROLL DATE: 33104  
3. QUARTERLY: 041  
4. PAYMENT AMOUNT:

A) UI	<u>238.00</u>
B) ETT	<u>7.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>523.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

P.O. Box 54567  
Los Angeles, CA 90054-0567



Form **1120** Department of the Treasury Internal Revenue Service **U.S. Corporation Income Tax Return 2002**

Instructions are separate. See instructions for Paperwork Reduction Act Notice. IRS use only — Do not write or staple in this space.

For calendar year 2002 or tax year beginning , 2002, ending , OMB No. 1545-0123

<b>A Check if a:</b> 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (as defined in Regs section 1.441-3(c) — see instructions) <input type="checkbox"/>		Use IRS label. Otherwise, print or type.  <b>OPTIMA TECHNOLOGY CORPORATION</b> <b>2102 BUSINESS CENTER DRIVE</b> <b>IRVINE, CA 92612</b>	<b>B Employer identification number</b> 33-0391754
			<b>C Date incorporated</b> 1/19/1990
			<b>D Total assets (see instructions)</b> \$ 838.

**E Check applicable boxes:** (1)  Initial return (2)  Final return (3)  Name change (4)  Address change

<b>INCOME</b>	1 a Gross receipts or sales. 35,059.	b Less returns & allowances.	c Balance.	1 c	35,059.
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	35,059.
	4 Dividends (Schedule C, line 19)			4	
	5 Interest			5	
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Capital gain net income (attach Schedule D (Form 1120))			8	
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)			9	
	10 Other income (see instructions — attach schedule)			10	
	11 Total income. Add lines 3 through 10			11	35,059.
<b>DEDUCTIONS SEE INSTRUCTIONS</b>	12 Compensation of officers (Schedule E, line 4)			12	
	13 Salaries and wages (less employment credits)			13	49,179.
	14 Repairs and maintenance			14	
	15 Bad debts			15	
	16 Rents			16	8,342.
	17 Taxes and licenses			17	800.
	18 Interest			18	
	19 Charitable contributions (see instructions for 10% limitation)			19	0.
	20 Depreciation (attach Form 4562)	20	640.		
	21 Less depreciation claimed on Schedule A and elsewhere on return	21 a		21 b	640.
22 Depletion			22		
23 Advertising			23		
24 Pension, profit-sharing, etc, plans			24		
25 Employee benefit programs			25		
26 Other deductions (attach schedule)		See Statement 1	26	111,431.	
27 Total deductions. Add lines 12 through 26			27	170,392.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28	-135,333.	
29 Less: a Net operating loss (NOL) deduction (see instructions)	29 a	0.			
b Special deductions (Schedule C, line 20)	29 b		29 c		
<b>TAX AND PAYMENTS</b>	30 Taxable income. Subtract line 29c from line 28			30	-135,333.
	31 Total tax (Schedule J, line 11)			31	0.
	32 Payments: a 2001 overpayment credited to 2002	32 a			
	b 2002 estimated tax payments	32 b			
	c Less 2002 refund applied for on Form 4466	32 c			
	d Bal	32 d	0.		
	e Tax deposited with Form 7004	32 e			
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32 f			
	g Credit for federal tax on fuels (attach Form 4136). See instructions	32 g		32 h	0.
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached			33	
34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34	0.	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35		
36 Enter amount of line 35 you want Credited to 2003 estimator's tax			36	Refunded	

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

May the IRS discuss this return with the preparer shown below? (see inst)  Yes  No

<b>Paid Preparer's Use Only</b>	Preparer's signature	Bijan Akhavan, CPA	Date		Preparer's SSN or PTIN	P00293436
	Firm's Name (or yours if self-employed), address, and ZIP Code	Bijan Akhavan & Co 15260 Ventura Blvd., Suite 1230 Sherman Oaks, CA 91403			EIN	95-4818119
					Phone No.	(818) 995-8040

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional Section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1.	8

9a Check all methods used for valuing closing inventory:

(i)  Cost as described in Regulations section 1.471-3

(ii)  Lower of cost or market as described in Regulations section 1.471-4

(iii)  Other (specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation  Yes  No

**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	see instr.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (sec 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

**Schedule E Compensation of Officers** (see instructions for line 12, page 1)  
 Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1.					

**Schedule J Tax Computation** (see instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563)  **Important:** Members of a controlled group, see instructions.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_

b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_

3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see instructions)  **3** 0.

4 Alternative minimum tax (attach Form 4626) **4**

5 Add lines 3 and 4 **5** 0.

6a Foreign tax credit (attach Form 1118) **6 a**

b Possessions tax credit (attach Form 5735) **6 b**

c Check:  Nonconventional source fuel credit  QEV credit (attach Form 8834) **6 c**

d General business credit. Check box(es) and indicate which forms are attached.  
 Form 3800  Form(s) (specify) \_\_\_\_\_ **6 d**

e Credit for prior year minimum tax (attach Form 8827) **6 e**

f Qualified zone academy bond credit (attach Form 8860) **6 f**

7 **Total credits.** Add lines 6a through 6f. **7**

8 Subtract line 7 from line 5. **8**

9 Personal holding company tax (attach Schedule PH (Form 1120)). **9**

10 Other taxes. Check if from:  Form 4255  Form 8611  Form 8697  
 Form 8866  Other (attach schedule). **10**

11 **Total tax.** Add lines 8 through 10. Enter here and on line 31, page 1. **11** 0.

**Schedule K Other Information** (see instructions)

	Yes	No		Yes	No
1 Check method of accounting: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____					
2 See the instructions and enter the: a Business activity code no. ▶ 423600 b Business activity ▶ DESIGN c Product or service ▶ COMPUTER DRIVES					
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		X	7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If 'Yes,' enter: (a) Percentage owned ▶ 87.92% and (b) Owner's country ▶ SWITZERLAND		X
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____		X	c The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached. ▶ 1		
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter % owned ▶ _____		X	8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		X	9 Enter the amount of tax-exempt interest received or accrued during the tax year. ▶ \$ None		
			10 Enter the number of shareholders at the end of the tax year (if 75 or fewer). ▶ 6		
			11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
			12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$ 1,225,482		
			13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ None		X

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1 and M-2 if Question 13 on Schedule K is answered 'Yes.'

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash .....		16,574.		278.
2a	Trade notes and accounts receivable .....				
	b Less allowance for bad debts .....				
3	Inventories .....				
4	U.S. government obligations .....				
5	Tax-exempt securities (see instructions) .....				
6	Other current assets (attach schedule) .....				
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (attach schedule) .....				
10a	Buildings and other depreciable assets .....	2,000.		2,000.	
	b Less accumulated depreciation .....	800.	1,200.	1,440.	560.
11a	Depletable assets .....				
	b Less accumulated depletion .....				
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
	b Less accumulated amortization .....				
14	Other assets (attach schedule) .....				
15	<b>Total assets</b> .....		17,774.		838.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable .....		383,844.		383,844.
17	Mortgages, notes, bonds payable in less than 1 year .....		88,000.		88,000.
18	Other current liabilities (attach sch.) See St. 3 .....		1,600.		1,600.
19	Loans from shareholders .....		73,992.		193,389.
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (attach schedule) .....				
22	Capital stock: a Preferred stock .....				
	b Common stock .....	1,007,500.	1,007,500.	1,007,500.	1,007,500.
23	Additional paid-in capital .....				
24	Retained earnings — Approp (att sch) .....				
25	Retained earnings — Unappropriated .....		-1,537,162.		-1,673,495.
26	Adjmnt to shareholders' equity (att sch) .....				
27	Less cost of treasury stock .....				
28	<b>Total liabilities and shareholders' equity</b> .....		17,774.		838.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)					
1	Net income (loss) per books .....	-136,333.	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2	Federal income tax per books .....				
3	Excess of capital losses over capital gains .....				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation ..... \$ _____ b Charitable contributions.. \$ 1,000. c Travel & entertainment.. \$ _____		8	Deductions on this return not charged against book income this year (itemize): a Depreciation . \$ _____ b Charitable contribns \$ _____	
		1,000.			
6	Add lines 1 through 5 .....	-135,333.	9	Add lines 7 and 8 .....	0.
			10	Income (line 28, page 1) — line 6 less line 9 .....	-135,333.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)					
1	Balance at beginning of year .....	-1,537,162.	5	Distributions .....	a Cash .....
2	Net income (loss) per books .....	-136,333.			b Stock .....
3	Other increases (itemize):				c Property .....
			6	Other decreases (itemize):	
			7	Add lines 5 and 6 .....	
4	Add lines 1, 2, and 3 .....	-1,673,495.	8	Balance at end of year (line 4 less line 7) .....	-1,673,495.

Depreciation and Amortization (Including Information on Listed Property)

2002

67

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return.

Name(s) shown on return: TIMA TECHNOLOGY CORPORATION

Identifying number: 33-0391754

Business or activity to which this form relates

Form 1120

Part I Election To Expense Certain Tangible Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 main rows and 13 sub-rows for detailed calculations. Includes lines 1-13 for maximum amount, total cost, threshold, reduction, and carryover.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

Table with 3 rows (14-16) for special depreciation allowance, section 168(f)(1) election, and other depreciation.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

Table with 2 rows (17-18) for MACRS deductions and election to group assets.

Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

Table with 7 columns (a-g) and 9 rows (19a-i) for general depreciation system assets.

Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

Table with 6 columns and 3 rows (20a-c) for alternative depreciation system assets.

Part IV Summary (see instructions)

Table with 3 rows (21-23) for summary of listed property, total depreciation, and current year costs.

**Information Return of a 25% Foreign-Owned U.S. Corporation  
or a Foreign Corporation Engaged in a U.S. Trade or Business**

(Under Sections 6038A and 6038C of the Internal Revenue Code)

Department of the Treasury  
Internal Revenue Service

For tax year of the reporting corporation beginning 1/01, 2002, and ending 12/31, 2002

**Note: Enter all information in English and money items in U.S. Dollars.**

<b>Part I Reporting Corporation</b> (See instructions.) All reporting corporations must complete Part I.		
<b>1 a</b> Name of reporting corporation <b>OPTIMA TECHNOLOGY CORPORATION</b>		<b>1 b</b> Employer identification number 33-0391754
Number, street, and room or suite number (if a P.O. box, see instructions) <b>2102 BUSINESS CENTER DRIVE</b>		<b>1 c</b> Total assets  \$ 838.
City or town, state, and ZIP code (if a foreign address, see instructions) <b>IRVINE, CA 92612</b>		
<b>1 d</b> Principal business activity <b>DESIGN</b>		<b>1 e</b> Principal business activity code 423600
<b>1 f</b> Total value of gross payments made or received (see instructions) \$	<b>1 g</b> Total number of Forms 5472 filed for the tax year 1	<b>1 h</b> Check here if this is a consolidating filing of Form 5472 <input type="checkbox"/>
<b>1 i</b> Country of incorporation <b>U.S.</b>	<b>1 j</b> Country(ies) under whose laws the reporting corporation files an income tax return as a resident <b>U.S.</b>	<b>1 k</b> Principal country(ies) where business is conducted <b>U.S.</b>

<b>Part II 25% Foreign Shareholder</b> (See instructions.)		
<b>1 a</b> Name and address of direct 25% foreign shareholder <b>EMFACO S.A. 46 ROUTE DE LA CAPITE, 1223 COLOGNY, SWITZERLAND</b>		<b>1 b</b> U.S. identifying number, if any  N/A
<b>1 c</b> Principal country(ies) where business is conducted <b>SWITZERLAND U.S.</b>	<b>1 d</b> Country of citizenship, organization, or incorporation <b>SWITZERLAND</b>	<b>1 e</b> Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>SWITZERLAND</b>
<b>2 a</b> Name and address of direct 25% foreign shareholder		<b>2 b</b> U.S. identifying number, if any
<b>2 c</b> Principal country(ies) where business is conducted <b>SWITZERLAND U.S.</b>	<b>2 d</b> Country of citizenship, organization, or incorporation <b>SWITZERLAND</b>	<b>2 e</b> Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>SWITZERLAND</b>
<b>3 a</b> Name and address of ultimate indirect 25% foreign shareholder		<b>3 b</b> U.S. identifying number, if any
<b>3 c</b> Principal country(ies) where business is conducted	<b>3 d</b> Country of citizenship, organization, or incorporation	<b>3 e</b> Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident
<b>4 a</b> Name and address of ultimate indirect 25% foreign shareholder		<b>4 b</b> U.S. identifying number, if any
<b>4 c</b> Principal country(ies) where business is conducted	<b>4 d</b> Country of citizenship, organization, or incorporation	<b>4 e</b> Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident

<b>Part III Related Party</b> (See instructions.) Check applicable box: Is the related party a <input type="checkbox"/> foreign person or <input type="checkbox"/> U.S. person? All reporting corporations must complete this question and the rest of Part III.		
<b>1 a</b> Name and address of related party <b>EMFACO S.A. 46 ROUTE DE LA CAPITE, 1223 COLOGNY SWITZERLAND</b>		<b>1 b</b> U.S. identifying number, if any
<b>1 c</b> Principal business activity <b>FINANCIAL INVESTME</b>		<b>1 d</b> Principal business activity code
<b>1 e</b> Relationship — Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder		
<b>1 f</b> Principal country(ies) where business is conducted <b>SWITZERLAND</b>	<b>1 g</b> Country(ies) under whose laws the related party files in income tax return as a resident <b>SWITZERLAND</b>	

**Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party**

If reasonable estimates are used, check here  (See instructions)

1 Sales of stock in trade (inventory)	1	0.
2 Sales of tangible property other than stock in trade	2	0.
3 Rents and royalties received (for other than intangible property rights)	3	0.
4 Sales, leases, licenses, etc, of intangible property rights (e.g., patents, trademarks, secret formulas)	4	0.
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	0.
6 Commissions received	6	0.
7 Amounts borrowed (see instructions) a Beginning balance _____ b Ending balance or monthly average. ▶	7b	0.
8 Interest received	8	0.
9 Premiums received for insurance or reinsurance	9	0.
10 Other amounts received (see instructions)	10	0.
11 Total. Combine amounts on lines 1 through 10	11	0.
12 Purchases of stock in trade (inventory)	12	0.
13 Purchases of tangible property other than stock in trade	13	0.
14 Rents and royalties paid (for other than intangible property rights)	14	0.
15 Purchases, leases, licenses, etc, of intangible property rights (e.g., patents, trademarks, secret formulas)	15	0.
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	0.
17 Commissions paid	17	0.
18 Amounts loaned (see instructions) a Beginning balance _____ b Ending balance or monthly average. ▶	18b	0.
19 Interest paid	19	0.
20 Premiums paid for insurance or reinsurance	20	0.
21 Other amounts paid (see instructions)	21	0.
22 Total. Combine amounts on lines 12 through 21	22	0.

**Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party**

Attach separate sheet and check here.  (See instructions)

**Part VI Additional Information**

All reporting corporations must complete Part VI.

- 1 Does the reporting corporation import goods from a foreign related party?  Yes  No
- 2a If 'Yes,' is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods?  Yes  No
- If 'No,' do not complete b and c below.
- b If 'Yes,' attach a statement explaining the reason or reasons for such difference.
- c If the answers to questions 1 and 2a are 'Yes,' were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?  Yes  No

## OPTIMA TECHNOLOGY CORPORATION

33-0391754

Statement 1  
Form 1120, Line 26  
Other Deductions

Auto and Truck.....	\$	3,717.
Bank Charges.....		198.
Credit Reports.....		192.
Equipment Rental.....		344.
Insurance.....		549.
Merchant Fees.....		2,101.
Moving Expense.....		1,000.
Office Expense.....		36,819.
Outside Services.....		36,436.
Postage & Delivery.....		1,080.
Professional Fees.....		23,800.
Storage.....		1,431.
Telephone.....		3,404.
Travel.....		360.
	Total \$	<u>111,431.</u>

Statement 2  
Form 1120, Line 29a  
Net Operating Loss Deduction

Carryover Generated From Year End 12/31/97	\$	591,754.	
Available for Carryover to 2002.....			591,754.
Carryover Generated From Year End 12/31/98	\$	525,785.	
Available for Carryover to 2002.....			525,785.
Carryover Generated From Year End 12/31/99	\$	107,143.	
Available for Carryover to 2002.....			107,143.
Carryover Generated From Year End 12/31/00	\$	800.	
Available for Carryover to 2002.....			800.
Net Operating Losses Available in 2002.....	\$		<u>1,225,482.</u>
Taxable Income.....			-135,333.
Total Net Operating Loss Deduction (Limited to Taxable Income).....			<u>0.</u>



Statement 3  
Form 1120, Schedule L, Line 18  
Other Current Liabilities

	<u>Beginning</u>	<u>Ending</u>
State Income Tax Payable.....	\$ 1,600.	\$ 1,600.
Total	<u>\$ 1,600.</u>	<u>\$ 1,600.</u>

2002

California Corporation Franchise or Income Tax Return (NOT TO BE USED BY WATER'S-EDGE TAXPAYERS)

100

Header section containing corporation information: California corporation number (1565687), Federal employer ID number (33-0391754), Corporation name (OPTIMA TECHNOLOGY CORPORATION), Address (2102 BUSINESS CENTER DRIVE), City (IRVINE, CA 92612), and various checkboxes for corporate status and consolidated returns.

Main table with columns for State Adjustments, Income, Taxes, and Payments. Rows include Net income before adjustments (-135,333), Net income after state adjustments (-134,533), Net operating loss (SUSPENDED), Tax (800), and Total amount due (0).

Schedule D California Capital Gains and Losses

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less. Use additional sheet(s) if necessary.

(a) Kind of property and description (Example, 100 shares of Z Company)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain (loss) ((d) less (e))
2 Short-term capital gain from installment sales from form FTB 3805E, line 26 or line 37					2
3 Unused capital loss carryover from 2001					3
4 Net short-term capital gain (loss). Combine line 1 through line 3.					4

Part II Long-Term Capital Gains and Losses - Assets held More Than One Year. Use additional sheet(s) if necessary.

5					
6 Enter gain from Schedule D-1, line 9 and/or any capital gain distributions					6
7 Long-term capital gain from installment sales from form FTB 3805E, line 26 or line 37					7
8 Net long-term capital gain (loss). Combine line 5 through line 7					8
9 Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)					9
10 Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)					10
11 Total of line 9 and line 10. Enter here and on Form 100, Side 1, line 5. Note: If losses exceed gains, carry forward losses to 2003.					11

Schedule J Add-On Taxes and Recapture of Tax Credits. See instructions.

1 LIFO recapture due to S corporation election, IRC Sec 1363(d) deferral: \$		1
2 Interest computed under the look-back method for completed long-term contracts (Attach form FTB 3834)		2
3 Interest on tax attributable to installment: a Sales of certain timeshares and residential lots		3a
b Method for nondealer installment obligations		3b
4 IRC Section 197(f)(9)(B)(ii) election		4
5 Credit recapture name		5
6 Combine line 1 through line 5, Revise Side 1, line 37 or line 38, whichever applies, by this amount. Write 'Schedule J' to the left of line 37 or line 38		6

Questions (continued from Side 1)

E Principal business activity code. (Do not leave blank). ... • 423600  
 Business activity DESIGN  
 Product or service COMPUTER DRIVES  
 F Date incorporated: 1/19/1990 • Where: State CA Country USA  
 G Date business began in California or date income was first derived from California sources: ... • 1/19/1990  
 H First return? •  Yes  No If 'Yes' and this corporation is a successor to a previously existing business, check the appropriate box.  
 • (1)  sole proprietorship (2)  partnership (3)  joint venture  
 (4)  corporation (5)  other  
 (attach statement showing name, address and FEIN of previous business)  
 I 'Doing business as' name: ... •  
 J Did this corporation or its subsidiary(ies) have a change in control or ownership, or acquire ownership or control of any other legal entity this year? ... •  Yes  No  
 K At any time during the taxable year, was more than 50% of the voting stock:  
 a Of the corporation owned by any single interest? ... •  Yes  No  
 b Of another corporation owned by this corporation? ... •  Yes  No  
 c Of this and one or more other corps owned or controlled, directly or indirectly, by the same interests? ... •  Yes  No  
 If a or c is 'Yes,' enter the country of the ultimate parent: ... •  
 If a, b, or c is 'Yes,' furnish a statement of ownership indicating pertinent names, addresses and percentages of stock owned. If the owner(s) is an individual, provide the social security number.  
 L Was 50% or more of the stock of this corporation owned directly by another corporation during this taxable year? ... •  Yes  No  
 M Is this corporation apportioning income to California using Schedule R? ... •  Yes  No  
 N How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? ... •  
 O Corporation headquarters are: • (1)  Within California  
 (2)  Outside of California, within the U.S.  
 (3)  Outside of the U.S.  
 P Location of principal accounting records MAILING ADDRESS  
 Q Accounting method ... • (1)  Cash (2)  Accrual (3)  Other  
 R Did this corporation or one of its subsidiaries make a federal election to be treated as a foreign sales corporation (FSC) or a domestic international sales corporation (DISC)? ... •  Yes  No  
 S Is this corporation or any of its subsidiaries a RIC? ... •  Yes  No  
 T Is this corporation treated as a REMIC for California purposes? ... •  Yes  No  
 U Is this corporation a REIT for California purposes? ... •  Yes  No  
 V Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? ... •  Yes  No  
 W Is this corporation to be treated as a credit union? ... •  Yes  No  
 X Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? ... •  Yes  No  
 Y Have all required information returns (e.g. Federal Forms 1099, 5471, 5472, 8300, 8865, etc) been filed with the Franchise Tax Board? ...  N/A  Yes  No  
 Z Were total receipts (see instructions) for the taxable year and total assets at the end of the taxable year less than \$250,000? ...  Yes  No  
 If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on Side 4. Instead, enter here the total amount of cash distributions and the book value of properly distributions (other than cash) made during the tax year. \$ \_\_\_\_\_ None

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Title	Date	Telephone
Preparer's signature			(714) 403-1147
Firm's name (or yours, if self-employed) and address		Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN/PTIN
<u>Bijan Akhavan, CPA</u>			<u>P00293436</u>
<u>Bijan Akhavan &amp; Co</u>			FEIN
<u>15260 Ventura Blvd., Suite 1230</u>			<u>95-4818119</u>
<u>Sherman Oaks, CA 91403</u>			Telephone
			<u>(818) 995-8040</u>

Schedule A Taxes Deducted. Use additional sheet(s) if necessary.

(a) Nature of tax	(b) Taxing authority	(c) Total amount	(d) Nondeductible amount
State Tax	Franchise Tax Board	800.	800.
Total. Enter total of column (c) on Schedule F, line 17, and amounts in column (d) on Side 1, line 2 or line 3.		800.	800.

Schedule F Computation of Net Income. See instructions.

		1 a	b	c	1 c	(d)
INCOME	1	Gross receipts or gross sales	35,059.	Less returns and allowance		35,059.
	2	Cost of goods sold. Attach federal Schedule A (California Schedule V).			2	
	3	Gross profit. Subtract line 2 from line 1c.			3	35,059.
	4	Dividends. Attach federal Schedule C California Schedule H (100)			4	
	5 a	Interest on obligations of the United States and U.S. instrumentalities			5 a	
	b	Other interest. Attach schedule.			5 b	
	6	Gross rents			6	
	7	Gross royalties			7	
	8	Capital gain net income. Attach federal Schedule D (California Schedule D)			8	
	9	Ordinary gain (loss). Attach federal Form 4797 (California Schedule D-1)			9	
	10	Other income (loss). Attach schedule			10	
11	<b>Total income.</b> Add line 3 through line 10.			11	35,059.	
DEDUCTIONS	12	Compensation of officers. Attach federal Sch E or equivalent sch.		12		
	13	Salaries and wages (not deducted elsewhere)		13	49,179.	
	14	Repairs		14		
	15	Bad debts		15		
	16	Rents		16	8,342.	
	17	Taxes (California Schedule A)		17	800.	
	18	Interest. Attach schedule		18		
	19	Contributions. Attach schedule		19		
	20	Depreciation. Attach federal Form 4562 and FTB 3885	20	640.		
	21	Less depreciation claimed elsewhere on return	21 a		21 b	640.
	22	Depletion. Attach schedule		22		
	23	Advertising		23		
	24	Pension, profit-sharing plans, etc.		24		
	25	Employee benefit plans		25		
	26 a	Total travel and entertainment		b	26 b	
		Deductible amounts				
	27	Other deductions. Attach schedule. Statement 1		27	111,431.	
	28	Specific deduction for 23701r or 23701t organizations. See instructions		28		
	29	<b>Total deductions.</b> Add line 12 through line 28.			29	170,392.
30	<b>Net income before state adjustments.</b> Subtract line 29 from line 11. Enter here and on Side 1, line 1.			30	-135,333.	

Schedule V Cost of Goods Sold

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4 a	Additional IRC Section 263A costs. Attach schedule	4 a	
b	Other costs. Attach schedule	4 b	
5	Total. Add line 1 through line 4b.	5	
6	Inventory at end of year	6	
7	Cost of goods sold. Subtract line 6 from line 5.	7	

Method of inventory valuation.  Cost

Was there any change in determining quantities, costs of valuations between opening and closing inventory?  Yes  No  
If 'Yes,' attach an explanation.

Enter California seller's permit number, if any \_\_\_\_\_

Check if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970.

If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory under LIFO. \_\_\_\_\_

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation?  Yes  No

The corporation is not required to complete Schedules L, M-1, and M-2 if question Z on Form 100, Side 2 is answered 'Yes.'

Schedule L Balance Sheets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash .....		16,574.		278.
2a Trade notes and accounts receivable .....				
b Less allowance for bad debts .....				
3 Inventories .....				
4 Federal and state government obligations .....				
5 Other current assets .....				
6 Loans to stockholders/officers. Attach sch .....				
7 Mortgage and real estate loans .....				
8 Other investments .....				
9a Buildings and other fixed depreciable assets .....	2,000.		2,000.	
b Less accumulated depreciation .....	800.	1,200.	1,440.	560.
10a Depletable assets .....				
b Less accumulated depletion .....				
11 Land (net of any amortization) .....				
12a Intangible assets (amortizable only) .....				
b Less accumulated amortization .....				
13 Other assets .....				
14 <b>Total assets</b> .....		17,774.		838.
<b>Liabilities and stockholders' equity</b>				
15 Accounts payable .....		383,844.		383,844.
16 Mortgages, notes, bonds payable in less than 1 year .....		88,000.		88,000.
17 Other current liabilities .....	See Stmt 2	1,600.		1,600.
18 Loans from stockholders .....		73,992.		193,389.
19 Mortgages, notes, bonds payable in 1 year or more .....				
20 Other liabilities .....				
21 Capital stock: a Preferred stock .....				
b Common stock .....	1,007,500.	1,007,500.	1,007,500.	1,007,500.
22 Paid-in or capital surplus. Attach reconciliation .....				
23 Retained earnings — Appropriated .....				
24 Retained earnings — Unappropriated .....		-1,537,162.		-1,673,495.
25 Adjustments to shareholders' equity (attach sch) .....				
26 Less cost of treasury stock .....				
27 <b>Total liabilities and stockholders' equity</b> .....		17,774.		838.

**Schedule M-1 Reconciliation of income (loss) per books with income (loss) per return.**

1 Net income per books .....	-136,333.	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax .....		a Tax-exempt interest \$ .....	
3 Excess of capital losses over capital gains .....			
4 Taxable income not recorded on books this year (itemize) .....		8 Deductions in this return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		a Depreciation . . \$ .....	
a Depreciation .....		b State tax refunds . \$ .....	
b State taxes .....			
c Travel and entertainment .....		9 Total. Add line 7 and line 8 .....	0.
See Statement 3 1,000.	1,000.	10 Net inc per return. Subtract line 9 from line 6	-135,333.
6 Total. Add line 1 through line 5 .....	-135,333.		

**Schedule M-2 Analysis of unappropriated retained earnings per books (Schedule L, line 24)**

1 Balance at beginning of year .....	-1,537,162.	5 Distributions:	
2 Net income per books .....	-136,333.	a Cash .....	
3 Other increases (itemize) .....		b Stock .....	
		c Property .....	
		6 Other decreases (itemize) .....	
4 Total. Add line 1 through line 3 .....	-1,673,495.	7 Total. Add line 5 and line 6 .....	
		8 Balance at end of yr. Subtract In 7 from In 4.	-1,673,495.

# Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Corporations

Attach to your California tax return (Form 100, Form 100S, Form 100W, or Form 109)

<b>Corporation name</b> PTIMA TECHNOLOGY CORPORATION	<b>California corporation number</b> 1565687
During the year the corporation incurred the NOL, the corporation was a(n): <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation	<b>FEIN</b> 33-0391754
<input type="checkbox"/> Exempt Organization <input type="checkbox"/> Limited Liability Company (electing to be taxed as a corporation)	

If the corporation previously filed California tax returns under another corporate name, enter the corporation name and California corporation number:

**Note:** If the corporation is included in a combined report of a unitary group, see instructions, General Information C, Combined Reporting.

