

From:	Iviewit Holdings, Inc. Eliot I. Bernstein
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To:	Paul J. Curran, Esq. Paul J. Curran, Esq.

Date: 6/29/2004 Time: 11:01 AM page(s): 19



# -Message

PLEASE DELIVER TO PAUL J. CURRAN, ESQ.

If you have any questions, please feel free to call me at 561.364.4240.

Eliot Bernstein Iviewit Holdings, Inc.

FACSIMILE TRANSMITTAL SHEET		
TO: Paul J. Curran, Esq.	FROM: Eliot I. Bernstein	
FAX NUMBER: (212) 401-0810	DATE: June 29, 2004	
COMPANY: Chair First Judicial Department Disciplinary Committee	TOTAL NO. OF PAGES INCLUDING COVER:	
PHONE NUMBER: (212) 401-0801	SENDER'S REFERENCE NUMBER: [Click here and type reference number]	
Complaint against Steven C. Krane and Proskauer Rose LLP	YOUR REFERENCE NUMBER: [Click here and type reference number]	
☑urgent ☐ for review ☐ please com	ment 🗹 please reply 🔲 please recycle	
notes/comments: Dear Mr. Curran,		
Please allow the following to serve as a form firm of Proskauer Rose, LLP. If you have any qu	al complaint against Steven C. Krane and the law nestions, please feel free to contact me.	
Thank you in advance for your consideration	ı.	
Eliot I. Bernstein Inventor iviewit@adelphia.net		

Eliot I. Bernstein President, Founder & Inventor Direct Dial: 561.364.4240 Email: iviewit@adelphia.net

#### **VIA FACSIMILE**

Wednesday, June 09, 2004

Paul J. Curran, Esq. Chair First Judicial Department Disciplinary Committee 61 Broadway, 2nd Floor New York, NY 10006

RE: COMPLAINT OF IVIEWIT HOLDINGS, INC. AGAINST STEVEN C. KRANE AND THE LAW FIRM PROSKAUER ROSE LLP

Dear Mr. Curran:

Please accept this letter to serve as a formal complaint by Iviewit Holdings, Inc. and all affiliated and related entities and its shareholders ("Complainant") against Steven C. Krane ("Respondent") and the law firm of Proskauer Rose LLP. ("Proskauer") On May 27, 2004, Thomas J. Cahill, Chief Counsel ("Cahill") for the New York State Supreme Court - Appellate Division First Department Disciplinary Committee ("Department") acknowledged a conflict of interest caused by the responses of Respondent, a partner of Proskauer, made on behalf of Respondent himself and his partner at Proskauer, Kenneth Rubenstein Docket #2003.0531 ("Rubenstein"). The conflict was exposed by the Clerk of the Court, Catherine O'Hagan Wolfe ("Wolfe"), New York State Supreme Court - Appellate Division First Department ("First Department Appellate") and further Wolfe made the recommendation to have the Department motioned to move the matter out of the existing conflict. Additionally, we write to have this complaint moved out of the conflict to a venue void of Respondent's and Cahill's influence, which after discussions with Wolfe, due to Respondent's other public positions, appears to exclude the Second, Third or Fourth departments, and therefore leave the choice of appropriate venue void of influence and conflict to the First Department Appellate to decide. That the actions of Respondent have caused Cahill on behalf of the Department to file a motion to now have the matter moved from the Department due to the appearance of impropriety and potential conflict of interests and further have led to complaints being filed against a senior official, Cahill, at the Department, for collusion in the matters cited herein.



The charges against Respondent for impropriety and conflict are of the most serious in nature due to the complexity of the situation and the circumstances surrounding the case. This case is filed due to Respondent acting as direct counsel in defense of complaints against his partner Rubenstein, Proskauer and himself, who all stand accused before the Department of patent theft and a myriad of peripheral charges stemming from such attempted theft, while Respondent held public office positions with the Department, which clearly conflicted and precluded him from using his influence or acting in anyway on behalf of anyone or any entity that he is intimately involved with.

