**Attorney-Client Privileged**

**Draft**

From August 20, 2014

Dr. Ms. Lakshmi Arunachalam

Chairman and CEO

Pi-Net International, Inc.

222 Stanford Avenue

Menlo Park, CA 94025

Telephone: (650) 854-3393

To

The Honorable Judge Richard G. Andrews, U.S.D.J.

United States District Court

District of Delaware

844 N. King Street

Wilmington, DE 19801

**RE:**

***Pi-Net International, Inc. v. Kronos Incorporated, C.A. No. 1:14-cv-00091 (RGA);***

***Pi-Net International, Inc. v. Wells Fargo and Company, C.A. No. 1:13-cv-01812 (RGA);***

***Pi-Net International, Inc. v. CitiGroup, Inc, Citicorp and CitiBank N.A., C.A. No. 1:14-cv-373 (RGA);***

***Pi-Net International, Inc. v. Fulton Bank, C.A. No. 1:14-cv-490 (RGA);***

***Pi-Net International, Inc. v. TDBank, C.A. No. 1:13-cv-01328 (RGA);***

***Pi-Net International, Inc. v. Enova International, Inc., C.A. No. 1:13-cv-01334 (RGA);***

***Pi-Net International, Inc. v. PayDay1, C.A. No. 1:13-cv-00495 (RGA);***

***Pi-Net International, Inc. v. Citizen’s Financial Group, C.A. No. 1:12-cv-00355 (RGA)***

Revered Honorable Judge Andrews,

This is to notify you that I have terminated George Pazuniak from representing my company Pi-Net International, Inc. in the above captioned patent cases for at least the following reasons:

* He did not perform.
* He consistently did not follow client instructions.
* He refused to file for extension of time in the Federal Circuit, when instructed to do so with good reason, while I was seeking new appellate counsel, subjecting me to extreme jeopardy of the case dying.
* He was negligent.
* He did not provide competent, prompt or diligent representation.
* He breached fiduciary duty.
* He has made a private market in my client files without my authorization.
* He refused to return client files and client digital files, for which he has been paid as per the contingency Fee Agreement and for which the document management company, Digital Legal, has been paid.
* He repeatedly refused to return client Trust funds, in spite of my repeatedly asking him to return it.
* He flagrantly worked against my best interest.
* He violated Federal Rules of Civil Procedure on numerous occasions.
* He used intimidating threats repeatedly.
* Oftentimes, his communication involved misrepresentation, coercion, duress or harassment.
* He committed breach of contract.
* He committed ethics violations on numerous occasions.
* He filed a false declaration at the Federal Circuit and gave a false reason for his withdrawal both at the Federal Circuit and in the DE court.

To summarize, he has consistently been a bull in a china closet, unwilling to follow client instructions, causing huge financial damage to me and my companies and my patents.

Numerous examples of the above abound:

1. **Negligence**: He failed to follow several Federal Rules of Civil Procedure that prejudiced a number of my litigations. He did not act with reasonable diligence and promptness in representing me, the client. He failed to use the skill and care normally expected of a competent attorney. Examples of his negligence abound:

* He missed important deadlines in at least two cases: he failed to serve summons on at least one Defendant within the required period after filing the complaint, until this was brought to my attention by an order by the Judge on the 119th day that he had failed to do so.
* He dismissed a case that was in my name against a Defendant and failed to re-file the case against that Defendant in the name of my company, as he had done with the remaining Defendants, and that Defendant filed a DJ Action in Ohio.
* He did not properly prepare for Markman hearing.
* He did not follow court rules in not writing down his Rule 11 Analysis.

