

**THE DISCIPLINARY BOARD OF THE SUPREME COURT OF PENNSYLVANIA**

Date sent \_\_\_\_\_

Two Lemoyne Drive, Second Floor  
Lemoyne, Pennsylvania 17043

**COMPLAINT INFORMATION FORM**

(Please Type or Print)

Date: August 8, 2003

**A. COMPLAINANT:**

Mr./Mrs. Iviewit Holdings, Inc.  
Your Name: Miss/Ms. \_\_\_\_\_  
(Last) (First) (MI)

Address: 10158 Stonehenge Circle Boynton Beach, Fla 33437  
(Street) (City) (State) (Zip Code)

Telephone: Home: 561-364-4240; Work: 561-364-4240  
(Area Code) (Number) (Area Code) (Number)

**B. ATTORNEY COMPLAINED OF:**

Name: Narine Krishna B. County: \_\_\_\_\_  
(Last) (First) (MI)

Office Address: Three Bala Plaza East, Suite 400 Bala Cynwyd, Penn. 19004  
(Street) (City) (State) (Zip Code)

Telephone: Office: 610-667-7706; Other: 215-771-4988  
(Area Code) (Number) (Area Code) (Number)

**C. PRIOR COMPLAINTS CONCERNING THIS MATTER OR THIS ATTORNEY:**

Have you previously filed a complaint concerning this matter or this attorney with the Disciplinary Board, a Bar Association or its Fee Dispute Committee, any District Justice, Court, District Attorney or any other agency or office: YES  NO. If so, please identify the agency and specify the date and nature of your complaint and the action taken by the agency: \_\_\_\_\_

**D. INSTRUCTIONS:**

A written and signed statement of the facts must be filed with the Disciplinary Board before your complaint can be considered. Therefore, on the reverse side of this form, under STATEMENT OF COMPLAINT, please fully and completely set forth all of the facts and circumstances of your complaint. PLEASE BE SPECIFIC, referring to relevant dates, contacts you made with the attorney, the fee arrangement, amounts paid to the attorney and when, services to be performed, the names and addresses of other individuals involved in the legal matter, EXACTLY WHAT CONDUCT YOU BELIEVE IS UNETHICAL OR ILLEGAL, etc.

PLEASE ATTACH COPIES OF ALL CORRESPONDENCE AND/OR DOCUMENTS RELATING TO YOUR CASE. If you send original documents and wish them returned to you, check here \_\_\_\_\_. If you have not

attached any documentation, please explain why:

E. STATEMENT OF COMPLAINT: (Note: Attach as many additional pages as necessary to fully set forth all of the relevant facts and circumstances surrounding your complaint).

Please see attached complaint and exhibits.

F. CONFIDENTIALITY:

You are advised that Rule 402 of the Pennsylvania Rules of Disciplinary Enforcement requires that all investigations and proceedings before the Disciplinary Board be conducted in a strictly confidential manner. Therefore, you are requested not to breach the confidentiality of our consideration of your complaint by disclosing your involvement with the Disciplinary Board to other persons.

G. INTERVIEWS:

It is NOT required that you present your complaint to this office in person. Personal interviews are not required and are not usually necessary for our preliminary review and understanding of complaints. If we need further information relative to your complaint, you will be contacted by phone or letter and arrangements will be made for any personal interview determined to be necessary.

August 8, 2003

(Date)

  
Signature Valid



(Your Signature)

  
Signature Valid

P. Stephen Lamont

Digitally signed by Eliot I. Bernstein  
DN: cn=Eliot I. Bernstein, o=Iviewit Holdings, Inc., c=US  
Date: 2003.08.13 20:02:17 -04'00'  
Reason: I am the author of this document

Eliot I. Bernstein  
Founder & President

Digitally signed by P. Stephen Lamont  
DN: cn=P. Stephen Lamont, o=Iviewit Holdings, Inc., ou=Corporate, c=US  
Date: 2003.08.13 20:51:00 -04'00'

P. Stephen Lamont  
CEO

On or about April 23, 2003, Complainant and Krishna B. Narine ("Attorney") began a series of discussions relating to representation of Complainant by Attorney and the law firm of Schiffrin & Barroway, LLP ("SB") along a wide variety of claims as described in the Letter of Understanding ("Agreement"), a true copy of which is attached herein. Moreover, discussions ensued, the parties exchanged draft Agreements that culminated in the executed, binding, and bilateral Agreement of July 15, 2003, a true copy of which is attached herein as Exhibit A.

Furthermore, prior to the execution of the Agreement, and without authorization of Complainant, Attorney made contact on behalf of Complainant, but unbeknownst to Complainant, with Leon P. Gold, Esq. of Proskauer Rose LLP ("Proskauer"), in an effort to begin a dialogue with Mr. Gold pertaining to the allegations of Complainant previously described to Attorney, circumstances of which are attached herein as Exhibit B.

Thereafter, Attorney contacted Complainant stating that a large settlement was being discussed, Attorney then executed the Agreement, stating that Attorney was confident that the settlement would provide an offset to the One Million Six Hundred Thousand Dollar (\$1,600,000) operating budget SB was obliged to fund and other legal and financial commitments contained in the Agreement. Moreover, Attorney was confident that Proskauer would settle for these amounts at minimum based on his previous discussions; Attorney was pleased that he found a pocket to fund his forty five percent (45%) share of the Complainant's equity, as further described in the Agreement.

Additionally, Complainant and Proskauer are parties to a certain billing dispute litigation ("Litigation") in Florida State Court, Palm Beach County, and an action of which Attorney began representation of according to the Agreement, with a trial that had been scheduled for July 29, 2003. Moreover, negotiations took place with Mr. Gold and Proskauer up to July 24, 2003, wherein Attorney stated that negotiations had ceased, SB had not the time to prepare for trial, although the statements of Attorney consisted of representations to Complainant and two other attorneys of Complainant, a one Mark W. Gaffney, Esq. and Kurt Olsen, Esq., that SB needed only two weeks to prepare for said trial, and it was the advice of Attorney to settle the claim in exchange for full releases and with that said, the cash settlement anticipated was removed from the discussions.

