

Exhibit A

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9

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF ORANGE**
12 **(Unlimited Civil – Complex Division)**

13 UNILOC USA, INC., a Texas corporation;
UNILOC CORPORATION PTY., LTD., an
14 Australian corporation; and UNILOC
LUXEMBOURG S.A., a Luxembourg
15 corporation,

16 Plaintiffs,

17 vs.

18 SURELOC, INC., a California corporation;
PATRICK ROONEY, an individual; and DOES
19 1-100, inclusive,

20 Defendants.
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Case No. 30-2011-00519641-CU-SL-CXC
Assigned to Hon. Nancy Wieben Stock
Dept.: CX-105

**VERIFIED AMENDED COMPLAINT
FOR:**

- (1) **DECLARATORY RELIEF (NO EXCLUSIVE LICENSE);**
- (2) **BREACH OF FIDUCIARY DUTY;**
- (3) **INVOLUNTARY DISSOLUTION (CORPS. CODE § 1800);**
- (4) **TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE;**
- and
- (5) **ACCOUNTING**

JURY TRIAL DEMANDED

1 **VERIFIED AMENDED COMPLAINT**

2 1. Plaintiffs Uniloc USA, Inc. (“Uniloc USA”), Uniloc Corporation Pty., Ltd.
3 (“Uniloc Australia”), and Uniloc Luxembourg S.A. (“Uniloc Luxembourg”) (collectively,
4 “Plaintiffs”) hereby allege against Defendants Sureloc, Inc. (“Sureloc”), Patrick Rooney
5 (“Rooney”) and Does 1 through 100, inclusive (collectively, “Defendants”), as follows on
6 information and belief, except as to the allegations pertaining to Plaintiffs’ actions, which are
7 based on personal knowledge:

8 **INTRODUCTION**

9 2. Plaintiffs Uniloc USA and Uniloc Luxembourg obtained a landmark jury verdict
10 against Microsoft Corporation (“Microsoft”) for patent infringement, which was recently upheld
11 on appeal. When Rooney learned about the jury verdict, he attempted to raise Sureloc from the
12 corporate grave—after the company had been out of business for nearly a decade—to attempt to
13 capitalize on Uniloc USA and Uniloc Luxembourg’s gain. Rooney and Sureloc falsely claim
14 that Sureloc is entitled to the proceeds of the lawsuit and recently fraudulently induced Microsoft
15 to enter into a license agreement with Sureloc for the patent at issue.

16 3. Rooney and Sureloc’s claims are baseless. Sureloc is not the owner or licensee of
17 the patent. Indeed, as Defendant Rooney announced to the corporation’s shareholders, Sureloc
18 closed its headquarters in 2002 and went out of business. It has not transacted any business for
19 years and failed to pay even its most basic corporate filing fees. Sureloc was so defunct that
20 when it tried to resurrect itself in 2009, the California Secretary of State would not let it use its
21 previous name due to the longstanding inactivity.

22 4. In fact, if Sureloc’s directors, Rooney and Correy Conn (“Conn”), have done
23 anything on Sureloc’s behalf over the past nine years, they actively harmed the company. As a
24 director, Rooney owes fiduciary duties to Sureloc and to its shareholders, including Uniloc
25 Australia, which is a Sureloc shareholder. Nevertheless, in some of their only actions as
26 directors, Rooney and Conn granted themselves 5 million shares each in Sureloc—for absolutely
27 no money or consideration whatsoever and without any of the necessary board or shareholder
28 approvals. These actions wasted Sureloc’s assets, constituted gross mismanagement, and

1 right to bring suit for infringement thereof and to recover damages resulting from such
2 infringement.

3 12. Defendant Sureloc is a California corporation purportedly organized and existing
4 and authorized to do business in California. Sureloc purports to have its principal place of
5 business at Rooney's home in Oak Brook, Illinois. Other than demanding that it share in the
6 verdict that Uniloc USA recently won, Sureloc has no present business and has not conducted
7 business for more than one year. Sureloc has no employees.

8 13. Defendant Patrick Rooney is an individual residing in Oak Brook, Illinois.
9 Rooney is purportedly the CEO and a director of Sureloc.

10 14. Plaintiffs do not know the true names and capacities of the Defendants sued in
11 this action by the fictitious names Does 1 through 100, inclusive. Such fictitious Defendants are
12 sued pursuant to the provisions of the California Code of Civil Procedure and/or other applicable
13 law. Each of the fictitiously named Defendants was in some manner responsible for, participated
14 in or contributed to the matters and things of which Plaintiffs complain herein, and in some
15 fashion, has legal responsibility therefor. When Plaintiffs ascertain the exact nature and identity
16 of the fictitious Defendants who are responsible for participating and contributing to the matters
17 and things herein alleged, they will amend this Complaint to set forth the same.

