

THE HONORABLE RICARDO MARTINEZ

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

STATE OF WASHINGTON,

Plaintiff,

v.

AVTECH DIRECT, also doing business as
AVTECH COMPUTERS and
EDUCATIONAL PURCHASING
SERVICES; ARLENE SEDIQZAD, also
known as ARLENE GRANT and ARLENE
HUNZIKER, manager of AVTECH
DIRECT, individually and on behalf of her
marital community; and GARY
HUNZIKER, manager of AVTECH
DIRECT, individually and on behalf of his
marital community; MD&I
CORPORATION, a California for-profit
corporation; and MIN HUI ZHAO, also
known as MICHAEL ZHAO, individually
and on behalf of his marital community,

Defendants.

No. C04-2171 RSM

FRCP 26 (a)(1) INITIAL DISCLOSURES
OF DEFENDANTS MD&I
CORPORATION AND MIN HUI ZHAO

Defendants, MD & I Corporation (“MD&I”) and Min Hui Zhao (“Mr. Zhao”) hereby submit
their initial disclosure statement pursuant to Federal Rules of Civil Procedure, Rule 26(a)(1):

I. FRCP 26(a)(1)(A): POTENTIAL WITNESSES

A. Potential Fact Witnesses of MD&I and Mr. Zhao:

1. Min Hui Zhao: Mr. Zhao was the President of MD&I during the time period relevant to the lawsuit, and he can be contacted through the undersigned counsel. Mr. Zhao has knowledge regarding certain aspects of the operations of MD&I, goods and services rendered by MD&I to Avtech Direct (“Avtech”), contract executed on or around October 12, 2003 between MD&I and Avtech that is at issue in this lawsuit, balance due MD&I on this contract, letter dated February 3, 2005 signed by Defendant Arlene Grant a/k/a Arlene Sediqzad (“Ms. Grant.”), and Indemnification and Hold Harmless Agreement signed by Ms. Grant, Gary Hunziker and Mr. Zhao on or around January 12, 2005.

2. Alan Wang: Mr. Wang was a sales representative of MD&I and the person in charge of managing Avtech’s account on behalf of MD&I. He was also the main contact person for Avtech during all times relevant to the lawsuit. He is no longer an employee of MD&I. Upon information and belief, Mr. Wang may be contacted at 626-447-9299.

3. Fred Li: Mr. Li is a former employee of MD&I, and during the time period relevant to the lawsuit, he was a customer technical support personnel. He may have knowledge regarding certain aspects of the goods and services rendered by MD&I to Avtech. Upon information and belief, Mr. Li may be contacted at 604-277-8217.

4. Andy Xu: Mr. Xu is a former employee of MD&I, and during the time period relevant to the lawsuit, he was a warehouse manager for MD&I. He may have knowledge regarding certain aspects of the goods and services rendered by MD&I to Avtech. Upon information and belief, Mr. Xu may be contacted at 626-319-2508.

1 5. Grace Wang: Ms. Wang is a former employee of M&I, and during the time period
2 relevant to the lawsuit, she was in charge of accounts receivable for MD&I. She may have
3 knowledge regarding the balance due MD&I on Avtech's account. She may be contacted at 626-
4 202-6616.

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6 **B. Potential Fact Witnesses of Avtech, Ms. Grant and Mr. Hunziker:**

7 1. Arlene Grant a/k/a Arlene Sediqzad ("Ms. Grant"): Upon information and belief,
8 Ms. Grant is a principal and manager of Avtech. She has knowledge of the operations of Avtech, the
9 alleged misleading commercial e-mails at issue in this lawsuit, the background of Mr. Hunziker, her
10 relationship and past dealings with Mr. Hunziker, the business dealings between Avtech and MD&I,
11 the balance due MD&I on the October 12, 2003 contract executed between MD&I and Avtech that is
12 the subject of this litigation, as well as the Indemnification and Hold Harmless Agreement signed by
13 her on or around January 12, 2005, and letter dated February 3, 2005 also signed by her.