Subsequently, the parties exchanged draft Settlement Agreements and General Releases ("Release") on July 28, 2003, one day before trial, that contained individuals not engaged in the Litigation and without proper counsel, as named individuals in the Release. Complainant's executives, Eliot I. Bernstein, then Founder and Chief Executive Officer (Acting) and P. Stephen Lamont, then President & Chief Operating Officer (Acting), asked for counsel as the Release expressly stated that counsel had reviewed and explained the risks of the Release. Moreover, SB requested personal signatures and signatures for Complainant prior to review by counsel with full knowledge that neither of the parties had counsel.



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Furthermore, since the requested signatures could not be procured in such a short amount of time, it was determined that the trial would ensue, as Attorney prior advised that although settlement negotiations had started that the Court would be unwilling to continue the proceedings so that counsel could review the document, but Attorney continued to request that the parties blindly execute the Release without counsels' review.

Still further, rather than proceeding as Attorney had counseled, Proskauer contacted the Court informing that settlement negotiations had begun, wherein the Court scheduled another action in place of the Litigation. Complainant and its Florida counsel presented themselves at Court anticipating a trial, but only found that, due to the Release negotiations, Proskauer had continued the trial, thereby interfering with Complainant's, though not prepared as more explicitly described below, attempt to litigate the matter. Thereafter, SB hired counsel for Complainant to review the Release and it was the determination of Complainant's counsel as well as the personal counsel of Eliot Bernstein that, for a variety of reasons, especially the lack of protections for the intellectual property of Complainant (the allegations of Complainant explained to Attorney prior to his contact with Mr. Gold and further described in Exhibit B) as well as lack of appropriate corporate governance protocol, that Attorney demanded Complainant to ignore, which together, counsels advised, showed that the Release did not inure to the benefit of shareholders of Complainant and could pose ethical problems for officers acting without proper authority.

Moreover, negotiations further took place during week of July 28, wherein Attorney, according to counsel of Complainant, was unable to secure documentation inuring to the benefit of the shareholders of Complainant and following proper corporate governance protocols, but, nevertheless, Attorney continued to pressure the Complainant to execute the Release in defiance of two separate counsels reviewing said Release. Furthermore, to this extent, Attorney also withheld other legal and financial obligations of the Agreement, and threatened to unilaterally revoke the Agreement and move the Court to remove itself in representation of Complainant, unless the parties provided the now coerced signatures to the Release.

On August 1, 2003, SB, by letter, unilaterally withdrew from the executed, binding, and bilateral Agreement in representation, among others things, of Complainant, yet up until August 4, 2003, SB continued to contact and negotiate with Proskauer without separate and new authorization of Complainant and despite their August 1, 2003 withdrawal. Similarly, on August 1, 2003, SB filed a Motion to Withdraw from the Litigation, and Proskauer, due to the failure of the settlement negotiations, set a hearing for August 5, 2003. At the hearing, the Court granted SB's motion, as well as the Motion to Withdraw of co-counsel Steven M. Selz, Esq. who Attorney had previously ordered to "stand down" and not prepare for trial, now leaving Complainant with no counsel with which to



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continue the Litigation and having to secure new counsel with fifteen (15) days. Again, after the hearing, Attorney (in a curious move) unilaterally revoked the executed, binding, bilateral Agreement, anew.

Additionally, although not a member of the United States Patent Bar, Attorney, through the Agreement assumed responsibility for timely and complete prosecution of patent applications of Complainant, wherein Attorney failed to formally retain patent counsel, obliged to under said Agreement, and, as a result, and on August 2, 2002, missed a critical deadline to file and answer an Office Action of the international Patent Cooperation Treaty ("PCT") the deadline of which Attorney was aware of and because of failure of the financial commitments of the Agreement, Complainant stands to miss other critical deadlines, thereby exposing Complainant's intellectual property portfolio to additional risk, wherein Attorney was previously engaged to protect said intellectual property under the signed agreement.

Whereby, Complainant protests that Attorney did not represent Complainant at first in an authorized manner in contacting Proskauer prior to executing said Agreement and that it may have been that the conversation led to self-serving interests of Attorney to the detriment of the Complainant. In other words, the initial unauthorized call to Proskauer appears now to have been a ruse to derail Complainant's strategies in the Litigation and the other allegations Attorney was engaged to resolve, as well as, to derail timely filings on the patent applications.

Secondly, Complainant's attorneys protested that Attorney did not represent Complainant zealously as follows:

1. That the contact with Mr. Gold of Proskauer on or about the week of July 7, 2003, prior to signing the agreement, was unauthorized by Complainant and Attorney acted without authority. Complainant asserts that this unauthorized contact may have led to Attorney dealing Proskauer in self-serving ways and not with the interests of Attorney's client, the Complainant in this matter;
2. That during the two week time period from the effective date of the Agreement to the trial date of July 29, 2003 was sufficient time, according to Attorney, for Attorney to prepare for trial, but Attorney at no time prepared for said trial and, factually, ordered co-counsel in the litigation, Mr. Selz to "stand down," wherein Mr. Selz did not prepare for trial either;
3. That the negotiations pursuant to the Release at no time inured to the benefit of the shareholders of Complainant and further subjected them to new risks, and was inconsistent with Attorney's previous comments that Proskauer was proposing a substantial settlement.
4. That Attorney did not contemplate said Release with the requisite corporate governance protocols in place, and that counsel of Complainant and counsel of Eliot Bernstein advised Attorney that his demand to execute the Release without



