



IVIEWIT HOLDINGS, INC.

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

By Certified Mail

October 29, 2003

R. Hewitt Pate
Assistant Attorney General for Antitrust
Antitrust Division - New Case Unit
601 D Street NW, Suite 10011
Washington, DC 20530

Dear Mr. Pate:

On behalf of Iviewit Holdings, Inc. ("Company"), I am writing to request the rescission of the June 26, 1997 action of the Department of Justice under its Business Review Procedure that approved the joint licensing of patents by the group of patent holders sponsored by MPEG LA, LLC.

As you know, MPEG LA is the licensing body jointly owned by a consortium of video compression patent holders. Moreover, MPEG 2 is that certain technology referenced in the 1997 approval that industry experts more particularly describe as a video compression technology designed primarily for use in digital broadcast applications, and dubbed "the compression standard for digital television."

More specific to our request, and according to the Company's allegations described below, MPEG LA, through its patent evaluation protagonist, Kenneth Rubenstein, Esq. and Proskauer Rose LLP ("Proskauer"), the firm of which Mr. Rubenstein is a member, and with respect to their involvement with the Company, constitute the quintessential example of the "sham" exception to the Noerr-Pennington doctrine for antitrust immunity.

10158 Stonehenge Circle, Boynton Beach, Fla. 33437 ◊ T (561) 364-4240 ◊ www.iviewit.com

Proprietary and Confidential



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BACKGROUND

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

Not very well connected in emerging technologies, the Inventors contacted an accountant, Mr. Gerald Lewin, CPA of Goldstein Lewin & Co., Boca Raton, Fla., who in turns refers Inventors to Mr. Christopher Wheeler, a partner in the Florida office of Proskauer Rose LLP. Moreover, once Inventors present the technology to Wheeler, Wheeler in turn introduces Inventors to Mr. Kenneth Rubenstein, a soon to be Proskauer partner, and the main protagonist of the Motion Pictures Experts Group ("MPEG" and the standards body for video technology) patent pool, wherein Rubenstein describes the technology as "novel..." claims that "he missed that..." that "he never thought of that..." that "this changes everything..." and, paraphrasing, "this is essential to MPEG 2..."

Moreover, and specific to our request to remove MPEG LA's antitrust immunity, subsequently, Mr. Rubenstein factually becomes a member of the Advisory Board of the Company and is instrumental in securing investments based on his analysis of the inventions and that the aforementioned patent pools would soon pay royalties to the Company pre-patent issuance, and a knowing, willful, and malicious falsehood designed to lure and setup the Company for the civil and criminal improprieties described below.

Furthermore, and as a result of Mr. Rubenstein's oversight of the Company's patent portfolio, the Company has experienced patent counsel failing to properly list inventors,



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failing to timely file patent filings, fail to specify and file critical elements of the Company's inventions, and, finally, filing patent applications that have been fraudulently changed without knowledge or consent of the inventors, more specifically, the alleged switching of signature pages and the embodiment pages on patent applications, and all knowing and willing frauds, allegedly perpetrated by Mr. Rubenstein, Proskauer and therein MPEG LA as their principal, upon the United States Patent and Trademark Office ("USPTO"), among other Federal agencies.

Furthermore, despite Mr. Rubenstein's prior involvement with the Company, we allege that Mr. Rubenstein, Proskauer, and therein MPEG LA as their principal, effectively quashed the Company's patent filings by: (I) engaging in a series of dishonesties, appearances of untrustworthiness, conduct involving dishonesty, fraud, deceit, and misrepresentation with, and as the supervising individuals of, one Raymond A. Joao who at the time of Mr. Rubenstein's referral was in transition from places unknown, but later figuratively drops out of the sky, while misrepresented as a member of Proskauer, and as of February 1999, becomes of counsel to Meltzer, Lippe Goldstein & Schlissel LLP ("MLGS"), Mr. Rubenstein's former employer, in an attempt to bury the Company's inventions that are a competitive threat to the multimedia patent pools, and MPEG 2 in particular, of which Mr. Rubenstein holds the position of counsel, by self admission, and, to the best of the Company's knowledge, patent evaluator; (II) engaged in a series of improprieties and deceptions with a one Christopher C. Wheeler, a Partner in the Boca Raton office of Proskauer in a further attempt to deprive the Company of its technologies for the benefit of Mr. Rubenstein, Proskauer, and therein MPEG LA as their principal, by directing Mr. Wheeler to proliferate the Company's technologies across a wide array of clients of Mr. Rubenstein, Mr. Wheeler, and Proskauer, according to Non-Disclosure Agreements ("NDAs") never enforced by Mr. Wheeler; (III) by virtue of their actions in (I) thereby perpetrating a fraud upon the United States Patent and Trademark Office ("USPTO") in the supervision of Mr. Joao; and (IV) by virtue of (I) through (III) all to the detriment of the patent filings and present fortunes of the Company and its stakeholders alike.