1. **His Breach of Fiduciary Duty:**

* He settled my case for less than it was worth without my prior approval: for example, WSFS and M&T (33 cents a user without my approval), Dell and Fedex (where the cases had already been dismissed and yet he gave them a free license.).
* He inappropriately used money belonging to me – eg, he paid the damage consultant Mr. Porter $70K for 2 weeks and then sent him more without my permission or knowledge.
* He sent an email that he will not return my digital files. The document management company has been paid. George has been reimbursed as per the Retainer Agreement. He is stating that he will not return my digital files for which he has already been paid.
* He repeatedly refused to return IOLTA Trust funds.
* He has made a private market in my client files without my authorization.
* He refused to return client files and client digital files, for which he has been paid as per the contingency Fee Agreement and for which the document management company, Digital Legal, has been paid.
* He did not disburse to me all that is owed to me from the most recent settlement amount that went into his IOLTA account, in spite of my repeated requests to do so.
* In spite of repeated requests for over a year, he refused to refund the amount he double dipped into, selling copies of my documents to my other lawyers on my other cases. When I instructed him to stop doing this when he tried to repeat this with one of my other law firms working on my cases, and that I would have to report him to the appropriate authorities and the DE Bar Association, he shouted at me and threatened that he would “tear me apart” and “damage my reputation professionally,” if I did so.
* **He violated Rule 1.5: Fees:** A lawyer shall not enter into an arrangement for, charge, or collect fees when a division of a fee between lawyers who are not in the same firm may be made only if: the client agrees to the arrangement, including the share each lawyer will receive, and the agreement is confirmed in writing; and the total fee is reasonable. eg, collecting money from Andy Jardini and trying to collect from Hopkins Carley for my documents and my files, when he had been reimbursed fully, as per the Retainer Agreement.
* **He violated Rule 1.15: Safekeeping Property:**

Upon receiving funds or other property in which a client has an interest, he as a lawyer did not promptly notify the client. He did not promptly deliver to the client any funds or other property that the client is entitled to receive and, upon request by the client, he did not promptly render a full accounting regarding such property.

* When I requested him why the damage expert was paid moré than the $70K paid for the 2 weeks of work, that was the agreed to amount, which was far excessive for two weeks of work, and why he shows that he paid him another approximately over $30K and he went ahead and paid this without my knowledge or pre-authorization or authorization at any time, he stomped all over me. He spent $185 for dinner. He had been provided expense guidelines which he refused to follow. He charged me $195K, and does not explain his expenses and why they are so exorbitant.
* **He violated Rule 1.16 (d).** Upon termination of representation, he did not take steps to protect the client's interests, such as surrendering papers, digital files and property to which the client is entitled and refunding any advance payment of fee or expense that has not been earned or incurred.

1. **He did not follow my instructions on numerous occasions and consistently worked contrary to my instructions and oftentimes, without even informing me.** He violated Rule 1.2, as a lawyer, he did not abide by the client’s decisions concerning the objectives of representation and did not consult with the client as to the means by which they are to be pursued. He took such action on behalf of me, the client as was not even impliedly authorized to carry out the representation.

* He dismissed a case against a Defendant without even informing me and without my authorization.
* He previously made entry of appearance on two of my cases without informing me, the client or getting authorization from me, the client.
* He refused to file for extension of time in the Federal Circuit, when requested to do so with good reason, while I was seeking new appellate counsel, subjecting me to extreme jeopardy of the case dying,
* He refused to file a Request for Re-consideration that I asked him to file in the JPM case. Instead, he filed an Appeal in the Federal Circuit immediately after Judge Robinson’s ruling, against my direction not to do so and not to do anything brash when he was not in a good state of mind.