**Part I Computation of current year NOL.** If you do not have a current year NOL, go to Part II.

1 Net loss from Form 100, line 19; Form 100W, line 19; Form 100S, line 16; or Form 109, line 2. Enter as a positive number.	1	134,533.
2 2002 disaster loss from line 1. Enter as a positive number.	2	
3 Subtract line 2 from line 1. If zero or less, enter -0- and see instructions.	3	134,533.
4a Enter the amount of the loss incurred by a new business included in line 3.	4a	
4b Enter the amount of the loss incurred by an eligible small business included in line 3.	4b	134,533.
4c Add line 4a and line 4b.	4c	134,533.
5 Subtract line 4c from line 3. If zero, skip to line 7.	5	
6 General NOL. Multiply line 5 by 60% (.60).	6	
7 2002 NOL carryover. Add line 2, line 4c, and line 6. See instructions.	7	134,533.

**Part II NOL carryover and disaster loss carryover limitations.** See instructions.

	(g)	
	Available balance	
1 Net income (loss) – Enter the amount from Form 100, line 19; Form 100W, line 19; Form 100S, line 16 less line 17 (but not less than -0-); or Form 109, line 2.		

**Prior Year NOLs**

(a) Year of loss	(b) Code - See instrs for Part II, col (b)	(c) Type of NOL - See below	(d) Initial Loss	(e) Carryover from 2001	(f) Amount used in 2002	(h) Carryover to 2003 col (e) – col (f)
2		DIS				
		DIS				
		DIS				
		All Other Type			SUSPENDED	SUSPENDED

**Current Year NOLs**

Year	Code	Type of NOL	Initial Loss	Amount used	Amount used	col (d) – col (f)
3 2002		DIS				
4 2002		ESB	134,533.			134,533.
2002						
2002						
2002						

Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), Title 11 (T11), or Disaster (DIS).

**Part III 2002 Disaster Loss deduction**

1 Total the amounts in Part II, column (f). Enter the total here and on Form 100, line 22; Form 100W, line 22; Form 100S, line 20; or Form 109, line 4.	1	0.
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2002

**Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Corporations**

3805Q

Attach to your California tax return (Form 100, Form 100S, Form 100W, or Form 109)

Corporation name <b>OPTIMA TECHNOLOGY CORPORATION</b>	California corporation number <b>1565687</b>
During the year the corporation incurred the NOL, the corporation was a(n): <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation	FEIN <b>33-0391754</b>
<input type="checkbox"/> Exempt Organization <input type="checkbox"/> Limited Liability Company (electing to be taxed as a corporation)	

If the corporation previously filed California tax returns under another corporate name, enter the corporation name and California corporation number:

**Note: If the corporation is included in a combined report of a unitary group, see instructions, General Information C, Combined Reporting.**

**Part I Computation of current year NOL. If you do not have a current year NOL, go to Part II.**

1 Net loss from Form 100, line 19; Form 100W, line 19; Form 100S, line 16; or Form 109, line 2. Enter as a positive number.....	1	134,403.
2 2002 disaster loss from line 1. Enter as a positive number.....	2	
3 Subtract line 2 from line 1. If zero or less, enter -0- and see instructions.....	3	134,403.
4a Enter the amount of the loss incurred by a new business included in line 3.....	4a	
b Enter the amount of the loss incurred by an eligible small business included in line 3.....	4b	134,403.
c Add line 4a and line 4b.....	4c	134,403.
5 Subtract line 4c from line 3. If zero, skip to line 7.....	5	
6 General NOL. Multiply line 5 by 60% (.60).....	6	
7 2002 NOL carryover. Add line 2, line 4c, and line 6. See instructions.....	7	134,403.

**Part II NOL carryover and disaster loss carryover limitations. See instructions.**

	(g)	
	Available balance	
1 Net income (loss) – Enter the amount from Form 100, line 19; Form 100W, line 19; Form 100S, line 16 less line 17 (but not less than -0-); or Form 109, line 2.....		

**Prior Year NOLs**

(a) Year of loss	(b) Code - See instrs for Part II, col (b)	(c) Type of NOL - See below	(d) Initial Loss	(e) Carryover from 2001	(f) Amount used in 2002	(g) Available balance	(h) Carryover to 2003 col (e) – col (f)
2		DIS					
		DIS					
		DIS					
		All Other Type			SUSPENDED	SUSPENDED	

**Current Year NOLs**

Year	Code	Type of NOL	Initial Loss	Carryover	Amount used	Available balance	Carryover to 2003 col (d) – col (f)
3 2002		DIS					col (d) – col (f)
4 2002		ESB	134,403.				134,403.
2002							
2002							
2002							

Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), Title 11 (T11), or Disaster (DIS).

**Part III 2002 Disaster Loss deduction**

1 Total the amounts in Part II, column (f). Enter the total here and on Form 100, line 22; Form 100W, line 22; Form 100S, line 20; or Form 109, line 4.....	1	0.
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TAXABLE YEAR

CALIFORNIA FORM

2002

## Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. Form 100

Corporation name

California corporation number

PTIMA TECHNOLOGY CORPORATION

1565687

## Part I Depreciation

1	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Method of figuring depreciation	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation	
	Computers & Softw	6/30/01	2,000.		200DB	5	640.		
2	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 1, column (h) .....						2	640.	
3	Total. Add the amounts on line 2, column (g) and column (h) .....						3		640.
4	Total depreciation claimed for federal purposes from federal Form 4562, line 22 .....						4		640.
5	Depreciation adjustment. If line 4 is greater than line 3, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 4 is less than line 3, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) .....						5		

## Part II Amortization

1	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC section	(f) Period or percentage	(g) Amortization for this year	
2	Total. Add the amounts in column (g) .....						2	
3	Total amortization claimed for federal purposes from federal Form 4562, line 44 .....						3	
4	Amortization adjustment. If line 3 is greater than line 2, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 3 is less than line 2, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 .....						4	0.



Statement 1  
Form 100, Schedule F, Line 27  
Other Deductions

Auto and Truck.....	\$	3,717.
Bank Charges.....		198.
Credit Reports.....		192.
Equipment Rental.....		344.
Insurance.....		549.
Merchant Fees.....		2,101.
Moving Expense.....		1,000.
Office Expense.....		36,819.
Outside Services.....		36,436.
Postage & Delivery.....		1,080.
Professional Fees.....		23,800.
Storage.....		1,431.
Telephone.....		3,404.
Travel.....		360.
	Total \$	<u>111,431.</u>

Statement 2  
Form 100, Schedule L, Line 17  
Other Current Liabilities

	<u>Beginning</u>	<u>Ending</u>
State Income Tax Payable.....	\$ 1,600.	\$ 1,600.
Total	<u>\$ 1,600.</u>	<u>\$ 1,600.</u>

Statement 3  
Form 100, Schedule M-1, Line 5  
Book Expenses Not Deducted

Disallowed Contributions.....	\$	1,000.
	Total \$	<u>1,000.</u>

**Depreciation and Amortization**  
(Including Information on Listed Property)

**2002**

67

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
▶ Attach to your tax return.

Name(s) shown on return  
**OPTIMA TECHNOLOGY CORPORATION**

Identifying number  
**33-0391754**

Form **1120**

**Part I Election To Expense Certain Tangible Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.....	1	\$24,000.
2	Total cost of section 179 property placed in service (see instructions).....	2	
3	Threshold cost of section 179 property before reduction in limitation.....	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12.....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).....	14	
15	Property subject to section 168(f)(1) election (see instructions).....	15	
16	Other depreciation (including ACRS) (see instructions).....	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002.....	17	640.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.....		

**Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....			27.5 yrs	MM	S/L	
i Nonresidential real property.....			39 yrs	MM	S/L	

**Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

20a Class life.....					S/L	
b 12-year.....			12 yrs		S/L	
c 40-year.....			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28.....	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.....	22	640.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

**Information Return of a 25% Foreign-Owned U. Corporation  
or a Foreign Corporation Engaged in a U.S. Trade or Business**  
(Under Sections 6038A and 6038C of the Internal Revenue Code)

Department of the Treasury  
Internal Revenue Service

For tax year of the reporting corporation beginning 1/01, 2002, and ending 12/31, 2002  
**Note: Enter all information in English and money items in U.S. Dollars.**

**Part I Reporting Corporation** (See instructions.) All reporting corporations must complete Part I.

<b>1 a</b> Name of reporting corporation <b>OPTIMA TECHNOLOGY CORPORATION</b>		<b>1 b</b> Employer identification number <b>33-0391754</b>
Number, street, and room or suite number (if a P.O. box, see instructions) <b>2102 BUSINESS CENTER DRIVE</b>		<b>1 c</b> Total assets  <b>\$ 838.</b>
City or town, state, and ZIP code (if a foreign address, see instructions) <b>IRVINE, CA 92612</b>		
<b>1 d</b> Principal business activity <b>DESIGN</b>		<b>1 e</b> Principal business activity code <b>423600</b>
<b>1 f</b> Total value of gross payments made or received (see instructions) <b>\$</b>	<b>1 g</b> Total number of Forms 5472 filed for the tax year <b>1</b>	<b>1 h</b> Check here if this is a consolidating filing of Form 5472. <input type="checkbox"/>
<b>1 i</b> Country of incorporation <b>U.S.</b>	<b>1 j</b> Country(ies) under whose laws the reporting corporation files an income tax return as a resident <b>U.S.</b>	<b>1 k</b> Principal country(ies) where business is conducted <b>U.S.</b>

**Part II 25% Foreign Shareholder** (See instructions.)

<b>1 a</b> Name and address of direct 25% foreign shareholder <b>EMFACO S.A. 46 ROUTE DE LA CAPITE, 1223 COLOGNY, SWITZERLAND</b>			<b>1 b</b> U.S. identifying number, if any <b>N/A</b>
<b>1 c</b> Principal country(ies) where business is conducted <b>SWITZERLAND U.S.</b>	<b>1 d</b> Country of citizenship, organization, or incorporation <b>SWITZERLAND</b>	<b>1 e</b> Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>SWITZERLAND</b>	
<b>2 a</b> Name and address of direct 25% foreign shareholder			<b>2 b</b> U.S. identifying number, if any
<b>2 c</b> Principal country(ies) where business is conducted <b>SWITZERLAND U.S.</b>	<b>2 d</b> Country of citizenship, organization, or incorporation <b>SWITZERLAND</b>	<b>2 e</b> Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident <b>SWITZERLAND</b>	
<b>3 a</b> Name and address of ultimate indirect 25% foreign shareholder			<b>3 b</b> U.S. identifying number, if any
<b>3 c</b> Principal country(ies) where business is conducted	<b>3 d</b> Country of citizenship, organization, or incorporation	<b>3 e</b> Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	
<b>4 a</b> Name and address of ultimate indirect 25% foreign shareholder			<b>4 b</b> U.S. identifying number, if any
<b>4 c</b> Principal country(ies) where business is conducted	<b>4 d</b> Country of citizenship, organization, or incorporation	<b>4 e</b> Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

**Part III Related Party** (See instructions.)

Check applicable box: Is the related party a  foreign person or  U.S. person?  
All reporting corporations must complete this question and the rest of Part III.

<b>1 a</b> Name and address of related party <b>EMFACO S.A. 46 ROUTE DE LA CAPITE, 1223 COLOGNY SWITZERLAND</b>		<b>1 b</b> U.S. identifying number, if any
<b>1 c</b> Principal business activity <b>FINANCIAL INVESTME</b>		<b>1 d</b> Principal business activity code
<b>1 e</b> Relationship — Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder		
<b>1 f</b> Principal country(ies) where business is conducted <b>SWITZERLAND</b>	<b>1 g</b> Country(ies) under whose laws the related party files in income tax return as a resident <b>SWITZERLAND</b>	

**Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party**

If reasonable estimates are used, check here  (See instructions)

1	Sales of stock in trade (inventory)	1	0.
2	Sales of tangible property other than stock in trade	2	0.
3	Rents and royalties received (for other than intangible property rights)	3	0.
4	Sales, leases, licenses, etc, of intangible property rights (e.g., patents, trademarks, secret formulas)	4	0.
5	Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	0.
6	Commissions received	6	0.
7	Amounts borrowed (see instructions) a Beginning balance _____ b Ending balance or monthly average	7b	0.
8	Interest received	8	0.
9	Premiums received for insurance or reinsurance	9	0.
10	Other amounts received (see instructions)	10	0.
11	<b>Total. Combine amounts on lines 1 through 10</b>	11	0.
12	Purchases of stock in trade (inventory)	12	0.
13	Purchases of tangible property other than stock in trade	13	0.
14	Rents and royalties paid (for other than intangible property rights)	14	0.
15	Purchases, leases, licenses, etc, of intangible property rights (e.g., patents, trademarks, secret formulas)	15	0.
16	Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	0.
17	Commissions paid	17	0.
18	Amounts loaned (see instructions) a Beginning balance _____ b Ending balance or monthly average	18b	0.
19	Interest paid	19	0.
20	Premiums paid for insurance or reinsurance	20	0.
21	Other amounts paid (see instructions)	21	0.
22	<b>Total. Combine amounts on lines 12 through 21</b>	22	0.

**Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party**

Attach separate sheet and check here  (See instructions)

**Part VI Additional Information**

All reporting corporations must complete Part VI.

- 1 Does the reporting corporation import goods from a foreign related party?  Yes  No
- a If 'Yes,' is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods?  Yes  No
- If 'No,' do not complete b and c below.
- b If 'Yes,' attach a statement explaining the reason or reasons for such difference.
- c If the answers to questions 1 and 2a are 'Yes,' were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?  Yes  No

**BIJAN AKHAVAN & CO.**  
ACCOUNTANCY CORPORATION

MEMBER  
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INSTITUTE OF CHARTERED ACCOUNTANTS  
IN ENGLAND & WALES

15260 VENTURA BOULEVARD, SUITE 1230  
SHERMAN OAKS, CALIFORNIA 91403  
TELEPHONE (818) 995-8040  
FACSIMILE (818) 995-8048

**FEDERAL PAYROLL TAX RETURN  
FILING INSTRUCTIONS  
(941)**

Date : 12-30-04  
Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 9-30, 20 04

1. Please sign and date the original return where indicated at the bottom of Page 1.
2. Mail the original forms in the enclosed envelope on or before IMMEDIATELY, 20 04.

**BALANCE DUE**

<b>Amount owed</b> :	<u>2449.26</u>
Make check payable to:	<input checked="" type="checkbox"/> Internal Revenue Service <input type="checkbox"/> Your Bank
Indicate on check Employer Identification Number.	

**REFUND AMOUNT**

<b>Refund amount</b> :	_____
<input type="checkbox"/> Applied to next Quarter	
<input type="checkbox"/> You will receive a refund	

Please review the forms before mailing. If you have any questions, please call us.

*You may be billed for penalties and interest later on.*

RETAIN FOR YOUR RECORDS

**BIJAN AKHAVAN & CO.**  
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**CALIFORNIA QUARTERLY PAYROLL TAX RETURN  
FILING INSTRUCTION  
(DE 6 And DE 88)**

Date : 12-31-04

Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 9-30, 2004

**DE 6**

1. Please sign and date the original return where indicated at the bottom of Page 1.
2. Mail the original forms in the enclosed envelope on or before IMMEDIATELY,  
20    .

**DE 88**

1. See DE 88 instructions and transfer that information onto your DE 88 coupon.
2. Make your check payable to: EMPLOYMENT DEVELOPMENT DEPARTMENT
3. Balance Due : \$ 278.01
4. Please mail your check along with DE 88 coupon to the address on your coupon.

Please review the forms before mailing. If you have any questions, please call us.

RETAIN FOR YOUR RECORDS

**DE 88 Instruction**

**3rd Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before October 31, 2004

1. PAYROLL DATE: 93004  
3. QUARTERLY: 043  
4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL	
DUE	<u>278.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

**P.O. Box 54567  
Los Angeles, CA 90054-0567**

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ACCOUNTANCY CORPORATION

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SHERMAN OAKS, CALIFORNIA 91403  
TELEPHONE (818) 995-8040  
FACSIMILE (818) 995-8048

Date : 1-24-05

Client Name : OPTIMA TECHNOLOGY, INC.

We have enclosed your completed payroll tax returns for the quarter ended December 31, 2004.

- ✓ **Form 941 -** Employer's Quarterly Tax Return  
Sign and mail filing copy to the Internal Revenue Service on or before January 31, 2005.  
Amount owed \$ 2,449.26

**MAKE CHECK PAYABLE TO:**

INTERNAL REVENUE SERVICE or  
 YOUR BANK

Refund amount \$

- ✓ **Form 940 -** Employer's Annual Federal Unemployment Tax Return  
Sign and mail filing copy to the Internal Revenue Service on or before January 31, 2005. **Enclose a check payable to the "Internal Revenue Service" for \$ —0—.**

- ✓ **Form DE 6 -** California Quarterly Wage Report  
Sign and mail filing copy to the Employment Development Department on or before January 31, 2005. **Enclose a check payable to the "Employment Development Department" for \$ 278.01 with your DE 88 coupon.**

- ✓ **Form DE 7 -** California Annual Reconciliation Return  
Sign and mail filing copy to Employment Development Department on or before January 31, 2005.

- ✓ **Form W-3 and Forms W-2 -** Wage and Tax Statement  
Sign and mail filing copy of Form W-3 with Copy A of Form W-2 to the Social Security Administration on or before February 28, 2005. Do not staple the W-2s to the Form W-3. The employees copies of W-2s must be distributed to them by January 31, 2005.

Complete copies of each return are included for your records. Please call us if you have any questions. (Envelopes enclosed)

RETAIN FOR YOUR RECORDS

1849



Letter ID: L0163008640  
 Issued Date: December 30, 2011  
 Account ID: 247-3810-6  
 629669888\_P5205\_E1741

OPTIMA TECHNOLOGY CORPORATION  
 PO BOX 927674  
 SAN DIEGO CA 92192-7674

**NOTICE OF CONTRIBUTION RATES AND  
 STATEMENT OF UI RESERVE ACCOUNT FOR  
 THE PERIOD OF JANUARY 1, 2012 TO  
 DECEMBER 31, 2012**

**IMPORTANT NOTICE**

This is not a bill, do not pay this amount. This is to inform you of your **UI, ETT, and SDI** contribution rates for the year shown above. The following is a breakdown of your UI reserve account balance and the factors used to calculate your UI contribution rate **YOUR UI RESERVE BALANCE IS NON-REFUNDABLE.**

Your Unemployment Insurance (UI) Contribution Rate is	<b>2.60%</b>
UI Rate Schedule is	<b>F+</b>
Your Employment Training Tax (ETT) rate is	<b>0.10%</b>
Your SDI Rate is	<b>1.00%</b>
The Annual Taxable Wage Limit Per Employee for: UI and ETT is	<b>\$7,000.00</b>
SDI is	<b>\$95,585.00</b>

1. Previous reserve balance as of <b>7/31/10</b>		<b>\$754.55</b>
2. UI Contributions paid from <b>8/1/10</b> to <b>7/31/11</b>	<b>\$139.12</b>	
3. Interest earned by the UI Fund (for positive reserve account employers only)	<b>\$0.00</b>	
4. Negative balance reduction (for negative reserve account employers only)	<b>\$0.00</b>	
5. Benefit overpayments collected	<b>\$3.22</b>	
6. Positive reserve balances cancelled	<b>\$10.83</b>	
7. Other income to the UI Fund	<b>\$0.92</b>	
8. TOTAL CREDITS		<b>\$154.09</b>
9. UI benefits charged to your reserve account from <b>7/1/10</b> to <b>6/30/11</b>	<b>\$0.00</b>	
10. Increase in the total of all negative reserve account balances	<b>\$100.29</b>	
11. Benefit overpayments established	<b>\$7.43</b>	
12. UI benefits not charged to reserve accounts	<b>\$14.98</b>	
13. Other expenses of UI Fund	<b>\$1.79</b>	
14. TOTAL CHARGES		<b>\$124.49</b>
15. New reserve account balance as of <b>7/31/11</b>		<b>\$784.15</b>
16. UI taxable payroll for calendar years <b>2008-2009-2010</b>	<b>\$16,200.00</b>	
17. Ratio (Line 15 divided by the average of Line 16)		<b>0.1452</b>

COMPUTATION OF SHARED CREDITS AND CHARGES: Lines 5, 6, 7, 10, 11, 12 and 13 are credits and charges shared by all California employers. The shared amounts are computed using fiscal year UI taxable wages.

Your UI taxable wages from <b>7/1/10</b> through <b>6/30/11</b> were	<b>\$4,640.00</b>
--	-------------------

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FACSIMILE (818) 995-8048

**FEDERAL PAYROLL TAX RETURN  
FILING INSTRUCTIONS  
(941)**

Date : Dec - 20, 2004

Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 3-31-04, 2004

1. Please sign and date the original return where indicated at the bottom of Page 1.
2. Mail the original forms in the enclosed envelope on or before IMMEDIATELY,  
20    .

**BALANCE DUE**

Amount <u>owed</u> :	<u>2449.26</u>
Make check payable to:	<input checked="" type="checkbox"/> Internal Revenue Service <input type="checkbox"/> Your Bank
Indicate on check Employer Identification Number.	

**REFUND AMOUNT**

<u>Refund amount</u> :	<u>                    </u>
<input type="checkbox"/> Applied to next Quarter <input type="checkbox"/> You will receive a refund	

Please review the forms before mailing. If you have any questions, please call us.

*You may be billed for penalties and interest later on.*

RETAIN FOR YOUR RECORDS

**BIJAN AKHAVAN & CO.**  
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FACSIMILE (818) 995-8048

**CALIFORNIA QUARTERLY PAYROLL TAX RETURN  
FILING INSTRUCTION  
(DE 6 And DE 88)**

Date : 12-31-04  
Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 3-31, 2004

**DE 6**

1. Please sign and date the original return where indicated at the bottom of Page 1.
2. Mail the original forms in the enclosed envelope on or before IMMEDIATELY, 20    .

---

**DE 88**

1. See DE 88 instructions and transfer that information onto your DE 88 coupon.
2. Make your check payable to: EMPLOYMENT DEVELOPMENT DEPARTMENT
3. Balance Due : \$ 523.01
4. Please mail your check along with DE 88 coupon to the address on your coupon.

Please review the forms before mailing. If you have any questions, please call us.

RETAIN FOR YOUR RECORDS

**DE 88 Instruction**

**1st Quarter**

Client Name **OPTIMA TECHNOLOGY INC.**  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before April 30, 2004

1. PAYROLL DATE: 33104  
3. QUARTERLY: 041  
4. PAYMENT AMOUNT:

A) UI	<u>238.00</u>
B) ETT	<u>7.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>523.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

**P.O. Box 54567  
Los Angeles, CA 90054-0567**

# BIJAN AKHAVAN & CO.

ACCOUNTANCY CORPORATION

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15260 VENTURA BOULEVARD, SUITE 1230

SHERMAN OAKS, CALIFORNIA 91403

TELEPHONE (818) 995-8040

FACSIMILE (818) 995-8048

## FEDERAL UNEMPLOYMENT TAX COUPON PAYMENT INSTRUCTIONS (940)

Date : 12-20-2004

Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 3-31, 2004

1. Please use your federal tax coupon booklet form 8109. Indicate the following information of your coupon.

Quarter : 1ST

Type of Tax : 940

Amount of Deposit : \$56-

2. Make check payable to : YOUR BANK

3. Indicate your Employer Identification Number on the check.

4. Your filled out coupon must be taken to your bank along with the check on or before IMMEDIATELY.

Please call us, if you have any questions.

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SHERMAN OAKS, CALIFORNIA 91403  
TELEPHONE (818) 995-8040  
FACSIMILE (818) 995-8048

**FEDERAL PAYROLL TAX RETURN  
FILING INSTRUCTIONS  
(941)**

Date : Dec. 20, 2004  
Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 6-30, 2004

1. Please sign and date the original return where indicated at the bottom of Page 1.
2. Mail the original forms in the enclosed envelope on or before IMMEDIATELY, 20    .

**BALANCE DUE**

<u>Amount owed</u> :	<u>\$2449.26</u>
Make check payable to:	<input checked="" type="checkbox"/> Internal Revenue Service <input type="checkbox"/> Your Bank
Indicate on check Employer Identification Number.	

**REFUND AMOUNT**

<u>Refund amount</u> :	<u>                    </u>
<input type="checkbox"/> Applied to next Quarter <input type="checkbox"/> You will receive a refund	

Please review the forms before mailing. If you have any questions, please call us.

*You may be billed for penalties and interest later on.*

**BIJAN AKHAVAN & CO.**  
ACCOUNTANCY CORPORATION

MEMBER  
AMERICAN INSTITUTE OF  
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IN ENGLAND & WALES

15260 VENTURA BOULEVARD, SUITE 1230  
SHERMAN OAKS, CALIFORNIA 91403  
TELEPHONE (818) 995-8040  
FACSIMILE (818) 995-8048

**CALIFORNIA QUARTERLY PAYROLL TAX RETURN  
FILING INSTRUCTION  
(DE 6 And DE 88)**

Date : 12-30-2004

Client : OPTIMA TECHNOLOGY INC.

QUARTER ENDING: 6-30, 2004

**DE 6**

1. Please sign and date the original return where indicated at the bottom of Page 1.
2. Mail the original forms in the enclosed envelope on or before IMMEDIATELY,  
20    .

---

**DE 88**

1. See DE 88 instructions and transfer that information onto your DE 88 coupon.
2. Make your check payable to: EMPLOYMENT DEVELOPMENT DEPARTMENT
3. Balance Due : \$ 278.01
4. Please mail your check along with DE 88 coupon to the address on your coupon.

Please review the forms before mailing. If you have any questions, please call us.

RETAIN FOR YOUR RECORDS

**DE 88 Instruction**

**2nd Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before July 31, 2004

1. PAYROLL DATE: 63004  
3. QUARTERLY: 042  
4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL	
DUE	<u>278.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

**P.O. Box 54567**  
**Los Angeles, CA 90054-0567**



NATIONAL REGISTERED AGENTS, INC.

SERVICE OF PROCESS SUMMARY TRANSMITTAL FORM

To: BIJAN AKHAVAN
BIJAN AKHAVAN AND COMPANY
15456 VENTURA BLVD
SUITE 300
SHERMAN OAKS, CA 91403

SOP Transmittal # DE31891

(800) 767-1553 - Telephone
(609) 716-0820 - Fax

Entity Served: OPTIMA TECHNOLOGY, INC. (Served as Optima Technology Inc. a/k/a Optima Technology Group, Inc.)

Enclosed herewith are legal documents received on behalf of the above captioned entity by National Registered Agents, Inc. or its Affiliate in the State of DELAWARE on this 8 day of June, 2009. The following is a summary of the document(s) received:

1. Title of Action: Udall Law Firm, L.L.P. f/k/a Chandler & Udall, L.L.P. vs. Optima Technology Inc a/k/a Optima Technology Group, Inc., et al

2. Document(s) served:

- Summons/Citation/Third Party Summon
Subpoena
Notice of
Complaint/Petition/Third Party Complaint
Garnishment
Motion for Default/Default Judgment
Mechanics Lien
Other:
Injunction/Temporary Restraining Order
Demand for Jury Trial

3. Court of Jurisdiction/ Superior Court, Pima County, AZ
Case & Docket Number: C20084952

4. Amount Claimed, if any: see document

5. Method of Service (select one):

- Personally served by: Process Server
Deputy Sheriff
U. S Marshall
Delivered Via: Certified Mail
Regular Mail
Facsimile
Other (Explain):

6. Date and Time of Receipt: 6/8/2009 1:43:53 PM EST (GMT -5)

7. Appearance/Answer Date: see document

8. Received From: EDWARD MOOMJIAN, II
UDALL LAW FIRM LLP
4801 E BROADWAY BLVD
SUITE 400
TUCSON, ARIZONA 85711.3638
520.623.4353

9. Federal Express Airbill # 790668632826

10. Call Made to: VM - BIJAN AKHAVAN

11. Special Comments:

NATIONAL REGISTERED AGENTS, INC.

Copies To:

Transmitted by: Tina Bonovich

The information contained in this Summary Transmittal Form is provided by National Registered Agents, Inc. for informational purposes only and should not be considered a legal opinion. It is the responsibility of the parties receiving this form to review the legal documents forwarded and to take appropriate action.