Still further, and despite Mr. Rubenstein's and Proskauer's prior involvement with the Company, as told by past company employees, board members, and investors alike, the Company removes reasonable doubt as to Mr. Rubenstein's, Proskauer's, and therein MPEG LA's as their principal, civil and criminal improprieties as Mr. Rubenstein goes as far as to state in his November 2002 deposition in an unrelated Florida State action by and between Proskauer and the Company titled *Proskauer Rose LLP v. Iviewit.com, Inc. et. al.*, Case No. CA 01-04671 AB (Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida filed May 2, 2001), his outright disavowal of:

1. Any knowledge whatsoever of the Company;



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2. Any knowledge whatsoever of Mr. Bernstein and the other true inventors;
3. Any knowledge whatsoever of techniques known as pan and zoom technology;

and when questioned on his relationship to MPEG LA, the proceedings witness Mr. Rubenstein's:

4. Refusal to answer questions regarding the allegedly vicariously liable MPEG LA, LLC amongst others;
5. Charge that the deposition was harassment in that he had nothing to do with the Company;

and when the questioning turns back to his relationship with the Company, the proceedings further witness Mr. Rubenstein's:

6. Steadfast denial of technology known as scaled video;
7. Claim as to never opining on the Company's technology;
8. Denial of ever having been involved in meetings concerning the Company;
9. Denial of ever having any discussion with anyone at Proskauer concerning the Company's technology;
10. Admission of not keeping notes or records of his conversations to Mr. Wheeler;
11. Acknowledgement of never having billed the Company, though his name appears more than a dozen times, absent those billings that may have purposely removed, in billings from Mr. Wheeler's office;
12. Denial of making any representations to any party with regard to the Company's technologies;
13. Lack of knowledge as to why his name appears in an electronic mail message to a member of AOL Time Warner's investment team, wherein that message states that Mr. Rubenstein opined on the Company's technologies; and
14. Lack of knowledge as to why his name appears as a member of the Company's Advisory Board in every business plan for almost two years authored and disseminated by his own firm to present and prospective investors.

Additionally, and when Mr. Rubenstein becomes the subject of a complaint with the New York State Bar Association brought by the Company, *Complaint of Iviewit Holdings, Inc. Against Kenneth Rubenstein, Esq.*, Docket 2003.0531 filed February 25, 2002, the Company removes reasonable doubt as to Mr. Rubenstein's, Proskauer's, and therein MPEG LA's as their principal, civil and criminal improprieties as the facts of the Complaint find Mr. Rubenstein so unclouted that he resorts to disingenuously traversing from tall tales of retaliation to some irrelevant litigation, to stories of a "failed dotcom company looking for someone to blame," and even to the personal attacks on the founder and principal inventor of the Company, whose passion for his inventions confounds the



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mind of Mr. Rubenstein whose personal, financial, and other ambitions rise above all, to the detriment of his clients. Moreover, and when presented with the evidence contained in the complaint, Mr. Rubenstein makes a stunning reversal of his deposition testimony, recalling in an affidavit to the Florida State Court of his possible conversation with third parties regarding the Company's technologies.

Moreover, the Company removes reasonable doubt as to Mr. Rubenstein's, Proskauer's, and therein MPEG LA's as their principal, civil and criminal improprieties by pointing to Mr. Rubenstein, a patent attorney with more than twenty years of experience, who: (I) inserts himself, when of counsel, and to the best of the Company's knowledge, patent evaluator of MPEG LA, the proprietor of the compression standard for digital television, into such a conflicted representation as an Advisory Board member, shareholder, and overseer of the Company's intellectual property portfolio that represents a competitive threat to MPEG 2; (II) fails to personally bill for one hour of his time spent in technology disclosures beginning in 1998 up until the time, by his own admission in his affidavit to the Florida Court, of his business discussions with AOL Time Warner concerning the Company; and (III) conveniently passes, though remains as the principal overseer of, the day to day patent prosecution work of the Company to his former firm rather than assigning that work to an associate at his newly formed intellectual property department at Proskauer, and by (I) to (III), the Company has allegedly witnessed Mr. Rubenstein's, Proskauer's, and therein MPEG LA's as their principal, engaging in a series of dishonesties, appearances of untrustworthiness, conduct involving dishonesty, fraud, deceit, and misrepresentation in an attempt to bury the Company's inventions that are a competitive threat to the multimedia patent pools, and MPEG 2 in particular.