It is Complainant's contention that due to Rubenstein's inability to adequately defend himself against the charges he faces at the Department, that he and Proskauer intentionally sought to buy Rubenstein out of investigation through the selection of Respondent, a member of the Department and President of the NYSBA to aid him in his defense, clearly knowing the conflict of interest that existed and hoping that Respondent's influence at the Department would cause prejudice in his favor, especially if Respondent acted personally on his behalf. That once Rubenstein recruited Respondent, an underling in his department at Proskauer, that Respondent then sought favoritism through Cahill, using his past relationship with Cahill and his position of influence at the Department, to deny due process to the Complainant's complaints. Finally, that once this system of abuses was established, that the Department was used, as a Proskauer shield, to influence other state and federal agencies investigating these matters, through false and misleading information regarding the outcome of the Complainant complaints at the Department, so as this conflict then permeated outside the Department and caused prejudice not only in the New York complaints but other state and federal investigations looking into these matters.

Respondent's past and present affiliations with the Department over the last decade and additionally his roles at New York State Bar Association ("NYSBA") preclude him from any involvement with complaints against his firm, its partners and especially himself. Respondent in acting as counsel for Rubenstein and himself, failed to disclose the conflicts he had, in acting as counsel and not only failed to disclose, but further, once confronted with a formal complaint regarding the conflicts, tried to cover up and deny the existence of the conflicts in a formal written response to the Complainant's complaint against him. Against all ethical responsibilities as an attorney and further as a public official, Respondent failed to disclose his departmental affiliations in the defenses he asserted, acting as counsel, on behalf of Rubenstein, Proskauer and himself to either the Complainant or the Department.

As you will see from the initial complaints against Rubenstein and Joao (see Thomas Cahill to obtain full file records) the matters are significantly greater than malpractice and ethics violations and further seeks redress from other regulatory bodies for including but not limited to; fraud against government agencies, theft of patents by patent attorneys, falsification of documents and misappropriation and conversion of funds. To this end, the Complainant feels that its every move made since the inception of Respondent in the complaint process is tainted throughout the Department, as he is well known by everyone throughout the Department and presumably has access and influence at all levels of the Department. When the responses of the Respondent are viewed knowing the conflicts with the Department that existed, with absolutely no disclosure, the

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whole process of the complaints comes into question and demands immediate investigation. It is now impossible to have fairness and due process restored to the Complainant complaints at the Department and therefore, at the bequest of Wolfe, we request that the Department move all the Complainant's complaints to the Clerk of the Court to have the matter reviewed by an unbiased party. Therefore, let this letter also serve as a request to move the entire matter herein and all Complainant's complaints, to the Department's direct oversight, as requested by Wolfe, and further that the Department take actions against all those involved in this matter under §603 & 605 of the New York Code, Rules and Regulations ("NYCRR"), The Lawyer's Code of Professional Responsibility ("Code") as adopted by the NYSBA and enforced by the Department and any other applicable codes or laws that govern the Department and its members from such impropriety and abuse of public office.

That, prior to being informed by Wolfe of a current conflict with Respondent, and prior to Cahill's eventual admission of such conflict, Complainant sent a May 20, 2004 letter to Cahill requesting the striking of the response of Respondent on behalf of Rubenstein due to the conflict apparent in his roles with the Department and NYSBA. Cahill, when called regarding the conflict, denied that the resume of Respondent was correct in listing his current roles with the Department, stating that he had no current position with the Department and the NYSBA was not related, therefore, no conflict existed. When asked to tender a written statement regarding Respondent's roles and dates with the Department, Cahill refused which prompted the call to Wolfe whereby it was found that opposite of what Cahill stated, Krane was a member of the Department. The Complainant thus charges the Respondent with false and misleading public advertising of his roles at the Department which he lists on his website currently to the public and that according to Cahill are false and misleading claims regarding his public office positions, as they are untrue supposedly.

As a result of his April 2003 response on behalf of Rubenstein and his May 21, 2004 response on behalf of himself, the Complainant claims that Respondent used his conflicted position to influence the Department and other investigatory bodies and has already prejudiced the Complainant's complaints against Rubenstein, Joao and now Respondent so severely as to deny them due process completely at the Department and with other investigatory bodies. On May 21, 2004 Respondent responding for the complaint against himself, which was conducted in a manner void of ethics and followed no Department rules, Respondent directly requests that Cahill personally dismiss the complaint against himself based on wholly false, factually incorrect and misleading statements to the Department. Although Respondent tenders a formal response to the Complainant's complaint, Cahill refuses to make the complaint formal and requests the Complainant submit another complaint against Respondent, which has prompted this letter, although Cahill appears to be stalling the prosecution of Respondent further conforming to Proskauer's delay tactics; in this case, to cause the Complainant to redo that which it already has done twice. The Complainant asserts that the answer by Respondent to the first complaint filed against him, be considered his formal response under Department rules and that the original written and verbal requests to file a complaint be considered the initial complaint against Respondent, with this letter serving as additional rebuttal to Respondent's response. Since Cahill allowed the response of Respondent, in his own defense, to stop action against Respondent and

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refused to file the Complainant's complaint formally, we again ask the Department to immediately remove Cahill and Respondent from the complaint process against Respondent, and all Complainant complaints, and immediately open a case file against Respondent and properly document the original letters and submissions by both parties as part of the record.