18 15. At all times herein mentioned there existed, a unity of interest and ownership
19 between Rooney and Sureloc such that any individuality and separateness between Rooney and
20 Sureloc has ceased, and Sureloc is the alter ego of Rooney, in that Rooney has influenced and
21 governed Sureloc in such a manner that he and the supposedly distinct Sureloc are inseparable.

22 16. Rooney has utilized Sureloc's assets as if they were his own. Indeed, Rooney
23 transferred Sureloc's headquarters to his home and fails to maintain many of the required
24 corporate records and has failed to hold required shareholder or board meetings for years.

25 17. Further, as described herein, Rooney issued millions of shares to both himself and
26 third parties without consideration and without seeking or obtaining necessary board or
27 shareholder approvals.

28 18. This would not be the first time Rooney has disregarded corporate rules and

1 regulations. In September 2000, Rooney entered into a settlement agreement with the U.S.
2 Securities and Exchange Commission (“SEC”) regarding allegations that he had committed
3 securities fraud by engaging in illegal insider trading. Although Rooney did not admit or deny
4 the SEC’s allegations, he agreed to pay \$1,042,148 in disgorgement, prejudgment interest, and
5 civil penalties. In connection with that settlement, Rooney also agreed to a permanent injunction
6 against future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rules 10b-
7 5 and 14e-3 thereunder.

8 19. Adherence to the fiction of the separate existence of Sureloc as an entity distinct
9 from Rooney would permit an abuse of the corporate privilege and would sanction fraud and/or
10 promote injustice.

11 JURISDICTION AND VENUE

12 20. Jurisdiction and venue are proper in this Court because Sureloc was a California
13 corporation headquartered in Orange County, California at the time of the conduct herein
14 alleged; the Defendants’ harmful conduct as described herein was directed at Plaintiffs in Orange
15 County, California; Defendants’ liability to Plaintiffs arose in Orange County, California;
16 Defendants’ statements and representations were made in Orange County, California; and
17 Plaintiff Uniloc USA is headquartered in Orange County, California.

18 GENERAL ALLEGATIONS

19 21. Uniloc Australia was founded in 1992. In December 1992, Uniloc Luxembourg
20 was incorporated in Singapore as Uniloc Singapore Private Ltd. The application for what would
21 become the ’216 patent was filed with the U.S. Patent and Trademark Office (“USPTO”) in
22 September 1993, and in January 1994, the inventor assigned ownership to Uniloc Luxembourg.
23 The USPTO issued the ’216 patent in 1996.

24 22. Sureloc was incorporated in 1998 as Uniloc PC Preload, Inc. (“PC Preload”). In
25 or about April 2000, PC Preload purportedly received a license from Uniloc Australia for the
26 ’216 patent. That purported agreement was void ab initio because, at the time, Uniloc Australia
27 was not the owner of the ’216 patent and/or did not otherwise have the right to license the ’216
28 patent to PC Preload.

1 23. In or about 2001, PC Preload changed its name to Uniloc, Inc. In or about 2002,
2 Rooney became the company's CEO.

3 24. In or around June 5, 2002, Rooney and Conn purportedly unilaterally issued at
4 least 5 million shares of the corporation to each of themselves, a total of at least 10 million
5 shares, without obtaining any necessary board or shareholder approvals.

6 25. Although the consideration for the shares was purportedly "operational and
7 managerial services in the present and foreseeable future," Rooney did not provide any such
8 services, certainly not services worth millions of shares. Prior to this improper issuance of
9 10,000,000 shares, there were approximately 29,366,318 Sureloc shares outstanding.
10 Accordingly, Rooney issued himself an enormous stake in the equity of the company in
11 exchange for virtually no consideration whatsoever.

12 26. Rooney also issued millions of shares of stock and warrants for company stock to
13 other individuals and/or entities, also without obtaining any necessary board or shareholder
14 approvals. Rooney issued these shares and warrants without any consideration whatsoever.

15 27. If Rooney had not improperly issued millions of shares to himself and improperly
16 issued millions of shares and warrants to other entities for no consideration whatsoever, Uniloc
17 Australia would have held at least 33 1/3 % of the total number of outstanding shares or the total
18 number of common shares of Sureloc.