ORIGINAL

# Memo

**To:** Nadia Farah, Esq.  
**From:** Bijan Akhavan, C.P.A.  
**CC:** Reza Zandian  
**Date:** February 8, 2005  
**Re:** Reza Zandian

---

Enclosed please find copies of the following which are being sent to you pursuant to Mr. Zandian's instructions:

Copy of the 2004 W2 form for Mr. Zandian

Copy of a pay stub for Mr. Zandian

Copies of the Corporation's 2004 payroll tax returns, DE7, 940, and W3

Please call if you need any additional information

**Copy B To Be Filed With Employee's FEDERAL Tax Return.**

**2004**  
OMB No. 1545-0008

a Control number	1 Wages, tips, other comp. 54000.00	2 Federal income tax with held 1535.04
b Employer ID number 33-0391754	3 Social security wages 54000.00	4 Social security tax with held 3348.00
	5 Medicare wages and tips 54000.00	6 Medicare tax with held 783.00
c Employer's name, address, and ZIP code OPTIMA TECHNOLOGY INC.  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		
d Employee's social security number 625-34-1563		
e Employee's name, address, and ZIP code REZA ZANDIAN  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		
7 Social security tips	8 Allocated tips	9 Advance EIC payment
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12
13 Statutory employee	14 Other CASDI 637.20	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
CA 370-4722-2	54000.00	474.84
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc. 54000.00	19 Local income tax	20 Locality name CA

Form W-2 Wage and Tax Statement Dept. of the Treasury -- IRS  
This information is being furnished to the Internal Revenue Service. 39-1908647

**Copy 2 To Be Filed With Employee's State, City, or Local Income Tax Return.**

**2004**  
OMB No. 1545-0008

a Control number	1 Wages, tips, other comp. 54000.00	2 Federal income tax with held 1535.04
b Employer ID number 33-0391754	3 Social security wages 54000.00	4 Social security tax with held 3348.00
	5 Medicare wages and tips 54000.00	6 Medicare tax with held 783.00
c Employer's name, address, and ZIP code OPTIMA TECHNOLOGY INC.  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		
d Employee's social security number 625-34-1563		
e Employee's name, address, and ZIP code REZA ZANDIAN  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		
7 Social security tips	8 Allocated tips	9 Advance EIC payment
10 Dependent care benefits	11 Nonqualified plans	12a Code
13 Statutory employee	14 Other CASDI 637.20	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
CA 370-4722-2	54000.00	474.84
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc. 54000.00	19 Local income tax	20 Locality name CA

Form W-2 Wage and Tax Statement Dept. of the Treasury -- IRS  
39-1908647

This information is being furnished to IRS. If you are required to file a tax return, a negligence or other sanction may be imposed on you if this income is taxable & you fail to report it.

**C For EMPLOYEE'S RECORDS.**

(See Notice to Employee).

<b>2004</b> OMB No. 1545-0008		
a Control number	1 Wages, tips, other comp. 54000.00	2 Federal income tax with held 1535.04
b Employer ID number 33-0391754	3 Social security wages 54000.00	4 Social security tax with held 3348.00
	5 Medicare wages and tips 54000.00	6 Medicare tax with held 783.00
c Employer's name, address, and ZIP code OPTIMA TECHNOLOGY INC.  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		
d Employee's social security number 625-34-1563		
e Employee's name, address, and ZIP code REZA ZANDIAN  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

d Employee's social security number  
625-34-1563  
e Employee's name, address, and ZIP code  
REZA ZANDIAN  
8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

7 Social security tips	8 Allocated tips	9 Advance EIC payment
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12
13 Statutory employee	14 Other CASDI 637.20	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
CA 370-4722-2	54000.00	474.84
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc. 54000.00	19 Local income tax	20 Locality name CA

Form W-2 Wage and Tax Statement 39-1908647 Dept. of the Treasury -- IRS

4 AW24UP1 NTF 2560574 Copyright 2004 Greatland/Nelco

<b>2004</b> OMB No. 1545-0008		
a Control number	1 Wages, tips, other comp. 54000.00	2 Federal income tax with held 1535.04
b Employer ID number 33-0391754	3 Social security wages 54000.00	4 Social security tax with held 3348.00
	5 Medicare wages and tips 54000.00	6 Medicare tax with held 783.00
c Employer's name, address, and ZIP code OPTIMA TECHNOLOGY INC.  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		
d Employee's social security number 625-34-1563		
e Employee's name, address, and ZIP code REZA ZANDIAN  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122		

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

d Employee's social security number  
625-34-1563  
e Employee's name, address, and ZIP code  
REZA ZANDIAN  
8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

7 Social security tips	8 Allocated tips	9 Advance EIC payment
10 Dependent care benefits	11 Nonqualified plans	12a Code
13 Statutory employee	14 Other CASDI 637.20	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
CA 370-4722-2	54000.00	474.84
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc. 54000.00	19 Local income tax	20 Locality name CA

Form W-2 Wage and Tax Statement 39-1908647 Dept. of the Treasury -- IRS

COPY

OPTIMA TECHNOLOGY INC

OPTIMA TECHNOLOGY INC

Employee: REZA ZANDIAN  
Employee ID:  
Work Period:  
Check No.  
Date: 2004 PAYROLL

Employee: REZA ZANDIAN  
Employee ID:  
Work Period:  
Check No.  
Date: 2004 PAYROLL

Gross Pay		4500.00
F.I.C.A.	279.00	
Medicare	65.25	
Fed W/H	127.92	
State W/H	39.57	
S.D.I.	53.10	

Gross Pay		4500.00
F.I.C.A.	279.00	
Medicare	65.25	
Fed W/H	127.92	
State W/H	39.57	
S.D.I.	53.10	

Total Deductions 564.84-

Total Deductions 564.84-

Net Pay \$ 3935.16

Net Pay \$ 3935.16

Monthly, Married, 10 Dependent(s)

Monthly, Married, 10 Dependent(s)

COPY

Employer's Quarterly Federal x Return

See separate instructions revised January 2004 for information on completing this return.

Please type or print.

Enter state code for state in which deposits were made only if different from state in address to the right (see separate instructions).

Name, Trade name, if any Address and ZIP code Date quarter ended
OPTIMA TECHNOLOGY INC. 12/31/2004
8775 COSTA VERDE #1416 SAN DIEGO, CA 92122 33-0391754

Table with OMB No. 1545-0029 and rows for T, FF, FD, FP, I, T.

If address is different from prior return, check here.....

IRS Use table with columns 1-10 and rows 6-10.

A If you do not have to file returns in the future, check here and enter date final wages paid
B If you are a seasonal employer, see Seasonal employers in the instructions and check here

Main table with 16 rows for wages, taxes, and deposits. Includes calculations for social security and Medicare taxes.

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941).
Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here
Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here.

Table 17: Monthly Summary of Federal Tax Liability. Columns: (a) First month liability, (b) Second month liability, (c) Third month liability, (d) Total liability for quarter.

Do you want to allow another person to discuss this return with the IRS (see separate instructions)? Yes. Complete the following. No
Third Party Designee: Designee's name, Phone no., Personal Identification number (PIN)

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Signature, Print Your Name and Title, Date

# Employer's Annual Federal Unemployment (FUTA) Tax Return

**2004**

Department of the Treasury  
Internal Revenue Service

▶ See the separate instructions for Form 940-EZ for information on completing this form.

**You must complete this section.**

Name; Trade name, if any; Address and ZIP code  
**OPTIMA TECHNOLOGY INC.**

Calendar year  
**2004**

**8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122**

EIN  
**33-0391754**

T	
FF	
FD	
FP	
I	
T	

Answer the questions under **Who May Use Form 940-EZ** in the instructions. If you cannot use Form 940-EZ, you must use Form 940.

- A** Enter the amount of contributions paid to your state unemployment fund (see the separate instructions) . . . ▶ \$ **0.00**
- B** (1) Enter the name of the state where you have to pay contributions . . . ▶ **CA**
- (2) Enter your state reporting number as shown on your state unemployment tax return ▶ **370-4722-2**

If you will not have to file returns in the future, check here (see **Who Must File** in separate instructions) and complete and sign the return. ▶

If this is an Amended Return, check here (see **Amended Returns** in the separate instructions) . . . ▶

**Part I Taxable Wages and FUTA Tax**

<b>1</b> Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees . . .	<b>1</b>	<b>54000.00</b>
<b>2</b> Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.) ▶	<b>2</b>	
<b>3</b> Payments of more than \$7,000 for services. Enter only amounts over the first \$7,000 paid to each employee (see the separate instructions) . . . . .	<b>3</b>	<b>47000.00</b>
<b>4</b> Add lines 2 and 3 . . . . .	<b>4</b>	<b>47000.00</b>
<b>5</b> Total taxable wages (subtract line 4 from line 1) . . . . . ▶	<b>5</b>	<b>7000.00</b>
<b>6</b> FUTA tax. Multiply the wages on line 5 by .008 and enter here. (If the result is over \$100, also complete Part II.) . .	<b>6</b>	<b>56.00</b>
<b>7</b> Total FUTA tax deposited for the year, including any overpayment applied from a prior year . . . . .	<b>7</b>	<b>56.00</b>
<b>8</b> Balance due (subtract line 7 from line 6). Pay to the "United States Treasury." . . . . . ▶	<b>8</b>	<b>0.00</b>
If you owe more than \$100, see <b>Depositing FUTA tax</b> in the separate instructions.		
<b>9</b> Overpayment (subtract line 6 from line 7). Check if it is to be: <input type="checkbox"/> Applied to next return or <input type="checkbox"/> Refunded ▶	<b>9</b>	

**Part II Record of Quarterly Federal Unemployment Tax Liability** (Do not include state liability.) Complete only if line 6 is over \$100.

Quarter	First (Jan. 1 - Mar. 31)	Second (Apr. 1 - June 30)	Third (July 1 - Sept. 30)	Fourth (Oct. 1 - Dec. 31)	Total for year
Liability for quarter					

**Third-Party Designee** Do you want to allow another person to discuss this return with the IRS (see the separate instructions)?  Yes. Complete the following.  No

Designee's name ▶ \_\_\_\_\_ Phone no. ▶ \_\_\_\_\_ Personal identification number (PIN) ▶ \_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Signature ▶ ✓ \_\_\_\_\_ Title (Owner, etc.) ▶ ✓ \_\_\_\_\_ Date ▶ ✓ \_\_\_\_\_

CAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. **DETACH HERE** Form **940-EZ** (2004)

**4 B940EZ1 82662 NTF 2581524 Copyright 2004 Greatland/Nelco - Forms Software Only**

## Payment Voucher

**2004**

Department of the Treasury Internal Revenue Service **Use this voucher only when making a payment with your return.**

Complete boxes 1, 2, and 3. Do not send cash, and do not staple your payment to this voucher. Make your check or money order payable to the "United States Treasury." Be sure to enter your employer identification number (EIN), "Form 940-EZ," and "2004" on your payment.

<b>1</b> Enter your employer identification number (EIN). <b>33-0391754</b>	<b>2</b> Enter the amount of your payment. ▶	Dollars Cents
---	--	---------------

	<p><b>3</b> Enter your business name (individual name for sole proprietors). <b>OPTIMA TECHNOLOGY INC.</b></p> <p>Enter your address. <b>8775 COSTA VERDE #1416</b></p> <p>Enter your city, state, and ZIP code. <b>SAN DIEGO, CA 92122</b></p>
--	---



**COPY**

**DE 88 Instruction**

**4th Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information to your De-88 coupon

Due on or before January 31, 2005

1. PAYROLL DATE: 123104  
3. QUARTERLY: 044  
4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>278.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

**P.O. Box 54567  
Los Angeles, CA 90054-0567**





00070101

YEAR DEB 12 31 04 DUE 01 01 05 DELINQUENT 01 31 05 2004

370-4722-2

OPTIMA TECHNOLOGY INC.  
8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

33-0391754

- A. NO WAGES
- B. FINAL

C.	TOTAL WAGES PAID THIS YEAR			54 000 00
D.	UNEMPLOYMENT INSURANCE (Wages up to \$7,000)			
	3.40 % X	7 000 00		238 00
E.	EMPLOYMENT TRAINING TAX			
	0.10 % X	7 000 00		7 00
F.	DISABILITY INSURANCE (Total Employee wages up to a maximum limit)			
	(SDI Taxable Wages paid for first rating period)			
	1.18 % X	54 000 00		637 20
G.	CALIFORNIA PIT WITHHELD			474 84
H.	SUBTOTAL			1 357 04
I.	LESS PREVIOUS PAYMENTS			1 357 04
J.	TOTAL TAXES DUE OR OVERPAID			0 00

I declare that the information herein is correct to the best of my knowledge and belief.

Signature

Title

Phone

Date

COPY

<b>a</b> Control number		<b>33333</b>		For Official Use Only ▶ OMB No. 1545-0008		
<b>b</b> Kind of Payer	941	Military	943	<b>1</b> Wages, tips, other compensation	<b>2</b> Federal income tax withheld	
	X			54000.00	1535.04	
	CT-1	Hshld. emp.	Medicare govt. emp.	Third-party sick pay		
				<b>3</b> Social security wages	<b>4</b> Social security tax withheld	
				54000.00	3348.00	
<b>c</b> Total no. of Forms W-2	<b>d</b> Establishment number			<b>5</b> Medicare wages and tips	<b>6</b> Medicare tax withheld	
1				54000.00	783.00	
<b>e</b> Employer identification number				<b>7</b> Social security tips	<b>8</b> Allocated tips	
33-0391754						
<b>f</b> Employer's name				<b>9</b> Advance EIC payments	<b>10</b> Dependent care benefits	
OPTIMA TECHNOLOGY INC.						
8775 COSTA VERDE #1416 SAN DIEGO, CA 92122				<b>11</b> Nonqualified plans	<b>12</b> Deferred compensation	
				<b>13</b> For third-party sick pay use only		
				<b>14</b> Income tax withheld by payer of third-party sick pay		
<b>g</b> Employer's address and ZIP code						
<b>h</b> Other EIN used this year						
<b>15</b> State	Employer's state ID number			<b>16</b> State wages, tips, etc.	<b>17</b> State income tax	
CA	370-4722-2			54000.00	474.84	
				<b>18</b> Local wages, tips, etc.	<b>19</b> Local income tax	
				54000.00		
Contact person				Telephone number	For Official Use Only	
REZA ZANDIAN						
Email address				Fax number		
					<b>0000 / 1034</b>	

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ✓

Title ✓

Date ✓

Form **W-3** Transmittal of Wage and Tax Statements **2004**

Department of the Treasury  
Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration. Photocopies are NOT acceptable.

Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

**An Item To Note**

Separate Instructions. See the 2004 Instructions for Forms W-2 and W-3 for information on completing this form.

**Purpose of Form**

Use this form to transmit Copy A of Form(s) W-2, Wage and Tax Statement. Make a copy of Form W-3, and keep it with Copy D (For Employer) of Form(s) W-2 for your records. Use Form W-3 for the correct year. **File Form W-3 even if only one Form W-2 is being filed.** If you are filing Form(s) W-2 on magnetic media or electronically, do not file Form W-3.

**When To File**

File Form W-3 with Copy A of Form(s) W-2 by **February 28, 2005.**

**Where To File**

Send this entire page with the entire Copy A page of Form(s) W-2 to:

Social Security Administration  
Data Operations Center  
Wilkes-Barre, PA 18769-0001

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Circular E, (Pub. 15), Employer's Tax Guide, for a list of IRS approved private delivery services.

Do not send magnetic media to the address shown above.

For Privacy Act and Paperwork Reduction Act Notice, see the back of Copy D of Form W-2.

<b>a Control number</b> 22222		Void		For Official Use Only OMB No. 1545-0008			
<b>b Employer identification number</b> 33-0391754				<b>1 Wages, tips, other comp.</b> 54000.00		<b>2 Federal income tax withheld</b> 1535.04	
<b>c Employer's name, address, and ZIP code</b> OPTIMA TECHNOLOGY INC.  8775 COSTA VERDE #1416 SAN DIEGO, CA 92122				<b>3 Social security wages</b> 54000.00		<b>4 Social security tax withheld</b> 3348.00	
				<b>5 Medicare wages and tips</b> 54000.00		<b>6 Medicare tax withheld</b> 783.00	
				<b>7 Social security tips</b>		<b>8 Allocated tips</b>	
<b>d Employee's social security number</b> 625-34-1563				<b>9 Advance EIC payment</b>		<b>10 Dependent care benefits</b>	
<b>e Employee's first name and initial</b> REZA		<b>Last name</b> ZANDIAN		<b>11 Nonqualified plans</b>		<b>12a See instructions for box 12</b>	
8775 COSTA VERDE #1416 SAN DIEGO, CA 92122				<b>13 Statutory employee Retirement plan Third-party sick pay</b>		<b>12b</b>	
				<b>14 Other</b> CASDI 637.20		<b>12c</b>	
						<b>12d</b>	
<b>f Employee's address and ZIP code</b>				<b>15 State</b> Employer's state ID number CA   370-4722-2		<b>16 State wages, tips, etc.</b> 54000.00	
				<b>17 State income tax</b> 474.84		<b>18 Local wages, tips, etc.</b> 54000.00	
				<b>19 Local income tax</b>		<b>20 Locality name</b> CA	

**Form W-2 Wage & Tax Statement**  
Copy A For Social Security Administration -- Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

**2004**  
0 0 0 0 / 1034

Department of the Treasury -- Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.

**Do Not Cut, Fold, or Staple Forms on This Page**

W2FED1 NTF 2561023  
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<b>a Control number</b> 22222		Void		For Official Use Only OMB No. 1545-0008			
<b>b Employer identification number</b>				<b>1 Wages, tips, other comp.</b>		<b>2 Federal income tax withheld</b>	
<b>c Employer's name, address, and ZIP code</b>				<b>3 Social security wages</b>		<b>4 Social security tax withheld</b>	
				<b>5 Medicare wages and tips</b>		<b>6 Medicare tax withheld</b>	
				<b>7 Social security tips</b>		<b>8 Allocated tips</b>	
<b>d Employee's social security number</b>				<b>9 Advance EIC payment</b>		<b>10 Dependent care benefits</b>	
<b>e Employee's first name and initial</b>		<b>Last name</b>		<b>11 Nonqualified plans</b>		<b>12a See instructions for box 12</b>	
				<b>13 Statutory employee Retirement plan Third-party sick pay</b>		<b>12b</b>	
				<b>14 Other</b>		<b>12c</b>	
						<b>12d</b>	
<b>f Employee's address and ZIP code</b>				<b>15 State</b> Employer's state ID number		<b>16 State wages, tips, etc.</b>	
				<b>17 State income tax</b>		<b>18 Local wages, tips, etc.</b>	
				<b>19 Local income tax</b>		<b>20 Locality name</b>	

**Form W-2 Wage & Tax Statement**  
Copy A For Social Security Administration -- Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

**2004**  
0 0 0 0 / 1034

Department of the Treasury -- Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.  
Laser-print Form W2 (Revised 05/04)

Employer's Quarterly Federal Tax Return

See separate instructions revised January 2004 for information on completing this return.

Please type or print.

Enter state code for state in which deposits were made only if different from state in address to the right (see separate instructions).

CA

Name, Trade name, if any: OPTIMA TECHNOLOGY INC. Address and ZIP code: 8775 COSTA VERDE #1416 SAN DIEGO, CA 92122 Date quarter ended: 09/30/2004 EIN: 33-0391754

OMB No. 1545-0029

Table with 2 columns: Label (T, FF, FD, FP, I, T) and Input field.

If address is different from prior return, check here.

IRS Use

Table with 10 columns (6-10) and 5 rows (1-5) for IRS use.

A If you do not have to file returns in the future, check here and enter date final wages paid.

B If you are a seasonal employer, see Seasonal employers in the instructions and check here.

Main table with 16 rows for tax liability calculation, including columns for description, sub-rows (6a-7b), and amounts.

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941).
Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here.
Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here.

Table 17: Monthly Summary of Federal Tax Liability. Columns: (a) First month liability, (b) Second month liability, (c) Third month liability, (d) Total liability for quarter.

Do you want to allow another person to discuss this return with the IRS (see separate instructions)? Yes. Complete the following. X No

Third Party Designee: Designee's name, Phone no., Personal Identification number (PIN)

Sign Here: Signature, Print Your Name and Title (REZA ZANDIAN), Date

For Privacy Act and Paperwork Reduction Act Notice, see Instructions. Form 941 (Rev. 1-2004)



TR ENDED 09 30 04

DUE 09 30 04

DELINQUENT 10 31 04

04 3

370-4722-2

OPTIMA TECHNOLOGY INC.

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

1 1 1

VOLUNTARY PLAN DI

No Payroll

Final Return

625-34-1563

REZA

ZANDIAN

13 500 00

13 500 00

118 71

13 500 00

13 500 00

118 71

13 500 00

13 500 00

118 71

I declare that the information herein is correct to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

PHONE \_\_\_\_\_

0 CAE6ALT

NTF 15329C

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1870

**DE 88 Instruction**

**3rd Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before October 31, 2004

- 1. PAYROLL DATE: 93004
  
- 3. QUARTERLY: 043
  
- 4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA	
PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL	
DUE	<u>278.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

**P.O. Box 54567**  
**Los Angeles, CA 90054-0567**

COPY

Employer's Quarterly Federal Tax Return

See separate instructions revised January 2004 for information on completing this return. Please type or print.

Enter state code for state in which deposits were made only if different from state in address to the right (see separate instructions).

CA

Name, Trade name, if any Address and ZIP code Date quarter ended OPTIMA TECHNOLOGY INC. 8775 COSTA VERDE #1416 SAN DIEGO, CA 92122 06/30/2004 EIN 33-0391754

Table with OMB No. 1545-0029 and rows T, FF, FD, FP, I, T.

If address is different from prior return, check here.

IRS Use

Table with 15 columns for IRS Use and 15 rows for address digits.

A If you do not have to file returns in the future, check here and enter date final wages paid. B If you are a seasonal employer, see Seasonal employers in the instructions and check here.

Main table with 16 rows for tax calculations and 15 columns for amounts.

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941). Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here. Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here.

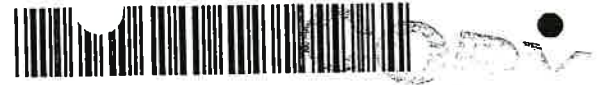
Table 17: Monthly Summary of Federal Tax Liability. Columns: (a) First month liability, (b) Second month liability, (c) Third month liability, (d) Total liability for quarter.

Do you want to allow another person to discuss this return with the IRS (see separate instructions)? Yes. Complete the following. Third Party Designee: Name, Phone no., Personal Identification number (PIN).

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Print Your Name and Title: REZA ZANDIAN. Date.

EDD STATE OF CALIFORNIA  
DE 6

EDD



A0060198

PAGE 1 OF 1

TRENDENED 06 30 04

DUE 06 30 04

DELINQUENT 07 31 04

04 2

370-4722-2

OPTIMA TECHNOLOGY INC.

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

1 1 1

VOLUNTARY PLAN DI		No Payroll	Final Return
625-34-1563	REZA	ZANDIAN	
	13 500 00	13 500 00	118 71

13 500 00 13 500 00 118 71

13 500 00 13 500 00 118 71

I declare that the information herein is correct to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_ PHONE \_\_\_\_\_

0 CAE6ALT NTF 15329C 1873



## DE 88 Instruction

### 2nd Quarter

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before July 31, 2004

1. PAYROLL DATE: 63004  
3. QUARTERLY: 042  
4. PAYMENT AMOUNT:

A) UI	<u>0.00</u>
B) ETT	<u>0.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>278.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

P.O. Box 54567  
Los Angeles, CA 90054-0567

COPY

Form 941 (Rev. January 2004) Department of the Treasury Internal Revenue Service (99)

Employer's Quarterly Federal Tax Return

See separate instructions revised January 2004 for information on completing this return. Please type or print.

Enter state code for state in which deposits were made only if different from state in address to the right (see separate instructions).

CA

Name, Trade name, if any: OPTIMA TECHNOLOGY INC. Address and ZIP code: 8775 COSTA VERDE #1416 SAN DIEGO, CA 92122 Date quarter ended: 03/31/2004 EIN: 33-0391754

Table with OMB No. 1545-0029 and rows T, FF, FD, FP, I, T.

IRS Use grid with columns 1-10 and rows 6-10.

Main tax calculation form with lines 1-16 and sub-rows 6a-6d, 7a-7b. Includes calculations for wages, taxes, and overpayment.

- All filers: If line 13 is less than \$2,500, do not complete line 17 or Schedule B (Form 941).
• Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here.
• Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here.

Table 17: Monthly Summary of Federal Tax Liability. Columns: (a) First month liability, (b) Second month liability, (c) Third month liability, (d) Total liability for quarter.

Third Party Designee section with fields for name, phone, and PIN. Includes a signature line for REZA ZANDIAN.

EDD STATE OF CALIFORNIA  
DE 6

EDD



A0060198

PAGE 1 OF 1

TR ENDED 03 31 04

DUE 03 31 04

DELINQUENT 04 30 04

04 1

370-4722-2

OPTIMA TECHNOLOGY INC.

8775 COSTA VERDE #1416  
SAN DIEGO, CA 92122

1 1 1

VOLUNTARY PLAN DI

No Payroll

Final Return

625-34-1563 REZA

ZANDIAN

13 500 00

13 500 00

118 71

13 500 00

13 500 00

118 71

13 500 00

13 500 00

118 71

I declare that the information herein is correct to the best of my knowledge and belief.

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_  
DATE \_\_\_\_\_ PHONE \_\_\_\_\_

**DE 88 Instruction**

**1st Quarter**

Client Name OPTIMA TECHNOLOGY INC.  
State I.D. # 370-4722-2  
Federal ID # 33-0391754

Please transfer this information your De-88 coupon

Due on or before April 30, 2004

1. PAYROLL DATE: 33104  
3. QUARTERLY: 041  
4. PAYMENT AMOUNT:

A) UI	<u>238.00</u>
B) ETT	<u>7.00</u>
C) DI	<u>159.30</u>
D) CALIFORNIA PIT	<u>118.71</u>
E) PENALTY	<u>0.00</u>
F) INTEREST	<u>0.00</u>
G) TOTAL DUE	<u>523.01</u>

MAIL A CHECK FOR THE TOTAL DUE ALONG WITH FORM DE 88 TO:

P.O. Box 54567  
Los Angeles, CA 90054-0567

# Exhibit H

Main Office  
Finance & Operation  
1981 Empire Rd.  
Reno, NV 89521-7430  
Tel: 949-419-6970  
Fax: 949-226-7378

August 25, 2008

Jan S. McNutt  
Attorney-Advisor (Commercial)  
Office of the General Counsel  
NASA Headquarters

Attn.: GP 02-37016

RE: Case number I-222

Sir,

Thank you for your response despite the month's delay. May I note that the patents and ownership and all active claim(s) had been transferred to our company and you have erred, as a matter of law, when you state that this would be a new claim; as it is not, sir. Due to no fault of ours, it is NASA who has not returned our letters or calls for years regarding this claim, let alone followed up with us until recently. We do not see how your personnel problems are our problem, and the court will most assuredly side with us on this matter.

The "positions" you have stated are not sustainable in any context and could well violate the standards of Rule 11 in the context of litigation. All the information requested in your letter dated August 20 2008 was provided to NASA and Mr. Kennedy over the last 5-6 years. Please see the attached as I am sure it will refresh your memory. Mr. Kennedy's promise to Mr. Margolin in 2003 that an investigation would be conducted indicates that the information Mr. Margolin provided to NASA was sufficient to establish the claim.

We have offered you a fair settlement time period and yet you decide to waste time in an attempt to hide your clear infringement. We would welcome the opportunity to properly discuss a reasonable settlement either directly or through our Intellectual Property attorney Larry Oliverio of Rissman, Jobse, Hendricks & Oliverio who can be reached at

Respectfully,

Robert Adams  
CEO, Optima Technology Group

World Headquarters

Paris, France

New York

Irvine, CA

Hong Kong

Vancouver  
1879

02803

b(6)

b(6)

Main Office  
Finance & Operation

 (b)(6)

August 25, 2008

Jan S. McNutt  
Attorney-Advisor (Commercial)  
Office of the General Counsel  
NASA Headquarters, Suite 9T11  
300 E Street, SW  
Washington, DC 20546-0001

Attn.: GP 02-37016


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(b)(6)

Respectfully,

Robert Adams  
CEO, Optima Technology Group

00199



Main Office  
Finance & Operation

(b)(6)



Monday, July 14, 2008

Mr. Alan J. Kennedy  
Director, Infringement Division  
Office of the Associate General Counsel  
Office of the Aeronautics and Space Administration  
Washington, D.C 20546-0001  
Attn: GP 02-37016

RE: Case number I-222

Sir,

I have read all of the correspondence dating back to May 14, 2003 between NASA and Jed Margolin the inventor of U.S Patent 5,904,724 **Method and apparatus for remotely piloting an aircraft that NASA**. As you are well aware, this invention was infringed (literal infringement) by NASA and others at their direction

My company has been assigned this patent as well as U.S. Patent 5,566,073 **Pilot Aid Using A Synthetic Environment** and we have since licensed L3 and Honeywell (please see attached copy of Honeywell and L3/Genève Aerospace agreement(s)

Your office has had these past 5 years and 7 months to offer up any prior art and has failed to do so in order to invalidate 724 and/or prove non-infringement. Clearly your office has failed, with that said you need now to pay for a license like the others for the use of our technology that you used and may still be using at NASA

We would welcome the opportunity to further discuss the matter directly as to your proper license if need be and/or through our Intellectually Property attorney Larry Oliverio who can be reached at [Redacted]

(b)(6)

Respectfully,

  
Dr. Robert Adams - U.S. Navy Retired  
CEO, Optima Technology Group

00059





Main Office  
Finance & Operation  
1800 Airport Rd.  
Reno, NV 89521-7430  
Tel: 775-319-6970  
Fax: 775-326-7378

Monday, July 14, 2008

Mr. Alan J. Kennedy  
Director, Infringement Division  
Office of the Associate General Counsel  
Office of the Aeronautics and Space Administration  
Washington, D.C 20546-0001  
Attn.: GP 02-37016

RE: Case number I-222

Sir,

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My company has been assigned this patent as well as U.S. Patent 5,566,073 **Pilot Aid Using A Synthetic Environment** and we have since licensed L3 and Honeywell (please see attached copy of Honeywell and L3/Genève Aerospace agreement(s)

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We would welcome the opportunity to further discuss the matter directly as to your proper license if need be and/or through our Intellectually Property attorney Larry Oliverio who can be reached at [redacted]

[redacted]

46)

Respectfully,

Dr Robert Adams - U.S. Navy Retired  
CEO, Optima Technology Group

02595

World Headquarters

Dear Sirs:

New York

Los Angeles

Chicago

San Francisco

# *IONATRON*\*

*Security and Defense,  
at the Speed of Light*

August 1, 2007

Dr. Robert Adams, CEO  
Optima Technology Group  
1981 EMPIRE RD  
Reno, NV 89521-7430

SUBJECT: MEDUSA Proposal Letter of 30 July 2007

Dr. Adams,

Thank you for your letter of 30 July regarding your MEDUSA technologies. There is no doubt that the directed energy technologies that our respective companies are developing might be of great use to the United States government and our allies, and we appreciate the opportunity to have considered MEDUSA for future cooperative development.

