

SUPREME COURT OF THE STATE OF NEW YORK
County of New York

- - - - - x

XI MEI JIA, AS ADMINISTRATOR OF THE
ESTATE OF MARTY L. McMILLAN,

Plaintiff,

-against-

INTELLI-TEC SECURITY SERVICE, INC.,
RUSSELL R. MACDONNELL and
FRANK A. BOLZ,

Defendants.

- - - - - x

State of New York)
) ss.:
County of New York)

Xi Mei Jia (a/k/a "Nancy Jia"), being duly sworn, deposes
and says:

1. I am the plaintiff in this action and I make this
affidavit on my own knowledge in opposition to the Motion to
Dismiss of defendants Intelli-Tec Security Service, Inc. ("Intelli-
Tec") and Russell R. MacDonnell ("MacDonnell").

2. I am the widow of the late Marty L. McMillan
("Marty"). I was born, raised and educated in China. I came to
this country as a young woman to visit, and decided to stay. I was
lucky enough to meet, through friends, a divorced single father,
Marty. We dated, fell in love and married. We were happy.

3. Then the unthinkable happened. On Thanksgiving weekend in 2008, my husband drowned in a boating accident. I was devastated. He had left no will, no instructions, his one son by a previous marriage. I would have to handle everything. I run my own business and am considered a successful, sophisticated woman. But, I am not learned in the law, and particularly not in inheritance rights and formations of various business structures.

4. On March 6, 2009, I was appointed Administrator of my husband's estate. There were all sorts of problems: problems with insurance; problems with personal property; problems sorting through the assets and liabilities.

5. One asset was Marty's interest in defendant Intelli-Tec. I understood he was a major shareholder, an officer, director and employee. I have seen documents where he was described as a forty-one (41%) percent shareholder, some where he is described as a thrity-three (33%) percent shareholder, and others where he described himself as a sixty-one (61%) percent shareholder. See, e.g., Exh. 1, an application Marty signed and submitted for a bank loan for the business in 2008. Exactly how many shares Marty owned defendants carefully hid from me. When they prepared the lost certificate affidavit accompanying the Letter Agreement ("Agreement") (Ex. A to the moving papers), they left blank the number of shares Marty owned.

6. We lived on his Intelli-Tec earnings, and each year Marty received a payment sufficient to cover our tax liability for the taxes we paid because of the earnings pass-thru of an S-corporation.

7. In managing the Estate, I was concerned about getting enough from Intelli-Tec to pay those passed-thru taxes. Intelli-Tec's people were more interested in getting Marty's stock back. Two separate issues.

8. Assured by everyone, defendants especially, that I could sell back Marty's stock to the company and not give up my rights to be reimbursed for the taxes the Estate had to pay because of the passed-thru income, we agreed. The price was Four Hundred Thousand (\$400,000.00) Dollars. I believed the stock was probably worth more. Marty had valued the stock at \$1,947,850.00 in the loan application. (See Exh. 1.) However, I considered that when the Estate was reimbursed for the taxes it had to pay for passed-thru income, the total compensation to the Estate would be fair for this closely-held small company.

9. So we entered into the Agreement (Ex. A) which was limited to "the understanding of the parties hereto with respect to the Corporation's redemption of 100% of its shares held by the Estate." That was the "subject matter hereto." Id. ¶ 5.

10. We continued to talk about the separate issue of the Estate's claim for reimbursement. I wanted some assurance that defendants understood the item was still open. We arranged for Mr. MacDonnell to write a letter confirming no payment had been made to the Estate to cover its pass-thru liability (Exh. 2).

11. But no matter how we tried to get the tax issue resolved, we were ignored. Or worse, dismissed with an angry lawyer letter (Exh. 3). My attorney at the time even drafted a complaint.


12. I retained new counsel. We wrote in the hope that a dialogue would resolve our issues. There was no response to our reasonable questions. (Exh. 4).

13. If I had known that defendants were planning to ignore my requests for the Estate to be reimbursed for the tax liability incurred on account of income it never received, I would not have agreed to sell the company's stock back to it. Marty's son and I could have stayed on as minority stockholders, demanding all the rights stockholders have. At least we would have demanded a price that would cover the liabilities.

14. The issues of stock redemption and tax liability indemnification are totally separate and distinct. Defendants used my naivete and faith in their bona fides to trick me into selling the stock at a price grossly inadequate without reimbursement for the tax liability. They established a shrine to Marty on the

company's website (Exh. 5) all the while deliberately denying the Estate and its beneficiaries money they should have paid over.

