United States District Court for the District of Arizona, in a case titled: *Universal Avionics Systems Corporation v. Optima Technology Group, Inc.*, No. CV 07-588-TUC-RCC (the "Arizona Action"). In the Arizona Action, Mr. Margolin and OTG filed a cross-claim for declaratory relief against Optima Technology Corporation (Zandian) in order to obtain legal title to their respective patents.

18. On August 18, 2008, the United States District Court for the District of Arizona entered a final judgment in favor of Mr. Margolin and OTG on their declaratory relief action, and ordered that OTC—California and OTC—Nevada had no interest in the '073 or '724 Patents, that the assignment documents filed by Zandian with the USPTO were "forged, invalid, void, of no force and effect," that the USPTO was to correct its records with respect to any claim by OTC to the Patents and/or the Power of Attorney, and that OTC was enjoined from asserting further rights or interests in the Patents and/or Power of Attorney. Attached as Exhibit A is a copy of the Order from the United States District Court in the Arizona Action.

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

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

Claim 1--Conversion
(Against All Defendants)

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

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

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

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