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- the proper corporate governance protocols in place posed ethical problems to Attorney and personal liabilities to any acting officer signing on behalf of Complainant. Further, after being notified of the possible unethical position this would subject Attorney to, Attorney persisted in ignoring the advice of other counsel in these matters.
5. That the Release engaged parties not involved in the Litigation personally and whereby Attorney had no authorization to negotiate on behalf of the individuals so named in the Release, nor had any such privilege ever been requested of any of the individuals;
  6. That Attorney allowed the parties to the Release to continually consist of individuals not so named in the Litigation, Eliot I. Bernstein, Mr. Lamont, and Simon Bernstein. Further, no counsel was provided for either Mr. Lamont or Simon Bernstein; Simon Bernstein was never even notified of such inclusion in the Release;
  7. That Attorney allowed other bar complaints of the Complainant against partners of Proskauer to become issues of the Release;
  8. That at no time did Attorney make an effort to remove said individuals as parties to the Release;
  9. That at no time did Attorney make an effort to remove the collateral issue bar complaints against Proskauer partners from the Release; and
  10. That SB filed, and was granted, a Motion to Withdraw from the Litigation, and where said Agreement at no time authorized Attorney to jeopardize the intellectual property of the Complainant, and at no time authorized Attorney to demand execution of the Release without the proper corporate governance protocols in place, and at no time authorized Attorney to subject acting officers of the Complainant as parties to the Release, and at no time authorized Attorney to allow the collateral issue bar complaints by and between Complainant and partners of Proskauer as issues to the Release, while at the same time Attorney continued to advise and attempt to strong-arm Complainant of the necessity to execute the Release, continued to withhold other legal and financial obligations of the Agreement to force signatures, and threatened to unilaterally revoke the Agreement, now the subject of revocation, and move the Court to remove itself of Representation of Complainant, now filed and granted.
  11. That SB, through the Release, initially allowed the lack of proprietary and confidential information sections pointing to the exposure of the intellectual property of Complainant that would have potentially allowed Proskauer to interfere with Complainant's patents pending and could have allowed them to make proprietary information learned while Proskauer represented Complainant available to third parties and Proskauer, now the subject of allegations in the collateral bar complaints; in subsequent drafts, samples of the language proposed by Attorney were so shallow as to lead Complainant's attorneys to believe SB's representation was of no benefit to Complainant at all; and



12. That the orders of Attorney derailed attorneys Gaffney, Olsen, and Jeffrey A. Klafter from preparing Federal actions to bring forth the allegations of Complainant that Attorney was originally engaged to prosecute or settle and pursue the claims as described in Exhibit B.
13. Mr. Narine consistently failed on the financial obligations promised in the Agreement to the Complainant over a month period, causing damage not only to the Company employees but the Complainants ability to purchase back stock negotiated in good faith as outlined in the Agreement from investor Crossbow/Distream.
14. Other damages include missing patent filings on 2 foreign patents which SB assumed responsibility for under the Agreement and the estimated value of the entire patent portfolio, estimated to be worth several billion dollars annually (see Exhibit C) remains at risk due to SB's failure to perform under the Agreement.
15. Mr. Narine contracted his brother-in-law, Alan Weisberg, Esq., to take over the patent filings from past counsel Blakely Sokoloff Zafman & Taylor and thereby gave no instructions to past counsel to file critical filings and further, Mr. Weisberg contacted Complainant's management one day prior to filing on Friday at @4pm, with the filing due Saturday and notified Complainant that Mr. Narine had cancelled his services, leaving the Complainant no way to file such patent filing.

Lastly, it is the Complainant's contention, and based on the numerous instances of inconsistent and unethical advice portrayed by Attorney, that it is highly plausible that Attorney had assisted Proskauer in subjecting Complainant to further damage and risk perhaps for the unscrupulous benefit of SB, thus becoming one more conspirator in the civil conspiracy alleged by Complainant in said collateral bar complaints and Exhibit B. Moreover, as Complainant has already incurred damages due to the missed answer to the PCT Office Action described above, said damages caused by Attorney's failure to act have harmed Complainant irreparably by causing the present abandonment of the PCT patent application in question in the name of Complainant as assignee, possibly beyond repair, see attached Exhibit C. As of this date, a second filing has also gone unanswered due to the same failure of SB to perform under the Agreement.

Now therefore, Complainant seeks redress against Attorney by discipline, whether by admonishment, reprimand, suspension, resignation, or disbarment, or such other redress as The Disciplinary Board of The Supreme Court of Pennsylvania deems appropriate.



**EXHIBIT A**

**SCHIFFRIN & BARROWAY, LLP**

RICHARD S. SCHIFFRIN\*  
ANDREW L. BARROWAY\*  
MARC A. TOPAZ\*  
DAVID KESSLER\*  
KRISHNA B. NARINE  
KATHARINE M. RYAN  
STUART L. BERMAN\*  
JACOB A. GOLDBERG

◻ ADMITTED IN NJ  
\* ALSO ADMITTED IN CA  
\* ALSO ADMITTED IN DE  
\* ALSO ADMITTED IN IL  
\* ALSO ADMITTED IN NJ  
◻ ALSO ADMITTED IN NY

ATTORNEYS AT LAW  
THREE BALA PLAZA EAST  
SUITE 400  
BALA CYNWYD, PENNSYLVANIA 19004  
(610) 667-7706  
FAX: (610) 667-7056

GREGORY M. CASTALDO\*  
DARREN J. CHECK\*  
EDWARD W. CIOLKO◻  
SEAN M. HANDLER  
SCOTT K. JOHNSON\*  
RICHARD A. MANISKAS  
STEPHEN P. MCFATE  
JOSEPH H. MELTZER\*  
TOBIAS L. MILLROOD\*  
CHRISTOPHER L. NELSON  
LEE D. RUDY◻  
KAY E. SICKLES\*  
MARC D. WEINBERG\*  
PATRICIA C. WEISER\*  
ROBERT B. WEISER\*  
MARC I. WILLNER  
MICHAEL K. YARNOFF\*\*  
ERIC L. ZAGAR  
ANDREW L. ZIVITZ\*

July 15, 2003

**Via Electronic Mail and Federal Express**

Flaster Greenberg  
Commerce Center  
1810 Chapel Avenue West  
Cherry Hill, NJ 08002  
Attention: Marc R. Garber, Esq.

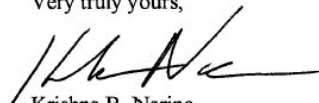
Dear Marc:

As we discussed earlier, it is acknowledged that our law firm's retirement plan was administered by MPDA, formerly an affiliate of Flaster Greenberg. We also acknowledge that in the MPDA engagement letter our law firm also engaged Flaster Greenberg for legal work related to the retirement plan.

Several months ago Flaster Greenberg sold the MPDA business, with the result of a company called Manchester (unrelated to Flaster Greenberg) taking over the plan administration work of our retirement plan. Thus, we hereby acknowledge that we are a former client and not a current client of Flaster Greenberg.