15. Defendants' attempts to avoid their obligations to the Estate and this lawsuit should be denied in all respects.


Xi Mei Jia a/k/a Nancy Jia

Sworn to before me this
16th day of July, 2013


Notary Public

SANDRA GALE BEHRLE
Notary Public, State of New York
No. 31-4983609
Qualified in New York County
Commission Expires July 1, 2014

Exhibit 1

Representation, Warranties, Authorizations, and Notices with regard to the attached
PERSONAL FINANCIAL STATEMENT OF Marty L. McMillan AS OF (Date) 8/26/08

Representation, Warranties and Authorization

The attached Personal Financial Statement is provided to TD Banknorth, N. A. ("the Bank") in support of an application for (check one):

- ☐ Business Credit for which the applicant is the sole obligor
☒ Joint Business Credit (applicant and co-applicant)
☒ Personal Guarantee of the business obligations of another person or entity.

The information contained in this statement is provided to induce the Bank to extend or to continue the extension of credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that the Bank is relying on the information provided herein in deciding to grant or continue credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify the Bank immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to the Bank. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify the Bank as required above, or if any of the information herein should prove to be inaccurate or incomplete in any material respect, the Bank may declare the indebtedness of the undersigned or the indebtedness guaranteed by the undersigned, as the case may be, immediately due and payable.

By signing below, you authorize the Bank to make or have made any credit, employment or investigation inquiry that the Bank determines appropriate for the extension of credit, periodic evaluation of your account or the collection of amounts owed to the Bank on the account, or for any other legitimate purposes associated with the account, including without limitation, obtaining one or more credit reports. This authorization will also apply to the Bank's agents, affiliates, successors, and assigns. The Bank may furnish information concerning your account to consumer reporting agencies and others who may properly receive that information. If you ask, you will be informed whether a consumer report was requested, and if a report was requested, you will be informed of the name and address of the consumer reporting agency that furnished the report. Each of the undersigned authorizes the Bank to answer questions about your credit experience with the Bank. As long as any obligation or guarantee of the undersigned to the Bank is outstanding, the undersigned shall supply annually an updated financial statement. This personal financial statement and any other financial or other information that the undersigned give to the Bank shall be the Bank's property.

IMPORTANT NOTICE REGARDING INSURANCE: You are not required to purchase insurance from the Bank or any of its affiliates, but instead have the right to purchase any insurance required for this loan from an agent, broker, or insurer of your choice, whether or not that agent, broker or insurer is affiliated with the Bank. Your choice of an agent, broker or insurer will not affect the Bank's current or future credit decisions or terms in any way. The Bank may not and (except in the case of applications submitted by mail, fax or website) has orally disclosed to you that it may not condition an extension of credit on either: (1) your purchase of an insurance product or annuity from the Bank or from any of its affiliates or (2) your agreement not to obtain, or a prohibition on your obtaining, an insurance product or annuity from an unaffiliated entity. Insurance products are not deposits or other obligations of, or guaranteed by the Bank or any of its affiliates, and are not insured by FDIC or any other federal agency.

NOTICE REGARDING USA PATRIOT ACT: The Bank complies with Section 326 of the USA Patriot Act. This law mandates that we obtain and verify certain information about you, including your name, legal address, date of birth and social security or tax identification number, while processing your account application.

Date:

8/26/08

- ☒ Applicant
☒ Guarantor

Marty L. McMillan
Signature

Date:

- ☐ Co-applicant
☐ Guarantor

Signature

Schedule A - All Securities (Including non-money market mutual funds)						
No. of shares (Stock) or Face Value (Bonds)	DESCRIPTION	OWNER(S)	WHERE HELD	COST	CURRENT MARKET VALUE	PLEDGED YES NO
Readily Marketable Securities (including U.S. Governments and Municipals)*						
MERRILL	ASSET STOCKS	MURPHY + CO	MURPHY	0	37K	<input type="checkbox"/> <input checked="" type="checkbox"/>
FIDELITY	IRRA	MURPHY + CO	FIDELITY	0	\$106K	<input type="checkbox"/> <input checked="" type="checkbox"/>
MERRILL	IRRA	MURPHY + CO	MERRILL	0	\$36,800	<input type="checkbox"/> <input checked="" type="checkbox"/>
NON-READILY MARKETABLE SECURITIES (closely held, thinly traded, or restricted stock)*						
						<input type="checkbox"/> <input type="checkbox"/>
If not enough space, attach separate schedule/brokerage statement and enter totals.				Totals: \$177.9K		

Schedule B - Insurance, Life Insurance (use additional sheet if necessary)						
Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership
PRINCIPAL	75K	Flex Life	NANCY McMILLAN/GARY	70K	0	MURPHY + CO
If not enough space, attach a separate schedule and enter totals in this table.				Totals:		

Disability Insurance		
Monthly Distributions if Disabled	Applicant	Co-Applicant
Number of years covered		

Schedule C - Personal Residence & Real Estate Investments, Mortgage Debt (majority ownership only)									
Personal Residence Property Address	Legal Owner	Purchase Year	Purchase Price	Market Value	Present loan Balance	Int. Rate	Maturity Date	Monthly Pmts.	Lender
3681 WOODBRIDGE LN. N.	MURPHY + CO	1995	178K	400K	36K	6.25	2014	20.54	WAAV
Totals:									
Investment Property Address	Legal Owner	Purchase Year	Purchase Price	Market Value	Present loan Balance	Int. Rate	Maturity Date	Monthly Pmts.	Lender
Totals:									

If not enough space, attach separate schedule and enter totals in table.