19 28. In October 2002, Rooney drafted a letter to Uniloc shareholders regarding the
20 state of Uniloc's business. Attached hereto as **Exhibit 1** is a true and correct copy of the letter
21 Rooney wrote to Uniloc shareholders dated October 21, 2002.

22 29. Among other things, Rooney wrote that the company "no longer could continue.
23 On August 16, 2002 Uniloc was forced to close its office." In other words, Rooney intentionally
24 and unilaterally shut down Uniloc, Inc. in 2002.

25 30. In September 2003, Uniloc USA brought suit in the United States District Court
26 for the District of Rhode Island against Microsoft *et al.* alleging infringement of the '216 patent.

27 31. During all this time, Sureloc (then known as Uniloc, Inc.), of which Rooney was a
28 director, remained out of business. It did not hold any shareholder or board meetings. It did not

1 hold an annual meeting of shareholders, as section 600 of the Corporations Code requires. It did
2 not send any annual reports, as section 1501 of the Corporations Code requires. It did not pay
3 federal or state income taxes. It did not pay any required filing fees with the California Secretary
4 of State. It had no employees. It had no sources of revenue. It had no financial statements. It
5 did not do any business whatsoever.

6 32. Sureloc's purported predecessor(s), officers and directors (including Rooney) and
7 any employees it may have had were aware of the litigation between Uniloc USA and Microsoft
8 but did not participate in or assist Plaintiffs in the litigation or take any action against Microsoft
9 or any other party for infringement of the '216 patent. Sureloc remained completely out of
10 business.

11 33. In April 2009, the Rhode Island jury found, inter alia, that Microsoft had infringed
12 the '216 patent and that the asserted claim of the patent was not invalid.

13 34. Suddenly, in July 2009—within mere weeks of the jury verdict—an attorney
14 purportedly representing Sureloc wrote to counsel for Plaintiffs. The attorney stated that his
15 clients “recently learned that your clients have obtained a judgment against Microsoft
16 Corporation for willful infringement of the [']216 Patent . . .” The letter suggested that the
17 parties reach a “mutually acceptable resolution of these issues without having to resort to formal
18 legal proceedings.”

19 35. Then, in September 2009, Rooney and Conn purportedly executed a “Unanimous
20 Written Consent to Action By the Board of Directors of Uniloc, Inc.” and a “Written Consent to
21 Action By Shareholders Holding At Least [A] Majority of Voting Power of Uniloc, Inc.” Both
22 documents stated that, because the name “Uniloc, Inc.” had become unavailable for use due to
23 the company's longstanding suspension (and, indeed, complete inactivity) with the State of
24 California, the company's board of directors had decided to change the company's name to
25 Sureloc.

26 36. The “Written Consent to Action By Shareholders Holding At Least [A] Majority
27 of Voting Power of Uniloc, Inc.” was signed by Rooney, Conn, and two companies they
28 controlled: UBINet, Inc. (“UBINet”), an Illinois corporation, and Digital Age Ventures, Ltd.

1 (“Digital Age Ventures”), an Illinois corporation, both of which supposedly owned shares in the
2 company. Rooney signed the written consent on behalf of UBINet and on behalf of Digital Age
3 Ventures.

4 37. However, neither UBINet nor Digital Age Ventures could have signed that
5 document. The Illinois Secretary of State dissolved both UBINet and Digital Age Ventures in
6 2002 because those companies each failed to file annual reports and failed to pay their annual
7 franchise taxes. The dissolution terminated UBINet and Digital Age Ventures’ existence.
8 UBINet was involuntarily dissolved on October 1, 2002, and Digital Age Ventures was dissolved
9 on November 1, 2002—nearly seven years before Rooney attempted to have those companies
10 sign the written consent as shareholders of Uniloc, Inc.

11 38. In other words, Rooney represented that a majority of the company’s shareholders
12 approved the resolution to change the name of the company, but that was not true. Two of the
13 signatories necessary for the change, UBINet and Digital Age Ventures, had been involuntarily
14 dissolved nearly seven years before.

15 39. The fact that Rooney did not even have shareholder approval to change the name
16 of the corporation further underscores that Rooney disregarded corporate formalities, disregarded
17 his fiduciary duties to the company and company shareholders, and did as he pleased to resurrect
18 the defunct corporation in an attempt to usurp Uniloc USA’s jury verdict.