While we don't believe there to be a conflict, we hereby consent to Flaster Greenberg's representation of Iviewit with respect to the Letter of Understanding with Schiffrin & Barroway, LLP.

Very truly yours,

  
Krishna B. Narine

cc: Eliot Bernstein



Thursday, August 14, 2003



**SCHIFFRIN & BARROWAY, LLP**

RICHARD S. SCHIFFRIN\*  
ANDREW L. BARROWAY\*  
MARC A. TOPAZ\*  
DAVID KESSLER\*  
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ROBERT B. WEISER\*  
MARC I. WILLNER  
MICHAEL K. YARNOFF\*\*  
ERIC L. ZAGAR  
ANDREW L. ZIVITZ\*

Tuesday, July 15, 2003

**Via Electronic Mail and Federal Express**

Eliot Bernstein  
CEO and Founder  
Iviewit Holdings, Inc.  
10158 Stonehenge Circle  
Suite 801  
Boynton Beach, FL 33437-3546

Re: Iviewit and Schiffrin & Barroway, LLP - Letter of Understanding

Dear Eliot:

In response to the proposal set forth in your letter of July 6, 2003, and with consideration of our conversation on July 7, 2003, Schiffrin & Barroway, LLP ("SB") proposes the following terms which will become effective as of the date this letter is signed by both parties. SB will make a capital contribution to a newly formed entity ("NewCo") that will acquire ownership of the "Iviewit Patents". SB will make additional capital contributions and loans to NewCo and Iviewit Holdings, Inc. ("Iviewit") in the form of the contribution of legal services and payment of legal fees owing to patent counsel and other counsel. SB will make the payment of expenses related to the operation of NewCo and Iviewit Holdings, Inc. to, *inter alia*, prosecute and develop the Iviewit Patents, prosecute infringers of the Iviewit Patents, and prosecute and defend Iviewit and NewCo against claims by and between Iviewit Holdings, Inc., its subsidiaries and affiliates and its former officers, directors and attorneys:

1. SB will purchase for a \$100,000 capital contribution a 21% voting membership interest in NewCo, a newly formed limited liability company, subject to NewCo's entering into an agreement to purchase from Crossbow/DiStream its interests in Iviewit, including Crossbow/DiStream's debt claims and security interests in all assets of Iviewit and NewCo's acquisition of ownership of the "Iviewit Patents."
2. In consideration of the other commitments described hereafter, SB will receive an additional 24% voting membership interest in NewCo and, by assignment from existing shareholders, 21% of voting equity shares in Iviewit.



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July 15, 2003  
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3. In further consideration of foregoing grants of membership and stock assignments by NewCo, SB shall provide the following services and assume the following obligations for NewCo and Iviewit:
  - a. Retain, assist and compensate patent counsel for all costs and expenses (acknowledging the funding of the estimated minimum cost of approximately \$250,000), to correct and prosecute all of Iviewit's pending U.S. and foreign patent applications, and to obtain valid U.S. and foreign patents for Iviewit's proprietary technology and inventions;
  - b. Prosecute to judgment or settle malpractice and other claims against Proskauer Rose LLP, Foley and Lardner, and Meltzer, Lippe, Goldstein, Wolfe & Schlissel, P.C., including the payment of all necessary costs and expenses, provided, however, that NewCo or Iviewit, as the case may be, will be responsible for payment of such costs and expenses incurred after monies are recovered and received pursuant to paragraph 5, and are available for such use as determined solely by the CEO or Board taking into account the attached operating budget and cash needs of Iviewit and NewCo for business operations purposes, as determined solely by the CEO or Board;
  - c. Prosecute actions to enjoin and recover damages for unauthorized use of Iviewit's proprietary technology and inventions and obtain compensation for use of the same through enforcement of existing Non-Disclosure Agreements and prosecution of patent infringement actions, including payment of all necessary costs and expenses, provided, however, that NewCo or Iviewit, as the case may be, will be responsible for payment of such costs and expenses incurred after monies are recovered and received pursuant to paragraph 5, and are available for such use as determined solely by the CEO or Board taking into account the attached operating budget and cash needs of Iviewit and NewCo for business operations purposes, as determined solely by the CEO or Board;
  - d. It is contemplated that the operating expenses of NewCo and Iviewit shall be funded through the proceeds of recoveries on the claims described in 3.b. above; provided, however that if such proceeds are not available, SB agrees to contribute capital to NewCo and Iviewit to pay ordinary operating expenses as set forth in the attached budget, which shall include actual legal fees and costs for effecting transfer of title to Iviewit patents to NewCo and creating NewCo. Notwithstanding the foregoing, SB shall not be responsible to provide operating expenses if such operating requirements are available through the NewCo and Iviewit revenues. Iviewit shall be maintained as an entity to pursue the claims described in paragraph 3 b. above; and

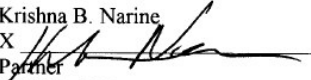


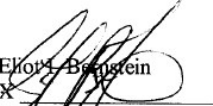
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- e. Prosecute actions to recover the 15% of Iviewit stock from certain individuals, to be identified by Iviewit, who were involved in malfeasance against the company, of which 33-1/3% will go to SB and 66-2/3% will be split in the following manner:
- Eliot I. Bernstein - 40% of 66%
  - Isa S. Welsch - 25% of 66%
  - Caroline Prochotska Rogers, Esq. -25% of 66%
  - Other Shareholders - 10% of 66%
4. SB shall have full authority with respect to prosecution and resolution of the claims set forth in paragraph 3.b. above, including Proskauer Rose LLP's lawsuit for non-payment of legal fees, and with respect to the engagement of legal counsel and consultants, whether such claims are prosecuted and resolved through negotiation, litigation, or any other method SB deems appropriate.
5. All proceeds received from the resolution of the claims set forth in paragraph 3.b. or 3.c. will be distributed to Iviewit and NewCo, less any contingent fee not to exceed 33% owed to any law firm, other than SB, retained to pursue such claims.

The undersigned with due authority to bind Schiffrin & Barroway, LLP and Iviewit Holdings, Inc. respectively, have executed this document on this day of July 15, 2003.