We have reviewed the material and references that you have provided, and after some consideration we are unable to pursue such a partnership or acquisition at this time. We appreciate your consideration of our company, and wish your company continued success in your development.

Sincerely,



Dana Marshall  
President and Chief Executive Officer  
Ionatron, Inc.  
3716 E. Columbia, Suite 120  
Tucson, AZ 85714

3716 East Columbia St, #120  
Tucson, AZ 85714  
P 520.628.7415  
F 520.622.3835  
[www.ionatron.com](http://www.ionatron.com)

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the envelope or on the back if space does not permit.
- Write "Return Receipt Requested" on the envelope below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
 DR. L ADAMS CEG  
 OPTIMA TECH GROUP  
 1981 EMPIRE ROAD  
 MEND, ND 58521

4a. Article Number: 7007 2680001 2216 4563

4b. Service Type: 4563

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 X

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 10293-06-0-029 Domestic Return Receipt

Thank you for using Return Receipt Service.

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PLACE STICKER TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. (DO NOT WRITE OVER THIS BARCODE)

**CERTIFIED MAIL**



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 7007 2680 0001 2216 4563

U.S. Postal Service  
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For delivery information visit our website at [www.usps.com](http://www.usps.com)

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Total Postage & Fees	\$	

Sent to: DR. L ADAMS CEG  
 Street, Apt. No. or PO Box No.: 1981 EMPIRE ROAD  
 City, State, ZIP+4: MEND ND 58521

PS Form 3811, August 2003

CONFIDENTIAL

RPV NON-EXCLUSIVE LICENSE AGREEMENT

This Agreement is made this 31 day of May, 2006 ("Effective Date") by and between Cygnis Technology Inc. (hereinafter referred to as "Licensor"), a Delaware corporation, and Margolin (hereinafter referred to as "Inventor"), an individual, both having a place of business at 2222 Michelson Drive, Suite 1830, Irvine, California 92612 USA, and Geneva Aerospace, Inc., a Texas corporation (hereinafter referred to as "Licensee"), having its principal place of business at 4340 International Parkway, Suite 100, Carrollton, TX 75007, individually referred to as "Party" and collectively as the "Parties".

WITNESSED THAT

WHEREAS, it is demonstrated by the document(s) attached hereto as Exhibit A, Licensee has obtained from Inventor the right to provide a license under certain patents of

Licensee to the named inventor in one or more of subject(s); and

Licensee, having the right to obtain, and Licensee is willing to grant, Licensee the right to use the subject(s) and other the subject(s) and other

# Exhibit I



Reply to Attn of:

August 16, 2010

Mr. Jed Margolin  
1981 Empire Road  
Reno, NV 89521-7430

REF: FOIA Request 10-HQ-F-01398

Dear Mr. Jed Margolin:

Thank you for your Freedom of Information Act (FOIA) request dated July 20, 2010 and received in our office on July 20, 2010. Your request was for:

1. Documents containing or referring to communications between NASA (and/or its employees and/or agents) and Reza Zandian.

Mr. Zandian has been known to also use the following names:

Gholam Reza Zandian

Reza Jazi

J. Reza Jazi

G. Reza Jazi

Gholamreza Zandian Jazi.

2. I would like all documents containing or referring to communications between NASA (and/or its employees and/or agents) and Scott J. Bornstein (and/or the law firm of Greenberg Traurig).
3. I would like all documents containing or referring to communications between NASA (and/or its employees and/or agents) and the law firm of John Peter Lee LTD (Las Vegas) including John Peter Lee LTD's employees and/or agents.

Since we must search for and collect documents from offices other than the office processing the request, we are availing ourselves of the 10 working day extension of response time provided in the NASA FOIA regulations (14 CFR § 1206.101 (f)(1)).

We will send a final reply to you on or before August 31, 2010.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Young", written over a horizontal line.

Denise Young  
Headquarters FOIA Officer

National Aeronautics and Space Administration  
Headquarters  
Washington, DC 20546-0001



August 5, 2008

Reply to Attn of: Office of the General Counsel

Mr. Jed Margolin  
1981 Empire Road  
Reno, NV 89521-7430

Re: Administrative Claim of Jed Margolin for Infringement of U.S. Patent  
Nos. 5,566,073 and 5,904,724; NASA Case No. I-222.

Dear Mr. Margolin,

We are in receipt of the Freedom of Information Act Request (FOIA) conveyed to us by email dated June 30, 2008 in which you request copies of all documentation relating to your administrative claim of infringement of U.S. Patent Nos. 5,566,073 and 5,904,724.

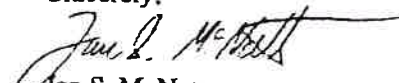
We regret the delay in processing your claim and assure you that we are now undertaking measures to provide a resolution of your claim as soon as possible. Unfortunately, Mr. Alan Kennedy retired from NASA earlier this year and the action on your claim was not conveyed to management in a timely manner. In addition the local attorney responsible for review of your claim also departed from NASA. We are now cognizant of the importance of proceeding with a review of the claim and will contact you when we have reached a decision.

As to your FOIA request, as the investigation of your claim is ongoing, we kindly request that you allow us a 90 day extension to answer this request. Within that time period we should be able to obtain a better picture of our position vis-à-vis your claim and the request for documents may no longer be required.

We should inform you that we have received a separate communication from a company Optima Technology Group, claiming to have been assigned both of the patents in question. You informed me telephonically that this is the case; however, we have no record of any assignment of your patents to this firm and will need confirmation through appropriate attested documents delivered to the agency in order to recognize any claim of ownership by a party other than the inventor.

Thank you for your patience in this matter. Please contact the undersigned at [redacted] email [redacted] if you have any additional questions or comments.

Sincerely,

  
Jan S. McNutt  
Attorney-Advisor

46)

02579

National Aeronautics and Space Administration  
Headquarters  
Washington, DC 20546-0001



August 5, 2008

Reply to Attn of: Office of the General Counsel

Mr. Jed Margolin

[Redacted]

(b)(6)

Re: Administrative Claim of Jed Margolin for Infringement of U.S. Patent Nos. 5,566,073 and 5,904,724; NASA Case No. I-222.

Dear Mr. Margolin,

We are in receipt of the Freedom of Information Act Request (FOIA) conveyed to us by email dated June 30, 2008 in which you request copies of all documentation relating to your administrative claim of infringement of U.S. Patent Nos. 5,566,073 and 5,904,724.

We regret the delay in processing your claim and assure you that we are now undertaking measures to provide a resolution of your claim as soon as possible. Unfortunately, Mr. Alan Kennedy retired from NASA earlier this year and the action on your claim was not conveyed to management in a timely manner. In addition the local attorney responsible for review of your claim also departed from NASA. We are now cognizant of the importance of proceeding with a review of the claim and will contact you when we have reached a decision.

As to your FOIA request, as the investigation of your claim is ongoing, we kindly request that you allow us a 90 day extension to answer this request. Within that time period we should be able to obtain a better picture of our position vis-à-vis your claim and the request for documents may no longer be required.

We should inform you that we have received a separate communication from a company Optima Technology Group, claiming to have been assigned both of the patents in question. You informed me telephonically that this is the case; however, we have no record of any assignment of your patents to this firm and will need confirmation through appropriate attested documents delivered to the agency in order to recognize any claim of ownership by a party other than the inventor.

Thank you for your patience in this matter. Please contact the undersigned at [Redacted] or email [Redacted] if you have any additional questions or comments.

(b)(6)

(b)(6)

Sincerely,

Jan S. McNutt  
Attorney-Advisor

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National Aeronautics and Space Administration



**Headquarters**

Washington, DC 20546-0001

November 5, 2009

Reply to Attn of: 08-HQ-F-00270

Mr. Jed Margolin  
1981 Empire Road  
Reno, NV 89521

Dear Mr. Margolin:

This is a supplemental response to your Freedom of Information Act (FOIA) request for "all documents related to the Administrative Claim of Jed Margolin for Infringement of U.S. Patent Nos. 5,566,073 and 5,904,724; NASA Case No. I-222," from the files of the National Aeronautics and Space Administration (NASA).

Although arguably outside the scope of your request to the NASA Headquarters FOIA Office, NASA has expanded its search to identify additional records, provided by offices located at the Johnson Space Center (JSC), Langley Research Center (LaRC), the NASA Management Office (NMO) and Headquarters (HQ), which are considered responsive to your request. These enclosed documents, consisting of approximately 4,000 pages of agency records are a part of a system of records exempt from the mandatory disclosure provisions under Title 5, USC §552 of the FOIA. Certain documents and portions of documents have been withheld under applicable FOIA exemptions.

The removal of this information constitutes a partial denial pursuant to the following provisions of Title 5, USC, §552:

(b)(3) – implementing nondisclosure provisions that are contained in 41 U.S.C. § 253b, which protects "proposals in the possession or control of an executive agency";

(b)(4) – which protects "trade secrets and commercial or financial information obtained from a person that is privileged or confidential";

(b)(5) – which protects inter-agency documents generated which "are predecisional and/or deliberative in nature" and information protected as attorney work product; and

(b)(6) – which protects the privacy interests of individuals by protecting "information concerning his or her person."

Since you have appealed the initial response to this FOIA and instituted litigation against NASA on your request, your administrative remedies stemming from this supplemental response have been exhausted and any appeal on this supplemental response must be addressed in that action.

Any further questions should be directed to the undersigned, at (202) 358-0068.

Sincerely,



Stephen L. McConnell  
NASA Freedom of Information Act Officer

National Aeronautics and Space Administration  
Headquarters  
Washington, DC 20546-0001



August 1, 2008


Reply to Attn of: Office of the General Counsel

Dr. Robert Adams, CEO  
Optima Technology Group  
1981 Empire Road  
Reno, NV 89521-7430

Re: U.S. Patents Nos. 5,904,724 and 5,566,073

Dear Dr. Adams:

We are in receipt of your letter dated July 14, 2008 informing our office of an assignment of two patents by the inventor Mr. Jed Margolin. While Mr. Margolin's infringement claims are currently under investigation, we do not have any information from Mr. Margolin confirming the alleged assignment of his patents to your firm. Although your letter included copies of two licensing agreements, there is likewise no evidence of an assignment of the said inventions in the communication you sent to us. Until we receive appropriate evidence of such an assignment, we are not able to respond to your request for a license from our Agency.

Please refer any future correspondence in this matter to the undersigned, Mr. Jan S. McNutt,  


Sincerely,

b(6)

  
Jan S. McNutt  
Attorney-Advisor

02577

1892

National Aeronautics and Space Administration  
Headquarters  
Washington, DC 20546-0001



August 1, 2008

Reply to Attn of: Office of the General Counsel

Dr. Robert Adams, CEO  
Optima Technology Group

[Redacted] (b)(6)  
[Redacted]

Re: U.S. Patents Nos. 5,904,724 and 5,566,073

Dear Dr. Adams:

We are in receipt of your letter dated July 14, 2008 informing our office of an assignment of two patents by the inventor Mr. Jed Margolin. While Mr. Margolin's infringement claims are currently under investigation, we do not have any information from Mr. Margolin confirming the alleged assignment of his patents to your firm. Although your letter included copies of two licensing agreements, there is likewise no evidence of an assignment of the said inventions in the communication you sent to us. Until we receive appropriate evidence of such an assignment, we are not able to respond to your request for a license from our Agency.

Please refer any future correspondence in this matter to the undersigned, Mr. Jan S. McNutt,

[Redacted] (b)(6)

Sincerely,

  
Jan S. McNutt  
Attorney-Advisor

00044

1893

National Aeronautics and Space Administration

Headquarters

Washington, DC 20546-0001



March 19, 2009

Reply to Attn of:

Office of the General Counsel

CERTIFIED MAIL

Dr. Robert Adams, CEO  
Optima Technology Group

[REDACTED] (b)(6)  
[REDACTED]

RE: Administrative Claim for Infringement of US Patent No. 5,904,724;  
NASA Case No. I-222

Dear Dr. Adams:

This letter concerns the above-identified administrative claim for patent infringement.

NASA received the initial notification of this claim in an email dated May 12, 2003, from Mr. Jed Margolin addressed to attorneys at the NASA Langley Research Center claiming that "NASA may have used one or more of [Mr. Margolin's] patents in connection with the X-38 project and may be using one or more of my patents in other projects using Synthetic Vision". Mr. Margolin identified two patents that he believed NASA may be infringing; the subject patent and Patent No. 5,566,073. On June 7, 2003, Mr. Margolin submitted his claim by fax to the NASA HQ attorney, Mr. Alan Kennedy. Mr. Kennedy responded by letter dated June 11, 2003 acknowledging the administrative claim and requesting that Mr. Margolin give a more detailed breakdown of the exact articles or processes that constitute the claim. Mr. Margolin responded by letter dated June 17, 2003, withdrawing his claim with regard to U.S. Patent No. 5,566,073, leaving the remaining claim for the subject patent. NASA is aware of the long pendency of this matter and we regret the delay.

On July 14, 2008 Optima Technology Group sent a letter addressed to Mr. Kennedy stating that they were the owners of the Jed Margolin patents due to an assignment and requesting that NASA now license the technology of the subject patent. With an email dated August 6, 2008 from Optima, NASA received a copy of a Patent Assignment, dated July 20, 2004, executed by Jed Margolin, the sole inventor on the subject patent, by which the entire right, title and interest in the patent has been assigned to Optima Technology Group, Inc. We previously noted in a letter dated August 20, 2008 from Mr. Jan McNutt of our office addressed to you that NASA believes there are certain irregularities surrounding this and collateral assignment documents associated with the subject patent. However, NASA will at this time forestall a detailed consideration of that issue. Instead, we will assume your *bona fides* in asserting that you are the legitimate owner of the subject patent and communicate

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our findings directly with you. To the extent that Mr. Margolin has any interest in this matter, formally or informally, we will leave it up to you whether or not to communicate with him.

In light of the prior claim by Mr. Margolin, we consider your license proffer as an administrative claim of patent infringement. We turn now to the substance of your claim. In response to your initial letter dated July 14, 2008, Mr. McNutt's August 20, 2008 letter posed a number of questions, the purpose of which was to enable NASA to fully evaluate the details of your claim. Your organization failed to respond to these questions and, further, advanced the position that this matter does not involve a *new* claim (*Adams letter to McNutt, August 25, 2008*). We disagree that this is not a new claim. Nevertheless, NASA proceeds – in order to bring closure to this matter – on the basis that this claim centers around allegations that infringement arose from activities associated with NASA's X-38 Program, as advanced by Mr. Margolin. Accordingly, our investigation of this claim necessarily reflects the answers previously furnished by Mr. Margolin in response to NASA's June 11, 2003 letter to him containing substantially the same set of questions.

U.S. Patent No. 5,904,724 issued with twenty claims, claims 1 and 13 being the sole independent claims.

In order for an accused device to be found infringing, each and every limitation of the claim must be met by the accused device. To support a finding of literal infringement, each limitation of the claim must be met by the accused device exactly, any deviation from the claim precluding a finding of infringement. See *Lantech, Inc. v. Keip Mach. Co.*, 32 F.3d 542 (Fed. Cir. 1994). If an express claim limitation is absent from an accused product, there can be no literal infringement as a matter of law. See *Wolverine World Wide, Inc. v. Nike, Inc.*, 38 F.3d 1192, 1199 (Fed. Cir. 1994).

In applying these legal precepts, reproduced below are the relevant portions of claims 1 and 13.

Claim 1. A system comprising:

\* \* \*

a computer

\* \* \*

said computer is. . .for *determining a delay time* for communicating said flight data between said computer and said remotely piloted aircraft, and wherein said computer adjusts the sensitivity of said set of one or more remote flight controls based on said delay time.  
(emphasis added.)

Claim 13. A station for flying a remotely piloted aircraft that is real or simulated comprising:

\* \* \*

a computer

\* \* \*

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said computer. . . to *determine a delay time* for communicating. . . flight control information between said computer and [a] remotely piloted aircraft, and said computer to adjust the sensitivity of [a] set of remote flight controls based on said delay time. . . (emphasis added.)

NASA has investigated activities surrounding the X-38 program at its Centers that conducted X-38 development efforts and has determined that no infringement has occurred. This result is compelled because none of NASA's X-38 implementations utilized a computer which is "for determining a delay time for communicating said flight data between said computer and said remotely piloted aircraft," as required by claim 1, nor a "computer . . . to determine a delay time for communicating . . . flight control information between said computer and [a] remotely piloted aircraft," as required by the limitations of claim 13.

Given that a computer which measures delay time is lacking from the NASA X-38 configuration, it follows that the NASA X-38 configuration had no "adjusting of the sensitivity of [a] set of one or more remote flight controls based on said delay time", as required in claim 1. Similarly, because the NASA X-38 configuration had no "computer to determine a delay time for communicating . . . flight control information between said computer and [a] remotely piloted aircraft, the configuration also had no adjusting of "the sensitivity of [a] set of remote flight controls based on said delay time", as called for by claim 13.

For at least the above-explained exemplary reasons, claims 1 and 13 have not been infringed. It is axiomatic that none of the dependent claims may be found infringed unless the claims from which they depend have been found to be infringed. *Wahpeton Canvas Co. v. Frontier, Inc.*, 870 F.2d 1546 (Fed. Cir. 1989). One who does not infringe an independent claim cannot infringe a claim dependent on, and thus containing all the limitations of, that claim. *Id.* Thus, none of claims 2-12 and 14-20 have been infringed.

NASA's X-38 development efforts ended in 2002. There may also be other features in NASA's X-38 development efforts that, upon further analysis, would reveal yet more recited claim limitations that are lacking in the NASA configuration related to those efforts.

We also note as a point of particular significance that the limitations included in claims 1 and 13 discussed above were added by amendment during the prosecution of the patent application. It is clear from an analysis of the patent application file wrapper history that the individual prosecuting the application stressed the importance of "the measurement of a communication delay in order to adjust the sensitivity of flight controls based on that delay." Also noted is the distinguishing arguments that these claims require that there be a "computer . . . located in the pilot station" and that "at least one real time measurement of the delay and some adjustment is contemplated." (See *Applicant's Amendment and Remark*, February 27, 1998 and *Response Under 37 C.F.R. § 1.116*, July 6, 1998). Clearly, the Patent Office Examiner allowed the application based on these prosecutorial arguments.

We have completed our investigation regarding the claim of patent infringement of U.S. Patent No. 5,904,724 and have determined that there is no patent infringement by, or

00019

unauthorized use on behalf of, NASA. The above detailed discussion explains the basis for NASA's analysis and decision regarding the subject administrative claim.

As an aside, during NASA's investigation, numerous pieces of evidence were uncovered which would constitute anticipatory prior knowledge and prior art that was never considered by the U.S. Patent and Trademark Office during the prosecution of the application which matured into Patent No. 5,904,724. In view of the clear finding of lack of infringement of this patent, above, NASA has chosen to refrain from a discussion that would demonstrate, in addition to non-infringement, *supra*, invalidity of the subject patent. However, NASA reserves the right to introduce such evidence of invalidity in an appropriate venue, should the same become necessary.

This is a FINAL agency action and constitutes a DENIAL of the subject administrative claim for patent infringement.

Pursuant to 35 U.S.C. § 286, the statute of limitations for the filing of an action of patent infringement in the United States Court of Federal Claims is no longer tolled. Thus, any further appeal of this decision must be made by filing a claim for patent infringement in the United States Court of Federal Claims, pursuant to 28 U.S.C. § 1498(a).

Sincerely,



Gary G. Borda  
Agency Counsel for Intellectual Property

00020



Denise Young  
HQ FOIA Officer

---

**From:** Jed Margolin [mailto:jm@jmargolin.com]  
**Sent:** Tuesday, July 20, 2010 1:44 PM  
**To:** Young, Denise (HQ-NG000); HQ-FOIA; stephen.mcconnell-1@nasa.gov  
**Subject:** FOIA Request

Dear NASA,

This request is made pursuant to the Freedom of Information Act.

1. I would like all documents containing or referring to communications between NASA (and/or its employees and/or agents) and Reza Zandian.

Mr. Zandian has been known to also use the following names:

Gholam Reza Zandian  
Reza Jazi  
J. Reza Jazi  
G. Reza Jazi  
Gholamreza Zandian Jazi.

2. I would like all documents containing or referring to communications between NASA (and/or its employees and/or agents) and Scott J. Bornstein (and/or the law firm of Greenberg Traurig).

3. I would like all documents containing or referring to communications between NASA (and/or its employees and/or agents) and the law firm of John Peter Lee LTD (Las Vegas) including John Peter Lee LTD's employees and/or agents.

Costs:

I claim the journalist exemption. These documents are material to the article/blog I am writing called "How NASA Treats Independent Inventors" at [www.jmargolin.com/nasa/nasa.htm](http://www.jmargolin.com/nasa/nasa.htm)

Jed Margolin  
1981 Empire Rd.  
Reno, NV 89521-7430  
775-847-7845

# Exhibit J

**UNITED STATES DISTRICT COURT**

**DISTRICT OF ARIZONA**

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION,

Plaintiff,

v.

**SUMMONS IN A CIVIL CASE**

**CASE NUMBER: CV-07-588-Tuc-RCC**

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY CORPORATION,  
ROBERT ADAMS and JED MARGOLIN,

Defendants.

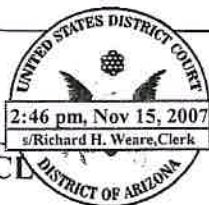
**To: OPTIMA TECHNOLOGY CORPORATION**

YOU ARE HEREBY SUMMONED and required to serve upon PLAINTIFF'S ATTORNEY:

E. Jeffrey Walsh, SBN 009334  
Scott J. Bornstein  
Paul J. Sutton  
Allan A. Kassenoff  
Greenberg Traurig, LLP  
2375 E. Camelback Rd., Ste. 700  
Phoenix, AZ 85016  
(602) 445-8406

an answer to the complaint which is herewith served upon you, within twenty (20) days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

CLERK



(BY) DEPUTY CLERK

Date

**GREENBERG TRAUIG, LLP**

ATTORNEYS AT LAW

SUITE 700

2375 EAST CAMELBACK ROAD

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MetLife Building

New York, NY 10166

*Attorneys for Plaintiff*

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION,

Plaintiff,

v.

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY CORPORATION,  
ROBERT ADAMS and JED MARGOLIN,

Defendants.

No. CIV-07-588-TUC-RCC

**COMPLAINT**

[JURY TRIAL DEMANDED]

Plaintiff Universal Avionics Systems Corporation ("Universal" or "UAS"), by and through its undersigned attorneys, for their Complaint against Defendants Optima Technology Group, Inc., Optima Technology Corporation (collectively, "Optima"), Robert Adams ("Adams") and Jed Margolin ("Margolin") (collectively, "Defendants") alleges as follows based upon its best available information and belief. In recent months, Universal has been harassed, threatened and defrauded by the Defendants. Defendant Optima is an entity commonly referred to as a patent holding company, or "patent troll." In simple terms, the conduct of Defendants amounts to a classic shakedown as Optima, in

1 concert with Adams and Margolin, sought and continues to seek to peddle its portfolio of  
2 patents and patent applications. No longer willing to be subjected to baseless allegations,  
3 countless misrepresentations and bizarre threats, Universal initiates the present action.

4 **NATURE OF THE ACTION**

5 1. This is an action seeking a declaratory judgment that U.S. Patent Nos.  
6 5,566,073 and 5,904,724 are invalid and not infringed and asserting claims against  
7 Defendants for breach of contract under the law of the State of Arizona, in addition to  
8 unfair competition and negligent interference with prospective economic advantage under  
9 the laws of the State of California.

10 **THE PARTIES**

11 2. Plaintiff Universal is an Arizona corporation, having a principal place of  
12 business at 3260 East Universal Way, Tucson, Arizona 85706.

13 3. Upon information and belief, Defendant Optima Technology Group, Inc. is  
14 a Delaware corporation, having a principal place of business at 1981 Empire Road, Reno,  
15 Nevada 89521.

16 4. Upon information and belief, Defendant Optima Technology Corporation is  
17 a California corporation, having a principal place of business at 2222 Michelson Drive,  
18 Suite 1830, Irvine, California 92612 and is the parent corporation of Defendant Optima  
19 Technology Group, Inc.

20 5. Upon information and belief, Defendant Adams has a place of business at  
21 2222 Michelson Drive, Suite 1830, Irvine, California 92612 and is the President and Chief  
22 Executive Officer of Defendant Optima Technology Corporation.

23 6. Upon information and belief, Defendant Margolin resides at 3570 Pleasant  
24 Echo Drive, San Jose, California 95148 and is employed by at least one of the Optima  
25 Defendants.

26 7. Defendants, directly and through their authorized agents, have engaged in

1 unlawful conduct and business discussions with Universal in Arizona and are subject to  
2 the jurisdiction of this Court.

3 **JURISDICTION AND VENUE**

4 8. This is an action seeking, among other things, a declaratory judgment that  
5 U.S. Patent Nos. 5,566,073 (the "'073 patent") and 5,904,724 (the "'724 patent") are  
6 invalid and not infringed and asserting claims for breach of contract under the law of the  
7 State of Arizona, in addition to unfair competition and negligent interference with  
8 prospective economic advantage under the laws of the State of California.

9 9. This Court has original jurisdiction over this action pursuant to the Federal  
10 Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, the Patent Laws of the United States,  
11 35 U.S.C. §100 et seq. and 28 U.S.C. §§ 1331, 1332 and 1338(a) and (b). This Court has  
12 jurisdiction, pursuant to the principles of supplemental jurisdiction and 28 U.S.C. § 1367,  
13 over Universal's claims for breach of contract, unfair competition and negligent  
14 interference with prospective economic advantage.

15 10. Venue is proper in this judicial district because a significant part of the  
16 unlawful conduct complained of and giving rise to this action occurred in this judicial  
17 district and Defendants have engaged in business dealings with Plaintiff Universal in this  
18 judicial district. *See* 28 U.S.C. § 1391.

19 **THE PATENTS-IN-SUIT**

20 11. On October 15, 1996, the United States Patent and Trademark Office  
21 ("PTO") issued United States Patent No. 5,566,073, entitled "Pilot Aid Using a Synthetic  
22 Environment." A copy of the '073 patent is attached hereto as Exhibit 1. Defendant  
23 Margolin is the named inventor on the face of the '073 patent. Upon information and  
24 belief, Margolin assigned the '073 patent to Optima.

25 12. On May 18, 1999, the PTO issued United States Patent No. 5,904,724,  
26 entitled "Method and Apparatus for Remotely Piloting an Aircraft." A copy of the '724

1 patent is attached hereto as Exhibit 2. Defendant Margolin is the named inventor on the  
2 face of the '724 patent. Upon information and belief, Margolin assigned the '724 patent  
3 to Optima.

4 13. Upon information and belief, Margolin executed a Durable Power of  
5 Attorney (attached hereto as Exhibit 3), whereby he appointed "Optima Technology Inc. -  
6 Robert Adams, CEO" as his agent with the "powers to manage, dispose of, sell and  
7 convey" various issued patents, including the '073 and '724 patents.

### 8 FACTS

9 14. On or about July 3, 2007, Defendant Adams contacted Universal's outside  
10 legal counsel and advised that Optima had become aware of Universal's patent  
11 infringement litigation with Honeywell International Inc. and Honeywell Intellectual  
12 Properties Inc. (collectively, "Honeywell"), then pending in the District Court of  
13 Delaware. Specifically, Adams suggested that Optima could "help [Universal] with said  
14 case using our patents to make [Honeywell] back off on their case" because, according to  
15 Adams, Honeywell infringes Optima's U.S. Patent Nos. 5,566,073 and 5,904,724  
16 (collectively, the "Optima Intellectual Property"). (Attached hereto as Exhibit 4).

17 15. Adams suggested that Universal should either purchase or accept a license  
18 under the Optima Intellectual Property in order to assert it against Honeywell. According  
19 to Margolin, Universal "could get some leverage against Honeywell . . . by buying '073  
20 and/or taking an exclusive license from us and then nail Honeywell who also infringes  
21 [the '073 patent]." (Attached hereto as Exhibit 5).

22 16. Universal's counsel responded to Adams the same day, informing Adams  
23 that an analysis was necessary prior to considering Optima's license offer.