Schedule D - Partnership, (less than majority ownership for real estate partnerships)*						
Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Balance due on Partnership: Notes, Cash Call	Final Contribution Date
Business/Professional (Indicate name):						
INTELL-TEL SEC. SVC. INC.	3/24/97	0	61%	1,942,850	0	1992/2000
Investments (including Tax Shelters):						
If not enough space, attach a separate schedule				Totals:		

*Note: for investments which represent a material portion of your total assets, please include the relevant financial statements or tax returns or in the case partnership investments or S-corporations, Schedule K-1s.

Schedule E - Notes Payable								
Due to	Type of Facility	Amount of Line	Secured		Collateral	Int. Rate	Maturity	Unpaid Balance
			Yes	No				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				
			<input type="checkbox"/>	<input type="checkbox"/>				
If not enough space, attach a separate schedule and enter totals in this table.								Totals:

If not enough space, attach a separate schedule and enter totals in this table.

Totals:

(Omit cents)

ANNUAL INCOME	AMOUNT (\$)
Salary (applicant)	168,000
Salary (co-applicant)	
Bonuses & Commissions (applicant)	
Bonuses & Commissions (co-applicant)	
Rental Income (After expenses)	
Interest Income	
Dividend Income	
Capital Gains	97,600
Partnership Income	
Other Investment Income	
Other Income (List here and below)	
Total Income	265,600

ANNUAL EXPENDITURES	AMOUNT (\$)
Federal Income and Other Taxes	
State Income and Other Taxes	
Rental Payments, Co-op, or Condo Maintenance	
Mortgage Payments Residential	
Mortgage Payments Investment	
Property Taxes Residential	
Property Taxes Investment	
Interest & Principal Payments on loans	
Insurance	
Investment (including tax shelters)	
Alimony/Child Support	
Tuition	
Other Living Expenses	
Medical Expenses	
Other Expenses (List here and below)	
Total Expenditures	

Please Answer the Following Questions:

Income tax returns filed through (date)

2007

1. Are any returns currently being audited or contested? ☐ Yes ☒ No
If yes, what year(s)?
2. Have (either of) you or any firm in which you were a major owner ever declared bankruptcy? ☐ Yes ☒ No
3. Have (either of) you ever been convicted of or pleaded "no contest" to any crime (felony or misdemeanor) involving dishonesty, such as falsification of records, fraud or embezzlement? ☐ Yes ☒ No
4. Have (either of) you ever been convicted of or pleaded "no contest" to a felony? ☐ Yes ☒ No
5. Have (either of) you ever had your license to practice or conduct business suspended or revoked by a licensing agency? ☐ Yes ☒ No
6. Have (either of) you drawn a will? ☒ Yes ☐ No
If yes, please furnish the name of the executor(s) and year will was drawn: LEAH ZORN 2009
7. Number of dependents (excluding self) and relationship to applicant: WIFE + 2 KIDS
8. Have (either of) you ever had a financial plan prepared for you? ☒ Yes ☐ No
9. Did you include two years federal and state tax returns? ☒ Yes ☐ No
10. Do (either of) you have a line of credit or unused credit facility at any other institution? ☐ Yes ☒ No
If so, please indicate where, how much and name of banker:
11. Do (either of) you anticipate any substantial inheritance? ☒ Yes ☐ No
If you checked "yes" on questions 2 - 5 or 11, please provide an explanation below.
2. FAMILY'S 18 200K
3. _____
4. _____
5. _____
11. _____

Exhibit 2



2000 SHAMES DRIVE • WESTBURY, NY 11590 • p 516.876.2000 • f 516.876.2020

January 3, 2011

The Estate of Marty McMillan
c/o Frank Xu LLP
303 Broadway, 14th Floor
New York, NY 1007

Dear Mr. Xu:

This will confirm that Intelli-tec Security Services, LLC made no cash distributions to the Estate of Marty McMillan for the calendar tax year of 2008, 2009 and 2010.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell R. MacDonnell".

Russell R. MacDonnell
Chairman, Managing Partner

Exhibit 3

ROBINSON & COLE LLP

RICHARD A. KRANTZ

1055 Washington Boulevard
Stamford, CT 06901-2249
Main (203) 462-7500
Fax (203) 462-7599
rkrantz@rc.com
Direct (203) 462-7505

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Also admitted in New York
and Massachusetts

March 12, 2012

Frank Xu, Esq.
Frank Xu LLP
305 Broadway, 14th Floor
New York, NY 10007

Re: Matter of Estate of Marty L. McMillan

Dear Mr. Xu,

As you know, I represent Intelli-Tec Security Services Inc. (the "Company") and Russell R. MacDonnell in connection with the issues you have raised in your letter of February 1, 2012.