19 40. Since the verdict with Microsoft, Sureloc repeatedly contacted Plaintiffs
20 demanding a share of the verdict and alleging that, although it has been completely inactive since
21 2002, it was supposedly the exclusive licensee under the ’216 patent and had exclusive rights to
22 sue for infringement of the ’216 patent. Sureloc further alleges that Uniloc USA has no right to
23 pursue infringement of the ’216 patent and has threatened to bring suit against Uniloc USA.

24 41. In early 2011, the Court of Appeals for the Federal Circuit affirmed the jury’s
25 verdict against Microsoft for infringement and no invalidity. See Uniloc USA, Inc. v. Microsoft
26 Corp., 632 F.3d 1292, 2011 WL 9738 (Fed. Cir. Jan. 4, 2011). On May 16, 2011, the parties’
27 petitions for rehearing en banc case were denied and the case was remanded for a new trial with
28 respect to the damages award against Microsoft.

1 **FIRST CAUSE OF ACTION**

2 **(Declaratory Relief [No Exclusive License] – By Uniloc USA and Uniloc Luxembourg**
3 **Against Defendant Sureloc and Does 51-100, inclusive)**

4 42. Plaintiffs Uniloc USA and Uniloc Luxembourg reallege and incorporate by
5 reference all preceding paragraphs of this Complaint as though fully set forth herein.

6 43. Uniloc USA is the exclusive licensee under the '216 patent with, inter alia, the
7 right to bring suit for infringement thereof and to recover damages resulting from such
8 infringement.

9 44. Sureloc baselessly asserts that it has an exclusive license to pursue infringers and
10 potential infringers of the '216 patent and to recover damages for the infringement thereof.

11 45. However, as described above, any purported license to Sureloc was void ab initio
12 because, at the time, Uniloc Australia did not have the right to license the '216 patent to PC
13 Preload. Moreover, the license grant through which Sureloc claims an exclusive license to
14 pursue infringers does not contain the adjective “exclusive” and is not exclusive to Sureloc or its
15 purported predecessor(s).

16 46. Any purported transfer of rights in the '216 patent from “Uniloc, Inc.” to Sureloc
17 was void ab initio and/or is otherwise ineffective.

18 47. To the extent Sureloc was granted any rights to enforce the '216 patent, which it
19 was not, Sureloc never made any attempt to enforce such rights notwithstanding Sureloc's
20 knowledge of potential infringement thereof.

21 48. Because Sureloc's purported predecessor Uniloc, Inc. closed its doors, assigned
22 its assets, and went out of business, any purported rights Uniloc, Inc. had under the '216 patent
23 were terminated, thereby precluding the transfer of any such rights from Uniloc, Inc. to Sureloc.

24 49. Any purported rights granted by the owner of the '216 patent to Sureloc have
25 terminated and are null and void.

26 50. Plaintiffs deny that Sureloc has any license, let alone an exclusive license, to
27 pursue infringers and potential infringers of the '216 patent or to recover damages for the
28 infringement thereof and further assert that Uniloc USA has a license under the '216 patent with,

1 inter alia, the right to enforce the patent.

2 51. Any potential claim by Sureloc against Plaintiffs arising out of the purported
3 exclusive license of the '216 patent is barred by applicable statutes of limitations as well as the
4 doctrines of laches, estoppel, waiver, and/or other equitable defenses.

5 52. An actual, substantial and immediate justiciable controversy has arisen and now
6 exists between Uniloc USA and Uniloc Luxembourg on the one hand and Sureloc on the other
7 hand regarding Sureloc's baseless allegations that it is the exclusive licensee under the '216
8 patent.

9 53. Uniloc USA and Uniloc Luxembourg are entitled to a declaration that Uniloc
10 USA has a license under the '216 patent and that Sureloc is not the exclusive licensee under the
11 '216 patent.

12 54. A judicial determination is necessary and appropriate at this time in order that
13 Uniloc USA, Uniloc Luxembourg, and these Defendants may ascertain their rights and
14 obligations with respect to the fact that Uniloc USA has a license under the '216 patent and that
15 Sureloc is not the exclusive licensee under the '216 patent. Uniloc USA and Uniloc
16 Luxembourg will be further prejudiced and damaged without such a determination and
17 declaration as alleged above.

18 **SECOND CAUSE OF ACTION**

19 **(Breach of Fiduciary Duties To Shareholder – By Plaintiff Uniloc Australia**

20 **Against Patrick Rooney and Does 1-50, inclusive)**

21 55. Plaintiff Uniloc Australia realleges and incorporates by reference paragraphs 1-
22 41, inclusive, of this Complaint as though fully set forth herein.

