ATTACHMENT 1

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1 Matthew D. Francis (6978) REC'D & FILED -Adam P. McMillen (10678) 2 WATSON ROUNDS 2011 AUG 11 PM 4: 05 5371 Kietzke Lane 3 Reno, NV 89511 ALAN GLOVER Telephone: 775-324-4100 4 Facsimile: 775-333-8171 Attorneys for Plaintiff Jed Margolin 5 6 7 In The First Judicial District Court of the State of Nevada 8 In and for Carson City 9 10 JED MARGOLIN, an individual, 11 Case No.: 090C00579 1B Plaintiff, 12 Dept. No.: 1 VS. 13 OPTIMA TECHNOLOGY CORPORATION, a California corporation, OPTIMA 14 AMENDED COMPLAINT TECHNOLOGY CORPORATION, a Nevada (Exemption From Arbitration Requested) corporation, REZA ZANDIAN 15 aka GOLAMREZA ZANDIANJAZI 16 aka GHOLAM REZA ZANDIAN aka REZA JAZI aka J. REZA JAZI 17 aka G. REZA JAZI aka GHONONREZA ZANDIAN JAZI, an individual, DOE 18 Companies 1-10, DOE Corporations 11-20, and DOE Individuals 21-30, 19 Defendants. 20 21 Plaintiff, JED MARGOLIN ("Mr. Margolin"), by and through his counsel of record, 22 WATSON ROUNDS, and for his Complaint against Defendants, hereby alleges and complains 23 as follows: 24 The Parties 25 Plaintiff Mr. Margolin is an individual residing in Storey County, Nevada. 1. 26 2. On information and belief, Defendant Optima Technology Corporation is a 27 California corporation with its principal place of business in Irvine, California. 28

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- 3. On information and belief, Defendant Optima Technology Corporation is a Nevada corporation with its principal place of business in Las Vegas, Nevada.
- 4. On information and belief, Defendant Reza Zandian, aka Golamreza Zandianjazi, aka Golamreza Zandianjazi, aka Gholam Reza Zandian, aka Reza Jazi, aka J. Reza Jazi, aka G. Reza Jazi, aka Ghononreza Zandian Jazi (collectively "Zandian"), is an individual who at all relevant times resided in Las Vegas, Nevada.
- 5. On information and belief, Defendant Optima Technology Corporation, the Nevada corporation ("OTC—Nevada") is a wholly owned subsidiary of Optima Technology Corporation, the California corporation ("OTC—California"), and Defendant Zandian at all relevant times served as an officer of OTC—California and OTC—Nevada.
- 6. Mr. Margolin believes, and therefore alleges, that at all times herein mentioned, each Defendant was the agent, servant or employee of each of the other Defendants and at all times was acting within the course and scope of said agency and/or employment and that each Defendant is liable to Mr. Margolin for the reasons and the facts herein alleged. Relief is sought herein against each and all of the Defendants jointly and severally, as well as its or their agents, assistants, successors, employees and all persons acting in concert or cooperation with them or at their direction. Mr. Margolin will amend his Complaint when such additional persons acting in concert or cooperation are ascertained.

Jurisdiction and Venue

- 7. Pursuant to the Nevada Constitution, Article 6, Section 6, the district courts of the State of Nevada have original jurisdiction in all cases excluded by law from the original jurisdiction of the justice courts. This case involves tort claims in an amount in excess of the jurisdictional limitation of the justice courts and, accordingly, jurisdiction is proper in the district court.
- 8. Venue is based upon the provisions of N.R.S. § 13.010, et seq., inasmuch as the Defendants at all times herein mentioned has been and/or is residing or currently doing business in and/or are responsible for the actions complained of herein in Storey County.

<u>Facts</u>

- 9. Plaintiff Mr. Margolin is the named inventor on numerous patents and patent applications, including United States Patent No. 5,566,073 ("the '073 Patent"), United States Patent No. 5,904,724 ("the '724 Patent"), United States Patent No. 5,978,488 ("the '488 Patent") and United States Patent No. 6,377,436 ("the '436 Patent") (collectively "the Patents").
- Mr. Margolin is the legal owner and owner of record for the '488 and '436
 Patents, and has never assigned those patents.
- 11. In July 2004, Mr. Margolin granted to Optima Technology Group ("OTG"), a Cayman Islands Corporation specializing in aerospace technology, a Power of Attorney regarding the '073 and '724 Patents. In exchange for the Power of Attorney, OTG agreed to pay Mr. Margolin royalties based on OTG's licensing of the '073 and '724 Patents.
- 12. In May 2006, OTG and Mr. Margolin licensed the '073 and '724 Patents to Geneva Aerospace, Inc., and Mr. Margolin received a royalty payment pursuant to the royalty agreement between Mr. Margolin and OTG.
- 13. On about July 20, 2004, Mr. Margolin assigned the '073 and '724 Patents to OTG.
- 14. In about November 2007, OTG licensed the '073 Patent to Honeywell International, Inc., and Mr. Margolin received a royalty payment pursuant to the royalty agreement between Mr. Margolin and OTG.
- 15. In December 2007, Defendant Zandian filed with the U.S. Patent and Trademark Office ("USPTO") fraudulent assignment documents allegedly assigning all four of the Patents to Optima Technology Corporation.
- 16. Upon discovery of the fraudulent filing, Mr. Margolin: (a) filed a report with the Storey County Sheriff's Department; (b) took action to regain record title to the '488 and '436 Patents that he legally owned; and (c) assisted OTG in regaining record title of the '073 and '724 Patents that it legally owned and upon which it contracted with Mr. Margolin for royalties.
- 17. Shortly before this, Mr. Margolin and OTG had been named as defendants in an action for declaratory relief regarding non-infringement of the '073 and '724 Patents in the