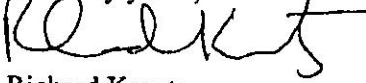
The claims you have made in your letter are totally without merit. The Company has at no time issued dividends or other distributions with respect to its shares. The Company did pay salary and bonuses to certain of its employees on the basis of the services actually rendered to the Company. The Company has [never] paid dividends on its shares.

There is absolutely no statutory basis on which your client is entitled to payment of dividends. There is absolutely no contractual basis on which your client is entitled to payment of dividends.

In fact, Mr. MacDonnell informed your client regularly and clearly of her obligation to pay taxes on her portion of the Company's earnings as an "S" corporation.

Please be advised that your continuing pursuit of this frivolous claim will expose your client to the payment of the Company's legal fees.

Sincerely yours,



Richard Krantz



Law Offices

BOSTON

HARTFORD

NEW LONDON

STAMFORD

WHITE PLAINS

NEW YORK CITY

SARASOTA

www.rc.com

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03/12/12 10:25 AM

Exhibit 4

Telephone 212 957-9000
Telefax 212 843-9191
Email: cbblaw@aol.com

LAW OFFICES OF SANDRA GALE BEHRLE

The Graybar Building
420 Lexington Avenue, Suite 300
New York, New York 10170

May 21, 2013

**VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED**

Richard Krantz, Esq.
Robinson & Cole LLP
1055 Washington Boulevard
Stamford, Connecticut 06901-2249

Estate of Marty L. McMillan

Dear Mr. Krantz:

We have been retained by the Administrator of the Estate of Marty L. McMillan to finally amass the Estate's assets and complete the administration of the Estate. In that regard we have reviewed the correspondence between Mr. Xu, the former Estate attorney, and you. We have particularly focused on your letter of March 12, 2012 in which you take a rather cavalier stand that the Estate is entitled to nothing from Intelli-Tec Inc. (the "Company").

We are not convinced that that is the case. The Estate has reported hundreds of thousands of dollars in phantom income for the years 2009 and 2010, paid a substantial tax because of it, and yet you have taken a position that Company has completed its obligations to the Estate. The Administrator and we agree that we cannot accept your dismissal quite so blithely.

Thus, I am requesting that you produce for now a copy of the corporate charter and by-laws, shareholder lists, shareholder agreements, if any, corporate financials for the years 2007 through present, W-2s and K-1's issued to any of the named shareholders for the same years, and any communications between those shareholders and the Company.

Richard Krantz, Esq.
May 21, 2013
Page 2

We are sure that you recognize that this information reflects a standard request to produce in a litigation context in New York State. We are prepared to initiate a lawsuit on the Administrator's behalf. However, if that can be avoided, our review of the documents might help us reach a resolution to our disputes without litigation. Please advise me when we can expect the documentation.

Also, in reviewing the Estate's records, we find evidence that Mr. McMillan claimed himself a majority owner in something called Intelli-Tec LLC. Are you familiar with this entity, and can you provide any information, including the same sort of documents I requested about the Company?

I look forward to your prompt reply.

Very truly yours,


Sandra Gale Behrle

SGB/ep

cc: Xi Mei Jia a/k/a Nancy Jia

Exhibit 5



2000 Shames Drive, Westbury, NY 11590
Phone: 516-876-2000 • Fax: 516-876-2020

- Home
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- Services
- Company News
- Accreditation
- General Info
- Contact Us

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In Memoriam of Marty L. McMillan



In honor of our friend and principle founder, Marty L. McMillan who was taken from us to soon on November 30, 2008 in a tragic boating accident. Marty was the beloved husband of Xi Mei "Nancy", devoted father of Cody, dear brother of Matt, and a true friend to all of us who had the privilege to know him. All of our lives have been enriched through our association with Marty and we are all better, stronger and more knowledgeable people for it.

Whether it was fishing, hunting or security, Marty had an abounding passion for everything he did and a real zeal for life. We miss him deeply and remain committed to the integrity and pride in our work which were the hallmarks of Marty's career.

We will always be grateful for the energy, commitment and vision of Marty McMillan in founding Intelli-Tec.

enter your search term...



Company News

Intelli-Tec is Chosen to Provide Security to the New North Shore-LIJ Katz Women's Hospital.
11-20-2010 - The North Shore-LIJ Health System has chosen to team up with Intelli-Tec to provide the security to the new Katz Women's Hospital at LIJ Medical Center in New Hyde Park. The security build ...

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