23 56. Plaintiff Uniloc Australia brings this cause of action directly to redress Rooney's
24 breaches of fiduciary duty that have harmed Uniloc Australia in particular due to the dilution of
25 its shares.

26 57. Plaintiff Uniloc Australia is, and at all relevant times has been, a shareholder in a
27 California corporation now purporting to be named Sureloc.

28 58. At all relevant times herein, Rooney, as CEO and a director of the California

1 corporation now purporting to be named Sureloc, occupied a position of trust and confidence and
2 owed fiduciary duties to the corporation and its shareholders to act in the company's best
3 interests. These duties included a duty of loyalty and a duty of care to the corporation and its
4 shareholders.

5 59. As a direct result of the acts described herein, Rooney has breached his fiduciary
6 duties of loyalty owed to the corporation and its shareholders including by, but not limited to, (1)
7 representing that he had shut down the corporation without proper board and/or shareholder
8 approvals, (2) issuing 5 million shares of the corporation to himself without any consideration
9 whatsoever, (3) issuing millions of shares without compensation to other individuals and/or
10 entities, (4) exercising warrants to acquire additional shares without providing compensation to
11 the corporation, (5) failing to send annual reports to its shareholders, and (6) failing to hold
12 annual shareholder meetings.

13 60. Rooney's intentional actions unfairly diluted the value of Uniloc Australia's
14 stock.

15 61. Rooney fraudulently concealed these breaches and other breaches of fiduciary
16 duty from Uniloc Australia by representing that Sureloc had completely shut down, including
17 through the representation in the October 2002 letter to shareholders that Sureloc "no longer
18 could continue. On August 16, 2002 [Sureloc] was forced to close its office."

19 62. As a direct, proximate, and foreseeable result of Rooney's actions, Uniloc
20 Australia has suffered substantial losses and damages in an amount to be proven at trial but
21 which exceed the jurisdictional limitation of this Court.

22 63. Rooney and Doe Defendants 1-50 committed the acts alleged herein maliciously,
23 fraudulently, and with the wrongful and deliberate intention of injuring Uniloc Australia and
24 benefiting themselves and acted with an improper motive amounting to malice and conscious
25 disregard of Uniloc Australia's rights. Accordingly, Uniloc Australia is entitled to recover
26 punitive and exemplary damages on this cause of action.

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1 **THIRD CAUSE OF ACTION**

2 **(Involuntary Dissolution [Corps. Code § 1800] – By Plaintiff Uniloc Australia**
3 **Against Sureloc and Does 1-50, inclusive)**

4 64. Plaintiff Uniloc Australia realleges and incorporates by reference paragraphs 1-
5 41, inclusive, of this Complaint as though fully set forth herein.

6 65. Uniloc Australia holds and at all relevant times held shares in Sureloc
7 representing not less than 33 1/3 percent of (i) the total number of outstanding shares (assuming
8 conversion of any preferred shares convertible into common shares) or (ii) the outstanding
9 common shares or (iii) the equity of Sureloc, exclusive in each case of shares owned by persons,
10 including Rooney and Doe Defendants 1-50, inclusive, who have participated in knowingly
11 countenanced persistent and pervasive fraud, mismanagement and/or abuse of authority or
12 persistent unfairness toward any shareholders or misapplying and/or wasting Sureloc's assets as
13 described above.

14 66. Sureloc has abandoned its business for more than one year.

15 67. Those in control of the corporation, i.e., Rooney and Doe Defendants 1-50, have
16 been guilty of or have knowingly countenanced persistent and pervasive fraud, mismanagement
17 or abuse of authority or persistent unfairness toward any shareholders, including Uniloc
18 Australia, as alleged herein.

19 68. Sureloc's property is being misapplied and/or wasted by its directors or officers,
20 including Rooney and Doe Defendants 1-50 as described above.

21 69. Wherefore, Uniloc Australia prays for judgment pursuant to section 1800 of the
22 Corporations Code that the Court decree a winding up and dissolution of Sureloc as prayed for
23 below.

24 **FOURTH CAUSE OF ACTION**

25 **(Tortious Interference With Prospective Economic Advantage – By Plaintiffs Uniloc USA**
26 **and Uniloc Luxembourg Against Defendant Sureloc and Does 51-100, inclusive)**

27 70. Plaintiffs Uniloc USA and Uniloc Luxembourg reallege and incorporate by
28 reference paragraphs 1-41, inclusive, of this Complaint as though fully set forth herein.