Furthermore, as you may be aware and as referenced above, there is an immunity from the Federal antitrust laws for lobbying the Government (the Noerr-Pennington doctrine), that include filings at the USPTO; there is also a "sham" exception to Noerr-Pennington immunity, when the defendants' activities are a direct effort to impair a competitor's activity in the marketplace through the use of government processes as opposed to the outcome of the process, *City of Columbia v. Omni Outdoor Advertising, Inc.*, 499 U.S. 365 (1991); *California Motor Transport v. Trucking Unlimited*, 404 U.S. 508 (1972). Specifically, it is these, including but not limited to, authorities that the Company cites in our request to remove MPEG LA's antitrust immunity.

Additionally, further research has indicated that there is an antitrust claim for fraud on USPTO under *Walker Process Equip., Inc. v. FMC Corp.*, 382 U.S. 172 (1965), and that the Second Circuit recently upheld allegations of antitrust liability under the sham exception to Noerr-Pennington immunity, in *PrimeTime 24 Joint Venture v. National Broadcasting Co.*, 219 F.3d 92 (2d Cir. 2000), where the defendants' filings were



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frivolous and intended solely to impose expense and delay on the entry of an emergent competitor.

Moreover, since the Department approved MPEG LA's 1997 proposal, and later with our video frame manipulation and zoom and pan inventions in mind, the Company's ongoing concern is that Mr. Rubenstein, Proskauer, and MPEG LA have used this approval to gain market power, and ultimately, to impose monopolistic practices on consumers and businesses to the detriment of the Company and other similarly situated entrepreneurs, in the alleged and aforementioned quashing of the Company's patent applications.

Moreover, estimates to correct many of the flaws in the Company's current filings, overseen by Mr. Rubenstein and Proskauer, and file the missing and abandoned inventions have been projected to cost upwards of Two Hundred and Fifty Thousand Dollars (\$250,000) to Five Hundred Thousand Dollars (\$500,000), even after the Company has already spent over One Million Dollars (\$1,000,000) to file, then attempt to repair, and then further recover misappropriated and damaged patent applications; it is also interesting to note that the Company cannot procure an opinion from current patent review counsel as to the ability to truly fix and recapture the lost and damaged patents.

Lastly, reference is made to: (i) a flow chart attached herein as Exhibit A as a graphical portrayal of how the named attorneys all have relations to Mr. Rubenstein and Proskauer, and therein MPEG LA as their principal, worked together in a coordinated conspiratorial way and for their self serving purposes, in a civil as well as criminal conspiracy to deprive the Company and their inventors of their intellectual property rights; and (ii) a counterclaim filed in the State of Florida pertaining to many of the allegations ascribed to herein, attached as Exhibit B; the Company has filed other State bar complaints, a written statement with the Office of Enrollment and Discipline of the USPTO, and written statements with other interested agencies for the allegations outlined in the counterclaim.

Finally, by highly respected firms and engineers alike, the value of these patents has been estimated to be several billion dollars annually, thus providing the motive for these events and the Company assesses further motive in the ability of these inventions, when combined with other proprietary technologies, to not only provide a competitive threat to, but to effectually trump, the MPEG patent pools overseen by Rubenstein and thereby MPEG LA; the Department should also make note that under Mr. Rubenstein's stewardship of the MPEG 2 patent pool, which presently generates royalties in the nine figures, according to industry observers, and that once digital television and the content therewith assumes a penetration rate in U.S. households akin to analog color television, said royalties from MPEG 2 potentially rise into the trillions of dollars, and a prize well worth protecting according to the allegations described above.



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In closing, and for all the above reasons, the Company urges you take a closer look at MPEG LA and reconsider your approval of its joint licensing scheme; equally notable is that its companion patent pool, MPEG 4, (another compression standard at a lower bit rate, and wherein interactive objects may be embedded) is presently operating without such antitrust immunity. Specifically, we believe you should rescind the 1997 approval and compel the MPEG LA patent holders to act as individual entities, each holding their own patents, and not as a patent-pooling group; due to the proprietary and confidential nature of the Company's patent materials, we will provide exhibits and witnesses once the Department determines that it will conduct inquiries on the merits of this statement.

Very truly yours,

IVIEWIT HOLDINGS, INC.