Please note that in Respondent's May 21, 2004 response to his own complaint, he further attempts to deny and hide his conflict at the department citing that the NYSBA and the Department are not inter-related and do not cause conflict for him. So engorged in his denial of the conflict, Respondent purposely, with malice and intent to deceive, submits his response and fails to disclose his current and past positions with the Department that cause irrefutable conflict and further attempt to fool one into believing he is not conflicted. Respondent attempts to mislead the Complainant and the Department to defend his conflict citing complainants, who are Southerners, are therefore ignorant of the New York separation between the NYSBA and the Department. Respondent's attempt to distance himself through this normal separation of the Department and the NYSBA, is false, as the separation applies to everyone but Respondent who serves numerous roles at both organizations that overlap regarding the creation and enforcement of the Code. The statement although true on the one hand for almost all attorneys who are members of the NYSBA or the Department does not apply when one is a member of both organizations and serves committees that similarly create the Code for NYSBA and then sits in numerous positions which enforce the Code through the Department; for these few attorneys a conflict clearly exists. Due to the shared rules of the NYSBA and the Departments enforcement of the rules of the NYSBA, certain ethics committees, rules committees and other roles have conflicts. These positions with NYSBA further conflict Respondent in acting for any party in these complaints, and would have at minimum demanded disclosure of all positions, as the duality of his public roles for the NYSBA and the Department and his partner position at Proskauer, creates a major conflict in these complaints. So large is the conflict, that Respondent, a professor of ethics, has no defense in his failure to avoid impropriety. On a final note, Respondent's attack against the Complainant as southern hillbillies incapable of understanding New York conflicts of interest also fails in that one of the complainants, P. Stephen Lamont, was born and raised in "Southern" New York and graduated Columbia Law School located deep in the heart of the South.

The Complainant points to positions held by Respondent at the Department that cause conflict and as a member of the Department should have never been allowed and constitute immediate sanctions by the Department, as the following NYCRR rules describe:

#### § 603.1 Application

a. This Part shall apply to all attorneys who are admitted to practice, reside in, commit acts in or who have offices in this judicial department, or who are admitted to practice by a court of another jurisdiction and who practice within

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this department as counsel for governmental agencies or as house counsel to corporations or other entities, or otherwise, and to all legal consultants licensed to practice pursuant to the provisions of subdivision 6 of section 53 of the Judiciary Law. In addition, any attorney from another state, territory, district or foreign country admitted pro hac vice to participate in the trial or argument of a particular cause in any court in this judicial department, or who in any way participates in any action or proceeding in this judicial department shall be subject to this Part.

b. This Part shall apply to any law firm, as that term is used in the Disciplinary Rules of the Code of Professional Responsibility, section 1200.1(b) of this Title, that has as a member, employs, or otherwise retains an attorney or legal consultant described in subdivision (a) of this section.

#### § 605.6 Investigations and Informal Proceedings

- b. Contents of Complaint.
  - General Rule. Each Complaint relating to alleged misconduct of an attorney shall be in writing and subscribed by the Complainant and shall contain a concise statement of the facts upon which the Complaint is based. Verification of the Complaint shall not be required. If necessary the Office of Chief Counsel will assist the Complainant in reducing the Grievance to writing. The Complaint shall be deemed filed when received by the Office of Chief Counsel.
  - 2. Other Situations. In the case of an allegation of misconduct originating in the Court or the Committee, or upon the initiative of the Office of Chief Counsel, the writing reflecting the allegation shall be treated as a Complaint.
  - g. Preliminary Screening of Complaints. Any complaint received by the Office of Chief Counsel against a member of the Committee or Staff counsel involving alleged misconduct shall be transmitted forthwith to the Committee Chairperson, who shall assign it either to the Office of Chief Counsel or to special counsel who shall conduct the appropriate investigation and determine the appropriate disposition of the Complaint.