1 71. On or about October 31, 2011, counsel for Microsoft in the Rhode Island action
2 wrote to counsel for plaintiffs in that action. In that letter, Microsoft's attorney informed Uniloc
3 USA and Uniloc Luxembourg that Microsoft believed it had recently obtained a license to the
4 '216 patent from Sureloc a few days before.

5 72. That letter enclosed excerpts from a purported license agreement between
6 Microsoft and Sureloc dated October 27, 2011 regarding the '216 patent as well as related
7 agreements. The purported October 27, 2011 license agreement between Microsoft and Sureloc
8 states that a purported April 2000 license agreement between Uniloc Australia and PC Preload
9 somehow entitled Sureloc to "the right to sublicense its rights" to the '216 patent, and that
10 Sureloc could sublicense rights to the '216 patent to Microsoft as of October 2011.

11 73. However, as described herein, any purported transfer of rights in the '216 patent
12 to PC Preload (now Sureloc) was void ab initio and/or is otherwise ineffective, including because
13 at the time of the purported transfer to PC Preload, Uniloc Australia was not the owner of the
14 '216 patent and/or did not otherwise have the right to license the '216 patent to PC Preload. As a
15 result, there is no possible way Sureloc had any right, title, or license to the '216 patent when it
16 attempted to convey a license or sublicense to Microsoft in October 2011.

17 74. In other words, Sureloc fraudulently induced Microsoft to enter into a license
18 agreement for the '216 patent from Sureloc, and Sureloc fraudulently induced Microsoft to
19 compensate Sureloc for that agreement, when in fact Sureloc does not hold any rights or interest
20 in the '216 patent whatsoever.

21 75. Until Sureloc fraudulently conveyed this false license to Microsoft regarding the
22 '216 patent, Uniloc USA and/or Uniloc Luxembourg, on the one hand, and Microsoft, on the
23 other hand, could have entered into a license agreement for use of the '216 patent. Indeed,
24 Uniloc USA and Uniloc Luxembourg had scheduled a mediation with Microsoft for November
25 1, 2011 to discuss, inter alia, a potential license agreement for the '216 patent between them.
26 However, now that Sureloc has intentionally and fraudulently induced Microsoft to enter into a
27 false license agreement with Sureloc, Microsoft will not consider such a license agreement with
28 Uniloc USA.

1 so as to require an accounting in order to ascertain the exact damages due to Uniloc Australia.

2 **PRAYER FOR RELIEF**

3 WHEREFORE, Plaintiffs pray for an award against Defendants and Does 1 through 100,
4 inclusive, as follows:

5 A. Compensatory damages in an amount to be proven at trial but which exceeds the
6 jurisdictional limitation of this Court on Count 2 and 4;

7 B. Punitive and exemplary damages as to Counts 2 and 4;

8 C. That the Court decree a winding up and dissolution of Sureloc;

9 D. That the Court entertain such proceedings as may be necessary or proper for the
10 involuntary winding up or dissolution of Sureloc and, in that regard, make such
11 orders for winding up and dissolution of Sureloc as justice and equity require;

12 E. A judicial declaration that:

13 1. Uniloc USA has a license under the '216 patent and that Sureloc is not the
14 exclusive licensee thereunder;

15 2. Any purported transfer of rights in the '216 patent from Uniloc Australia
16 to PC Preload (now Sureloc) was void ab initio and/or is otherwise
17 ineffective;

18 3. Any purported transfer of rights in the '216 patent from Sureloc to
19 Microsoft was void ab initio and/or is otherwise ineffective; and

20 4. Sureloc holds no rights in, to and/or under the '216 patent;

21 F. An accounting;

22 G. Pre- and post-judgment statutory interest;

23 H. All costs incurred by Plaintiffs in this matter;

24 I. Reasonable fees and disbursements of Plaintiffs' attorneys, accountants, experts,
25 and/or investigators, to the extent available; and

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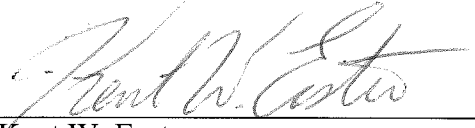
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J. Such other relief as the Court deems just and proper.

Dated: November 3, 2011

STRADLING YOCCA CARLSON & RAUTH
A Professional Corporation

By: 
Kent W. Easter
Attorneys for Plaintiffs
UNILOC USA, INC.; UNILOC
CORPORATION PTY., LTD.; and
UNILOC LUXEMBOURG S.A.

