

EXHIBIT 16

{81600.DOC}

The Honorable James L. Robart

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SOARING HELMET CORPORATION, a
Washington corporation,

Plaintiff,

v.

NANAL, INC., d/b/a LEATHERUP.COM, a
Nevada corporation,

Defendant.

No. C09-789-JLR

DEFENDANT'S SURREPLY BRIEF RE
PLAINTIFF'S "PRAECIPE" AND
SUPPLEMENTAL DECLARATION OF
HEATHER M. MORADO IN SUPPORT
OF PLAINTIFF'S RESPONSE TO
DEFENDANT'S MOTION FOR
SUMMARY JUDGMENT

Pursuant to CR 7(g), Defendant Nanal, Inc. submits this surreply in opposition to new materials submitted by Plaintiff Soaring Helmet Corporation in support of its opposition to Nanal's summary judgment motion after the close of briefing on the motion. Specifically, Nanal seeks to strike from the summary judgment record the Supplemental Declaration of Heather M. Morado in Support of Plaintiff's Response to Defendant's Motion for Summary Judgment, Docket No. 71, and "Praecipe," Docket No. 70, filed by Plaintiff on November 30, 2010.

In its opposition, filed November 22, to Nanal's summary judgment motion, Plaintiff submitted Exhibit N, attached to the declaration of Plaintiff's counsel, which was described as "copies of the US and Michigan spreadsheets used to average the amount of the dealer purchases." (Declaration of Heather M. Morado in Support of Plaintiff's Response to Defendant's Motion for Summary Judgment ("Morado Decl."), Docket No. 66, ¶ 16.) Consistent with CR 7(g), part of Nanal's summary judgment reply brief, filed November 26, was

devoted to moving to strike, in part, Exhibit N for Plaintiff's failure to produce it in discovery. (Defendant Nanal, Inc.'s Reply in Support of Motion for Summary Judgment ("Reply"), Docket No. 67, at pp. 1-4.) In apparent response to the motion to strike, Plaintiff then filed a "Praecept" that purported to replace the original Exhibit N with a different document, claiming it contained "identical information in a different format" as the original exhibit and that the "wrong version" had "inadvertently" been attached originally. (Praecept, Docket No. 70; Supplemental Declaration of Heather M. Morado in Support of Plaintiff's Response to Defendant's Motion for Summary Judgment ("Supp. Morado Decl."), Docket No. 71, ¶ 3.)

But Plaintiff cannot circumvent Nanal's motion to strike merely by claiming an inadvertent mistake and submitting an entirely new exhibit as a "Praecept" after the close of the briefing on Nanal's summary judgment motion. Even a quick comparison of the two exhibits demonstrates that they do not contain identical information.

First, the new Exhibit N contains figures that were not, for whatever unexplained reason, contained in the original exhibit. (*See, e.g.*, Praecept at pp. 039,¹ 041, 046-050, 054-055, 058, 062, 064, 067-068, 070, 072-073, 075, 077, 079, 081-088, 090, 092, 094-095, 098-099, 104, 108, 110, 113-119.) In addition, the new Exhibit N does not specify the "average amount of dealer purchases" in Michigan and the entire United States, which is what the original Exhibit N was cited for by Plaintiff in its summary judgment opposition. (*Compare* Morado Decl. Exh. N at pp. 68, 70 *with* Praecept at pp. 106, 112, 118; *see also* Plaintiff's Response to Defendant's Motion for Summary Judgment, Docket No. 60, at p. 18.)

Moreover, the totals in the two exhibits differ, perhaps due in part to figures in the original exhibit that are inconsistent with figures appearing in the new exhibit. The total sales for 2009 for the United States and Michigan in the original exhibit were, respectively, \$8,677,810.33 and \$529,296.87. (Morado Decl. Exh. N at pp. 68, 70.) But the totals for the United States and Michigan in the new exhibit appear to be² \$6,796,077.91 and/or \$7,410,793.34

¹ The page number references are to Plaintiff's numbering, appearing in the bottom left-hand corner of the Praecept.

² As is apparent from reviewing the new Exhibit N, many of the numbers are difficult to read and are subject to interpretation, thus the reference to what the totals "appear to be."

1 for the United States and \$520,282.04 for Michigan. (Praecept at pp. 106, 112, 118.) Examples
 2 of some of the larger inconsistent figures between the two exhibits perhaps accounting for the
 3 different totals include: \$1,165.14 (old exhibit at p. 45) and \$11,655.14 (new exhibit at p. 055);
 4 \$263.45 (old exhibit at p. 47) and \$2,663.45 (new exhibit at p. 058); \$1,926.68 (old exhibit at p.
 5 55) and \$1,026.68 (new exhibit at p. 077); \$4,984.25 (old exhibit at p. 58) and \$5,984.25 (new
 6 exhibit at p. 084); \$1,484,045 (old exhibit at p. 64) and \$1,485.45 (new exhibit at p. 098);
 7 \$179.31 (old exhibit at p. 65) and \$1,079.31 (new exhibit at p. 104). Although some of these
 8 differences may seem minor, several are clearly significant, perhaps best illustrated by the
 9 difference between \$1,484,045 and \$1,485.45.

10 Taken collectively, these issues demonstrate that the "replacement" Exhibit N does *not*
 11 contain "identical information in a different format" as the original exhibit. (Supp. Morado
 12 Decl. ¶ 3.) Thus, by submitting the new exhibit as a "Praecept" after the close of briefing on the
 13 summary judgment motion, Plaintiff has inappropriately deprived Nanal of an opportunity to
 14 respond to different information.³ Plaintiff's actions also forced Nanal to use its limited space in
 15 its reply to move to strike documents that Plaintiff apparently concedes were not produced in
 16 discovery and to spend additional time reviewing and comparing the new exhibit to determine
 17 the veracity of the exhibits' claimed identity. As a result, Nanal requests that the supplemental
 18 material filed by Plaintiff be stricken from the summary judgment record.

19 DATED this 1st day of December, 2010.

20 Respectfully submitted,

21 HENDRICKS & LEWIS PLLC

22 By: s/ Katherine Hendricks
 23 Katherine Hendricks (WSBA No. 14040)
 24 Stacia N. Lay (WSBA No. 30594)
 25 Email: kh@hllaw.com
 26 Email: sl@hllaw.com

27 ³ And the new exhibit suffers from the same evidentiary flaws described in Nanal's reply with regard to the original
 28 exhibit. (See Reply at pp. 9-10.)

PROOF OF SERVICE

I am employed in the County of King, State of Washington. I am over the age of eighteen years and am not a party to the within action. My business address is Hendricks & Lewis PLLC, 901 Fifth Avenue, Suite 4100, Seattle, Washington 98164.

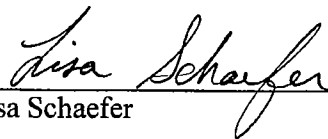
I hereby certify that on December 1, 2010, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following CM/ECF participants:

Heather M. Morado, Esq.
Stacie Foster, Esq.
Steve Edmiston, Esq.
Invicta Law Group, PLLC
1000 Second Avenue, Suite 3310
Seattle, Washington 98104
Telephone: (206) 903-6364
hmorado@invictalaw.com
sfoster@invictalaw.com
sedmiston@invictalaw.com

Attorneys for Plaintiff Soaring
Helmet Corporation

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Executed December 1, 2010, at Seattle, Washington.



Lisa Schaefer