The Complainant states that Respondent has conflict in his roles both past and present with the Department as listed below:

2004 COMMITTEE, APPELLATE DIVISION, FIRST JUDICIAL DEPARTMENT REFEREE

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<b>*2004</b> -1996	MEMBER, DEPARTMENTAL DISCIPLINARY COMMITTEE OF THE APPELLATE DIVISION, FIRST DEPARTMENT
<b>*2004</b> -1996	MEMBER, NEW YORK STATE OFFICE OF COURT ADMINISTRATION
	TASK FORCE ON ATTORNEY PROFESSIONALISM AND CONDUCT
<b>2004</b> -1995	CHAIR, GRIEVANCE PANEL, UNITED STATES DISTRICT COURT, SOUTHERN
	DISTRICT OF NEW YORK
1999-1998	COMMITTEE, APPELLATE DIVISION, FIRST JUDICIAL DEPARTMENT -
	HEARING PANEL CHAIR)
1997-1996	COMMITTEE, APPELLATE DIVISION, FIRST JUDICIAL DEPARTMENT
	HEARING PANEL MEMBER
1998	COMMITTEE, APPELLATE DIVISION, FIRST JUDICIAL DEPARTMENT -
	HEARING PANEL REFEREE
199 <b>3-</b> 1991	SPECIAL TRIAL COUNSEL, DEPARTMENTAL DISCIPLINARY COMMITTEE OF
	THE APPELLATE DIVISION, FIRST DEPARTMENT.

# \*Appointments listed currently by Respondent in his recently updated biography and disputed by Cahill as untrue

Further, the Complainant asserts that the following positions held at the NYSBA also pose a conflict problem for Respondent, whereby the NYSBA and the Department work together on the creation of the Code and the enforcement of such Code.

<b>2004</b> -1996	NEW YORK STATE BAR ASSOCIATION, MEMBER, HOUSE OF DELEGATES
<b>2004</b> -1998	NEW YORK STATE BAR ASSOCIATION, MEMBER, EXECUTIVE COMMITTEE
<b>2004-</b> 1997	NEW YORK STATE BAR ASSOCIATION, VICE-CHAIR, COMMITTEE ON THE
	FUTURE OF THE PROFESSION
<b>2004</b> -1995	NEW YORK STATE BAR ASSOCIATION, CHAIR, SPECIAL COMMITTEE TO
	REVIEW THE CODE OF PROFESSIONAL RESPONSIBILITY
<b>2004</b> -1997	ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK, CHAIR,
	DELEGATION TO THE NYSBA HOUSE OF DELEGATES
<b>2004</b> -1996	ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK, DELEGATION TO
	THE NYSBA HOUSE OF DELEGATES MEMBER
<b>2004-</b> 1996	ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK, MEMBER,
	COMMITTEE ON FEDERAL COURTS, 1996
2002-2001	NEW YORK STATE BAR ASSOCIATION, PRESIDENT, 2001-2002

Furthermore, when Respondent submitted his May 21, 2004 response addressed and faxed directly to Cahill and further copied Complainants, whereby Cahill received and acknowledged such fax, Respondent responds as a pro-se Respondent in his own complaint and asks Cahill to disregard the complaint filed against him based on false and misleading statements, while having an irrefutable current conflict that he fails to disclose in the letter to Cahill. Cahill when reviewing the Respondent's response and seeing that it was Steven C. Krane, a longtime associate, should have immediately acknowledged the conflict, rejected the response, and cited Krane for violations of his professional ethics and duties as a Department member and under the Code. When the Complainant spoke to Cahill regarding the response of the Respondent, he attempted to support Krane as not conflicted, failing also to disclose Krane's present and past affiliations with the Department, exposing how powerful Krane's influence over Cahill is. It was at Cahill's refusal to put in writing Krane's positions with the Department, the timeline of all positions held and to file charges against Krane, that the Complainant went outside the Department to Wolfe, whereby Krane's conflict was fully exposed.