By:  **P. Stephen Lamont**
Signature Valid

Digitally signed by P. Stephen Lamont
DN: cn=P. Stephen Lamont, o=iViewit Holdings, Inc., ou=Corporate, c=US
Date: 2003.10.29 09:06:12 -05'00'

**P. Stephen Lamont
Chief Executive Officer**

By:  **Eliot I. Bernstein**
Signature Valid

Digitally signed by Eliot I. Bernstein
DN: cn=Eliot I. Bernstein, o=iViewit Holdings, Inc., c=US
Date: 2003.10.30 09:42:54 -05'00'

**Eliot I. Bernstein
Founder & President**



EXHIBIT A

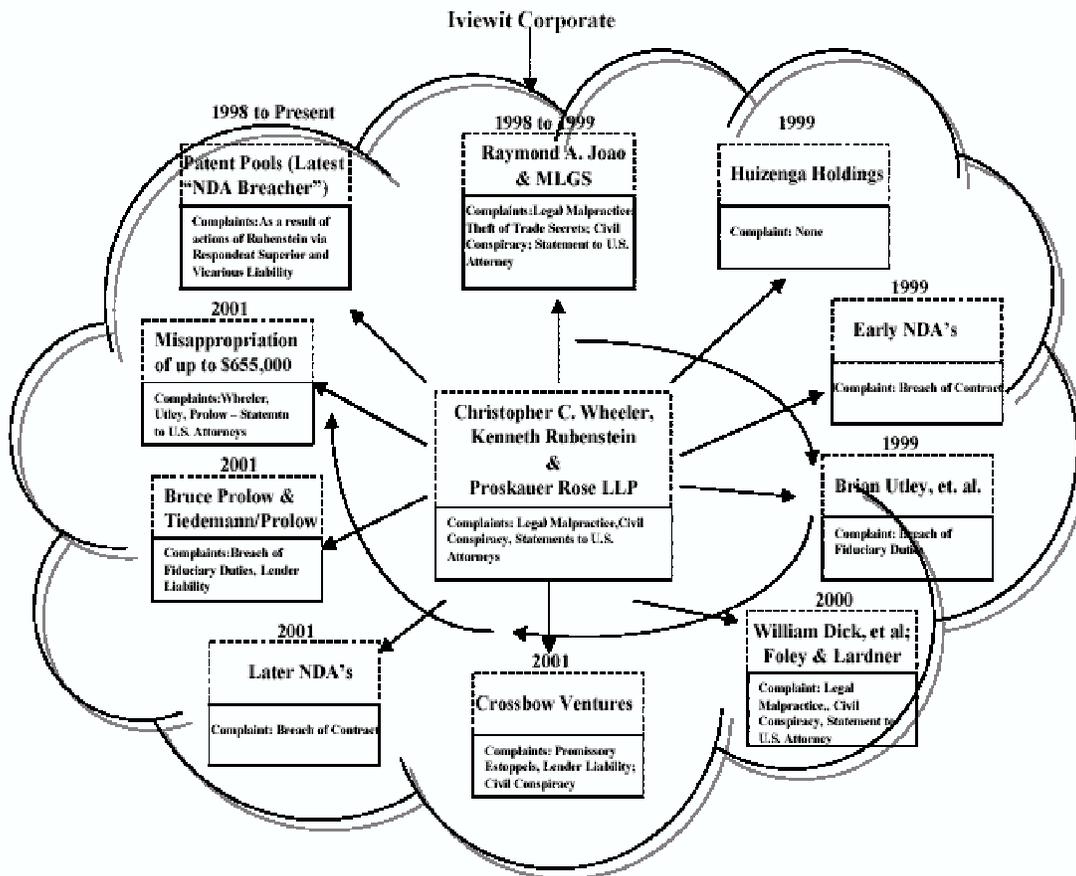




EXHIBIT B

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

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

CA 01-04671 AB

Plaintiff,

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

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.

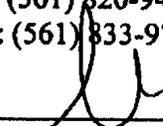
2. That as a result of fact that additional evidence in support of the Defendants' counterclaims is found in the Plaintiff's own files and records, the Plaintiff will not be prejudiced by the amendment of the Defendants' answer in this matter, nor will this matter be delayed as to the trial of same.

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 20th 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

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

PROSKAUER ROSE, LLP, a New York
limited partnership,

CASE NO.: CA 01-04671 AB

Plaintiff,

vs.

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

Defendants,

COUNTERCLAIM FOR DAMAGES

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

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

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

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 referred 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 breaches 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.

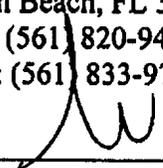
57. That indeed, as a direct and proximate result of the conduct of RUBENSTEIN, Warner Bros./AOL ceased business relations with IVIEWIT to the

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 20th day of January, 2003 to: Christopher W. Prusaski, Esq., Proskauer Rose, LLP, 2255 Glades Road, Suite 340 W, Boca Raton, FL 33431.

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