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

forth below.

Claim 2--Tortious Interference With Contract (Against All Defendants)

- 25. Paragraphs 1-24 of the Complaint set forth above are incorporated herein by reference.
- 26. Mr. Margolin was a party to a valid contract with OTG for the payment of royalties based on the license of the '073 and '724 Patents.
 - 27. Defendants were aware of Mr. Margolin's contract with OTG.
- 28. Defendants committed intentional acts intended and designed to disrupt and interfere with the contractual relationship between Mr. Margolin and OTG.
- 29. As a result of the acts of Defendants, Mr. Margolin's contract with OTG was actually interfered with and disrupted.
- 30. As a direct and proximate result of the Defendants' tortious interference with contract, Mr. Margolin has suffered damages in excess of ten thousand dollars (\$10,000), entitling him to the relief set forth below.

Claim 3—Intentional Interference with Prospective Economic Advantage (Against All Defendants)

- 31. Paragraphs 1-30 of the Complaint set forth above are incorporated herein by reference.
- 32. Defendants were aware of Mr. Margolin's prospective business relations with licensees of the Patents.
- 33. Defendants purposely, willfully and improperly attempted to induce Mr. Margolin's prospective licensees to refrain from engaging in business with Mr. Margolin.
- 34. The foregoing actions by Defendants interfered with the business relationships of Mr. Margolin, and were done intentionally and occurred without consent or authority of Mr. Margolin.
- 35. As a direct and proximate result of the Defendants' tortious interference, Mr. Margolin has suffered damages in excess of ten thousand dollars (\$10,000), entitling him to the relief set forth below.

Claim 4—Unjust Enrichment (Against All Defendants)

- 36. Paragraphs 1-35 of the Complaint set forth above are incorporated herein by reference.
 - 37. Defendants wrongfully obtained record title to the Patents.
- 38. Defendants were aware that record title to the Patents was valuable, and were aware of the benefit derived from having record title.
- 39. Defendants unjustly benefitted from the use of Mr. Margolin's property without compensation to Mr. Margolin.
- 40. As a direct and proximate result of Defendants' aforementioned acts, Mr. Margolin is entitled to equitable relief.

Claim 5—Unfair and Deceptive Trade Practices (Against All Defendants)

- 41. Paragraphs 1-40 of the Complaint set forth above are incorporated herein by reference.
- 42. The Defendants, engaging in the acts and conduct described above, have knowingly and willfully committed unfair and deceptive trace practices under NRS 598.0915 by making false representations.
- 43. As a direct and proximate result of the Defendants' unfair and deceptive trade practices, Mr. Margolin has suffered damages in excess of ten thousand dollars (\$10,000), entitling him to the relief set forth below.

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

- 1. That Plaintiff be awarded damages for Defendants' tortious conduct;
- 2. That Plaintiff be awarded damages for Defendants' unjust enrichment;
- That Plaintiff be awarded damages for Defendants' commission of unfair and deceptive trade practices, in an amount to be proven at trial, with said damages being trebled pursuant to NRS 598.0999;

- 4. That Plaintiff be awarded actual, consequential, future, and punitive damages of whatever type or nature;
 - 5. That the Court award all such further relief that it deems just and proper.

AFFIRMATION

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

DATED: August 11, 2011

WATSON ROUNDS

Matthew D. Francis (6978) Adam P. McMillen (10678) WATSON ROUNDS 5371 Kietzke Lane Reno, NV 89511

Telephone: 775-324-4100 Facsimile: 775-333-8171

Attorneys for Plaintiff Jed Margolin

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Watson Rounds, and that on this date, I deposited for mailing, in a sealed envelope, with first-class postage prepaid, a true and correct copy of the foregoing document, **AMENDED COMPLAINT** (Exemption From Arbitration Requested), addressed as follows:

John Peter Lee John Peter Lee, Ltd. 830 Las Vegas Blvd. South Las Vegas, NV 89101

Dated: August 11, 2011

Carla Ousby

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