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Complainant then called Cahill, informed him of Wolfe's information regarding Respondent's current conflict, which Cahill then admitted to knowing about. Upon his acknowledgement, Cahill should have immediately, knowing of the conflict within the Department, moved this matter to the Chair and lodged the Complainant's written complaint against Respondent for further proffering such conflicted response in defense of himself and using his influence to influence his own complaint with the Department. Cahill clearly disregards the very ethics he is charged with enforcing showing complete favoritism towards Respondent, and refuses to file necessary charges against Respondent, although having already received a formal response from Respondent to the Complainant's complaint. The Complainant repeatedly requested that Cahill; (i) remove Respondent from all positions of undue influence with respect to the Proskauer, Rubenstein, Joao and Respondent complaints; (ii) file charges against Respondent and further charges against Proskauer, Rubenstein and Joao for blatant disregard for the Department rules on conflicts and the appearance of impropriety; (iii) charge Respondent, Proskauer and Rubenstein with abuse of public office (iv) de-merge the Joao complaint; (iv) motion the complaints out the Department due to the conflicts damage thus far and; (v) begin immediate investigation, as the delays caused by the conflict and Respondents influence had caused further damages to the Complainant, preventable possibly, had enforcement of the Code been applied and yet Cahill does nothing.

After hearing of the allegations, Wolfe who knows both parties Respondent and Cahill, instructed the Complainant to draft a motion to herself as Clerk at the First Department Appellate, requesting to have the complaint of Rubenstein moved outside the Department void of the influence and the cited conflicts between Respondent, Proskauer, Rubenstein, Cahill and the Department. Also disclosed was the fact that despite Respondent and Cahill's denial of Respondent's current involvement with the Department, that Wolfe so informed the Complainant of a Referee position held by Respondent currently and was unsure of the other positions he may currently hold and/or have held during the time since the Complainant's initial complaints were filed.

By the ethically incestuous breaches of the rules in favor of Respondent by Cahill, in allowing the April 11, 2003 response and the May 21, 2004 letters of Respondent, there was a deliberate attempt to deny due process to the Complainant's complaints. The disciplinary rules have been so been bent by those who create and enforce them as to cause public concern that the Department has become a de facto attorney protection agency. Furthermore, the removal of due process by Cahill with respect to the Complainant's complaints for nearly one and half years have caused further harm to the Complainant's patent applications. Harmed by the same attorneys the Complainant complains of, left undisciplined through Cahill's professional misconduct induced by Krane and Rubenstein who knowingly created the conflict, allowing Proskauer to further cloak themselves in the very laws designed to prosecute them. So weak is the Proskauer, Rubenstein and Joao defenses that they had to resort to this deceptive influence peddling to skirt due process and endanger the reputation and integrity of the entire Department.

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Respondent's attempt to exculpate Rubenstein and himself without formal due process in his responses and have his complaint simply dismissed, uses a system of smoke and mirrors, with Cahill as his assistant, that on the one hand fails to disclose Respondent's current positions at the Department which conflict him absolutely and on the other hand try to hide behind his New York State Bar Association positions stating they are separate from the Department and therefore constitute no reason for action. Clearly, by this deceptive action, Respondent with Cahill assisting, intended the response to mislead the Complainant and the Department and have the conflict charge against Respondent dismissed by denying he was conflicted. Respondent further misleads when he states in his response that the case against Rubenstein had been "dismissed" and should remain dismissed, when factually, it was never dismissed, only deferred, and Cahill had reopened it months earlier. These misstatements should have been seen by Cahill as misconduct and prompted him to file charges against Respondent for further misconduct, instead we see Cahill again aiding and abetting Respondent from facing prosecution. The deceit by Respondent and Cahill undermines the integrity of the Department and the Departments ability to regulate attorney misconduct, so much so, as to mandate immediate and swift reprimand of both Respondent and Cahill by both the Department and the NYSBA and investigate all Complainant's complaints with the Department.

Finally, the claim of dismissal of the case against Rubenstein and Joao by the Department, claiming that it was dismissed after investigation has been submitted to other investigatory bodies as a means to claim that after investigation the Department had dismissed the charges against Rubenstein and Joao. These false and misleading statements have caused prejudice in these investigations that must be corrected with full disclosure of the Department's actions and full disclosure of the conflict, so as to try and undue these false and misleading statements by Respondent and his cohorts that have caused prejudice in other investigations.

The attempts by Respondent and Cahill to dissuade, bury, or delay the complaints against Rubenstein, Joao, and Respondent, so endangers the public confidence and integrity of the legal system, and the system which Respondent is entrusted (the protecting the public from such attorney misconduct), that the Chair must take immediate actions as requested herein, lest the misbehavior of Rubenstein, Joao, Proskauer, Respondent and Cahill firmly tarnish the Department with the same misconducts that shook the very foundations of our society much in the way the Haldeman/Erlichman/Nixon events did in the early 1970's.