Krishna B. Narine  
X   
Partner  
Schiffrin & Barroway, LLP

Eliot Bernstein  
X   
CEO and Founder  
Iviewit Holdings, Inc.



Thursday, August 14, 2003

NEWITT HOLDINGS, INC.  
 OPERATING BUDGET

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year 1	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year 2	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year 3
Production (1)	\$28,375	\$28,375	\$28,375	\$28,375	\$113,500	\$28,375	\$28,375	\$28,375	\$28,375	\$113,500	\$28,375	\$28,375	\$28,375	\$28,375	\$113,500
Production Expenses (2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conventions & Exhibits (3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Marketing (DIA, EDC, WIC, LNY)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Human Resources (4)	1,482	1,482	1,482	1,482	5,928	5,928	5,928	5,928	5,928	23,664	5,928	5,928	5,928	5,928	23,664
Compensation Costs	2,000	2,000	2,000	2,000	8,000	8,000	8,000	8,000	8,000	32,000	8,000	8,000	8,000	8,000	32,000
Legal and Accounting (5)	6,000	6,000	6,000	6,000	24,000	24,000	24,000	24,000	24,000	96,000	24,000	24,000	24,000	24,000	96,000
Travel & Living (2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (6)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Production (Cost and Labor)	1,600	1,600	1,600	1,600	6,400	6,400	6,400	6,400	6,400	25,600	6,400	6,400	6,400	6,400	25,600
Agency Fee for CEO Incentive (4)	10,000	10,000	10,000	10,000	40,000	40,000	40,000	40,000	40,000	160,000	40,000	40,000	40,000	40,000	160,000
Operating Total	\$24,897	\$24,897	\$24,897	\$24,897	\$99,588	\$99,588	\$99,588	\$99,588	\$99,588	\$398,352	\$99,588	\$99,588	\$99,588	\$99,588	\$398,352
Other Key Items:															
Physicians to Albany (Robert Taylor & Zelman) (5)	\$5,346	\$5,346	\$5,346	\$5,346	\$21,384	\$21,384	\$21,384	\$21,384	\$21,384	\$85,536	\$21,384	\$21,384	\$21,384	\$21,384	\$85,536
Physicians to American Medical Association (Physician & Workstation) (8)	10,270	10,270	10,270	10,270	41,340	41,340	41,340	41,340	41,340	165,360	41,340	41,340	41,340	41,340	165,360
Physicians to Oregon (Sole, PMA, Handling Practice Migration) (7)	12,900	12,900	12,900	12,900	51,600	51,600	51,600	51,600	51,600	206,400	51,600	51,600	51,600	51,600	206,400
Physicians to New York (Sole, PMA, Handling Practice Migration) (7)	12,900	12,900	12,900	12,900	51,600	51,600	51,600	51,600	51,600	206,400	51,600	51,600	51,600	51,600	206,400
Non-Operating Total	\$45,416	\$45,416	\$45,416	\$45,416	\$181,940	\$181,940	\$181,940	\$181,940	\$181,940	\$727,776	\$181,940	\$181,940	\$181,940	\$181,940	\$727,776
<b>Total</b>	<b>\$115,317</b>	<b>\$115,317</b>	<b>\$115,317</b>	<b>\$115,317</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$1,826,128</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$467,528</b>	<b>\$1,826,128</b>
Contingencies	\$15,817	\$15,817	\$15,817	\$15,817	\$63,268	\$63,268	\$63,268	\$63,268	\$63,268	\$253,072	\$63,268	\$63,268	\$63,268	\$63,268	\$253,072

Notes:  
 (1) Includes Frigens as 50% of Total Payroll  
 (2) Assumes successful permit reviews are completed by end of 2nd Quarter  
 (3) Includes Frigens as 50% of Total Payroll  
 (4) Agency fee for CEO Incentive  
 (5) Payment to Albany (Robert Taylor & Zelman)  
 (6) Payment to American Medical Association (Physician & Workstation)  
 (7) Payment to Oregon (Sole, PMA, Handling Practice Migration)  
 (8) Payment to New York (Sole, PMA, Handling Practice Migration)  
 (9) Key payments to Oregon (Sole, PMA, Handling Practice Migration)  
 (10) Key payments to New York (Sole, PMA, Handling Practice Migration)  
 (11) Key payments to Oregon (Sole, PMA, Handling Practice Migration)  
 (12) Key payments to New York (Sole, PMA, Handling Practice Migration)



**EXHIBIT B**

IN THE CIRCUIT COURT OF THE  
15<sup>TH</sup> JUDICIAL CIRCUIT IN AND  
FOR PALM BEACH COUNTY,  
FLORIDA

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

CA 01-04671 AB

Plaintiff,

v.

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

Defendants.  
\_\_\_\_\_ /

COPY / ORIGINAL  
RECEIVED FOR FILING  
JAN 28 2003

DOROTHY H. WILKEN  
CLERK OF CIRCUIT COURT  
CIRCUIT CIVIL DIVISION

**DEFENDANTS MOTION FOR LEAVE TO AMEND TO ASSERT  
COUNTERCLAIM FOR DAMAGES**

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

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



Thursday, August 14, 2003

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

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

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

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

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by U.S. Mail and fax transmission this 20<sup>th</sup> day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

SELZ & MUVDI SELZ, P.A.  
214 Brazilian Avenue, Suite 220  
Palm Beach, FL 33480  
Tel: (561) 820-9409  
Fax: (561) 833-9715

By:   
STEVEN M. SELZ  
FBN: 777420

-2-



Thursday, August 14, 2003

IN THE CIRCUIT COURT OF THE  
15<sup>th</sup> JUDICIAL CIRCUIT IN AND  
FOR PALM BEACH COUNTY,  
FLORIDA

PROSKAUER ROSE, LLP, a New York  
limited partnership,

CASE NO.: CA 01-04671 AB

Plaintiff,

vs.

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

Defendants,

**COUNTERCLAIM FOR DAMAGES**

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

**GENERAL ALLEGATIONS COMMON TO ALL COUNTS**

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



of interest, taxable costs and attorneys fees.