14 Ms. Grant's contact information is the same as her service address for this lawsuit.

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16 2. Gary Hunziker: Upon information and belief, Mr. Hunziker is a principal and
17 manager of Avtech. He has knowledge of the operations and marketing practices of Avtech, the
18 alleged misleading commercial e-mails at issue in this lawsuit, his relationship and past dealings
19 with Ms. Grant, the business dealings between Avtech and MD&I, the balance due MD&I on the
20 October 12, 2003 contract executed between MD&I and Avtech that is the subject of this litigation,
21 as well as the Indemnification and Hold Harmless Agreement signed by him on or around
22 January 12, 2005. Mr. Hunziker's contact information is the same as his service address for this
23 lawsuit.
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1 3. Jerry Habel: Upon information and belief, Mr. Habel is a principal and/or
2 shareholder of Avtech. He may have knowledge regarding the operations and marketing practices of
3 Avtech, the alleged misleading commercial e-mails at issue in this lawsuit, the background of Ms.
4 Grant and Mr. Hunziker, finances of Avtech and related entities, as well as the various entities and
5 businesses related to or affiliated with Avtech, Ms. Grant and Mr. Hunziker. Neither MD&I nor
6 Avtech has Mr. Habel's contact information, but will supplement this information should it become
7 available during discovery.
8

9 MD&I and Mr. Zhao reserve the right to call as witnesses all persons identified by Avtech,
10 Ms. Grant and Mr. Hunziker as their potential witnesses.

11 **C. Potential Fact Witnesses of the Plaintiff:**

12 MD&I and Mr. Zhao reserve the right to call as witnesses all persons identified by the
13 Plaintiff, as its potential witnesses.

14 **D. Other Fact Witnesses:**

15 1. Brandon Schneider: Mr. Schneider is a Probation Officer for the United States
16 District Court for Central District of California. Mr. Schneider may have knowledge regarding the
17 criminal conviction(s) of Mr. Hunziker, allegations relating to Mr. Hunziker's criminal
18 conviction(s), and his recent violation of probation terms. Mr. Schneider may also have knowledge
19 regarding certain fraudulent conveyances by Avtech to Ms. Grant and Mr. Hunziker.
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21 2. Alex C. Anguiano: Upon information and belief, Mr. Anguiano is an accountant for
22 Avtech and Ms. Grant. Also upon information and belief, Mr. Anguiano is the registered agent for
23 various entities owned and/or controlled by Ms. Grant, Mr. Habel and/or Mr. Hunziker. He may
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1 have knowledge regarding the finances of Avtech, Ms. Grant and entities/businesses related to or
2 affiliated with them.

3 **E. Reservation of Rights:**

4 As discovery is in its initial stages, MD&I and Mr. Zhao reserve the right to identify
5 additional witnesses. MD&I and Mr. Zhao also reserve the right to call as witnesses any persons
6 identified as potential witnesses by other parties to this lawsuit.
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8 **II. POTENTIAL EXPERT WITNESSES**

9 MD&I and Mr. Zhao currently have not retained an expert, but reserve the right to retain one
10 to render opinions in the areas of accounting finances and record keeping practice of Avtech and its
11 related or affiliated entities and/or businesses. MD&I and Mr. Zhao also reserve the right to retain
12 experts to rebut the opinions rendered by experts of the Plaintiff and other defendants.
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14 **III. FRCP 26(A)(1)(B): DISCLOSURE OF DOCUMENTS**

15 The following documents are available for review and copying at the offices of Groff
16 Murphy Trachtenberg & Everard PLLC:

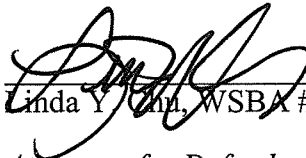
- 17 1. Articles of Incorporation and By-laws of MD&I.
- 18 2. Contract executed on or around October 12, 2003, between MD&I and Avtech, and
19 related documents.
- 20 3. Indemnification and Hold Harmless Agreement, executed on or around January 12,
21 2005.
- 22 4. Purchase orders of Avtech to MD&I, and related documents.
- 23 5. Invoices of Avtech to its customers, and related documents.
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1 As discovery is in its initial stages, MD&I and Mr. Zhao reserve the right to supplement
2 and/or augment their FRCP 26(a)(1) initial disclosure statement.

3 Dated this 17th day of January, 2006.
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5 Respectfully submitted,

6 GROFF MURPHY TRACHTENBERG
7 & EVERARD PLLC

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9 _____

Linda Y. Kim, WSB# # 29584

10 *Attorneys for Defendants MD&I*
11 *Corporation, Min Hui Zhao and his marital*
12 *community*