Complainant has filed a written statement, in conjunction with its largest investor, Crossbow Ventures, Inc., and its Co-Founder & Chairman, Stephen J. Warner, with the United States Patent and Trademark Office ("USPTO"), that currently causes the Commissioner of Patents, at the bequest of Harry I. Moatz the Director of Office of Enrollment and Discipline of the USPTO, to witness charges against Proskauer, Rubenstein and Joao of FRAUD UPON THE UNITED STATES PATENT AND TRADEMARK OFFICES. Moreover, this statement has led the USPTO to assemble a team of patent specialists appointed by Mr. Moatz that has effectively put the Complainant's patent applications into a six month suspension pending further investigation. Therefore, with the understanding that the patents with a twenty-year revenue life and potential worth of billions of dollars are at risk, the Complainant demands that the Department or its

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oversight begin immediate investigations into all complaints filed by the Complainant, less further damages result and cause more liability to the State of New York's judicial system by the Department's actions.

We ask that the Department send the entire complaint files for Proskauer, Rubenstein, Joao and Krane for review to the Complainant with regard to any submissions by either party, including an inventory of all letters, CD's and notices by either party. We ask the Department to further do the following:

- Transfer all Complainant complaints as listed below, including all correspondences and file information to a non-conflicted authority for review.
  - Complaint against Kenneth Rubenstein ("Rubenstein") and Proskauer Docket
     2003.0531 See Cahill for copies of the complete file
  - Complaint against Raymond A. Joao ("Joao") and Meltzer Lippe Goldstein & Schlissel (MLGS) Docket 2003.0532 – See Cahill for copies of the complete file
  - o Complaint against Steven C. Krane Filed May 20, 2004
  - Complaint against Proskauer Rose LLP and all partners
  - o Complaint against Thomas J. Cahill Filed
- Write a letter clarifying the status of each of the complaints so that information regarding the complaints that has already been disseminated containing false and misleading statements of the disposition may be corrected.
- Statement from the Department acknowledging the conflict with full disclosure.
- Written confirmation from the Department with full disclosure as to Respondent's past and present positions within the Department and further within any public or private organization in anyway associated to the Department, describing date of entry into the position, post held and nature and duties of such post, periods held, date of termination of position, date of fully discharged duties, and a roster of all members served with so that the Complainant may measure the breadth of such conflict.

For your convenience the following approximate timeline of events regarding the complaints at the Department is provided below:

- February 25, 2003 Rubenstein/Proskauer complaint filed with the Department.
- February 26, 2003 Joao/MLGS complaint filed complaint filed with the Second Department.
- April 11, 2003 Rubenstein response submitted and authored by Respondent, as counsel for Rubenstein and the firm of Proskauer.
  - No disclosure by Respondent with Complainant or Department of Respondents conflicted roles at the Department or at NYSBA, in complete violation of his public office positions under departmental rules and the Code.
  - False and misleading statements contained in Respondent's defense of Rubenstein.
    - > States Iviewit is harassing Rubenstein who knows nothing of Complainant.

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- States Iviewit was a failed dot com, attempting to deceive the Department and failing to disclose the values of the patents.
- > States Rubenstein and Proskauer did no patent work, patently false statement.
- > States Rubenstein is not involved with one minute of billing; and was not patent counsel for Complainant, yet Rubenstein is involved with three years of billings in billings submitted by Proskauer to the Department.
- June 2003 Iviewit Rebuttal to Rubenstein's response submitted and authored by P.
   Stephen Lamont and Eliot I. Bernstein.
- September 2, 2003 Misaddressed Department letters regarding disposition of Rubenstein and Joao complaints, deferring the complaints pending the outcome of a civil litigation. The Department letters are never received by the Complainant and are not discovered until January 2004.
- January 9, 2004 Complainant, after learning that Proskauer and others were claiming in
  other state and federal actions against them, that the Department had "dismissed" the case
  after investigation involving the attorney's Rubenstein and Joao, calls Cahill's
  department to find the Department's September 2, 2003 letter had been "lost" and never
  returned to the Department although clearly misaddressed.
  - Upon review of the "lost" letter, the Complainant finds contrary to false claims to other investigatory agencies that the case had been "dismissed", that the letter does not state that the case had been "dismissed" and that it had been delayed only pending a billing litigation with Proskauer.
  - Cahill is notified that the Florida billing litigation has completed and that none of the charges other than billing issues had been addressed by the Florida court.
  - O Cahill states he is opening the file for immediate investigation and reviewing the complaint personally. He apologizes for the delay caused by the "lost" letter and promises a prompt review with a report back the following week.
- January–May 2004: Then the farce continues as five months of unanswered calls goes by whereby Cahill does not return a single call.
  - Further submissions by the Complainant showing further allegations of perjury and false and misleading statements by both Rubenstein and Joao in their responses to the Department.
  - Notification to Cahill of United States Patent and Trademark findings leading to suspension of patent applications pending further investigations, patent office asks where Department is in investigation.
- May 20, 2004 Discovery of Respondent conflicts at the Department.
  - Cahill receives a letter from the Complainant requesting the striking of the first Respondent response on behalf of Rubenstein citing conflict of interest.
  - The Complainant files a written formal complaint against Respondent for conflicts of interests and causing the appearance of impropriety.
- May 21, 2004 Respondent's response letter to Cahill requesting to not strike Rubenstein
  response and further, in his own response to the Complainant complaint against himself,
  Respondent requests that the Complainant's complaint be dismissed against himself, a
  true copy of which is attached herein as Exhibit "A".