24 17. Despite Adams' initial suggestion that the overture was intended to "help"  
25 Universal in an action against Honeywell, he almost immediately began asserting that  
26 Universal was also infringing the Optima Intellectual Property. (*Id.*)

1           18.    Then, on or about July 16, 2007, Adams began to issue not-so-subtle threats  
2 against Universal, suggesting that Optima would grant a license under the Optima  
3 Intellectual Property to Honeywell -- so that Honeywell could sue Universal -- should  
4 Universal decline Optima's offer. "Seeing that both your client [Universal] and  
5 Honeywell infringes, it might be a good thing for your client to take the exclusive license  
6 now that your case turned, before of course Honeywell takes the opportunity to do the  
7 same thing and use it against others." (*Id.*)

8           19.    During subsequent communications, Dr. Adams threatened that if Universal  
9 failed to take a license, Optima would sell or license the patents to Acacia Technologies  
10 ("Acacia"), a company recognized by many as a litigation-prone patent troll. He further  
11 stated that if Acacia obtained rights to the patents, it would likely initiate a litigation  
12 against Universal and countless other industry participants.

13           20.    Adams continued his not-so-subtle threats against Universal in an August 7,  
14 2007 email in which he claimed that Optima had decided on a law firm "in the event that I  
15 need to hire them to take on Honeywell, Mercury Computer Systems as well as all the  
16 others." (Attached hereto as Exhibit 6).

17           21.    On or about August 10, 2007, Universal responded to the August 7, 2007  
18 email, informing Adams that counsel would be speaking to Universal's management in  
19 the coming week to discuss Optima's license offer. Adams apparently was satisfied by  
20 this response, as he retreated from his threats and returned to discussing the possibility of  
21 Universal and Optima cooperating and entering into a "working relationship."  
22 Specifically, Adams opined that "[o]ur working models show that not only would [the  
23 Optima Intellectual Property] make Honeywell back-off their case against your client  
24 [Universal], but your client will be in a key position to go after approximately \$56 Million  
25 and growing in business that Honeywell infringes. A win win for both of us . . . ."  
26 (Attached hereto as Exhibit 7).



1           22. On or about August 15, 2007, Universal and Adams agreed to meet in an  
2 effort to resolve the dispute. The meeting was scheduled for September 11, 2007 at  
3 Universal's corporate headquarters in Tucson, Arizona (the "Tucson Meeting"). In  
4 anticipation of the Tucson Meeting, on or about August 22, 2007, Universal and Optima  
5 entered into a Confidential, Nondisclosure and Limited Use Agreement (the  
6 "Confidentiality Agreement"). (Attached hereto as Exhibit 8).

7           23. The Confidentiality Agreement expressly provided, *inter alia*, that  
8 "Confidential Information includes the existence of this Agreement *and the nature of the*  
9 *activity hereunder.*" (*Id.* at Para. 1(a) emphasis added). As the first Whereas clause  
10 makes clear, the "nature of the activity" was "to meet in order to discuss U.S. Patent Nos.  
11 5,566,073 and 5,904,724 and provisional application no. 60/745,111." (*Id.*, First Whereas  
12 clause). Further, Universal and Optima agreed that "Confidential Information will be  
13 received and maintained by the Receiving Party in confidence and not disclosed to third  
14 parties without the prior written consent of the Disclosing Party." (*Id.* at Para. 2(a)).

15           24. Prior to the Tucson Meeting, Adams began making blatant  
16 misrepresentations in an apparent effort to fool Universal into entering into a license  
17 agreement with Optima. For example, Adams claimed that Mercury Computer Systems  
18 ("Mercury") "agreed to take a non-exclusive license as long as we agree not to file our  
19 lawsuit against them." (Attached hereto as Exhibit 9). Adams further warned that Optima  
20 is "now in negotiations with a company who came to us, Acacia Technologies." (*Id.*)  
21 Adams explained, as indicated above, that if Optima sold the patents to Acacia, litigation  
22 against Universal, Honeywell and others was likely to ensue.

23           25. The purpose of the Tucson Meeting was to hear and consider economic  
24 issues surrounding Optima's offer to license the Optima Intellectual Property in an effort  
25 to avoid further threats, nuisance and wasted money and time. Universal was represented  
26 at the Tucson Meeting by several members of senior management and personnel,

1 including Don Berlin, Michael Delgado, Paul DeHerrera, Frank Hummel and Andria Poe,  
2 along with its outside legal counsel. Adams was the sole representative for Optima and  
3 gave an impression that he was acting on behalf of all Defendants with an interest in this  
4 matter.

5 26. At the meeting, Universal made it clear that (1) a license to the Optima  
6 Intellectual Property was unnecessary because Universal did not sell any products covered  
7 by any claim from the Optima patents; and (2) Universal believed that the '073 and '724  
8 patents were invalid based on several prior art references. In response, Adams stated that  
9 he would have to defer to his legal counsel as he did not know anything about patent  
10 validity. Universal explained that although it did not require its taking a license, it was  
11 still willing to discuss the matter in an effort to avoid costly disputes. However, Universal  
12 made it clear that in considering any settlement arrangement which might involve  
13 avoidance of litigation would involve only nominal value. Universal repeatedly asked  
14 Adams to identify terms he considered appropriate for a settlement but he refused to  
15 provide any specific terms. Instead, Adams claimed that several unnamed parties had  
16 already entered into license agreements with Optima in connection with the Optima  
17 Intellectual Property and an agreement with Universal would need to be on similar terms.  
18 However, Adams refused to disclose the terms of the "mystery" agreements.

19 27. At the Tucson Meeting, Adams also (mis)represented that Optima had been  
20 involved in a number of successful patent infringement lawsuits in the past. By  
21 implication, he suggested that if Universal failed to settle on terms acceptable to the  
22 Defendants, it would be the next litigation target. However, upon information and belief,  
23 Optima previously filed only one (1) patent litigation involving unrelated technology.

24 28. Adams concluded the meeting by providing contact information for  
25 Defendant Margolin and inviting Universal to contact Margolin to seek additional  
26 information.

1           29. Several days later, Frank Hummel, Universal's Vice President-Engineering,  
2 called Defendant Margolin to seek additional information. During that telephone,  
3 Margolin admitted that Optima had only been involved in one prior patent litigation.  
4 Specifically, *Optima Technology Corp. v. Roxio Inc.*, Civ. No. 03-1776-JVS-AN (2003),  
5 was filed by Optima Technology Corporation in the United States District Court for the  
6 Central District of California in 2003. In that suit, Optima Technology Corporation  
7 asserted that defendants infringed its U.S. Patent. No. 5,666,531, entitled "Recordable  
8 CD-ROM Accessing System." The District Court did not agree and ruled against Optima,  
9 granting defendants' motion for summary judgment of non-infringement. Optima  
10 Technology Corporation appealed and lost on appeal.

11           30. Optima Technology Corporation has, however, been involved in seventeen  
12 (17) state court actions in California Superior Court. Most of these cases involve  
13 allegations that Optima breached various contracts and/or committed business torts.

14           31. Needless to say, little progress was made at the Tucson Meeting and no  
15 offer was made by either side. After the meeting, Universal and Optima began  
16 negotiating the terms for a possible settlement that would involve the Optima Intellectual  
17 Property. During the course of the negotiations, Adams contradicted his previous  
18 representation that Mercury had already entered into a license agreement with Optima by  
19 indicating on September 19, 2007 that "I am closing a non-exclusive deal with  
20 [Mercury]." (Attached hereto as Exhibit 10).

21           32. Confused by the changing representations, Universal's counsel subsequently  
22 spoke with in-house counsel at Mercury regarding Mercury's alleged license agreement  
23 with Optima. During that call, Mercury advised that Optima, through Dr. Adams, had  
24 been threatening Mercury for many months in an attempt to convince Mercury to enter  
25 into a license agreement under the Optima Intellectual Property. Adams was  
26 characterized as a "snake oil salesman" and his behavior was characterized as "bizarre."

1 Mercury further indicated that not only had it not entered into an agreement of any kind  
2 with Optima, it had no intention of doing so.

3 33. As a result of the multiple misrepresentations made by Adams, Universal  
4 concluded that its best option was to attempt to settle the dispute by paying a nominal  
5 nuisance value to avoid future issues with Optima. On or about September 20, 2007,  
6 Adams acknowledged that Universal and Optima were in disagreement as to the value of  
7 the Optima Intellectual Property.

8 34. In an apparent attempt to induce Universal to make a substantial settlement  
9 offer for the Optima Intellectual Property, Adams claimed to be “off to England in the  
10 morning to meet with Sir Michael Knight of Cobham plc regarding a non-exclusive  
11 license by Chelton [Flight Systems] who is a US subsidiary.” (Attached hereto as Exhibit  
12 11). Adams proceeded to indicate that the meeting with Chelton was set because of an  
13 unspecified “leak” of confidential information by an unidentified Universal source. The  
14 following text is illustrative of Adams bizarre allegations: “Only you and the five from  
15 [Universal] knew of the full details of the meeting besides myself. The complete details  
16 of that meeting were spelled out to me as if that person was in the meeting and/or had  
17 access to someone in that meeting. A leak it is from someplace nevertheless, it was and it  
18 could not be from our side . . . .” (Attached hereto as Exhibit 12).

19 35. On or about October 2, 2007, Adams again misrepresented that “we have  
20 now licensed Mercury Computer and Chelton including a separate license that will be  
21 signed in the next week with their parent company Cobham plc.” (Attached hereto as  
22 Exhibit 13).

23 36. Contrary to Adams’ statements, upon information and belief, neither  
24 Mercury nor Chelton ever entered into a license agreement with Optima. In fact, on or  
25 about November 7, 2007, Universal’s counsel spoke to Joseph Shea (“Shea”), an attorney  
26 at Nutter, McClennen & Fish, LLP. During that conversation, Shea informed Universal’s

1 counsel that he was outside counsel for Mercury. Further, Shea confirmed that Mercury  
2 had not entered -- and had no future plans to enter -- into any license agreement with  
3 Optima. Even more disturbing was the fact that Shea stated that Adams had informed  
4 him, in an attempt at pressuring Mercury to sign a license, that Universal had made  
5 license offers to Optima and that Optima had already entered into a license agreement  
6 with Universal -- a blatant and calculated misrepresentation.

7 37. During a conversation between Universal and a General Manager at  
8 Chelton, the General Manager indicated that they had never heard of Adams nor Optima.

9 38. After apparently realizing that it was unlikely that Universal and Optima  
10 would agree on a license agreement, Adams again resorted to threatening Universal. First,  
11 he suggested (again) that Optima would enter into a license with Honeywell so that  
12 Honeywell could sue Universal. "Not a problem, I am sure Honeywell will be more than  
13 [sic] pleased to talk with us and take the exclusive [if] anything just into [sic] enforce it  
14 against others whom they know will [sic] from past infringement case." (Attached hereto  
15 as Exhibit 14). Universal did not take the bait.

16 39. Adams then got hostile, falsely accusing Universal's President, Ted Naimer,  
17 of "stealing our patented concept some time ago and [claiming to have] the web traffic to  
18 prove it was at the very least his company and/or his personal IP address." (Attached  
19 hereto as Exhibit 15).

20 40. Then, on October 15, 2007, Adams notified Universal of an alleged offer  
21 made by Honeywell and stated that Universal has "four hours from now . . . to accept and  
22 make us a better offer or decline by not responding." (Attached hereto as Exhibit 16).  
23 Universal was not persuaded and did not respond.

24 41. Finally, on November 6, 2007, Optima's outside counsel, M. Lawrence  
25 Oliverio ("Oliverio") of Rissman Jobse Hendricks & Oliverio, sent counsel for Universal  
26 a letter specifically threatening litigation. (Attached hereto as Exhibit 17). The text is

1 reprinted below for convenience.

2 42. "We represent Optima Technology Group and we are writing in a final  
3 attempt to bring our client's discussions with your client to an expedited and amicable  
4 conclusion. As you know, UAS's Vision-1, UNS-1 and TAWS Terrain Awareness &  
5 Warning systems products literally infringe Optima's U.S. Patents Nos. 5,566,073 and  
6 5,904,724. . . ."

7 "Optima has attempted to engage UAS in good faith negotiations.  
8 The monetary terms proposed by UAS thus far indicate that UAS is not  
9 willing to proceed in good faith. Given this, UAS must provide immediate  
10 assurance and proof that it will cease and desist from all infringement of  
11 Optima's patents or expedite the execution of a license acceptable to  
12 Optima."

13 "In the absence of a suitable response within five (5) days of the date  
14 of this letter and/or a fully executed non-exclusive license agreement that  
15 was provided to your client by Optima Technology Group during the  
16 meeting in Tucson, Arizona we will assume that this matter cannot be  
17 resolved short of litigation."

18 43. Based upon the specific allegations of infringement contained in Oliverio's  
19 November 6, 2007 letter, Universal has and continues to have a reasonable apprehension  
20 that Optima will file suit for alleged infringement of the '073 and '724 patents.

21 **CLAIMS FOR RELIEF**

22 **COUNT ONE**

23 **Declaratory Judgment of Non-Infringement of the '073 Patent**

24 44. Universal repeats and realleges the allegations above as if fully set forth  
25 herein.

26 45. As set forth in Paragraph 41 above, on November 6, 2007 Optima, through  
its outside counsel, sent a threatening letter to Scott Bornstein, Universal's outside  
counsel, accusing Universal of infringing Optima's '073 and '724 patents with respect to  
Universal's UAS's Vision-1, UNS-1 and TAWS Terrain Awareness & Warning systems

1 products. Furthermore, as indicated in Paragraph 41 above, Optima suggested that it was  
2 likely to file a litigation if Universal was unwilling to accede to unreasonable licensing  
3 demands by November 11, 2007. Accordingly, an actual and continuing controversy has  
4 arisen and continues to exist between Optima, on the one hand, and Universal, on the  
5 other hand, as to whether or not Universal has directly infringed, contributed to the  
6 infringement of, or induced the infringement of, any valid and/or enforceable claim of the  
7 '073 patent.

8 46. Universal has not infringed and is not now infringing, contributorily  
9 infringing or inducing infringement of any valid and/or enforceable claim of the '073  
10 patent, either literally or under the doctrine of equivalents.

11 47. Accordingly, Universal requests a declaration from this Court that Universal  
12 has not infringed and is not now infringing, contributorily infringing or inducing  
13 infringement of any valid and/or enforceable claim of the '073 patent, either literally or  
14 under the doctrine of equivalents.

## 15 COUNT TWO

### 16 Declaratory Judgment of Invalidity of the '073 Patent

17 48. Universal repeats and realleges the allegations above as if fully set forth  
18 herein.

19 49. As set forth in Paragraph 41 above, on November 6, 2007 Optima contacted  
20 Universal's outside counsel and accused Universal of infringing the '073 patent.  
21 Furthermore, as indicated in Paragraph 41 above, Optima suggested that it was likely to  
22 file a litigation if Universal was unwilling to accede to unreasonable licensing demands by  
23 November 11, 2007. Accordingly, an actual and continuing controversy has arisen and  
24 continues to exist between Optima and Universal as to the validity of each of the claims of  
25 the '073 patent.

26 50. Upon information and belief, the '073 patent, and each of the claims

1 thereof, are invalid and void for failure to meet the conditions of patentability as set forth  
2 in the provisions of the Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited  
3 to, one or more of 35 U.S.C. §§ 101, 102, 103 and/or 112.

4 51. Accordingly, Universal requests a declaration from this Court that each of  
5 the claims of the '073 patent is invalid for failure to comply with the provisions of the  
6 Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one or more of 35  
7 U.S.C. §§ 101, 102, 103 and/or 112.

8 **COUNT THREE**

9 **Declaratory Judgment of Non-Infringement of the '724 Patent**

10 52. Universal repeats and realleges the allegations above as if fully set forth  
11 herein.

12 53. As set forth in Paragraph 41 above, on November 6, 2007 Optima, through  
13 its outside counsel, sent a threatening letter to Scott Bornstein, Universal's outside  
14 counsel, accusing Universal of infringing Optima's '073 and '724 patents with respect to  
15 Universal's UAS's Vision-1, UNS-1 and TAWS Terrain Awareness & Warning systems  
16 products. Furthermore, as indicated in Paragraph 41 above, Optima suggested that it was  
17 likely to file a litigation if Universal was unwilling to accede to unreasonable licensing  
18 demands by November 11, 2007. Accordingly, an actual and continuing controversy has  
19 arisen and continues to exist between Optima, on the one hand, and Universal, on the  
20 other hand, as to whether or not Universal has directly infringed, contributed to the  
21 infringement of, or induced the infringement of, any valid and/or enforceable claim of the  
22 '724 patent.

23 54. Universal has not infringed and is not now infringing, contributorily  
24 infringing or inducing infringement of any valid and/or enforceable claim of the '724  
25 patent, either literally or under the doctrine of equivalents.

26 55. Accordingly, Universal requests a declaration from this Court that Universal



1 has not infringed and is not now infringing, contributorily infringing or inducing  
2 infringement of any valid and/or enforceable claim of the '724 patent, either literally or  
3 under the doctrine of equivalents.

4 **COUNT FOUR**

5 **Declaratory Judgment of Invalidity of the '724 Patent**

6 56. Universal repeats and realleges the allegations above as if fully set forth  
7 herein.

8 57. As set forth in Paragraph 41 above, on November 6, 2007 Optima contacted  
9 Universal's outside counsel and accused Universal of infringing the '724 patent.  
10 Furthermore, as indicated in Paragraph 41 above, Optima suggested that it was likely to  
11 file a litigation if Universal was unwilling to accede to unreasonable licensing demands by  
12 November 11, 2007. Accordingly, an actual and continuing controversy has arisen and  
13 continues to exist between Optima and Universal as to the validity of each of the claims of  
14 the '724 patent.

15 58. Upon information and belief, the '724 patent, and each of the claims  
16 thereof, are invalid and void for failure to meet the conditions of patentability as set forth  
17 in the provisions of the Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited  
18 to, one or more of 35 U.S.C. §§ 101, 102, 103 and/or 112.

19 59. Accordingly, Universal requests a declaration from this Court that each of  
20 the claims of the '724 patent is invalid for failure to comply with the provisions of the  
21 Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one or more of 35  
22 U.S.C. §§ 101, 102, 103 and/or 112.

23 **COUNT FIVE**

24 **Breach of Contract**

25 60. Universal repeats and realleges the allegations above as if fully set forth  
26 herein.



1 (California's Unfair Competition Law, the "UCL").

2 69. Optima's actions as alleged above violate the "fraudulent" prong of the  
3 UCL because they were likely to deceive Mercury.

4 70. Optima's actions as alleged above violate the "unlawful" prong of the UCL  
5 because those same actions also constitute a breach of contract.

6 71. The Defendants' conduct has injured Universal and, unless enjoined, will  
7 continue to cause great, immediate, and irreparable injury to Universal.

8 72. Universal is without an adequate remedy of law.

9 73. Universal is therefore entitled to injunctive relief and an order for  
10 restitutionary disgorgement of all of Defendants' ill-gotten gains pursuant to California  
11 Business and Professions Code § 17203.

12 **COUNT SEVEN**

13 **Negligent Interference with Prospective Economic Advantage**

14 74. Universal repeats and realleges the allegations above as if fully set forth  
15 herein.

16 75. A special relationship exists between Universal and Optima as a result of the  
17 Confidentiality Agreement they entered into on or about August 22, 2007. As a result of  
18 entering into this agreement with Universal, Optima owes a duty of care to protect  
19 Universal's Confidential Information, including but not limited to the negotiations that  
20 were taking place between Universal and Optima in connection with a possible license  
21 agreement covering the Optima Intellectual Property.

22 76. As set forth above, Optima, in concert with the other Defendants, acted  
23 wrongfully in breaching the Confidentiality Agreement when it disclosed to Mercury that  
24 Universal and Optima had negotiations relating to a possible license to the Optima  
25 Intellectual Property.

26 77. As a result of Defendants' wrongful conduct, Defendants have interfered

1 with Universal's prospective business relationship with Mercury.

2 78. As a direct and foreseeable result of Defendants' wrongful conduct,  
3 Universal has been damaged in an amount to be proven at trial.

4 **PRAYER FOR RELIEF**


5 WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its  
6 favor and grant the following relief:

- 7 A. An order and judgment declaring that Universal does not infringe any valid  
8 and enforceable claim of the '073 patent;
- 9 B. An order and judgment declaring that the claims of the '073 patent are  
10 invalid and/or unenforceable;
- 11 C. An order and judgment declaring that Universal does not infringe any valid  
12 and enforceable claim of the '724 patent;
- 13 D. An order and judgment declaring that the claims of the '724 patent are  
14 invalid and/or unenforceable;
- 15 E. An order and judgment enjoining Defendants, their officers, agents,  
16 servants, employees, attorneys, confederates, and all persons acting for,  
17 with, by, through or under them be permanently enjoined from competing  
18 unfairly with Universal in any manner;
- 19 F. For an award of damages in connection with Defendants' breach of the  
20 Confidentiality Agreement and Defendants' negligent interference with  
21 prospective economic advantage;
- 22 G. For an order requiring that Defendants disgorge all of their ill-gotten gains  
23 pursuant to California Business and Professions Code § 17203; and
- 24 H. Any such other relief as the Court may deem appropriate and just under the  
25 circumstances.

26 / / /

DATED this 9<sup>th</sup> day of November, 2007.

GREENBERG TRAURIG, LLP

By:   
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*Attorneys for Plaintiff*

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION,

Plaintiff,

v.

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY CORPORATION  
and JED MARGOLIN,

Defendants.

Case No. CV-00588-RC

**SECOND AMENDED COMPLAINT**

[JURY TRIAL DEMANDED]

Plaintiff Universal Avionics Systems Corporation (“Universal”), by and through its undersigned attorneys, for their Second Amended Complaint against Defendants Optima Technology Group, Inc. (“OTG”), Optima Technology Corporation (“OTC”) and Jed Margolin (“Margolin”) (collectively, “Defendants”) alleges as follows based upon its best available information and belief. Defendant OTG is an entity commonly referred to as a patent holding company. In simple terms, Defendants OTG, its President and CEO Robert Adams (“Adams”), and Margolin, made repeated and baseless threats to Universal regarding several patents purportedly owned by OTG. No longer willing to be subjected

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1 to meritless allegations and countless threats, Universal initiated the present action.

2 **NATURE OF THE ACTION**

3 1. This is an action seeking a declaratory judgment that U.S. Patent Nos.  
4 5,566,073 (the "'073 patent") and 5,904,724 (the "'724 patent") (collectively, the  
5 "Patents-in-Suit") are invalid and not infringed.

6 **THE PARTIES**

7 2. Plaintiff Universal is an Arizona corporation, having a principal place of  
8 business at 3260 East Universal Way, Tucson, Arizona 85706.

9 3. Upon information and belief, Defendant Optima Technology Group, Inc. is  
10 a Delaware corporation, having a principal place of business at 1981 Empire Road, Reno,  
11 Nevada 89521.

12 4. Upon information and belief, Defendant Optima Technology Corporation is  
13 a California corporation, having a principal place of business at 2222 Michelson Drive,  
14 Suite 1830, Irvine, California 92612.

15 5. Upon information and belief, Defendant Margolin resides at 1981 Empire  
16 Road, Reno, Nevada 89521.

17 **JURISDICTION AND VENUE**

18 6. This is an action seeking a declaratory judgment that the '073 patent and the  
19 '724 patent are invalid and not infringed.

20 7. This Court has original jurisdiction over this action pursuant to the Federal  
21 Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, the Patent Laws of the United States,  
22 35 U.S.C. §100 et seq. and 28 U.S.C. §§ 1331, 1332 and 1338(a) and (b).

23 8. Venue is proper in this judicial district because Defendants have engaged in  
24 business dealings with Plaintiff Universal in this judicial district. See 28 U.S.C. § 1391.

25 9. Additionally, Defendants OTG and Margolin have not objected to the  
26 jurisdiction of this Court or that venue is proper.

THE PATENTS-IN-SUIT

1  
2       10. On October 15, 1996, the United States Patent and Trademark Office  
3 (“PTO”) issued United States Patent No. 5,566,073, entitled “Pilot Aid Using a Synthetic  
4 Environment.” A copy of the ‘073 patent is attached as Exhibit 1 to the original  
5 Complaint. Defendant Margolin is the named inventor on the face of the ‘073 patent.

6       11. On May 18, 1999, the PTO issued United States Patent No. 5,904,724,  
7 entitled “Method and Apparatus for Remotely Piloting an Aircraft.” A copy of the ‘724  
8 patent is attached as Exhibit 2 to the original Complaint. Defendant Margolin is the  
9 named inventor on the face of the ‘724 patent.

10       12. Upon information and belief, on or about July 20, 2004, Margolin executed  
11 a Durable Power of Attorney (attached as Exhibit 3 to the original Complaint), whereby  
12 he appointed “Optima Technology Inc. - Robert Adams, CEO” as his agent with the  
13 “powers to manage, dispose of, sell and convey” various issued patents, including the  
14 ‘073 and ‘724 patents. The Durable Power of Attorney was directed to the registered  
15 address for OTC.

16       13. Upon information and belief, on or about December 5, 2007, Defendant  
17 OTC filed a notice of recordation of assignment with the PTO, indicating that Margolin  
18 had assigned four patents, including the ‘073 and ‘724 patents, to it. (Attached as Exhibit  
19 1 to the First Amended Complaint).

20       FACTS - OTG and Margolin

21       14. On or about July 3, 2007, Adams contacted Universal’s outside legal  
22 counsel and advised that OTG had become aware of Universal’s patent infringement  
23 litigation with Honeywell International Inc. and Honeywell Intellectual Properties Inc.  
24 (collectively, “Honeywell”), then pending in the District Court of Delaware. Specifically,  
25 Adams suggested that OTG could “help [Universal] with said case using our patents to  
26 make [Honeywell] back off on their case” because, according to Adams, Honeywell



1 infringes the Patents-in-Suit. (Attached as Exhibit 4 to the original Complaint).

2 15. Adams suggested that Universal should either purchase or accept a license  
3 under the Patents-in-Suit in order to assert it against Honeywell. That communication  
4 also contained an email from Margolin in which he suggested that Universal "could get  
5 some leverage against Honeywell . . . by buying '073 and/or taking an exclusive license  
6 from us and then nail Honeywell who also infringes [the '073 patent]." (Attached as  
7 Exhibit 5 to the original Complaint).

8 16. Universal's counsel responded to Adams the same day, informing Adams  
9 that an analysis was necessary prior to considering OTG's license offer.

10 17. Despite Adams' initial suggestion that the overture was intended to "help"  
11 Universal in an action against Honeywell, he almost immediately began asserting that  
12 Universal was also infringing the Patents-in-Suit. (*Id.*)

13 18. On or about July 16, 2007, Adams began to issue not-so-subtle threats  
14 against Universal, suggesting that OTG would grant a license under the Patents-in-Suit to  
15 Honeywell -- so that Honeywell could sue Universal -- should Universal decline OTG's  
16 offer. "Seeing that both your client [Universal] and Honeywell infringes, it might be a  
17 good thing for your client to take the exclusive license now that your case turned, before  
18 of course Honeywell takes the opportunity to do the same thing and use it against others."  
19 (*Id.*)

20 19. Adams continued his threats against Universal in an August 7, 2007 email in  
21 which he claimed that OTG had decided on a law firm "in the event that I need to hire  
22 them to take on Honeywell, Mercury Computer Systems as well as all the others."  
23 (Attached as Exhibit 6 to the original Complaint).

24 20. On or about August 10, 2007, Universal responded to the August 7, 2007  
25 email, informing Adams that counsel would be speaking to Universal's management in  
26 the coming week to discuss OTG's license offer. Adams apparently was satisfied by this

1 several unnamed parties had already entered into license agreements with OTG in  
2 connection with the Patents-in-Suit and an agreement with Universal would need to be on  
3 similar terms. However, Adams refused to disclose the terms of the “mystery”  
4 agreements.

5 24. At the Tucson Meeting, Adams also (mis)represented that OTG had been  
6 involved in a number of successful patent infringement lawsuits in the past. By  
7 implication, he suggested that if Universal failed to settle on terms acceptable to the  
8 Defendants, it would be the next litigation target. However, upon information and belief,  
9 Defendant OTC previously filed only one (1) patent litigation involving unrelated  
10 technology -- which it lost -- while OTG has not filed any.

11 25. Adams concluded the meeting by providing contact information for  
12 Defendant Margolin and inviting Universal to contact Margolin to seek additional  
13 information.

14 26. After apparently realizing that it was unlikely that Universal and OTG  
15 would agree on terms for an agreement, Adams again resorted to threatening Universal.  
16 First, he suggested (again) that OTG would enter into a license with Honeywell so that  
17 Honeywell could sue Universal. “Not a problem, I am sure Honeywell will be more than  
18 [sic] pleased to talk with us and take the exclusive [if] anything just into [sic] enforce it  
19 against others whom they know will [sic] from past infringement case.” (Attached as  
20 Exhibit 14 to the original Complaint). Universal did not take the bait.

21 27. Adams then got hostile, falsely accusing Universal’s President of “stealing  
22 our patented concept some time ago and [claiming to have] the web traffic to prove it was  
23 at the very least his company and/or his personal IP address.” (Attached as Exhibit 15 to  
24 the original Complaint).

25 28. Then, on October 15, 2007, Adams notified Universal of an alleged offer  
26 made by Honeywell and stated that Universal has “four hours from now . . . to accept and

1 make us a better offer or decline by not responding.” (Attached as Exhibit 16 to the  
2 original Complaint).