JURY TRIAL DEMANDED

Plaintiffs hereby demand a trial by jury as to all issues to which they are entitled.

Dated: November 3, 2011

STRADLING YOCCA CARLSON & RAUTH
A Professional Corporation


By: 
Kent W. Easter
Attorneys for Plaintiffs
UNILOC USA, INC.; UNILOC
CORPORATION PTY., LTD.; and
UNILOC LUXEMBOURG S.A.

Exhibit 1

October 21, 2002

Dear Unifac Shareholder,

I am writing to inform you about the current state of Unifac, Inc. Over the past five years, I have spent much of my time assisting management in the halls of the Company. As one of the largest shareholders in Unifac, Inc., I am very familiar with Unifac's business issues.

There has been tremendous amount of time, effort and capital spent on the development of technology and business opportunities that could benefit from such technology. Although the technology is a unique and innovative digital rights management solution, the execution of how to utilize the technology was poor. Through discussions with Board Members, key employees and other communications with the Company, the Board and I determined there was no clear direction that focused on the delivery of product today and driving revenue tomorrow. Without revenue or the potential of producing revenue in the near future, it became impossible to raise sufficient capital to sustain the Company. With Unifac's debts and obligations to creditors increasing, the Board of Directors felt that it was time to change.

In the second quarter of 2002, Unifac's Board of Directors terminated Robert Symons, President of Unifac. The reasons for termination were 1) lack of performance 2) product delivery 3) unreciprocated expenses 4) unreciprocated accounts payable practices and 5) the inability to add any value to capital raising efforts. During this time frame, Bill Richardson resigned as Chairman, CEO for reasons stated, that he disagreed with the removal of Symons and the Board's request for a deliverable product, cost containment, and a unified market direction.

In the absence of management, the Board of Directors and I continued to operate the business and develop new business opportunities. Throughout May, June and July I personally funded employees and related expenses. During this time Unifac was in negotiations to merge with a public company. Ultimately the merger did not go through. The reason was due to Unifac's high fixed costs, and accrued and increasing debt liability. With the inability to close the merger, pay employees and expenses, and meet continued obligations, the Company no longer could continue. On August 16, 2002 Unifac was forced to close its office.

Although Unifac did not generate significant business, the technology is unique and one of the best methods in the marketplace for securing digital content. I feel with this technology, there is tremendous opportunity in the digital media services industry. Therefore, I have formed a digital media services company, Cipher Multimedia, Inc., which has licensed the Unifac technology.

Cipher secures and allows access to digital content through encoding, encryption and authorization software technology. With Cipher Multimedia, digital content can be distributed in a secure format through new and existing commercial product offerings and distribution channels.

Since its inception of Cipher Multimedia, the Company has made advancements in the development of technology in securing video content. The process allows Cipher to compile video content with its own unique video player, and deliver the compiled video content in a secure format. With the intent of copyright infringement in the digital marketplace, the ability to secure video content

Cipher Multimedia provides the necessary security to mass market content in ways that have never been done before. The digital media services that Cipher provides enable content publishers, producers, advertising and marketing companies to participate in revenue derived from the delivery of secure, full-featured digital content through partner managed marketing campaigns.

Cipher Multimedia's successes and initiatives include:

- Entered into an agreement with RPM to be included on their content marketing product that includes five secured software titles to be distributed with 1,000,000 Popular Mechanics magazines in December 2002
- Working with Kinetix, Inc. to secure their licensed software products for distribution through existing agreements. This represents distribution opportunities in the area of antivirus.
- Pursuing magazine publishers with proprietary video content. Specialty magazines are looking for ways to secure their content from piracy while increasing video sales and creating an additional venue to generate advertising revenue.
- Pursuing video content publishers to include secured content with existing video product offerings.
- Pursuing software and video publishers in hardware.
- Targeting video and software publishers that want to distribute content in a secured format through broadband.
- Internet Service Providers distribute millions of sign-up CD's that have available disk space, a perfect opportunity to include video and/or software content. Cipher is pursuing all major ISPs.
- PC equipment makers to distribute secure video and/or software on product drives or in box offerings.

As I personally know most of the investors in Unifox, I don't write to commiserate or just inform. I formed Cipher Multimedia because I believe in the need for secured digital content, the marketing opportunity for distributed content in a secure format, and have an understanding of what it will take for Cipher to be successful in the digital media services industry. Cipher has an experienced team of technology and business developers that have further developed the technology, refined our market focus and created a set of product offerings that meet the needs of all parties in the digital media marketplace. Cipher's service offering meets the need of all parties including: content providers, distributors, advertisers, readers and the consumer.