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- Respondent in his own response fails to disclose his current Department positions.
- Respondent wrongly states the position of the case against Rubenstein as being "dismissed" by the Department and uses Proskauer's pattern of twisting the truth regarding the outcome of events.
- May 2004 Numerous calls to Cahill whereby he refuses to document Respondent's positions at the Department
  - O Cahill refuses to file charges of conflict against Respondent or begin investigation despite receiving formal written requests by the Complainant and a formal written response by Respondent to the Complainant's complaint.
  - Cahill, at first, refuses to have Respondent's prejudicial response stricken in the Rubenstein and Joao complaints.
  - Cahill admits that the case has NEVER been reviewed and states that a paralegal will start after return to work from months long illness.
  - o Complainant demands that Cahill move the matter.
- May 28, 2004 Complainant, after finding that Respondents resume and Cahill's statements conflict as to Respondents roles with the Department, calls Wolfe to find out positions of Respondent and is stunned to learn that not only does Respondent have past conflicts but that he maintains a current role as Referee which causes conflict. Further, the Complainant learns that Respondent is so well known and in such a position of influence within the department that the matter must find a way completely out of conflict with Respondent who holds positions with state and federal attorney disciplinary departments.
  - Cahill is confronted with conflict verified by Wolfe and the Wolfe's request to have the case motioned out of the Department to an independent review panel.
  - Cahill suddenly admits conflicts exist, acknowledges that Respondent does have current role with the Department and agrees to have a motion to move the complaints against Rubenstein, Joao and Respondent to another authority void of conflict and strike Respondent responses in defense of Rubenstein due to such conflict.
- June 7, 2004 Complaint against Cahill filed for failure to perform duties properly.
- June 17, 2004 Cahill, after complaint is filed against him motions to have the matters moved from the Department, citing possible conflicts and the appearance of impropriety. This motion causes further conflicts and further appearance of impropriety for the Department, as Complainant had already requested that Cahill be removed from further actions on Complainant's complaints and Cahill had a formal complaint already lodged against him.
- Year 2003, Department's September 2, 2003 letter being used to influence the Florida state court stating false and misleading conclusion of the complaints against Rubenstein and Joao.
- Year 2003-2004, Department's September 2, 2003 letter being used to influence The Florida Bar stating false and misleading conclusion of the complaints against Rubenstein and Joao

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 Year 2003-2004 Department's September 2, 2003 being used to influence The Virginia Bar stating false and misleading conclusion of the complaints against Rubenstein and Joac

Finally, the Complainant requests that the Department take this letter to serve as formal complaint against the entire firm of Proskauer, as these matters were not merely the result of individuals attempting to steal patents but from the firm coordinating all of these events. From the purchase of Rubenstein and his patent team upon meeting Complainant, to the insertion of Respondent into the complaint process, Proskauer has taken a series of steps to ruin Complainant company and attempt to steal off with the intellectual property. All the partners at Proskauer now enjoy a portion of the revenues and fees derived from the patent pools they now control, which have flourished with the advancement of Complainant's technologies, making every partner of the firm responsible. The Complainant, in attempting to explain to shareholders many of the allegations, sent questions to former Advisory Board members and counsel, Rubenstein and Wheeler, asking several hundred questions that have gone unanswered. Repeatedly, we have asked Proskauer for the name of their insurance carrier and sent them a malpractice claim for seventeen billion dollars of potential exposure and the managing partner, Robert Kafin and the Chairman, Alan Jaffe, refuse to answer calls or letters to aid the shareholders in filing the malpractice claim or answer questions which may aid Complainant in repairing damages done to the patents.