3 29. Finally, on November 6, 2007, OTG’s outside counsel, M. Lawrence  
4 Oliverio (“Oliverio”) of Rissman Jobse Hendricks & Oliverio,<sup>1</sup> sent counsel for Universal  
5 a letter specifically threatening litigation. (Attached as Exhibit 17 to the original  
6 Complaint).

7 30. Based upon the specific allegations of infringement contained in Oliverio’s  
8 November 6, 2007 letter, Universal had a reasonable apprehension that OTG will file suit  
9 for alleged infringement of the ‘073 and ‘724 patents.

10 **FACTS - OTC**

11 31. Upon information and belief, Adams, OTG’s current President and CEO,  
12 was a paid employee of Defendant OTC from 1990-1995 and its unpaid CEO from 2001  
13 to 2005.

14 32. The Durable Power of Attorney (attached as Exhibit 3 to the original  
15 Complaint) that Margolin executed on July 20, 2004, whereby he appointed “Optima  
16 Technology Inc. - Robert Adams, CEO” as his agent, was entered into during Adams’  
17 tenure as OTC’s CEO. Additionally, the Durable Power of Attorney provided the  
18 following address for Optima Technology Inc.: 2222 Michelson, Suite 1830, Irvine,  
19 California 92612 -- the registered address for Defendant OTC.

20 33. Upon information and belief, on or about December 5, 2007, Defendant  
21 OTC filed a notice of recordation of assignment with the PTO, indicating that Margolin  
22 had assigned four patents, including the ‘073 and ‘724 patents, to OTC. (Attached as  
23 Exhibit 1 to the First Amended Complaint).

24 34. Upon information and belief, on or about December 19, 2007, Margolin  
25

26 <sup>1</sup> Despite repeatedly identifying himself as OTG’s outside counsel, Mr. Oliverio has subsequently advised Universal’s outside counsel that he no longer represents OTG, Adams or Margolin.

1 terminated the Durable Power of Attorney -- two weeks after OTG had filed the notice of  
2 recordation of assignment with the PTO.

3 35. Upon information and belief, at some point between September 21, 2007  
4 and October 5, 2007, Margolin created a Patent Assignment which he knowingly and  
5 fraudulently back-dated to July 20, 2004, whereby he attempted to assign the entire right,  
6 title and interest in the '073 and '724 patents to OTG. (Attached as Exhibit 2 to the First  
7 Amended Complaint).

8 **CLAIMS FOR RELIEF**

9 **COUNT ONE**

10 **Declaratory Judgment of Non-Infringement**  
11 **of the '073 Patent against OTG and/or Margolin**

12 36. Universal repeats and realleges the allegations above as if fully set forth  
13 herein.

14 37. As set forth in Paragraph 29 above, on November 6, 2007, OTG, through its  
15 outside counsel, sent a threatening letter to Universal's outside counsel, accusing  
16 Universal of infringing the '073 and '724 patents with respect to Universal's Vision-1,  
17 UNS-1 and TAWS products. Furthermore, as indicated in Paragraph 29 above, OTG  
18 suggested that it was likely to file a litigation if Universal was unwilling to accede to  
19 unreasonable licensing demands by November 11, 2007. Accordingly, an actual and  
20 continuing controversy has arisen and continues to exist between OTG, on the one hand,  
21 and Universal, on the other hand, as to whether or not Universal has directly infringed,  
22 contributed to the infringement of, or induced the infringement of, any valid and/or  
23 enforceable claim of the '073 patent.

24 38. Universal has not infringed and is not now infringing, contributorily  
25 infringing or inducing infringement of any valid and/or enforceable claim of the '073  
26 patent, either literally or under the doctrine of equivalents.

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39. Accordingly, Universal requests a declaration from this Court that Universal has not infringed and is not now infringing, contributorily infringing or inducing infringement of any valid and/or enforceable claim of the '073 patent, either literally or under the doctrine of equivalents.

**COUNT TWO**

**Declaratory Judgment of Invalidity of the '073 Patent against OTG and/or Margolin**

40. Universal repeats and realleges the allegations above as if fully set forth herein.

41. As set forth in Paragraph 29 above, on November 6, 2007, OTG contacted Universal's outside counsel and accused Universal of infringing the '073 patent. Furthermore, as indicated in Paragraph 29 above, OTG suggested that it was likely to file a litigation if Universal was unwilling to accede to unreasonable licensing demands by November 11, 2007. Accordingly, an actual and continuing controversy has arisen and continues to exist between OTG and Universal as to the validity of each of the claims of the '073 patent.

42. Upon information and belief, the '073 patent, and each of the claims thereof, are invalid and void for failure to meet the conditions of patentability as set forth in the provisions of the Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one or more of 35 U.S.C. §§ 101, 102, 103 and/or 112.

43. Accordingly, Universal requests a declaration from this Court that each of the claims of the '073 patent is invalid for failure to comply with the provisions of the Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one or more of 35 U.S.C. §§ 101, 102, 103 and/or 112.

**COUNT THREE**

**Declaratory Judgment of Non-Infringement  
of the '724 Patent against OTG and/or Margolin**

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4 44. Universal repeats and realleges the allegations above as if fully set forth  
5 herein.

6 45. As set forth in Paragraph 29 above, on November 6, 2007, OTG, through its  
7 outside counsel, sent a threatening letter to Universal's outside counsel, accusing  
8 Universal of infringing the '073 and '724 patents with respect to Universal's Vision-1,  
9 UNS-1 and TAWS products. Furthermore, as indicated in Paragraph 29 above, OTG  
10 suggested that it was likely to file a litigation if Universal was unwilling to accede to  
11 unreasonable licensing demands by November 11, 2007. Accordingly, an actual and  
12 continuing controversy has arisen and continues to exist between OTG, on the one hand,  
13 and Universal, on the other hand, as to whether or not Universal has directly infringed,  
14 contributed to the infringement of, or induced the infringement of, any valid and/or  
15 enforceable claim of the '724 patent.

16 46. Universal has not infringed and is not now infringing, contributorily  
17 infringing or inducing infringement of any valid and/or enforceable claim of the '724  
18 patent, either literally or under the doctrine of equivalents.

19 47. Accordingly, Universal requests a declaration from this Court that Universal  
20 has not infringed and is not now infringing, contributorily infringing or inducing  
21 infringement of any valid and/or enforceable claim of the '724 patent, either literally or  
22 under the doctrine of equivalents.

**COUNT FOUR**

**Declaratory Judgment of Invalidity of the '724 Patent against OTG and/or Margolin**

23  
24 48. Universal repeats and realleges the allegations above as if fully set forth  
25 herein.  
26



**COUNT SIX**

**Declaratory Judgment of Invalidity of the '073 Patent against OTC**

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3 55. Universal repeats and realleges the allegations above as if fully set forth  
4 herein.

5 56. Upon information and belief, the '073 patent, and each of the claims thereof,  
6 are invalid and void for failure to meet the conditions of patentability as set forth in the  
7 provisions of the Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one  
8 or more of 35 U.S.C. §§ 101, 102, 103 and/or 112.

9 57. Accordingly, Universal requests a declaration from this Court that each of  
10 the claims of the '073 patent is invalid for failure to comply with the provisions of the  
11 Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one or more of 35  
12 U.S.C. §§ 101, 102, 103 and/or 112.

**COUNT SEVEN**

**Declaratory Judgment of Non-Infringement of the '724 Patent against OTC**

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14  
15 58. Universal repeats and realleges the allegations above as if fully set forth  
16 herein.

17 59. Universal has not infringed and is not now infringing, contributorily  
18 infringing or inducing infringement of any valid and/or enforceable claim of the '724  
19 patent, either literally or under the doctrine of equivalents.

20 60. Accordingly, Universal requests a declaration from this Court that Universal  
21 has not infringed and is not now infringing, contributorily infringing or inducing  
22 infringement of any valid and/or enforceable claim of the '724 patent, either literally or  
23 under the doctrine of equivalents.  
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**COUNT EIGHT**

**Declaratory Judgment of Invalidity of the '724 Patent against OTC**

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3 61. Universal repeats and realleges the allegations above as if fully set forth  
4 herein.

5 62. Upon information and belief, the '724 patent, and each of the claims thereof,  
6 are invalid and void for failure to meet the conditions of patentability as set forth in the  
7 provisions of the Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one  
8 or more of 35 U.S.C. §§ 101, 102, 103 and/or 112.

9 63. Accordingly, Universal requests a declaration from this Court that each of  
10 the claims of the '724 patent is invalid for failure to comply with the provisions of the  
11 Patent Laws, 35 U.S.C. §§ 100 et. seq., including but not limited to, one or more of 35  
12 U.S.C. §§ 101, 102, 103 and/or 112.

**PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its  
14 favor and grant the following relief:

- 15 A. An order and judgment declaring that Universal does not infringe any valid  
16 and enforceable claim of the '073 patent;  
17 B. An order and judgment declaring that the claims of the '073 patent are  
18 invalid and/or unenforceable;  
19 C. An order and judgment declaring that Universal does not infringe any valid  
20 and enforceable claim of the '724 patent;  
21 D. An order and judgment declaring that the claims of the '724 patent are  
22 invalid and/or unenforceable;  
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E. An order and judgment that this is an exceptional case, pursuant to 35 U.S.C. § 285, and awarding reasonable attorneys' fees and costs.

DATED this 15<sup>th</sup> day of July 2008.

GREENBERG TRAUIG, LLP

By: /s/ Scott J. Bornstein

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**CERTIFICATE OF SERVICE**

I hereby certify that on July 15, 2008, a copy of the foregoing was caused to the following by the methods indicated below:

Jeffrey Willis, Esq. (Email and First Class Mail)  
Snell & Wilmer  
One South Church Avenue  
Suite 1500  
Tucson, Arizona 85701-1630

Optima Technology Corporation (Hand Delivery)  
c/o Reza Zandian  
8775 Costa Verde Blvd., #501  
San Diego, California 92122

\_\_\_\_\_  
/s/Marian R. Mackey

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP INC.;  
OPTIMA TECHNOLOGY  
CORPORATION; ROBERT ADAMS and  
JED MARGOLIN,

Defendants.

No. CV 07-588-TUC-RCC

**ORDER**

Pending before the Court are Defendants Robert Adams' and Optima Technology Group, Inc.'s Motion to Dismiss, Defendant Robert Adams' Motion to Dismiss for Lack of Personal Jurisdiction, and Defendant Jed Margolin's Motion to Dismiss. The motions have been fully briefed.

Facts

The Plaintiff's Complaint arises from several conversations between the Plaintiff, Universal Avionics Systems Corporation, and Defendants, Optima Technology, Robert Adams, and Jed Margolin. The Plaintiff and Defendants discussed licensing the patents at issue for any of a number of reasons stated in the briefs, allegedly the Defendants eventually accused the Plaintiff of past and continuing infringement of the patents, in an attempt to

1 avoid litigation the parties entered negotiations, and allegedly executed a confidentiality  
2 agreement. After preliminary negotiations the Defendants allegedly breached the  
3 confidentiality agreement and made misstatements to a third party, Mercury Computer  
4 Systems, about licenses and potential licenses between the Plaintiff and the Defendants. The  
5 Plaintiff then commenced the present litigation.

6 The Plaintiff's Complaint sought seven claims for relief: 1) a declaratory judgment  
7 of non-infringement of the '073 patent, 2) a declaratory judgment of invalidity of the '073  
8 patent, 3) declaratory judgment of non-infringement of the '724 patent, 4) declaratory  
9 judgment of invalidity of the '724 patent, 5) breach of the confidentiality agreement under  
10 Arizona law, 6) violation of the California Unfair Competition law, and 7) a claim for  
11 negligent interference with prospective economic advantage under California law.

12 A. Defendant Adams' and Optima Technology Group's Motion to Dismiss

13 Defendants Adams and Optima Technology filed a motion to dismiss the Plaintiff's  
14 entire complaint on multiple grounds. However, in the Defendants' Reply the Defendants  
15 voluntarily withdrew all of their arguments except the argument that this Court lacks subject  
16 matter jurisdiction over counts five through seven of the Plaintiff's complaint.

17 In a motion to dismiss for lack of subject matter jurisdiction, the Court must liberally  
18 construe the sufficiency of the complaint, accept all allegations as true, and draw all  
19 reasonable inferences in the plaintiff's favor. *Campanelli v. Bockrath*, 100 F.3d 1476, 1479  
20 (9th Cir. 1996).

21 The Defendants concede the Court has jurisdiction over the first four claims of the  
22 complaint. A case or controversy exists in a noninfringement or invalidity of a patent claim  
23 if the plaintiff can show an explicit threat or other action by the patentee, which creates a  
24 substantial controversy and "present activity which could constitute infringement or concrete  
25 steps taken with the intent to conduct such activity." *Predicate Logic, Inc. v. Distributive*  
26 *Software, LLC*, 2007 WL 2070345, \*4 (S.D. Cal. 2007). To determine if infringement has  
27 occurred requires "two steps: (1) the court must first interpret the claim, and (2) it must then  
28 compare the properly construed claims to the allegedly infringing device." *SafeTCare Mfg.*,

1 *Inc. v. Tele-Made, Inc.*, 497 F.3d 1262, 1268 (Fed. Cir. 2007). To determine whether the  
2 patent is valid the Court will have to determine if the Defendants actually invented the  
3 product and/or otherwise complied with the conditions of patentability. 35 U.S.C. §§ 101,  
4 102, 103, 112.

5 In order to exercise supplemental jurisdiction the Court must determine whether the  
6 state law claims are part of the same case or controversy as the patent non-infringement  
7 claims and the invalidity of the claimed patents. *See* 28 U.S.C. §1367. Claims are part of  
8 the same case or controversy if they derive from a common nucleus of operative facts and  
9 the plaintiff would ordinarily expect the claims to be tried in one judicial proceeding. *Finley*  
10 *v. United States*, 490 U.S. 545, 549, 109 S. Ct. 2003, 104 L.Ed.2d 593 (1989).

11 I. The Breach of Contract Claim

12 To prove an action based on breach of contract, the plaintiff must prove the existence  
13 of a contract, breach of the contract, and damages. *Cartone, Inc. v. Bernini*, 207 Ariz. 162,  
14 170 (App. 2004). The operative facts of the Plaintiff's contract claim are: the parties entered  
15 a confidentiality agreement on August 22, 2007, this agreement prevented the parties from  
16 disclosing to third parties the parties' discussions about potential license agreements, the  
17 Defendants breached this agreement, and the Plaintiff suffered damages. The Plaintiff argues  
18 it is hard to imagine of another state law claim more related to the invalid and non-  
19 infringement patent claim than such a breach of contract claim.

20 In *Crater Corp. v. Lucent Techs., Inc.*, the district court dismissed the plaintiff's  
21 claims for patent infringement for lack of subject matter jurisdiction and subsequently  
22 determined it could not exercise supplemental discretion over the plaintiff's state law claims.  
23 255 F.3d 1361, 1363 (Fed. Cir. 2001). The Federal Circuit Court found the district court had  
24 jurisdiction over the plaintiff's patent infringement claims, and summarily determined the  
25 district court had supplemental jurisdiction over the plaintiff's state law claims for breach of  
26 contract and misappropriation of trade secrets. *Id.* at 1370-71. The Circuit Court then  
27 remanded the case for further proceedings with regard to the district court's supplemental  
28 jurisdiction of the plaintiff's state law claims. *Id.* However, the court did not discuss what

1 factors the court used to determine the state law claims and the plaintiff's patent infringement  
2 claims were part of the same case or controversy.

3 In *Trilithic Inc. v. Wavetek*, the plaintiff sought to amend the complaint to include a  
4 state law claim for breach of a non-disclosure agreement created to facilitate settlement, the  
5 plaintiff argued a common nucleus existed because the disclosure agreement would not have  
6 existed but for the patent litigation. 6 F. Supp.2d 803, 806 (S.D. Ind. 1998). The court found  
7 the breach of contract action was separate and independent from the patent infringement  
8 action because the resolution of the contract claim required the determination of completely  
9 different facts than the patent infringement claim and therefore outside of the court's  
10 supplemental jurisdiction. *Id.* A casual relationship is not sufficient to create supplemental  
11 jurisdiction, the state and federal claims must share some operative facts for a federal court  
12 to exercise supplemental jurisdiction. *Id.* at 807.

13 In this case, the *Trilithic* case is more instructive and persuasive than *Craier*. None  
14 of the facts required to resolve the four federal claims are necessary to resolve the breach of  
15 contract claim. The Plaintiff's breach of contract claim will rise and fall on facts not related  
16 to the facts necessary to determine whether the patents are valid or whether the Plaintiff  
17 infringed on those patents. Therefore, the Court does not have supplemental jurisdiction over  
18 the Plaintiff's breach of contract claim.

19 II. The Negligent Interference with Prospective Economic Advantage Claim

20 To establish a claim for negligent interference with prospective economic advantage  
21 the plaintiff must demonstrate:

22 1) An economic relationship existed between the plaintiff and a third party which  
23 contained a reasonably probable future economic benefit or advantage to plaintiff; 2)  
24 The defendant knew of the existence of the relationship and was aware or should have  
25 been aware that if it did not act with due care its actions would interfere with this  
26 relationship and cause plaintiff to lose in whole or in part the probable future  
economic benefit or advantage of the relationship; 3) The Defendant was negligent;  
and 4) Such negligence caused damage to plaintiff in that the relationship was actually  
interfered with or disrupted and plaintiff lost in whole or in part the economic benefits  
or advantage reasonably expected from the relationship.

27 *Venhaus v. Shultz*, 155 Cal. App. 4th 1072, 1078 Cal. Rptr.3d 432, 435-36 (App. 2007).

28

1           The operative facts of this claim are almost exactly the same as the operative facts as  
2 the breach of contract claim and negligent interference claim. The additional operative facts  
3 required to prove the Unfair Competition claim are different than the operative facts required  
4 to resolve the federal claims. Therefore, the Court lacks supplemental jurisdiction over the  
5 Plaintiff's California Unfair Competition claim.

6 B. Defendant Adams' Motion to Dismiss for Lack of Personal Jurisdiction

7           Defendant Adams moved this Court to dismiss the case against him for lack of  
8 personal jurisdiction. However, the Plaintiff only asserted the unfair competition and  
9 negligent interference claims against Defendant Adams. (Docket No. 53, p. 2). Since the  
10 Court lacks supplemental jurisdiction over the unfair competition and negligent interference  
11 claims the Defendant's Motion is moot.

12 C. Defendant Margolin's Motion to Dismiss and Request for a Stay

13           In the Defendant's Reply (Docket No. 71), the Defendant argues that if the Court  
14 dismisses the state law claims then Defendant Margolin should also be dismissed because  
15 there are no remaining claims against Defendant Margolin. However, Defendant Margolin  
16 is a potential owner of the '073 and '724 patents. (Docket No. 58, ¶23). Therefore,  
17 Defendant Margolin may be a necessary party to the remaining federal claims and cannot be  
18 dismissed at this time.

19           The Defendant also requests a stay of Defendant Margolin's Motion to Dismiss  
20 because the dismissal of the state law claims would result in the dismissal of Defendant  
21 Margolin. However, as discussed above the dismissal of the Plaintiff's state law claim does  
22 not result in the dismissal of Defendant Margolin as a necessary party in the remaining  
23 claims. Therefore, the Defendant has not shown good cause for a stay and a stay of the  
24 proceedings will not be granted.

25           Therefore, IT IS HEREBY ORDERED:

26           1) Defendants Adams' and Optima Technology's Motion to Dismiss (Docket No. 13)  
27 as amended by (Docket No. 72) is GRANTED. Counts five, six, and seven of the Plaintiff's  
28 Complaint are dismissed without prejudice to the Plaintiff refiling these claims in state court.



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Additionally, counts two, three, four, and seven through twelve of the Defendants' state law counterclaims, cross-claims, and third-party claims are dismissed without prejudice.

2) Defendant Adams' Motion to Dismiss (Docket No. 17) is DENIED as moot. Defendant Adams is dismissed as a party in this action as there are no remaining claims asserted against him.

3) Defendant Margolin's Motion to Dismiss (Docket No. 21) is DENIED.

4) Defendant Margolin's Request for a Stay of Proceedings (Docket No. 71) is DENIED.

DATED this 9<sup>th</sup> day of April, 2008.



Raner C. Collins  
United States District Judge

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16                                   **IN THE UNITED STATES DISTRICT COURT**  
17                                   **DISTRICT OF ARIZONA**

18                                   UNIVERSAL AVIONICS SYSTEMS  
19 CORPORATION,

20                                   Plaintiff,

21 v.

22 OPTIMA TECHNOLOGY GROUP, INC.,  
23 OPTIMA TECHNOLOGY CORPORATION,  
24 ROBERT ADAMS and JED MARGOLIN,

25                                   Defendants.

Case No. 07-CV-00588-RC

**UNIVERSAL AVIONICS SYSTEMS  
CORPORATION'S REPLY TO  
DEFENDANT OPTIMA  
TECHNOLOGY GROUP, INC.'S  
COUNTERCLAIMS**

(Assigned to the Hon. Raner C. Collins)

26                                   Plaintiff Universal Avionics Systems Corporation ("UAS") replies to Defendant  
Optima Technology Group, Inc.'s ("OTG's") Counterclaims as follows:

**PARTIES, JURISDICTION, AND VENUE**

1. UAS lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1 and therefore denies the same.
2. UAS admits the allegations of Paragraph 2.



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15. UAS admits that the face of the '073 patent indicates that it issued on October 15, 1996 and the face of the '724 patent indicates that it issued on May 18, 1999, but denies the remaining allegations of Paragraph 15.

- 16. UAS denies the allegations of Paragraph 16.
- 17. UAS denies the allegations of Paragraph 17.
- 18. UAS denies the allegations of Paragraph 18.
- 19. UAS denies the allegations of Paragraph 19.
- 20. UAS denies the allegations of Paragraph 20.
- 21. UAS denies the allegations of Paragraph 21.
- 22. UAS denies the allegations of Paragraph 22.
- 23. UAS denies the allegations of Paragraph 23.
- 24. UAS denies the allegations of Paragraph 24.

**EXCEPTIONAL CASE**

25. UAS denies the allegations of Paragraph 25.

**JURY TRIAL DEMAND**

26. UAS admits that OTG demands a jury trial on all claims and issues to be litigated in this matter.

**PRAYER FOR RELIEF**

UAS incorporates herein by reference its Replies to Paragraphs 1 through 26 of OTG's Counterclaims and denies that OTG is entitled to any relief or judgment against UAS.

**AFFIRMATIVE DEFENSES**

UAS asserts the following defenses to the causes of action asserted in OTG's Counterclaims, undertaking to prove only those defenses on which it bears the burden of proof under the applicable law.



1 response, as he retreated from his threats and returned to discussing the possibility of  
2 Universal and OTG cooperating and entering into a “working relationship.” Specifically,  
3 Adams opined that “[o]ur working models show that not only would [the Patents-in-Suit]  
4 make Honeywell back-off their case against your client [Universal], but your client will be  
5 in a key position to go after approximately \$56 Million and growing in business that  
6 Honeywell infringes. A win win for both of us . . . .” (Attached as Exhibit 7 to the  
7 original Complaint).

8 21. On or about August 15, 2007, Universal and Adams agreed to meet in an  
9 effort to resolve the dispute. The meeting was scheduled for September 11, 2007 at  
10 Universal’s corporate headquarters in Tucson, Arizona (the “Tucson Meeting”). In  
11 anticipation of the Tucson Meeting, on or about August 22, 2007, Universal and OTG  
12 entered into a Confidential, Nondisclosure and Limited Use Agreement. (Attached as  
13 Exhibit 8 to the original Complaint).

14 22. The purpose of the Tucson Meeting was to hear and consider economic  
15 issues surrounding OTG’s offer to license the Patents-in-Suit in an effort to avoid further  
16 threats, nuisance and wasted money and time. Universal was represented at the Tucson  
17 Meeting by several members of senior management, along with its outside legal counsel.  
18 Adams was the sole representative for OTG and gave the impression that he was acting on  
19 behalf of both OTG and Margolin.

20 23. At the meeting, Universal made it clear that (1) a license to the Patents-in-  
21 Suit was unnecessary because Universal did not sell any products covered by any claim  
22 from the ‘073 or ‘724 patents; and (2) Universal believed that the ‘073 and ‘724 patents  
23 were invalid based on several prior art references. In response, Adams stated that he  
24 would have to defer to his legal counsel as he did not know anything about patent validity.  
25 Universal repeatedly asked Adams to identify terms he considered appropriate for a  
26 settlement but he refused to provide any specific terms. Instead, Adams claimed that

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**EIGHTH AFFIRMATIVE DEFENSE**

10. OTG's Counterclaims are barred due to its patent misuse.

**NINTH AFFIRMATIVE DEFENSE**

11. The '073 patent is unenforceable as a result of inequitable conduct committed by an individual or individuals associated with the filing, procurement and/or assignment of the '073 patent and/or the patent applications related thereto.

12. UAS incorporates herein by reference Paragraph 35 of the Second Amended Complaint and Paragraphs 14 and 36 through 43 of the First Amended Complaint.

**TENTH AFFIRMATIVE DEFENSE**

13. OTG is barred from relief for infringement of the '073 patent under the equitable doctrine of prosecution laches.

**ELEVENTH AFFIRMATIVE DEFENSE**

14. The '073 patent is unenforceable due to OTG's failure to timely disclaim the invalid claims therein pursuant to 35 U.S.C. §§ 253 and 288.

15. UAS reserves the right to amend its affirmative defenses as further dictated by discovery in this case.

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RESPECTFULLY SUBMITTED this 12th day of August 2008.

GREENBERG TRAURIG, LLP

By: /s/ Robert A. Mandel

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**CERTIFICATE OF SERVICE**

I hereby certify that on August 12, 2008, I electronically transmitted the attached document to the Clerk's Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to the following CM/ECF registrants:

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I hereby certify that on \_\_\_\_\_, 2008, I served the attached document by United States First Class Mail upon the following, who are not registered participants of the CM/ECF System:

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15 **IN THE UNITED STATES DISTRICT COURT**  
16 **DISTRICT OF ARIZONA**

18 UNIVERSAL AVIONICS SYSTEMS  
19 CORPORATION,

20 Plaintiff,

21 v.

22 OPTIMA TECHNOLOGY GROUP, INC.,  
23 OPTIMA TECHNOLOGY CORPORATION  
24 and JED MARGOLIN,

25 Defendants.

Case No. 07-CV-00588-RC

**JOINT RULE 26(f) REPORT AND  
RESPECTIVE CASE  
MANAGEMENT PLANS**

*Assigned to: Hon. Raner C. Collins*

OPTIMA TECHNOLOGY GROUP, INC., a  
corporation,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION, an Arizona corporation,

Counterdefendant

### INTRODUCTION

Pursuant to Federal Rule of Civil Procedure 26(f) and this Court's order of July 29, 2008, counsel for Plaintiff Universal Avionics Systems Corporation ("Universal") and Defendants Optima Technology Group, Inc. and Jed Margolin (collectively, "Defendants") held a joint meeting ("Joint Meeting") by telephone on August 14, 2008. Participating in the meeting were Scott Bornstein and Allan Kassenoff for Universal, and Jeffrey Willis and Robert Bernheim for Defendants.

The following reflects the parties' respective positions on the scheduling of discovery in this case. The proposed case management plans are followed by individually numbered sections corresponding with topics to be addressed pursuant to this Court's order of July 29, 2008.

### UNIVERSAL'S PROPOSED CASE MANAGEMENT PLAN

Universal requests that the Court bifurcate discovery and trial on the issues of liability from issues of potential damages and/or allegations of willful infringement due to the fact that there are multiple patents at issue in this case and the subject matter of those

patents, and the accused product(s), is complex.<sup>1</sup> Accordingly, bifurcating liability from potential damages and willfulness will lead to the conservation of the parties' time and money. Universal also respectfully points out that the proposal of Optima Technology Group, Inc. ("Optima") and Jed Margolin ("Margolin") which would require Universal to supply Preliminary Invalidity Contentions is not supported by the local rules of this Court or by the Federal Rules of Civil Procedure and would add an undue burden on Universal.<sup>2</sup>

**OPTIMA TECHNOLOGY GROUP, INC. AND JED MARGOLIN'S PROPOSED  
CASE MANAGEMENT PLAN**

Defendants propose the following case management plan. First, Defendants submit that there is no legal or economic basis to bifurcate discovery and trial on the issues of liability from the issue of damages and willful infringement. Such bifurcation would only prolong the resolution of this case and would ultimately result in more expense to all parties. Contrary to Universal's position, Optima believes that, in the context of patent infringement cases, this is not a complex case. Moreover, because Optima does not suggest that any of Universal's currently known products infringe upon the '724 patent,

---

<sup>1</sup> Recently, Defendant Optima Technology Group, Inc. ("Optima") indicated that it was no longer asserting infringement of the '724 patent by Universal's "currently known products." However, when asked to execute either a covenant not to sue or a stipulation of dismissal with prejudice as to the '724 patent, Optima refused. Therefore, a case or controversy continues to exist with regard to Universal's declaratory judgment claims relating to the '724 patent.