I am offering to all an opportunity to invest in Cipher Multimedia, not only as an attempt to salvage a previous investment, but also as an opportunity to participate and stabilize in a new venture. Cipher Multimedia is positioning to be a very significant player in the digital media services market.

Together, I hope we have the chance to build a company that will be a true business enterprise that provides services to the digital media industry and a return on investment for those who invest. If there are any questions or inquiries please call me at 630 371-5583. I am available to discuss at anytime.

Thanks,
Patrick Rooney
Cipher Multimedia, Inc.
(630) 371-5583
patrick@ciphermedia.com

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VERIFICATION

Uniloc USA, Inc.

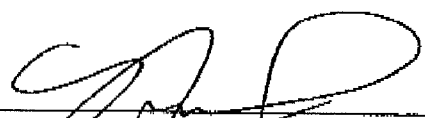
STATE OF CALIFORNIA)
) ss
COUNTY OF ORANGE

I, BRADLEY C. DAVIS [name], declare:

I am the CFO [title] of Uniloc USA, Inc. ("Uniloc USA"), a corporation organized and existing under the laws of Texas named as a Plaintiff in the above-entitled action. I am authorized to make this verification on behalf of Uniloc USA and make this verification on its behalf.

I have read the foregoing **VERIFIED AMENDED COMPLAINT FOR: (1) DECLARATORY RELIEF (NO EXCLUSIVE LICENSE); (2) BREACH OF FIDUCIARY DUTY; (3) INVOLUNTARY DISSOLUTION (CORPS. CODE § 1800); (4) TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE; and (5) ACCOUNTING** on file herein and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at IRVINE [city], California on this 30 day of November, 2011.

Signed: 
Print Name: BRADLEY C. DAVIS

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VERIFICATION

Uniloc Corporation Pty., Ltd.

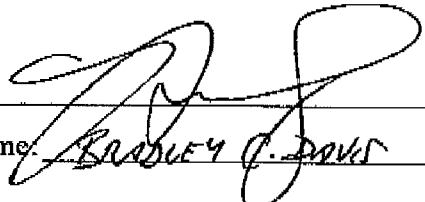
STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss

I, BRADLEY C. DAVIS [name], declare:

I am the DIRECTOR [title] of Uniloc Corporation Pty., Ltd. ("Uniloc Australia"), a corporation organized and existing under the laws of Australia named as a Plaintiff in the above-entitled action. I am authorized to make this verification on behalf of Uniloc Australia and make this verification on its behalf.

I have read the foregoing VERIFIED AMENDED COMPLAINT FOR: (1) DECLARATORY RELIEF (NO EXCLUSIVE LICENSE); (2) BREACH OF FIDUCIARY DUTY; (3) INVOLUNTARY DISSOLUTION (CORPS. CODE § 1800); (4) TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE; and (5) ACCOUNTING on file herein and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at IRVINE [city], California on this 3RD day of November, 2011.

Signed: 
Print Name: BRADLEY C. DAVIS

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VERIFICATION

Uniloc Luxembourg S.A.

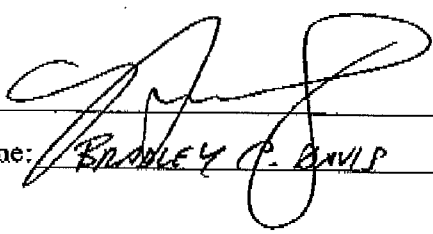
STATE OF CALIFORNIA }
 } ss
COUNTY OF ORANGE

I, BRADLEY C. DAVIS [name], declare:

I am the DIRECTOR [title] of Uniloc Luxembourg S.A. ("Uniloc Luxembourg"), a corporation organized and existing under the laws of Australia named as a Plaintiff in the above-entitled action. I am authorized to make this verification on behalf of Uniloc Luxembourg and make this verification on its behalf.

I have read the foregoing **VERIFIED AMENDED COMPLAINT FOR: (1) DECLARATORY RELIEF (NO EXCLUSIVE LICENSE); (2) BREACH OF FIDUCIARY DUTY; (3) INVOLUNTARY DISSOLUTION (CORPS. CODE § 1800); (4) TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE; and (5) ACCOUNTING** on file herein and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at IRVINE [city], California on this 3rd day of November, 2011.

Signed: 
Print Name: BRADLEY C. DAVIS