Using Respondent's influence throughout the Department, even seeing Respondent's name, a senior member of the Department for over a decade on the signature line was a sure way, and the only way, for Proskauer to have all the evidences buried against Rubenstein and Joao. The response of Respondent on behalf of Rubenstein was met with a rebuttal full of evidence including perjured deposition statements of Rubenstein, whereby his deposition conflicts with his statements to the Department. Had the conflict gone undetected this scheme that now has endangered confidence in the Department, would have been a complete success in not only staving off the complaints at the Department but using the Department to deflect other investigations into these matters. In closing, it is necessary that these attorneys involved, in all of these matters, immediately be investigated regarding their ethical violations of the Code and the rules of the Department in order to prevent a loss in public confidence and the continued appearance of impropriety at the Department.

Finally, it is imperative that Thomas Cahill, until investigations are complete, should be removed from participating in the complaints of the Complainant. In sending you last week the complaint on Cahill, we find that Cahill immediately thereafter filed a motion to move the matter of Rubenstein and Joao from the Department, after we had requested that he be removed from the process due to further conflicts of interest and the further appearance of impropriety. The motion filed by Cahill is fraught with errors and misstatements that again seem to try to minimize the magnitude of the situation and exculpate the Department and the Respondents from wrong doing, as if an innocent mistake were revealed. Further, the motion by Cahill represents that the Complainant is Eliot Bernstein when in fact; we have repeatedly explained to Cahill that the complaint is filed on behalf of Complainant, a corporation. On a minor note, since September 2003 we have repeatedly requested that the Department address mail to Complainant with the full

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address to avoid further "lost" mail and again we find that the Department uses the wrong addressing for some correspondences and the correct address for others, please make sure that all correspondences are properly addressed from this point forward. Lastly, the Complainant has two executives working on the complaint, the CEO, P. Stephen Lamont and the President, Eliot I. Bernstein, yet despite repeated requests Mr. Lamont is repeatedly and insultingly left off correspondences from the Department.

Sincerely,

IVIEWIT HOLDINGS, INC.

By: Eliot I. Bernstein

Fliot I. Bernstein

President, Founder & Inventor

President, Founder & Inventor

President Chief Executive Officer

CC:

ec:

Attachments

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Sincerely,

IVIEWIT HOLDINGS, INC.

Eliot I. Bernstein

Eliot I. Pormetain

Eliot I. Bernstein President, Founder & Inventor

P. Stephen Lamont

P. Stephen Lamont Chief Executive Officer

cc: ec:

By:

Attachments

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EXHIBIT "A"

### IVIEWIT CONFIDENTIAL

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## PROSKAUER ROSE LLP

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Steven C. Krane Member of the Firm

Direct Dial: 212,969,3435 skrane@proskauer.com

May 21, 2004

## By Facsimile and Mail

Thomas J. Cahill, Esq Chief Counsel Departmental Disciplinary Committee 61 Broadway New York, New York 10006

Re: Complaint of Iviewit Holdings, Inc. -- Docket No. 2003.0531

Dear Mr. Cahill:

I represented my partner, Kenneth Rubenstein, in connection with the complaint filed against him in March 2003 by Iviewit Holdings, Inc. That proceeding was closed pursuant to your letter of September 2, 2003.

Ivewit has now asked that the response I submitted on April 11, 2003 be stricken on the ground that I had a conflict of interest by virtue of my various position with the New York State Bar Association. Obviously, Iviewit is not aware that there is no connection between the Departmental Disciplinary Committee, which operates under the aegis of the Appellate Division of the Supreme Court, and the New York State Bar Association, which is a voluntary organization of lawyers. This confusion is not surprising, since the principals of Iviewit are from Florida, where it is the Florida Bar that investigates and disciplines lawyers.

Accordingly, I respectfully request that Iviewit's "Demand to Strike Response" be rejected and that any complaint against me arising out of my representation of Mr. Rubenstein be dismissed. I stand ready to provide the Committee with whatever additional information it may require in connection with this matter.

Yours very truly,

Steven C. Krane

# PROSKAUER ROSE LLP

Thomas J. Cahill, Esq May 21, 2004 Page 2

cc: Mr. Eliot Bernstein

Mr. P. Stephen Lamont