<sup>2</sup> In seeking to require Universal to supply Preliminary Invalidity Contentions, Defendants are trying to implement a portion of the Patent Rules that various district courts, such as the Eastern District of Texas, have adopted. As set forth above, this Court has no such patent rules. However, should the Court order Universal to provide Defendants with Preliminary Infringement Contentions, Universal respectfully requests that the Court likewise order Defendants to first provide Universal with their Disclosure of Asserted Claims and Infringement Contentions, as the local patent rules in the various district courts that have implemented them require. (*See, e.g.*, Rule 3-1 of the Patent Rules for the Eastern District of Texas for the requirements thereof.)

there is only one patent, the '073 patent, at issue for patent infringement.<sup>3</sup> The '724 patent is only at issue for the legally and factually much simpler slander of title counterclaim.

Second, Defendants propose that Universal provide Preliminary Invalidation Contentions, on or before November 28, 2008. Universal initiated this suit and is the plaintiff. Accordingly, it must be prepared to support the allegations of the Complaint. Optima's patent infringement counterclaim, on the other hand, is a mandatory counterclaim and was not filed at a time of Optima's choosing as Universal's claims were. Furthermore, Universal's argument that Preliminary Invalidation Contentions are not supported by the federal or local rules is of no effect. This Court has inherent authority to regulate practice as constrained by federal law, the Federal Rules of Civil Procedure, and the local rules. *See* Fed. R. Civ. P. 83(b). It would make no sense for this Court to ignore the lessons learned by other districts, such as the Northern District of California or the Eastern District of Texas, that have significantly greater exposure to patent infringement cases and have developed rules specific to those cases.

The Preliminary Invalidation Contentions would include the following:

1. (a) The identity of each item of prior art that allegedly anticipates each asserted claim or renders it obvious. Each prior art patent shall be identified by its

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<sup>3</sup> Universal demanded that Defendants "file a stipulation of non-infringement relating to the '724 patent and execute a covenant not to sue relating to all products manufactured by Universal Avionics" before it would agree to withdraw its declaratory judgment claims related to the '724 patent. The demands were not in the alternative as Universal now asserts above. Additionally, those actions are unnecessary because Optima has already informed Universal that none of its currently known products infringe on the '724 patent, therefore eliminating jurisdiction for Universal's claims. It is unreasonable for Universal to demand three separate assurances that there is no jurisdiction for its claims. Moreover, Universal's demands are overbroad and would apply to currently unknown or future Universal products, Universal's infringement of other Optima patents, and any non-patent cause of action, related to Universal's products.

number, country of origin, and date of issue.

(b) Whether each item of prior art anticipates each asserted claim or renders it obvious. If a combination of items or prior art makes a claim obvious, each such combination and the motivation to combine such items, must be identified;

(c) A chart identifying where specifically in each alleged item of prior art each element of each asserted claim is found, including for each element that such party contends is governed by 35 U.S.C. § 112(6), the identity of the structure(s), act(s), or material(s) in each item of prior art that performs the claimed function; and

(d) Any grounds of invalidity based on indefiniteness under 35 U.S.C. § 112(2) or enablement or written description under 35 U.S.C. § 112(1) of any of the asserted claims.

In addition to the Preliminary Invalidity Contentions, and at such time as the Preliminary Invalidity Contentions are served, Universal must provide or make available for inspection and copying the following:

1. (a) Source code, specifications, schematics, flow charts, artwork, formulas, or other documentation sufficient to show the operation of any aspects or elements of an accused product as identified by Optima; and

(b) A copy of each item of identified art which does not appear in the file history of the patent(s) at issue. To the extent any such item is not in English, an English translation of the portion(s) relied upon must be produced.

The following constitutes the parties' joint proposed case schedule:

**I. PROTECTIVE ORDER**

The parties have worked together in a good faith effort to enter into a stipulation

for protective order to ensure confidentiality. The parties are in agreement with respect to every term of a protective order but one. Specifically, Universal requests that no party representative that has access to another party's confidential information be permitted to prosecute or supervise the prosecution of patents in the area of aviation technology during the pendency of this Litigation and for a period of three (3) years following the termination of the Litigation. Universal's concerns with regard to maintaining the confidentiality of its confidential information is heightened with respect to the Defendants in the pending action given the Defendants past willingness to repeatedly and blatantly violate the terms of a confidentiality agreement between Universal and Optima. Defendants do not understand Universal's hyperbolic accusations in support of confidentiality considering the parties mutually desire entry of a protective order. Defendants also do not wish the inclusion of the blatantly unfair and irrelevant patent prosecution provision. While Universal has income from a variety of activities, Defendants' primary livelihood would be unduly curtailed by a restriction on patent prosecution. Defendants also believe that this prohibition is only tangentially related to the purpose of the desired protective order—ensuring the confidentiality of the parties' information. The parties jointly request that the Court decide this issue so that the parties can enter into a stipulation for protective order. All disclosures and discovery will commence after entry of and be subject to the terms of the protective order entered by this Court.

## **II. INITIAL DISCLOSURES**

Universal will serve its Rule 26(a) initial disclosures on August 25, 2008, as expressly ordered by the Court in its July 29, 2008 order. Further, Universal does not stipulate to any extension of this Court-imposed deadline on behalf of the Defendants. Defendants recognize that the Court's July 29, 2008 order requires Rule 26(a) disclosures

be made on or before August 25, 2008, however Defendants believe this deadline makes little sense until a protective order is entered and recommend an initial disclosure deadline ten (10) days after entry of a protective order, corresponding with the date the Defendants will provide documents required by Rule 26(a)(1).

### **III. DISCOVERY PLAN**

#### **A. Fact Discovery**

##### **1. Cut-Off Dates**

All fact discovery on liability-related issues shall be completed by September 12, 2009.

##### **2. Interrogatories**

The parties agree that the limitations on interrogatories imposed by Federal Rule of Civil Procedure 33 and LRCiv 33.1 should apply to this action.

##### **3. Requests for Admission**

Defendants collectively may serve a maximum of fifty (50) requests for admission on Universal. Universal may serve a maximum of fifty (50) requests for admission on Defendants. Absent an extension of time stipulated to by the parties or granted by the Court, responses are due thirty (30) days after service as governed by Federal Rule of Civil Procedure 36 and LRCiv 36.1.

##### **4. Depositions**

Each side shall be limited to ten (10) fact depositions, including Rule 30(b)(6) depositions; and each side shall be limited to one (1) expert deposition per designated expert. No deposition of any witness (fact or expert) shall exceed seven (7) total hours absent agreement of the parties or Order of the Court. Depositions of expert witnesses



shall be performed according to the expert discovery schedule below. Depositions of lay witnesses shall not commence prior to imposition of a protective order to ensure the confidentiality of information obtained.

**B. Markman Discovery**

**1. Identification of Asserted Claims and Accused Products**

Defendants shall specify the asserted claims and accused products by October 13, 2008.

**2. Expert Reports**

The parties shall exchange expert reports on claim construction on February 10, 2009.

**3. Markman Briefs**

The parties shall simultaneously submit their respective *Markman* Briefs on March 9, 2009.

**4. Markman Hearing**

The *Markman* hearing should commence on or about April 13, 2009, or at the Court's discretion. The parties contemplate that the *Markman* hearing could be completed in one (1) day.

**C. Expert Discovery**

**1. Expert Disclosures**

Each party bearing the burden of proof on any particular issue shall identify each expert witness and the subject matter of each expert's report or testimony by July 14, 2009.

**2. Cut-Off Dates**

Expert discovery shall commence on August 14, 2009. Expert discovery shall be completed by October 12, 2009.

**3. Expert Reports**

Expert reports pursuant to Rule 26(a)(2) shall be served by the party bearing the burden of proof on August 14, 2009. Rebuttal reports shall be due on September 14, 2009.

**4. Expert Depositions**

Expert depositions shall be taken on or after September 14, 2009. Expert depositions shall be completed by October 12, 2009.

**IV. SUBJECTS OF DISCOVERY**

1. Facts relating to alleged invalidity of the patents-in-suit;
2. Facts relating to alleged unenforceability of the patents-in-suit;
3. Facts relating to ownership of the patents-in-suit;
4. Facts relating to the alleged infringement of the '073 patent by Universal's products;
5. Facts related to Optima's reasonable royalty for Universal's alleged infringing activity;
6. Facts relating to Universal's alleged willful infringement of the '073 patent;  
and
7. Facts relating to Universal's alleged slander with the United States Patent and Trademark Office of Optima's title to the patents-in-suit.

**V. AMENDED COMPLAINT/ADDITIONAL PARTIES.**

The last day for the parties to amend their respective complaint and counterclaims or add any additional parties is January 12, 2009.

**VI. DISPOSITIVE MOTIONS.**

The last day for the parties to submit any dispositive motions is November 12, 2009. Absent an extension of time stipulated to by the parties or granted by the Court, responses are due thirty (30) days after service of the motion, and replies are due fifteen (15) days after service of a response as governed by LRCiv 56.1(d).

**VII. PRETRIAL ORDER.**

The parties will submit their Joint Pretrial Report no later than fifteen (15) days after the resolution of all dispositive motions.

**ISSUES RAISED BY THE COURT'S JULY 29, 2008 ORDER**

**1. Nature of the Case.**

**A. Universal's Description**

This is a case about patent invalidity and non-infringement. After being subjected to months of threats by Optima, and its President and CEO Robert Adams ("Adams"), concerning U.S. Patent Nos. 5,566,073 (the "'073 patent") and 5,904,724 (the "'724 patent"), Universal filed its complaint on November 9, 2007 seeking a declaratory judgment that the '073 and '724 patents are invalid and not infringed. Specifically, beginning in July 2007, Adams began asserting that Universal was infringing the '073 and '724 patents. Adams continued issuing such threats against Universal over the next several months. Finally, on November 6, 2007, Mr. Lawrence Oliverio ("Oliverio"), Optima's then outside counsel, sent Universal's counsel a letter specifically threatening

litigation concerning the '073 and '724 patents. According to Oliverio, Universal's "products literally infringe Optima's U.S. Patents Nos. 5,566,073 and 5,904,724. . . . In the absence of a suitable response within five (5) days of the date of this letter and/or a fully executed non-exclusive license agreement . . . we will assume that this matter cannot be resolved short of litigation." No longer willing to be subjected to these meritless threats, Universal initiated the present action.

Additionally, there is a dispute as to ownership of the '073 and '724 patents, as both Defendant Optima Technology Corporation ("OTC") and Optima have claimed ownership. Both Optima and OTC appear to base their respective ownership claims, at least in part, upon a Durable Power of Attorney (the "DPA") that Margolin signed, whereby he appointed "Optima Technology Inc. - Robert Adams, CEO" as his agent with the "powers to manage, dispose of, sell and convey" various issued patents, including the patents in suit. Importantly, Adams -- Optima's current CEO -- was OTC's CEO at the time the DPA allegedly was executed and the DPA was directed to the registered address of OTC -- not Optima. Although the Court previously granted default judgment in connection with Optima's ownership claims of the patents-in-suit against OTC, the issue of ownership still remains in this case. If Optima's assertion below were correct, i.e., that the default judgment against OTC precluded Universal from arguing that Optima lacks right, title and interest in the patents-in-suit, by the same logic, Optima should be precluded from asserting infringement and validity of the patents based upon the Court's entry of default judgment in favor of Universal against OTC to that same effect. In short, Optima continues to misinterpret the Court's recent orders relating to default judgment in an apparent effort to deprive Universal of its rightful defenses in this action.

Furthermore, on or about December 5, 2007, OTC filed a notice of recordation of assignment with the United States Patent and Trademark Office, indicating that Margolin

had assigned the '073 and 724 patents to OTC, supporting OTC's claim of ownership. To further confound the matter of ownership, however, Margolin, the alleged inventor of the patented technology, by his own belated admission, back-dated a purported "Patent Assignment" to Optima by more than three years in an apparent attempt to create the appearance that the patents-in-suit were properly transferred to Optima.

### **B. Defendants' Description**

Defendant Jed Margolin invented and validly patented the '073 patent (synthetic vision for pilots) and the '724 patent (remote piloting of aircraft) with the United States Patent and Trademark Office. Margolin assigned ownership of the patents to Defendant Optima. Subsequently to the patenting of the '073 patent, Plaintiff Universal developed and marketed various products that infringe upon the '073 patent. Optima informed Universal that it was infringing upon the '073 patent and threatened litigation if Universal did not either cease production and distribution of the infringing products or agree to obtain a license from Optima. In communications with third parties, Universal slandered and otherwise clouded Optima's rightful title in the patents by alleging that Optima did not own the patents-in-suit and that Margolin had "fraudulently" back-dated the assignment of the patents-in-suit to Optima. In anticipation of a lawsuit for infringement of the '073 patent, Universal filed the present declaratory judgment action. Universal's claims, however, include declaratory claims related to the '724 patent despite Optima's assurances that it did not claim any Universal product currently infringes upon the '724 patent.

Universal's description is flawed in several respects. Most importantly, Universal regurgitates the alleged ownership dispute between Optima and OTC despite this Court's resolution of any ownership claim by or other interest in the patents-in-suit and the Durable Power of Attorney when the Court entered default judgments in favor of Optima

and Universal against OTC. Simply put, there is no longer an ownership dispute involving OTC. This does not foreclose Universal's expected defenses related to whether Optima owns the patents-in-suit or the Durable Power of Attorney, but it does prevent Universal from asserting that OTC owns them. Universal must be limited to asserting that someone other than OTC owns them. This Court has already ruled against Universal's attempt to "clarify" the default judgment in this respect. (See Docket Nos. 115, 129). Furthermore, Universal continues to assert that jurisdiction exists to bring a declaratory judgment action related to the '724 patent despite Optima's assurances that it does not claim any Universal product currently infringes upon the '724 patent.

2. **Elements of Proof.**

The parties reserve their rights to amend their claims and affirmative defenses until the end of the relevant time periods described in the proposed case management plans.

A. **Universal's Complaint**

i. Declaratory Judgment of Non-Infringement of the '073 Patent Against Optima and/or Margolin

*Elements:* Universal's Vision-1, UNS-1 and TAWS products do not infringe either directly or by the doctrine of equivalents any claim of the '073 patent.

*Burden:* Preponderance of the evidence by Defendants that Universal infringes

ii. Declaratory Judgment of Invalidity of the '073 Patent Against Optima and/or Margolin

*Elements:* The '073 patent lacks at least one of the following elements: (1) novelty; (2) utility; or (3) non-obviousness.

*Burden:* Clear and convincing evidence by Universal

iii. Declaratory Judgment of Non-Infringement of the '724 Patent Against Optima and/or Margolin

*Elements:* Universal's Vision-1, UNS-1 and TAWS products do not infringe either directly or by the doctrine of equivalents any claim of the '724 patent.

*Burden:* Preponderance of the evidence by Defendants that Universal infringes

iv. Declaratory Judgment of Invalidity of the '724 Patent Against Optima and/or Margolin

*Elements:* The '724 patent lacks at least one of the following elements: (1) novelty; (2) utility; or (3) non-obviousness.

*Burden:* Clear and convincing evidence by Universal

**B. Optima's Affirmative Defenses to Complaint**

Optima has not asserted any affirmative defenses at this time.

**C. Optima's Counterclaims**

i. Patent Infringement of the '073 Patent

*Elements:* Optima bears the burden of proving that (1) Optima owns or has an exclusive license for the '073 patent, and that (2) during the term of the patent, (3) Universal infringed upon that patent by making, using, offering to sell, or selling the patented inventions or by actively inducing such infringing activity or by selling, offering to sell, or importing a material component of the patented invention with knowledge that the item sold, offered for sale, or imported is especially made or adapted for use in an infringement of the '073

patent. *See* 35 U.S.C. § 271(a)-(c).

*Burden:* Optima must prove the elements by the preponderance of the evidence.

ii. Injurious Falsehood/Slander of Title

*Elements:* Optima bears the burden of proving that (1) Universal published (2) a false statement (3) that harmed Optima's interests by causing a pecuniary loss; that (4) Universal either knew the statement was false or acted with reckless disregard to its truth or falsity; and that (5) Universal intended the publication to harm Optima's interests or recognized or should have recognized that the publication was likely to do so. *See* Restatement (Second) of Torts §§ 623A-624; *see also* *Barnett v. Hitching Post Lodge, Inc.*, 101 Ariz. 488, 493, 421 P.2d 507, 512 (1966); *Appel v. Burman*, 159 Cal. App. 3d 1209, 1214 (1984); *Rudnitsky v. Rudnitsky*, 2000 WL 1724234, at \*12 (Del. Ch. 2000); *Glaser v. Kaplan*, 170 N.Y.S.2d 522, 524-25 (N.Y. App. Div. 1958); *Moore v. Rolin*, 15 S.E. 520 (Va. 1892).

*Burden:* Optima must prove the elements by the preponderance of the evidence.

**D. Universal's Affirmative Defenses**

i. Non-infringement of the '073 Patent

*See* elements and burdens of proof for Universal's identical claim in the Complaint, described in Section 2(A)(i) above.

ii. Invalidity of the '073 Patent



See elements and burdens of proof for Universal's identical claim in the Complaint, described in Section 2(A)(ii) above.

iii. Failure to State a Claim

*Elements:* Optima can prove no set of facts in support of Optima's counterclaims that would entitle Optima to relief.

*Burden:* Clear and convincing evidence by Universal

iv. No Standing for Optima's Counterclaims

*Elements:* To demonstrate standing for its counterclaims, Optima must show: (1) that it suffered an injury in fact, i.e., one that is sufficiently "concrete and particularized" and "actual or imminent, not conjectural or hypothetical"; (2) the injury is "fairly traceable" to the challenged conduct; (3) the injury is "likely" to be "redressed by a favorable decision"; and (4) that it has all substantial rights in the '073 and '724 patents.

*Burden:* Preponderance of the evidence by Optima

v. Estoppel

*Elements:* (1) Optima, through misleading conduct -- which may have been statements, action, inaction, or silence -- led Universal to reasonably infer that Optima did not intend to enforce the patents-in-suit against Universal; (2) Universal relied on Optima's conduct; and (3) due to such reliance, Universal will be materially prejudiced if Optima is permitted to proceed with the infringement suit.

*Burden:* Preponderance of the evidence by Universal

vi. Fraud

*Elements:* (1) a representation; (2) its falsity; (3) its materiality; (4) Optima's knowledge of its falsity or ignorance of its truth; (5) Optima's intent that it be acted upon by the recipient in the manner reasonably contemplated; (6) the hearer's ignorance of its falsity; (7) the hearer's reliance on its truth; (8) the right to rely on it; and (9) his consequent and proximate injury.

*Burden:* Clear and convincing evidence by Universal

vii. Laches

*Elements:* (1) Optima delayed filing suit for an unreasonable and inexcusable length of time from the time Optima knew or reasonably should have known of their claim against Universal; and (2) the delay operated to the prejudice or injury of Universal.

*Burden:* Preponderance of the evidence by Universal unless delay of six years or more is demonstrated. Six-year delay shifts burden to Optima to offer proof that delay was reasonable and/or excusable, and/or that Universal suffered no prejudice.

viii. Patent Misuse

*Elements:* Optima exploited the '073 and/or '724 patents in an improper manner by violating antitrust laws and/or impermissibly broadened the physical or temporal scope of the patent grant with anticompetitive effect.

*Burden:* Clear and convincing evidence by Universal

ix. Inequitable Conduct/Failure to Timely Disclaim Invalid Claims

*Elements:* (1) Optima withheld or misrepresented information in their conduct before the United States Patent and Trademark Office; and (2) such information was material.

*Burden:* Clear and convincing evidence by Universal

x. Prosecution Laches

*Elements:* Optima unreasonably and inexplicably delayed prosecution of the '073 and/or '724 patents.

*Burden:* Preponderance of the evidence by Universal

3. Factual and Legal Issues in Dispute.

The significant issues disputed by the parties currently include, but are not necessarily limited to:

- A. Whether Optima owns the patents-in-suit;
- B. Whether the patents-in-suit are valid;
- C. Whether the patents-in-suit are enforceable;
- D. Whether there is standing to bring a declaratory action for the invalidity and non-infringement claims involving the '724 patent;
- E. Whether Universal's products infringe on the '073 patent;
- F. Whether the alleged infringement of the '073 patent was willful;
- G. The amount of Optima's damages due to Universal's alleged infringement, if any, based upon a reasonable royalty;
- H. Whether Universal slandered Optima's title in the patents-in-suit.

The issues are not amenable to being narrowed by stipulation. It is possible that some or all of the issues may be disposed of via dispositive pretrial motion(s).

**4. Jurisdictional Basis of the Case.**

**A. Universal's Complaint**

The parties agree that this Court has statutory jurisdiction over Universal's declaratory patent non-infringement and invalidity claims specifically related to the '073 patent under 28 U.S.C. §§ 1331, 1338(a), and 2201-2202 and patent claims in general under 28 U.S.C. §§ 1331 and 1338(a). Universal asserts this Court has jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a), and 2201-2202 to maintain a declaratory judgment action for non-infringement and invalidity of the '724 patent. Defendants deny that Universal's claims pertaining to the '724 patent involve an actual controversy, to include a reasonable threat of impending litigation sufficient to sustain a declaratory judgment action, and therefore assert that, pursuant to 28 U.S.C. § 2201(a), this Court is without jurisdiction to hear those claims.

**B. Optima's Counterclaims**

The parties agree that, under 28 U.S.C. §§ 1331 and 1338(a), this Court has statutory jurisdiction over Optima's infringement counterclaim for the '073 patent. Optima asserts this Court has supplemental jurisdiction under 28 U.S.C. § 1367(a) for the slander of title claims. Universal denies that this Court has supplemental jurisdiction over the slander of title claims.

**5. Unserved/Nonappearing Parties.**

OTC has defaulted as to claims brought by both Universal and Optima. This Court has already entered default judgment as to Optima's claims against OTC. Similarly, this Court has also entered default judgment as to Universal's claims against OTC.

6. **Parties Not Subject to Court's Jurisdiction.**

None.

7. **Dispositive and Partially Dispositive Issues for Pretrial Motions.**

The parties reserve their rights to raise dispositive and partially dispositive pretrial motions at a later date after further discovery proceeds.

8. **Suitability for Arbitration, Master, and/or Trial by Magistrate Judge.**

The parties reserve their rights to jury trials on their respective claims. Although Universal may reconsider its position in the future, at the current time, Universal believes that the use of alternative dispute resolution would not be useful in this case.

Defendants are willing to consider the use of alternative dispute resolution of all or part of the claims or issues involved in this case. Given the parties positions in recent discussions, Defendants believe that several issues, if not the entire case, could be disposed of quickly and inexpensively, including but not limited to Universal's claims related to validity and infringement of the '724 patent and all issues based on OTC's alleged ownership of the patents-in-suit or the Durable Power of Attorney, which this Court has already ruled on. Accordingly, Defendants believe alternative dispute resolution would best satisfy the purpose of the federal rules "to secure the just, speedy, and inexpensive determination of every action." See Fed. R. Civ. P. 1. .

9. **Status of Related Cases.**

None.

10. **Proposed Deadlines.**

See Proposed Case Management Plan above.

11. **Changes to Discovery Limits.**

See Proposed Case Management Plan above.

12. **Estimated Date Parties Will Be Ready for Trial and Expected Length of Trial.**

The parties estimate that they will be prepared for trial thirty (30) days after the resolution of all dispositive motions. Trial is estimated to last five (5) days.

13. **Jury Trial Issues.**

The parties have both requested a jury trial in this case.

14. **Prospects for Settlement.**

Defendants desire a settlement conference with another judge or magistrate to attempt resolution of all or some claims and/or issues in this case. As discussed in Section 8 above, Optima believes that several issues could be disposed of with little difficulty. Additionally, the parties' positions in recent discussions do not diverge as much as Universal asserts. Universal does not believe that a settlement conference would be beneficial at this time. Because the parties are very far apart on their respective views of the merits and monetary worth of this case, Universal believes that a settlement conference would be an imprudent use of the parties' time and resources at this juncture. Universal, however, would be willing to reconsider its position as the case progresses and the issues are narrowed.

15. **Unusual, Difficult, or Complex Problems.**

The major claims and affirmative defenses in this case pertain to patent validity and infringement of complex avionics technology. The subject matter is inherently complex, and expert testimony is probably necessary. Additionally, Universal asserts that Defendants' conduct to date has created additional complexity based upon multiple misstatements to this Court and to the United States Patent and Trademark Office as well as numerous third parties, which will result in a decrease in the likelihood of early

resolution. Defendants deny any misstatements—particularly to this Court—and further point out that the alleged misstatements present a relatively simple factual dispute, not a complex problem. Defendants also contend that, in the context of patent infringement and validity cases generally, this case is not complex.

**16. Class Action.**

Not applicable.

**17. Other.**

None.

DATED this 25th day of August 2008.

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8 Attorneys for Defendants Optima Technology  
9 Group, Inc., and Jed Margolin

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP,  
INC., et al.,

Defendants.

OPTIMA TECHNOLOGY GROUP,  
INC., a corporation,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION, an Arizona  
corporation,

Counterdefendant

No. 07-CV-00588-RC

**DEFENDANTS' BRIEF RE  
PREJUDICE CAUSED BY  
UNIVERSAL'S PROPOSED  
RESTRICTION AGAINST PATENT  
PROSECUTION**

Assigned to: Hon. Raner C. Collins



1 Defendants Optima Technology Group, Inc. ("Optima") and Jed Margolin  
2 ("Margolin") (collectively, "Defendants"), through their undersigned counsel, hereby  
3 submit the following brief describing the prejudice they would suffer if a disputed  
4 exclusion from patent prosecution is included with a protective order on confidentiality.  
5 Defendants and Plaintiff Universal Avionics Systems Corporation ("Universal") currently  
6 agree on all other provisions in the proposed protective order, and the disputed provision  
7 is the only issue presently delaying fully responsive discovery. During a telephonic  
8 scheduling conference on August 28, 2008, the Court requested that Defendants file an  
9 initial brief by September 5, 2008, later extended until September 19, 2008, describing the  
10 prejudice they would suffer from the disputed provision.

11 The parties have agreed on all terms of a stipulation for a protective order other  
12 than the disputed provision. The stipulation generally seeks to protect confidential  
13 information by creating procedures to govern disclosing, designating, storing, using, and  
14 returning confidential information. The disputed provision, however, expands beyond  
15 these normal issues of protecting confidentiality and bars patent prosecution. The text of  
16 the disputed provision states:

17 EXCLUSION FROM PATENT PROSECUTION

18 The Designated Party Representatives agree that they will not  
19 prosecute or supervise the prosecution of patents in the area  
20 of aviation technology during the pendency of this Litigation  
and for a period of three (3) years following the termination  
of the Litigation.

21 Under the other terms of the stipulation for a protective order, disclosed  
22 information may be protected if the disclosing party identifies it as "Confidential" or

23 \_\_\_\_\_  
24 <sup>1</sup> "Prosecution" of a patent refers to the entire procedure for obtaining a valid patent  
25 from a patent office, including but not limited to preparing and filing the patent  
26 application, searching for prior art, participating in the examination by the patent office,  
and any post-patent reissue or reexamination by the patent office. Patent prosecution is to  
be distinguished from patent litigation, such as the present case.

1 “Highly Confidential.” “Confidential” information generally includes any not-publicly-  
2 available information that the disclosing party would prefer did not become widely  
3 known, such as marketing studies, shipping data, or correspondence. “Highly  
4 Confidential” information is more limited and includes only highly sensitive business or  
5 proprietary information or unpublished patent applications and patent prosecution  
6 documents. A party’s outside counsel, outside expert witnesses, and other outside  
7 litigation support staff may view all disclosed information regardless of how designated.  
8 The Designated Party Representatives are the persons chosen by each party who may  
9 review information designated as “Confidential,” but not information designated as  
10 “Highly Confidential”. Anyone, of course, may review disclosed information that is  
11 neither “Confidential” nor “Highly Confidential”.

12 . The Designated Party Representative allows a party to have an internal  
13 representative who can review “Confidential” information and thereby assist outside  
14 counsel with analyzing and using the information during litigation. Obviously a complete  
15 disconnection between the parties and disclosed information makes it much more difficult  
16 to incorporate the information throughout litigation. The Designated Party Representative  
17 permits counsel to act with input from the parties but without unnecessarily wide  
18 dissemination of the “Confidential” information. Moreover, the Designated Party  
19 Representative’s review of “Confidential” disclosures assists outside counsel with  
20 understanding and thereby using “Highly Confidential” information.

21 Universal’s disputed provision unfairly seeks to either (1) forego avionics patent  
22 prosecution entirely for an indeterminate number of years, or (2) force Defendants to  
23 choose Designated Party Representatives who are unfamiliar with the circumstances of  
24 this case (and therefore quite useless as Designated Party Representatives). The first  
25 option strikes directly at the core of Defendants’ livelihood. The second option, besides  
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1 turning Designated Party Representatives into useless appendages, would effectively  
2 result in Universal dictating that Defendants' Designated Party Representatives cannot be  
3 Optima CEO Robert Adams or Margolin, the inventor of the patents-in-suit.