* In spite of my instructing him in writing not to file certain of his claim constructions that were not in accord with the specification, prosecution history, diagrams or any intrinsic or extrinsic evidence, in addition to being technically incorrect, and that doing so against my instruction would constitute malpractice, he went ahead and filed it, ignoring client instructions. He wrote expert reports to support the incorrect positions that he took, in spite of my instruction to him not to do so. His not following my instructions has caused huge financial damage to me and to my companies.
* I instructed him in writing that his constructions for VAN switch, service network, and many key terms were technically incorrect and not in accord with the specification or drawings or prosecution history and not to file them the way he had construed them and that if he did it against my instruction, that would constitute malpractice. I have evidence that I instructed him many times, for example, in emails to him from me dated October 22, 2013, November 13, 2013, and many more times.
* I instructed him in writing that George getting the experts to sign expert reports that George wrote on George’s wrong positions he was taking for many claim terms his constructions for VAN switch, service network, and many key terms were technically incorrect and not in accord with the specification or drawings or prosecution history and not file them the way he had construed them and that if he did it against my instruction, that would constitute not only malpractice but fraud on the court. I have evidence that I instructed him many times, for example, in emails to him from me dated October 22, 2013, November 13, 2013, and many more times.
* After he sent me his Appeal Brief on Aug 4, 2014, I instructed him that what he had written was not in accord with the record, specification, the Judge’s Opinion or the prosecution history, just as JPM had pointed out to the Judge. He refused to change it and he fought it.
* He proposed 33 cents a user (instead of 33 cents a Web transaction), without even informing me that he was going to do so and without my authorization to all the Defendants to settle immediately after filing the complaints against the large Banks. Martin Wade and Dan Brune talked to him for hours regarding this after he did this without our knowledge or permission. When M&T bank agreed to settle for a very small amount based on his proposal of 33cents a user, George threatened me and I have witnesses who can testify that George threatened that if I did not take the offer from M&T Bank (a $45B-$73B Bank) at 33 cents a user for $300K, he would put a lien on the patents. This damaged us financially going forward, as all the Banks wanted to pay no more than what M&T Bank paid, like UBS, Sovereign Bank, etc.
* He refused to file the arguments I gave him to file in his sur-reply and response to JP Morgan’s Motion for Attorney’s Fees. He wanted to cover some of his wrong actions that he had committed previously and was digging a deeper hole for himself and the client by not following client instructions. He advised me to take my money and put it in the Cayman Islands and to talk to an accountant to show me how to do it. And, of course, I did not do this. It did not appear that he was providing competent advice. He did not sound very responsible.
* After he sent me his Appeal Brief on August 4, 2014, I instructed him that what he had written was not in accord with the record, the Judge’s Opinion, the specification or the prosecution history and it required a lot of change and suggested some meaningful changes in several sections. He refused to follow instructions and he fought it, as he simply wanted to cover up the incorrect positions he took against my instruction on some key terms, both at the Markman as well as what he previously wrote and previously caused to be filed incorrectly at the PTO, despite my instruction to him not to do so. He threatened to file a very poor Appeal Brief, in spite of my instructing him not to do so.
* He is not a patent-bar registered attorney. Yet he canceled over 200 new claims I had written in the re-exams at the PTO against my instruction not to do so. He wrote it and had a patent-bar registered attorney file at the PTO that the “means for switching” is “a Web page…,” in spite of my instructions not to do so, as this was not only technically incorrect but also contrary to the specification, and original prosecution history. My instruction to him was and is that prosecution history estoppel prevents the PTO or the Patentee to change this, but he wrote it and had it filed against my instruction not to do so. This damaged my patents and me and drove up my costs and fees exorbitantly and I had to file numerous petitions at the Patent Office to correct this and it is still not yet corrected, as he has created an uphill battle.
* He filed the incorrect construction for key terms such as VAN switch, contrary to the specification and the prosecution history, against my instruction not to do so.
* He violated Rule 1.4. He did not consult with the client about the means by which the client’s objectives are to be accomplished. He proposed 33 cents a user (instead of 33 cents a Web transaction, even though the user has nothing to do with the patent claims) to a large multi-billion dollar Bank, without even informing me that he was going to do so prior to doing it and without my authorization to all the Defendants to settle immediately after filing the complaints against the large Banks. My team members and advisors talked to him for hours regarding this after he did this without our knowledge or permission. When a very large multi-billion dollar Bank agreed to settle based on his proposal, George threatened me and I have witnesses who can testify that George threatened that if I did not take the offer, he would put a lien on the patents. This damaged us financially going forward.
* He did not promptly inform the client of any decision to get the client’s informed consent. He did not keep the client reasonably informed about the status of the matter nor did he promptly comply with reasonable requests for information. He did not, as a lawyer is required to, explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