2. Counter Plaintiff, IVIEWIT.COM, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and the State of California.

3. Counter Plaintiff, IVIEWIT HOLDINGS, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and California.

4. Counter Plaintiff, IVIEWIT TECHNOLOGIES, INC., is a Delaware corporation, formed by PROSKAUER, which at all times relevant hereto was authorized to conduct and conducted business in Palm Beach County Florida and the State of California.

5. IVIEWIT LLC, is a Florida limited liability company, formed by PROSKAUER, which, at all times relevant hereto, was authorized to conduct and conducted business in the Palm Beach County Florida and the State of California.

6. Counter Defendant PROSKAUER ROSE, LLP, (hereinafter "PROSKAUER") is a New York limited partnership, operating a law office in Boca Raton, Palm Beach County, Florida.





Boca Raton, Palm Beach County, Florida.

7. BRIAN G. UTLEY, (hereinafter "UTLEY") was at all times relevant hereto a sui juris resident of the State of Florida and who on or about September of 1999 was the president of Counter Plaintiff, IVIEWIT LLC.

8. CHRISTOPHER WHEELER, (hereinafter "WHEELER") is a sui juris individual and resident of Palm Beach County, Florida, who at all times relevant hereto was a partner of PROSKAUER and who provided legal services to the Counter Plaintiffs.

9. KENNETH RUBENSTEIN, (hereinafter "RUBENSTEIN") is a sui juris individual believed to be a resident of the State of New York and who various times relevant hereto was initially misrepresented by WHEELER as a partner of PROSKAUER and later became a partner of PROSKAUER, and who provided legal services to the Counter Plaintiffs both while at Meltzer, Lippie, et al., and PROSKAUER.

10. RAYMOND JOAO, (hereinafter "JOAO") is a sui juris individual believed to be a resident of the State of New York and who at all times relevant hereto was represented to be RUBENSTEIN's associate at PROSKAUER, when in fact JOAO has never been an employee of PROSKAUER but in fact was an employee of Meltzer, Lippie, et al.



11. That beginning on or about November of 1998, the Counter Plaintiff, IVIEWIT, through it's agent and principal, Eliot I. Bernstein ("Bernstein"), held discussions with WHEELER with regard to PROSKAUER providing legal services to the company involving specific technologies developed by Bernstein and two others, which technologies allowed for:

i) Zooming of digital images and video without degradation to the quality of the digital image due to what is commonly refereed to as "pixilation"; and,

ii) The delivery of digital video using proprietary scaling techniques; and,

iii) A combination of the image zoom techniques and video scaling techniques described above; and,

iv) The remote control of video cameras through communications networks.

12. That Bernstein engaged the services of PROSKAUER to provide legal services to the company to be formed, including corporate formation and governance for a single entity and to obtain multiple patents and oversee US and foreign filings for such technologies including the provisional filings for the technologies as described in Paragraph 11 above, the "Technology", and such



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

13. That at the time of the engagement of PROSKAUER, Bernstein was advised and otherwise led to believe that WHEELER was the PROSKAUER partner in charge of the account.

14. Upon information and belief, WHEELER, RUBENSTEIN and JOAO upon viewing the technologies developed by Bernstein, and held by IVIEWIT, realized the significance of the technologies, its various applications to communication networks for distributing video data and images and for existing digital processes, including, but not limited to digital cameras, digital video disks (DVD), digital imaging technologies for medical purposes and digital video, and that WHEELER, RUBENSTEIN and JOAO conspired to undertake and in fact undertook a deliberate course of conduct to deprive Bernstein and IVIEWIT of the beneficial use of such technologies for either the use of third parties, who were other clients of PROSKAUER and WHEELER, or for WHEELER, RUBENSTEIN and JOAO's own financial gain, to the detriment and damage of the Counter Plaintiffs.

15. That WHEELER, who was a close personal friend of UTLEY, recommended to Bernstein and other members of the board of directors of



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

16. That at the time that WHEELER made the recommendation of UTLEY to the board of directors, that WHEELER knew that UTLEY was in a dispute with his former employer, Diamond Turf Products and the fact that UTLEY had misappropriated certain patents on hydro-mechanical systems to the detriment of Diamond Turf Products.

17. Additionally, WHEELER was fully aware of the fact that UTLEY was not the highly qualified "engineer" that UTLEY represented himself to be, and that in fact UTLEY lacked real engineering expertise or even an engineering degree and that UTLEY had been fired from Diamond Turf Products due to his misappropriation of patents.

18. That despite such knowledge, WHEELER never mentioned such facts concerning UTLEY to any representative of IVIEWIT and in fact undertook to "sell" UTLEY as a highly qualified candidate who would be the ideal person to undertake day to day operations of IVIEWIT and work on the patents, acting as a qualified engineer.

19. Additionally, WHEELER continued to assist UTLEY in perpetrating such fraud on both the Board of Directors of IVIEWIT and to third parties,



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

20. That based on the recommendations of WHEELER, as partner of PROSKAUER, the board of directors agreed to engage the services of UTLEY as president.

21. That almost immediately after UTLEY's employment and almost one year after initially providing of services, WHEELER provided a retainer agreement for the providing of services by PROSKAUER to IVIEWIT LLC, addressed to UTLEY, a true and correct copy of such retainer agreement (the "Retainer") being attached hereto and made a part hereof as Exhibit "A". That the services provided were in fact to be paid out of the royalties recovered from the use of the Technology, which was to be included in patent pools overseen by RUBENSTEIN.

22. That the Retainer by its terms contemplated the providing of corporate and general legal services to IVIEWIT LLC by PROSKAUER and was endorsed by UTLEY on behalf of IVIEWIT LLC, the Board of Directors of IVIEWIT LLC would not have UTLEY authorized to endorse same as it did not include the intellectual property work which PROSKAUER had already undertaken.

23. That prior to the Retainer, PROSKAUER and WHEELER had provided



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

24. That PROSKAUER billed IVIEWIT for legal services related to corporate, patent, trademark and other work in a sum of approximately \$800,000.00.

25. That PROSKAUER billed IVIEWIT for legal service never performed, double-billed by the use of multiple counsel on the same issue, and systematically overcharged for services provided.

26. That summaries of the billing statements provided by PROSKAUER to IVIEWIT are attached hereto and made a part hereof as Exhibit "B".