4 Optima is a patent holding company for numerous avionics patents, which make up  
5 a significant portion of its overall revenues. Optima's Designated Party Representative  
6 could in no way be involved in prosecuting patent applications, and therefore would be  
7 limited to licensing and enforcing current avionics patents. The Designated Party  
8 Representative also could not participate in post-patent prosecution, which could include  
9 reissuing current patents to correct mistakes or reexamining current patents in light of  
10 newly discovered prior art. Notably, because the patent prosecution exclusion is not  
11 limited to United States patents, the Designated Party Representative also could not  
12 prosecute or supervise prosecution of patents in foreign countries. For instance,  
13 Defendants could win the present lawsuit but would still be barred for another three years  
14 from pursuing foreign patent protection for the patents-in-suit.

15 The restriction is even more egregious as applied to Margolin. Margolin is the  
16 inventor of several avionics patents. He currently has an open application with the United  
17 States Patent and Trademark Office to obtain a new avionics patent, and that patent  
18 application could not go forward under the disputed provision until three years after the  
19 conclusion of this case. Because he is not a business entity, the only way for him to avoid  
20 the prosecution exclusion is to hire someone else, without any knowledge of the present  
21 case and its circumstances, as his Designated Party Representative.

22 The patent prosecution exclusion has a disproportionate effect on Defendants  
23 versus Universal, which is further evidence of the unfair nature of the exclusion. Unlike  
24 Defendants, Universal would suffer a minor inconvenience at most from the patent  
25 prosecution exclusion. Universal's business is geared more toward manufacturing and  
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1 sales of avionics products than intellectual property. As the present case shows, Universal  
2 is far more interested in selling its products than abiding by or prosecuting patents. If  
3 anything, Universal is most likely to purchase licenses for existing patents from others—  
4 not obtain new patents in its own right.

5 Universal's purported concern in defense of the disputed provision is to prevent the  
6 unintentional or inadvertent disclosure of sensitive information obtained by a Designated  
7 Party Representative that could be used to obtain a separate patent. However, Designated  
8 Party Representatives do not have access to "Highly Confidential" information, which  
9 explicitly includes "unpublished patent applications and patent prosecution documents  
10 that are not available upon request from the U.S. Patent and Trademark Office or any  
11 other patent office." Therefore, sensitive patentable information would never be seen by  
12 the Designated Party Representatives, and Universal's argument rings hollow.

13 As demonstrated above, the disputed patent prosecution exclusion does nothing to  
14 protect the confidentiality of disclosed information. Its sole purpose is to either force  
15 Defendants to abandon their livelihoods or to prevent Defendants from assisting their  
16 outside counsel in analyzing the information. For the foregoing reasons, Defendants  
17 respectfully request this Court reject Universal's unnecessary and unfair patent  
18 prosecution exclusion from any protective order.  
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RESPECTFULLY SUBMITTED this 19<sup>th</sup> day of September, 2008.

SNELL & WILMER L.L.P.

By s/Robert Bernheim  
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Robert Bernheim  
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Snell & Wilmer

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CERTIFICATE OF SERVICE

1  
2 I hereby certify that on September 19<sup>th</sup>, 2008, I electronically transmitted and sent  
3 via U.S. mail the attached document to the Clerk's Office using the CM/ECF System for  
4 filing and transmittal of a Notice of Electronic Filing to the following CM/ECF  
5 registrants:

6 E. Jeffrey Walsh, WalshJ@gtlaw.com  
7 Robert A. Mandel, MandelR@gtlaw.com  
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10 Allan A. Kassenoff, KassenoffA@gtlaw.com  
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13 *Attorneys for Plaintiff*

14 s/Rosemary Farley  
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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP, INC.,  
et al.,

Defendants.

OPTIMA TECHNOLOGY GROUP, INC.,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION,

Counterdefendant.

No. CV 07-588-TUC-RCC

**ORDER**

Pursuant to the Parties' Stipulation (Docket No. 145) and good cause appearing,  
IT IS HEREBY ORDERED the Defendants shall have up to and including September  
29, 2008 to file their motion regarding preliminary invalidity contentions. The Plaintiff shall  
have up to and including September 29, 2008 to file their motion regarding case bifurcation  
and up to and including October 10, 2008 to file their brief regarding disputed patent

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prosecution exclusion. The parties shall have ten days after the filing of the motions to respond.

DATED this 22<sup>nd</sup> day of September, 2008.



---

Raner C. Collins  
United States District Judge



**From:** Burns, Laura (HQ-MA000)  
**Sent:** Thursday, October 02, 2008 2:37 PM  
**To:** McNutt, Jan (HQ-MC000)  
**Subject:** RE: UAS.vs.OTG

Hi Jan,

#147 had two documents which are attached.



147-2.pdf



147-1.pdf

*Laura Burns*

Law Librarian for the Office of the General Counsel  
NASA Headquarters

[Redacted]

b(6)

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**From:** McNutt, Jan (HQ-MC000)  
**Sent:** Thursday, October 02, 2008 11:31 AM  
**To:** Burns, Laura (HQ-MA000)  
**Subject:** RE: UAS.vs.OTG

Laura,

I guess I need No. 147 also..thanks.

-Jan

---

**From:** Burns, Laura (HQ-MA000)  
**Sent:** Wednesday, October 01, 2008 4:20 PM  
**To:** McNutt, Jan (HQ-MC000)  
**Subject:** RE: UAS.vs.OTG

The requested documents are attached.

<< File: OTG.148.pdf >> << File: OTG.129.pdf >> << File: OTG.131.pdf >> << File: OTG.132.pdf >> << File: OTG.136.pdf >> << File: OTG.144.pdf >> << File: OTG.146.pdf >>

*Laura Burns*

Law Librarian for the Office of the General Counsel  
NASA Headquarters

[Redacted]

b(6)

02982

**From:** McNutt, Jan (HQ-MC0000)  
**Sent:** Wednesday, October 01, 2008 3:55 PM  
**To:** Burns, Laura (HQ-MA0000)  
**Subject:** RE: UAS.vs.OTG

Laura,

If you can, I'd like documents:

129, 131, 132, 136, 144, 146 and 148

Thanks,  
Jan

---

**From:** Burns, Laura (HQ-MA0000)  
**Sent:** Wednesday, October 01, 2008 2:18 PM  
**To:** McNutt, Jan (HQ-MC0000)  
**Subject:** RE: UAS.vs.OTG

Jan,

Attached is the update for the docket. Please let me know which documents you would like.

<< File: docket.update.pdf >>

Laura

*Laura Burns*

Law Librarian for the Office of the General Counsel  
NASA Headquarters

[REDACTED]  
[REDACTED]  
[REDACTED]

b(6)

---

**From:** McNutt, Jan (HQ-MC0000)  
**Sent:** Wednesday, October 01, 2008 11:05 AM  
**To:** Burns, Laura (HQ-MA0000)  
**Subject:** RE: UAS.vs.OTG

Laura,

Could you get an update on this case for me. I've included the last docket document you sent me for the case.

<< File: UAs vs OTG docket.pdf >>

Thanks,  
Jan

---

**From:** Burns, Laura (HQ-MA0000)  
**Sent:** Friday, August 15, 2008 2:10 PM  
**To:** McNutt, Jan (HQ-MC0000)  
**Subject:** UAS.vs.OTG

Jan,

Attached are some documents from the Universal case. Several of the documents were not available because they were sealed. If you have any questions, let me know.

<< File: UAs.vs.OTG.docket.pdf >

<< File: OTG.Answer.to.UAS.Complaint.pdf >>      << File: OTG.Amended.Answer.pdf >>      << File:  
UAS.Reply.Counterclaims.pdf >>      << File: UAS.Order.Motion.Dismiss.4.9.08.pdf >>      << File:  
USA.2ndAmendedComplaint.pdf >>      << File: OTG.Answer.2nd.Amended.Complaint.pdf >>      << File:  
UAS.Reply.to.OTG.Counterclaims.pdf >>

Laura

*Laura Burns*

Law Librarian for the Office of the General Counsel  
NASA Headquarters



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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS CORPORATION,  
  
Plaintiff,  
  
vs.  
  
OPTIMA TECHNOLOGY GROUP, INC., et al.,  
  
Defendants.  

---

  
OPTIMA TECHNOLOGY GROUP, INC., a Delaware corporation,  
  
Counterclaimant,  
  
vs.  
  
UNIVERSAL AVIONICS SYSTEMS CORPORATION, an Arizona corporation,  
  
Counterdefendant

No. 07-CV-00588-RC

**PROPOSED ORDER DISMISSING ALL CLAIMS WITH PREJUDICE**

Assigned to: Hon. Raner C. Collins

This Court having reviewed the parties Stipulation for Dismissal with Prejudice, and good cause appearing herein,

IT IS HEREBY ORDERED dismissing all claims and counterclaims in this action with prejudice.

02985

1 E. Jeffrey Walsh, (SBN 009334)  
2 GREENBERG TRAUIG, LLP  
2375 East Camelback Road  
Suite 700  
3 Phoenix, Arizona 85016  
Telephone: (602) 445-8000  
4 Facsimile: (602) 445-8100  
WalshJ@gtlaw.com

5  
6 Scott J. Bornstein, BornsteinS@gtlaw.com  
Allan A. Kassenoff, KassenoffA@gtlaw.com  
GREENBERG TRAUIG, LLP  
7 200 Park Avenue, 34th Floor  
MetLife Building  
8 New York, NY 10166  
*Attorneys for Plaintiff*

9  
10 Jeffrey Willis (SBN 004870)  
Robert Bernheim (SBN 024664)  
SNELL & WILMER LLP  
11 One South Church Avenue, Suite 1500  
Tucson, Arizona 85701-1630  
12 Telephone: (520) 882-1200  
Facsimile: (520) 884-1294  
13 *Attorneys for Defendants*

14 IN THE UNITED STATES DISTRICT COURT  
15 FOR THE DISTRICT OF ARIZONA

16  
17 UNIVERSAL AVIONICS SYSTEMS  
CORPORATION,

18 Plaintiff,

19 vs.

20 OPTIMA TECHNOLOGY GROUP,  
21 INC., et al.,

22 Defendants

23 OPTIMA TECHNOLOGY GROUP,  
INC., a Delaware corporation,

24 Counterclaimant,

25 vs.

26 UNIVERSAL AVIONICS SYSTEMS  
CORPORATION, an Arizona  
corporation,

27 Counterdefendant  
28

Case No. 07-CV-00588-RC

**STIPULATION FOR DISMISSAL  
WITH PREJUDICE**

Assigned to the Hon. Raner C. Collins

1 Pursuant to Federal Rule of Civil Procedure 41(a)(1), Plaintiff/Counterdefendant  
2 Universal Avionics Systems Corporation ("Universal"), Defendant/Counterclaimant  
3 Optima Technology Group, Inc. ("Optima"), and Defendant Jed Margolin ("Margolin"),  
4 stipulate and agree that all claims and counterclaims asserted in this action should be  
5 dismissed with prejudice with each party to bear its own costs and attorneys' fees. A  
6 proposed order of dismissal is submitted herewith.

7 DATED this 23rd day of September, 2008.

8  
9 GREENBERG TRAUIG, LLP

SNELL & WILMER L.L.P.

10 By: s/Robert Bernheim with Permission

By: s/Robert Bernheim

11 E. Jeffrey Walsh  
12 GREENBERG TRAUIG, LLP  
Suite 700  
13 2375 East Camelback Road  
Phoenix, Arizona 85016  
14 Telephone: (602) 445-8000  
Facsimile: (602) 445-8100

Jeffrey Willis  
Robert Bernheim  
SNELL & WILMER L.L.P.  
One South Church Avenue  
Suite 1500  
Tucson, Arizona 85701-1630  
Telephone: (520) 882-1200  
Facsimile: (520) 884-1294  
*Attorneys for Defendants Optima  
Technology Group, Inc. and Jed  
Margolin*

15 Of Counsel:

16 Scott J. Bornstein  
17 Allan A. Kassenoff  
GREENBERG TRAUIG, LLP  
200 Park Avenue, 34th Floor  
18 MetLife Building  
New York, NY 10166  
19 *Attorneys for Plaintiff*  
*Universal Avionics Systems*  
20 *Corporation*

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IT IS FURTHER ORDERED that each party shall be responsible for paying its own attorneys' fees and costs incurred this action.

DATED this \_\_\_ day of September, 2008.

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Hon. Raner C. Collins  
United States District Court Judge

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP, INC.,  
et al.,

Defendants.

OPTIMA TECHNOLOGY GROUP, INC.,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS)  
CORPORATION,

Counterdefendant.

No. CV 07-588-TUC-RCC

**ORDER**

Pursuant to the Parties' Stipulation of Dismissal with Prejudice (Docket No. 147) and good cause appearing,

IT IS HEREBY ORDERED all claims and counterclaims in this action are dismissed with prejudice and the Clerk shall CLOSE this case.

IT IS FURTHER ORDERED that each party shall be responsible for paying its own attorneys' fees and costs incurred in this action.

DATED this 23<sup>rd</sup> day of September, 2008.



Raner C. Collins  
United States District Judge



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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS  
CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY  
CORPORATION and JED MARGOLIN,

Defendants.

No. CV 07-588-TUC-RCC

**ORDER**

Pending before the Court is the Plaintiff's Motion for Default Judgment and Motion for Reconsideration.

Plaintiff served Optima Technology Corporation in late November, Optima Technology Corporation has not yet answered or appeared in this action. Therefore, the Court will grant the Plaintiff's Motion for Default Judgment.

Plaintiff filed a motion for reconsideration. The Plaintiff has not met the requirements of Federal Civil Procedure Rule 60(b). Therefore, the Court will deny this motion. Optima Technology Group's Default Judgment resolved the issues between Optima Technology Group and Optima Technology Corporation in the exact same way Universal's Default Judgment resolves the issues between Universal and Optima Technology Corporation.

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Therefore, IT IS HEREBY ORDERED:

1) The Plaintiff's Motion for Default Judgment (Docket No. 123) is GRANTED.

Universal did not and does not infringe on any claim of Optima Technology Corporation's '073 patent. Optima Technology Corporation's claims on the '073 patent are invalid and unenforceable. Universal did not and does not infringe on any claim of Optima Technology Corporation's '724 patent. Optima Technology Corporation's claims on the '724 patent are invalid and unenforceable. This is an exceptional case pursuant to 35 U.S.C. §285 and Universal is entitled to collect reasonable attorneys' fees and costs from Optima Technology Corporation.

2) The Plaintiff's Motion for Reconsideration (Docket No. 115) is DENIED.

DATED this 18<sup>th</sup> day of August, 2008.



Raner C. Collins  
United States District Judge

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY CORPORATION, ROBERT ADAMS and  
JED MARGOLIN,

Defendants.

OPTIMA TECHNOLOGY INC. a/k/a  
OPTIMA TECHNOLOGY GROUP, INC.,  
a corporation,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS CORPORATION, an Arizona corporation,

Counterdefendant,

OPTIMA TECHNOLOGY INC. a/k/a  
OPTIMA TECHNOLOGY GROUP, INC.,

Cross-Claimant,

vs.

OPTIMA TECHNOLOGY CORPORATION,

Cross-Defendant.

No. CV 07-588-TUC-RCC

**ORDER**

1 This Court, having considered the Defendants' Application for Entry of Default  
2 Judgment against Cross-Defendant Optima Technology Corporation, finds no just reason to  
3 delay entry of final judgment.

4 Therefore, IT IS HEREBY ORDERED:

5 Final Judgment is entered against Cross-Defendants Optima Technology Corporation,  
6 a California corporation, and Optima Technology Corporation, a Nevada corporation, as  
7 follows:

8 1. Optima Technology Corporation has no interest in U.S. Patents Nos. 5,566,073 and  
9 5,904,724 ("the Patents") or the Durable Power of Attorney from Jed Margolin dated July  
10 20, 2004 ("the Power of Attorney");

11 2. The Assignment Optima Technology Corporation filed with the USPTO is forged,  
12 invalid, void, of no force and effect, and is hereby struck from the records of the USPTO;

13 3. The USPTO is to correct its records with respect to any claim by Optima  
14 Technology Corporation to the Patents and/or the Power of Attorney; and

15 4. OTC is hereby enjoined from asserting further rights or interests in the Patents  
16 and/or Power of Attorney; and

17 5. There is no just reason to delay entry of final judgment as to Optima Technology  
18 Corporation under Federal Rule of Civil Procedure 54(b).

19 DATED this 18<sup>th</sup> day of August, 2008.

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Raner C. Collins  
United States District Judge

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNIVERSAL AVIONICS SYSTEMS CORPORATION,

Plaintiff,

vs.

OPTIMA TECHNOLOGY GROUP, INC.,  
OPTIMA TECHNOLOGY CORPORATION, ROBERT ADAMS and  
JED MARGOLIN,

Defendants.

OPTIMA TECHNOLOGY INC. a/k/a  
OPTIMA TECHNOLOGY GROUP, INC.,  
a corporation,

Counterclaimant,

vs.

UNIVERSAL AVIONICS SYSTEMS CORPORATION, an Arizona corporation,

Counterdefendant,

OPTIMA TECHNOLOGY INC. a/k/a  
OPTIMA TECHNOLOGY GROUP, INC.,

Cross-Claimant,

vs.

OPTIMA TECHNOLOGY CORPORATION,

Cross-Defendant.

No. CV 07-588-TUC-RCC

**ORDER**

1 This Court, having considered the Plaintiff's Application for Entry of Default  
2 Judgment against Defendant Optima Technology Corporation, finds no just reason to delay  
3 entry of final judgment.

4 Therefore, IT IS HEREBY ORDERED:

5 ~~Final Judgment is entered against Defendant Optima Technology Corporation, a~~  
6 ~~California corporation, and Optima Technology Corporation, a Nevada corporation, as~~  
7 follows:

8 1. Universal Avionics Systems Corporation ("Universal") did not and does not  
9 infringe against Optima Technology Corporation's Patent No. 5,566,073.

10 2. Optima Technology Corporation claims of the 5,566,073 Patent are invalid and  
11 unenforceable;

12 3. Universal did not and does not infringe against Optima Technology Corporation's  
13 Patent No. 5,904,724.

14 4. Optima Technology Corporation claims of the 5,904,724 Patent are invalid and  
15 unenforceable;

16 5. This is an exceptional case, pursuant to 35 U.S.C. §285, and Universal is entitled  
17 to reasonable attorney's fee and costs from Optima Technology Corporation; and

18 6. There is no just reason to delay entry of final judgment as to Optima Technology  
19 Corporation under Federal Rule of Civil Procedure 54(b).

20 DATED this 18<sup>th</sup> day of August, 2008.

21  
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23 

24 Raner C. Collins  
United States District Judge

# Exhibit K

# JOHN PETER LEE, LTD.

ATTORNEYS AT LAW

---

830 LAS VEGAS BOULEVARD SOUTH

LAS VEGAS, NEVADA 89101

TELEPHONE (702) 382-4044

FACSIMILE (702) 383-9950

E-MAIL: info@johnpeterlee.com

January 4, 2008

Scott J. Bornstein, Esq.  
Greenberg Traurig, LLP  
200 Park Avenue, 34th Floor  
MetLife Building  
New York, New York 10166

**FEDERAL EXPRESS**

Scott J. Bornstein, Esq.  
Greenberg Traurig, LLP  
2375 East Camelback Road, #700  
Phoenix, Arizona 85016

**FEDERAL EXPRESS**

Re: Optima Technology Corporation  
adv. Universal Avionics Systems Corporation

Dear Mr. Bornstein:

I have conferred with our client, Reza Zandian, in control of Optima Technology Corporation, also designated as Optima Technology, Inc., and have advised him concerning your reaction to our being dismissed from the captioned litigation. Mr. Zandian is not interested in granting Universal a free license; neither does he wish to enmesh Optima in what promises to be complex and unproductive Arizona litigation.

Optima Technology Corporation (Optima Technology, Inc.) was originally formed in the State of California and has had no business ties to the State of Arizona. The Complaint alleges, however, that Optima, through Robert Adams, committed wrongful acts in Arizona. However, the Complaint and the attached documentation to the Complaint indicates that the wrongful acts were attributable to Optima Technology Group, a non-existent entity. Although Robert Adams was at one time an officer of Optima, he was removed from his position in October of 2006, and has had no relationship with Optima during the time span referred by you in your Complaint encompassing July, 2007 to November, 2007. In fact, Optima has a judgment against Adams, a copy of which, we understand, you already have.

Adams, although he may have represented Optima before October, 2006, has had absolutely no contact with Optima since that time, and certainly was not authorized to harass Universal in Arizona or any place else.



Scott J. Bornstein, Esq.  
January 4, 2008  
Page Two

We are troubled with the allegations of the Complaint, which apparently have been framed to give personal jurisdiction in the Arizona courts over Optima. However, as already stated, there is no support for the jurisdictional allegations attempting to tie Optima to Arizona, and to the relief requested.

It is unclear from the Complaint whether the Complaint is drafted to seek a declaration of the validity of the patents in question; but, if so, there is no jurisdictional basis for the Arizona court to consider that issue on the allegations of the Complaints, which do not tie the Optima patents into an attack on their validity in Arizona.

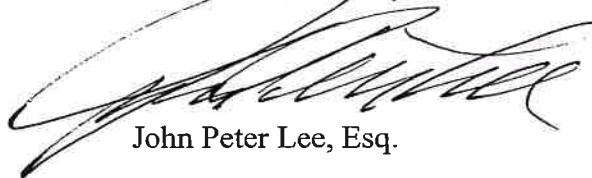
Optima cannot afford financially or legally to become involved in the Arizona litigation. The Complaint as drafted is quagmire with too many traps which could mesh Optima in extremely costly and non-productive litigation over issues which simply don't belong in the Arizona courts.

We request, since you are on notice of the true facts in this case, that you dismiss Optima Technology Corporation from the Complaint and Optima gives you notice pursuant to FRCP 11 that this process should be done immediately. Optima does not intend to appear in the action for the reasons outlined in this letter. Should Universal decide to pursue a default judgment against Optima, we expect advice of your intentions, and appropriate steps will be taken to set aside the default and to seek sanctions for the pursuit of an unfounded claim against Optima by Universal. See FRCP 12(b)(2) and FRCP 11.

This letter is not an appearance by Optima in the captioned litigation. Your grant of additional time to respond to the Complaint is met by this letter. We intend no further proceedings at this point. We are not practicing law in the State of Arizona, but going on record with the position that we feel is appropriate and warranted.

Yours truly,

JOHN PETER LEE, LTD.



John Peter Lee, Esq.

JPL/jlr  
cc: Client  
1334.023382

**JOHN PETER LEE, LTD.**

**ATTORNEYS AT LAW**

830 LAS VEGAS BOULEVARD SOUTH  
LAS VEGAS, NEVADA 89101  
TELEPHONE (702) 382-4044  
FACSIMILE (702) 383-9950  
E-MAIL: [info@johnpeterlee.com](mailto:info@johnpeterlee.com)

February 19, 2008

Mr. Reza Zandian  
8775 Costa Verde Boulevard, #501  
San Diego, California 92122

**FAX 858-625-2460**

Re: Optima Technology Corporation  
adv. Universal Avionics Systems Corporation

Dear Mr. Zandian:


As a result of our conversation this day, we have determined that it would be unprofitable to appear in the Arizona action brought by Adams, et al. Accordingly, we will not do so.

We both believe that the case will implode, and that we will deal with Bornstein to resolve the cases.

Yours truly,

JOHN PETER LEE, LTD.

John Peter Lee, Esq.



JPL/jlr  
1134.023382

# JOHN PETER LEE, LTD.

## ATTORNEYS AT LAW

830 LAS VEGAS BOULEVARD SOUTH  
LAS VEGAS, NEVADA 89101  
TELEPHONE (702) 382-4044  
FACSIMILE (702) 383-9950  
E-MAIL: info@johnpeterlee.com

December 21, 2007

Mr. Reza Zandian  
8775 Costa Verde Boulevard, #501  
San Diego, California 92122

FAX 858-625-2460

Re: Optima Technology

Dear Mr. Zandian:

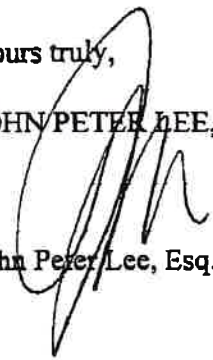
I talked to Kurt Luther at Honeywell. He claims he has a low level interest in the Optima patent. He didn't think there is an infringement. However, he wants to see the Power of Attorney and Assignment, which we can give him, and which apparently he has not seen. This is the same response I got from Scott Bornstein. We are researching the methodology you used to determine its validity.

I talked to my California patent contact, Sam Stone, and will send him a copy of the Power and Assignment for his review and opinion.

Yours truly,

JOHN PETER LEE, LTD.

John Peter Lee, Esq.



JPL/jlk  
1134.023382

**John Peter Lee, Ltd.  
Attorneys at Law  
830 Las Vegas Blvd South  
Las Vegas, NV 89101  
702-382-4044  
F#702-383-9950**

Page: 1

Reza Zandian  
8775 Costa Verde Blvd. #501  
San Diego CA 92122

07/08/08  
Account No: 1334-023382M  
Statement No: 34017

Optima Technology Corp. adv. Universal Avionics

Interim Statement

Previous Balance \$10,245.26

**BALANCE DUE UPON RECEIPT** **\$10,245.26**

Aged Due Amounts

<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-180</u>	<u>181+</u>
0.00	0.00	0.00	0.63	3,605.94	6,638.69

Billing History

<u>Fees</u>	<u>Hours</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>
12,147.50	40.25	286.82	0.00	0.00	2,189.06

**PLEASE REMIT TOTAL DUE** **\$10,245.26**

## PATENT LICENSE AND SETTLEMENT AGREEMENT

This Patent License and Settlement Agreement (“Agreement”), dated and effective as of December \_\_, 2007 (the “Effective Date”), is entered into, on the one hand, by Universal Avionics Systems Corporation, an Arizona corporation having its principal place of business at 3260 East Universal Way, Tucson, Arizona 85706 (“Universal”), and Optima Technology Corporation, a California corporation having its principal place of business at \_\_\_\_\_ (“Optima”). Universal and Optima are individually or collectively hereinafter referred to as “Party” or “Parties.”

### WITNESSETH

WHEREAS, Optima is the assignee of U.S. Patent Nos. 5,566,073 (the “‘073 patent”); 5,904,724 (the “‘724 patent”), 5,978,488, 6,337,436 (*see* Exhibit A attached hereto) and provisional Application No. 60/745,111;

WHEREAS, Optima, through its sole Director and Authorized Signatory, Reza Zandian, represents and stipulates that it is the owner of the Optima Patents, as defined below;

WHEREAS, Universal filed a complaint (the “Complaint”) against Optima, Optima Technology Group, Inc., Robert Adams and Jed Margolin on or about November 9, 2007 in the United States District Court for the District of Arizona, Civil Action No. 2:07-CV-02192-MHB (the “Litigation”), seeking a declaratory judgment of non-infringement and invalidity of the ‘073 and ‘724 patents and asserting claims from breach of contract, unfair competition and negligent interference with prospective economic advantage;

WHEREAS, Optima has yet to file an answer to Universal’s Complaint;

WHEREAS, Universal and Optima desire to resolve and settle the Litigation under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the above premises and the mutual promises and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I DEFINITION - OPTIMA PATENTS

- 1.1 “Optima Patents” means U.S. Patent Nos. 5,566,073; 5,904,724; 5,978,488; 6,337,436 and any parents, continuations, continuations-in-part, divisionals, reexaminations, reissue applications or patents, and all foreign counterparts related to such patents as well as provisional application no. 60/745,111.
- 1.2 “Term” means the duration of this Agreement, as provided for in Article 5.2 below.

**ARTICLE II  
PATENT LICENSE GRANT**

- 2.1 Grant of License. Optima grants to Universal a non-exclusive license under the Optima Patents to make, have made, use, sell, offer to sell, import, export, advertise, or otherwise exploit and dispose of the inventions claimed in the Optima Patents.
- 2.2 Warranty. Optima represents and warrants that it has the legal power to extend the rights granted hereto to Universal in connection with the Optima Patents. Optima further represents and warrants that it is the sole and exclusive owner of the Optima Patents.
- 2.3 Third Party Infringement. Optima shall promptly report in writing to Universal during the Term of this Agreement any known infringement or suspected infringement of any of the Optima Patents, and shall provide Universal with all available evidence supporting the infringement and/or suspected infringement. Universal shall have the sole and exclusive right to bring an infringement action or proceeding against any infringing third party. In the event, in Universal's sole discretion, that Universal brings such an action or proceeding, Optima shall cooperate and provide full information and reasonable assistance to Universal and its counsel, at Universal's expense, in connection with any such action or proceeding and agrees to join such action or proceeding as a co-plaintiff if Universal considers Optima to be an indispensable party to said action or proceeding.
- 2.4 Duration. The patent license granted hereunder is fully paid-up and irrevocable, and shall extend for the life of the Optima Patents.

**ARTICLE III  
COMPENSATION**

- 3.1 Patent License. The patent license hereunder is granted on a fully paid-up basis and does not require the payment of any royalties.

**ARTICLE IV  
ASSISTANCE**

- 4.1 Assistance. During the Term of the Agreement, Universal agrees to provide Optima with cooperation and assistance in Optima's efforts at licensing the Optima Patents to third parties. The Parties agree that they shall share all income received in connection with such licensing activities, with Optima receiving 85% and Universal receiving 15% thereof.