1. **He violated Rule 1.1 COMPETENCE:**

* He did not provide competent representation to me, the client. He is not competent in patent law, nor did he seek to hire a patent lawyer or a technically proficient lawyer to help him on cases of such big magnitude. Competent representation required the legal knowledge in patent law, legal knowledge of software and technology, skill, thoroughness and preparation reasonable necessary for the representation. He did not provide this. He was neither a patent lawyer, nor was he technical. He was not a patent-bar-registered attorney. He did not have any patent lawyer assisting him in his cases for me, nor any technical help that he hired to help him, especially on a case of this magnitude. Nor would he listen when he was told that he was making not only technical errors but more specifically errors not in accord with the specification. For example, when he had a patent bar-registered attorney cancel all my over 200 new claims in my re-exams, against my instruction not to do so, and he wrote and had the patent bar-registered attorney file at the PTO that the “means for switching” is a Web page…, which even a child knows that a Web page is for display, and he wrote this and had it filed, against my instruction not to do so. When I instructed him that a service network, as per the patent specification, is an OSI application layer network that offers VAN services or POSvc applications as online services on the Web, and not to file in the court that a service network is an “online network or facility,” he filed it against my instruction not to do so even though I put it down in writing to him that if he were to file it against my instruction, that would constitute malpractice. He wrote that a service network is an “online network on top of an online network.” I instructed him that column 5 of the patents-in-suit and ‘178:5:33-46 already talks about a dial-up network using a modem and that that too is an online network. He did not distinguish for the Judge TCP/IP based Internet, Web, physical Ethernet cord, facilities networks, the OSI model from the service network even though the patent specification itself abounds with text and diagrams showing the difference from a service network over the Web. He refused to listen and filed his own incorrect claim construction against my repeated verbal and written instruction not to do so. This has been clearly distinguished in the specification and prosecution history from a service network on the Web that offers VAN services and that must necessarily include a POSvc application displayed on a Web page.
* He lacked the technical and patent law knowledge and competence in these two fields. He did not provide competent representation to me, the client, nor was he willing to listen to reason, technical or legal, and lacked knowledge of fundamental principles of patent law. When he insisted on filing that “means for switching” is a “Web page…” and I instructed him that patent prosecution estoppel prevents him from changing the construction agreed to between the inventor and the original Examiner in allowing the claims to issue, namely, that the means for switching is a VAN switch, which is an application layer switch, that is distinct from a network layer switch, he refused to listen and caused to be filed his incorrect construction at the PTO against my instruction. Here, he exhibited both technical and legal incompetence, as a child could have told him that the Web page is for display.

1. **Breach of Contract:**

He violated the terms of the specific agreement with the client. He misrepresented that he would pay patent office re-exam fees to lawyers or that I would be reimbursed when I did from settlements off the top, and then refused to and did not.

* He owed me a duty to competently represent me and he did not.
* He made a mistake or otherwise breached the duty owed to me.
* His mistake injured or harmed me in a way that can be measured financially.
* I would have won my underlying case if my lawyer had not been incompetent or made a mistake. JP Morgan offered 1.5M three weeks prior to the Markman Ruling and he recommended that I not take it and that he would fetch $165M at trial.
* I would have collected on a judgment on my underlying case after winning the case.

1. **Ethics violations:**

* He used intimidating threats repeatedly.
* Oftentimes, his communication involved misrepresentation, coercion, duress or harassment. He was abusive.
* He took advantage of me, as I am a single, older 66-year old ethnic female professional. He bullied me, stymied me, harassed me and tried scare tactics on me.
* I endured it until my church gave me the support to break loose from his abusive behavior toward me.
* In the middle of a deposition, he pulled me aside and out of the room and asked me to protect his position of 33 cents a user and I refused to, as that was not and is not my position and I refused to lie.