27. That based on the over-billing by PROSKAUER, IVIEWIT paid a sum in of approximately \$500,000.00 plus together with a 2.5% interest in IVIEWIT, which sums and interest in IVIEWIT was received and accepted by PROSKAUER.

28. That WHEELER, UTLEY, RUBENSTEIN, JOAO and PROSKAUER, conspired to deprive IVIEWIT of its rights to the technologies developed by Bernstein by:



a) Transferring patents using Foley & Lardner so as to name UTLEY as the sole holder of multiple patents in his individual name and capacity when in fact they were and arose from the technologies developed by Bernstein and others and held by IVIEWIT prior to UTLEY's employment with IVIEWIT, and;

b) Upon discovery of the "lapses" by JOAO, that WHEELER and PROSKAUER referred the patent matters to WILLIAM DICK, of Foley & Lardner, who was also a close personal friend of UTLEY and who had been involved in the diversion of patents to UTLEY at Diamond Turf Products; and,

c) Failing to list proper inventors of the technologies based on improper legal advice that foreign inventors could not be listed until their immigration status was adjusted, resulting in the failure of the patents to include their rightful and lawful inventors and the payment by IVIEWIT for unnecessary immigration work; and,

d) Failing to ensure that the patent applications for the technologies, contained all necessary and pertinent information relevant to the technologies and as required by law; and,

e) Failing to secure trademarks and copyrights and failing to complete trademark and copyright work for the use of proprietary names of IVIEWIT and source code for the Technologies of IVIEWIT as intellectual property, and;



f) Allowing the infringement of patent rights of IVEIWIT and the intellectual property of IVIEWIT by other clients of PROSKAUER and WHEELER, and;

g) Aiding JOAO in filing patents for IVIEWIT intellectual property by intentionally withholding pertinent information from such patents and not filing same timely, so as to allow JOAO to apply for similar patents in his own name, both while acting as counsel for IVIEWIT and subsequently.

29. As a direct and proximate result of the actions of the Counter Defendant, Counter Plaintiffs have been damaged in a sum estimated to be greater than \$10,000,000,000.00, based on projections by Gerald Stanley, CEO of Real 3-D (a consortium of Lockheed, Silicone Graphics and Intel) as to the value of the technologies and their applications to current and future uses together with the loss of funding from Crossbow Ventures as a result of such conduct.

30. All conditions precedent to the bringing of this action have occurred or have been waived or excused.

**COUNT I- LEGAL MALPRACTICE**

31. This is an action for legal malpractice within the jurisdiction of this court.

32. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.





33. PROSKAUER employed by IVIEWIT for purposes of representing IVIEWIT to obtain multiple patents and oversee foreign filings for such technologies including the provisional filings for the technologies as described in Paragraph 11 above.

34. That pursuant to such employment, PROSKAUER owed a duty to ensure that the rights and interests of IVIEWIT were protected.

35. WHEELER, RUBENSTEIN, JOAO and PROSKAUER neglected that reasonable duty of care in the performance of legal services in that they:

a) Failed to take reasonable steps to ensure that the intellectual property of IVIEWIT was protected; and,

b) Failed to complete work regarding copyrights and trademarks; and,

c) Engaged in unnecessary and duplicate corporate and other work resulting in billing for unnecessary legal services believed to be in excess of \$400,000.00; and,

d) By redacting information from the billing statements regarding services provided so to as to give the appearance that the services provided by PROSKAUER were limited in nature, when in fact they involved various aspects of intellectual property protection; and,

e) By knowingly representing and agreeing to accept representation of



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

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

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

**COUNT II- CIVIL CONSPIRACY**

37. This is an action for civil conspiracy within the jurisdiction of this court.

38. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.

39. Defendant, PROSKAUER and UTLEY, WHEELER, RUBENSTEIN and JOAO, jointly conspired to deprive the Counter Plaintiffs of their rights and interest in the Technology.

40. That UTLEY, WHEELER, RUBENSTEIN, JOAO and PROSKAUER with such intent, directed that certain patent rights be put in the name of UTLEY and/or that such patent rights were modified or negligently pursued so as to fail to provide protection of the intellectual property, resulting in the ability of other clients of WHEELER, RUBENSTEIN, JOAO and PROSKAUER to make use of such



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

41. That PROSKAUER, without either consent of the Board of Directors or proper documentation, transferred securities to Tiedemann/Prolow Investment Group, which entity was also referred to by WHEELER, who acted as counsel for such unauthorized transaction.

42. That upon the discovery of the above-described events and conspiracy, IVIEWIT's lead investor, Crossbow Ventures, ceased its funding of IVIEWIT.

43. That Crossbow Ventures, which was a referral of WHEELER, took a security interest in the Technology under the guise of protecting IVIEWIT and its shareholders from the actions of UTLEY, based on the filing of an involuntary bankruptcy (which was later withdrawn), and as to WHEELER and PROSKAUER based on the instant law suit, when in fact such conduct was motivated by Crossbow's attempts to wrongfully detain the interests of IVIEWIT in the Technology. Such conduct, upon information and belief, was undertaken with the knowledge and assistance of WHEELER and PROSKAUER.

44. As a direct and proximate result of the conspiracy and acts of PROSKAUER, UTLEY, WHEELER, JOAO and RUBENSTEIN, the Counter Plaintiffs have been damaged.



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

**COUNT III- BREACH OF CONTRACT**

45. This is an action for breach of contract within the jurisdiction of this Court.

46. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.

47. Defendant, PROSKAUER, breached the contract with Counter Plaintiff, IVIEWIT LLC by failing to provide services billed for pursuant to the billing statements presented to the Counter Plaintiffs and over-billing for services provided.

48. That such actions on the part of PROSKAUER constitute beaches of the contract by and between IVIEWIT LLC and PROSKAUER.

49. That as a direct and proximate result of such conduct on the part of PROSKAUER, IVIEWIT LLC has been damaged by overpayment to PROSKAUER and the failure of PROSKAUER to perform the contracted for legal services.

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



**COUNT IV- TORTIOUS INTERFERENCE WITH AN ADVANTAGEOUS  
BUSINESS RELATIONSHIP**

50. This is an action for tortious interference with an advantageous business relationship within the jurisdiction of this Court.