1. **He breached attorney-client privilege as recently as within the last few days.**

## He violated Rule 1.6: A lawyer shall make reasonable efforts to prevent the inadvertent or unauthorized disclosure of, or unauthorized access to, information relating to the representation of a client. He did not maintain confidentiality of information. He revealed information relating to the representation of the client even though he did not get informed consent from the client, nor was the disclosure impliedly authorized in order to carry out the representation. He violated attorney-client privilege in copying John Carpenter in emails to me on lower court cases.

1. When George played the politics for Stuart Grant to quit, he quit as well, in the middle of litigation against Dell and Fedex for no valid reason and damaged the client. He gave a free license to Dell and Fedex when this was not called for, especially after the cases had been dismissed by the Judge in DE.
2. He violated Rule 3.2: Expediting Litigation: He did not make reasonable efforts to expedite litigation **consistent with the interests of the client.**
3. He violated Rule 3.3: Candor to the Court: He knowingly made a false statement of the fact in filing the wrong cause for his termination both in the DE court as well as in the Federal Circuit, where he also filed a false declaration, misleading the court and the public against the inventor. He failed to correct a false statement of material fact previously made to the court by him. When the lawyer or a witness called by the lawyer has offered material evidence and the lawyer comes to know of its falsity (and in this case, through the client), the lawyer, inspite of client instructions, refused to take reasonable remedial measures, including, if necessary, disclosure to the court, despite client’s repeated instructions to do so. Fraud on the court has been committed by several people in this case and despite client’s repeated instructions to do so, the lawyer refused to take remedial measures and file a Request for Re-consideration from Judge Robinson’s Ruling and make a statement of facts and make a disclosure to the court. He refused to inform the court of Judges holding Defendant’s securities/mutual funds and having a conflict of interest and not recusing themselves from certain cases, in spite of my repeated requests to do so.
4. **He violated Rule 4.1:** In the course of representing a client, he, as a lawyer, knowingly made a false statement of material fact to the Federal Circuit and to the DE court.
5. **He violated Rule 8.3: Reporting Professional Misconduct:** He knew that a judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the judge's fitness for office and he failed to inform the appropriate authority, in spite of my repeated instructions to him to do so. He knew that Defendant’s expert witness has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the expert’s fitness in that role and he failed to inform the appropriate authority, in spite of my repeated instructions to him to do so. All of this constitutes fraud on the court.
6. **He violated Rule 8.4: Misconduct.**

* He committed professional misconduct and he violated or attempted to violate the Rules of Professional Conduct. He **engaged in conduct involving dishonesty, fraud, deceit or misrepresentation.**  He **engaged in conduct that is prejudicial to the administration of justice. He** knowingly assisted a judge or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law.

To summarize, he has consistently been a bull in a china closet, unwilling to follow client instructions, causing huge financial damage to me and my companies and my patents. It makes one wonder if his mental condition materially impairs his ability to represent the client. The public needs to be protected from the harm that he can cause his clients, as he has damaged me.

Respectfully submitted,

Dr. Lakshmi Arunachalam

Chairman and CEO

Pi-Net International, Inc

222 Stanford Avenue

Menlo Park, CA 94025

650 854 3393; [laks@webxchange.com](mailto:laks@webxchange.com)

Cc: [dgattuso@proctorheyman.com](mailto:dgattuso@proctorheyman.com) for Kronos

[JCP@pgslaw.com](mailto:JCP@pgslaw.com) for Wells Fargo and Company

[bschladweiler@seitzross.com](mailto:bschladweiler@seitzross.com) for CitiGroup, Inc, Citicorp and CitiBank N.A.

[jshaw@shawkeller.com](mailto:jshaw@shawkeller.com) for Fulton Bank

[jwietjes@BJLLP.com](mailto:jwietjes@BJLLP.com) for PayDay1

[briopelle@mcguirewoods.com](mailto:briopelle@mcguirewoods.com) for TD Bank

[jleja@polsinelli.com](mailto:jleja@polsinelli.com) for Enova International, Inc.

[glanier@jonesday.com](mailto:glanier@jonesday.com) for Citizen’s Financial Group