51. Counter Plaintiff re-alleges and hereby incorporates that allegations of Paragraphs 1 through 30 as if fully set forth herein.

52. Counter Plaintiff was engaged in negotiations of technology agreements with both Warner Bros. and AOL/Time Warner as to the possible use of the Technologies of the Counter Plaintiffs and investment in Counter Plaintiffs as a strategic partner.

53. That despite the prior representations of RUBENSTEIN, at a meeting held on or about November 1, 2000, by and between UTLEY, RUBENSTEIN and representatives of Warner Bros. as to the Technology of IVIEWIT and the efficacy, novelty and unique methodology of the Technology, RUBENSTEIN refused to subsequently make the same statements to representatives of AOL and Warner Bros., taking the position that since Warner Bros./AOL is "now a big client of Proskauer, I can't comment on the technologies of Iviewit." or words to that effect in response to inquiry from Warner Brother/AOL's counsel as to the status and condition of the pending patents on the intellectual property.



54. That RUBENSTEIN, having served as an advisor to the Board of Directors for IVIEWIT, was aware of the fact that at the time of the making of the statements set forth in Paragraph 50, above, IVIEWIT was in the midst of negotiations with AOL/Warner Bros. as to the possible funding of the operations of IVIEWIT in and sum of between \$10,000,000.00 and \$20,000,000.00.

55. Further, RUBENSTEIN as a partner of PROSKAUER, and despite his clear prior actions in representing the interests of IVIEWIT, refused to answer questions as to the enforcement of the Technology of IVIEWIT, with the intent and knowledge that such refusal would lead to the cessation of the business relationship by and between IVIEWIT and Warner Bros./AOL and other clients familiar with the Warner Bros./AOL technology group then in negotiations with IVIEWIT, including, but not limited to Sony Corporation, Paramount, MGM and Fox.

56. That the actions of RUBENSTEIN were and constituted an intentional and unjustified interference with the relationship by and between IVIEWIT and Warner Bros./AOL designed to harm such relationship and further motivated by the attempts to "cover-up" the conflict of interest in PROSKAUER's representation of both IVIEWIT and Warner Bros./AOL.

57. That indeed, as a direct and proximate result of the conduct of RUBENSTEIN, Warner Bros./AOL ceased business relations with IVIEWIT to the



damage and detriment of Counter Plaintiffs.

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

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by U.S. Mail and fax transmission this 10<sup>th</sup> day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

SELZ & MUVDI SELZ, P.A.  
214 Brazilian Avenue, Suite 220  
Palm Beach, FL 33480  
Tel: (561) 820-9409  
Fax: (561) 833-9715

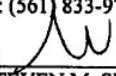
By:   
STEVEN M. SELZ  
FBN: 777420



EXHIBIT C



IVIEWIT HOLDINGS, INC.

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

**By Electronic Mail and Facsimile**

August 13, 2003

Schiffirin & Barroway, LLP  
Three Bala Plaza East, Suite 400  
Bala Cynwyd, Penn. 19004  
C/o Krishna B. Narine; Andrew L. Barroway

**Re: Letter of Understanding Dated July 15, 2003 ("Agreement") by and Between  
iViewit Holdings, Inc. ("Company") and Schiffirin & Barroway, LLP ("SB"):  
Demand for Payment**

Dear Sirs:

As a result of your letters of August 1, 2003 and August 5, 2003 wherein you claim unilateral withdrawal from the above referenced executed, binding, and bi-lateral Agreement, such letters constitute material breach of the Agreement, thereby excusing the Company from any further performance under said Agreement and thereby entitling the Company to action by breach of contract if the following demand for payment is not met within five (5) business days:

- |   |                               |
|---|-------------------------------|
| 1. By virtue of Section 1, Purchase Price of the Crossbow/DiStream interests                            | \$100,000.00                  |
| 2. By virtue of Section 3.a., Minimum Cost of Future Patent Prosecution                                 | 250,000.00                    |
| 3. By virtue of Section 3.a., Present Value, Patent Life Loss of PCT patent applications PO10EP, PO11EP | 3,400,000,000.00 <sup>1</sup> |
| 4. By virtue of Section 3.b., Prosecuting to Judgment Or Settlement of Claims Estimated at              | 5,000,000.00                  |

<sup>1</sup> From the projections sent to SB in an April 23, 2003 due diligence package estimated at twenty percent (20%) international revenues on a cumulative total of approximately Seventeen Billion Dollars (17,000,000,000).







Schiffirin & Barroway, LLP  
August 13, 2003  
Page 2

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5. By virtue of Section 3.c., Prosecuting for Unauthorized Use of Proprietary Technology Estimated at	10,000,000.00
6. By virtue of Section 3.c, Prosecuting for Patent Infringement	10,000,000.00
7. By virtue of Section 3.d., Payment of Operating Budget	1,553,903.00
8. By virtue of Section 3.e., Prosecute Actions to Recover Company Stock Estimated at	<u>100,000.00</u>
Total	\$3,427,003,903.00
Offsets:	
Payment for Recovery of Files	\$6,805.83
Payment to Steven M. Selz, Esq.	16,998.11
Transfer to Eliot I. Bernstein	1,000.00
Estimated Disbursements	<u>500.00</u>
Total Offsets	\$25,303.94
Total Demand for Payment	<u><u>\$3,426,978,559.06</u></u>

Very truly yours,

**IVIEWIT HOLDINGS, INC.**

By:  P. Stephen Lamont  
Chief Executive Officer

Digitally signed by P. Stephen Lamont  
DN: cn=P. Stephen Lamont, o=iViewit  
Holdings, Inc., ou=Corporate, c=US  
Date: 2003.08.13 20:39:47 -04'00'

Cc: Eliot I. Bernstein,  
Caroline P. Rogers  
Mark W. Gaffney, Esq., Law Offices of Mark W. Gaffney  
Jeffrey A. Klafter, Esq., Partner, Klafter & Olsen LLP  
Kurt Olsen, Esq., Partner, Klafter & Olsen LLP  
Kenneth Anderson, Special Counsel, Howrey Simon Arnold & White, LLP

