

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

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:
XI MEI JIA, AS ADMINISTRATOR OF THE
ESTATE OF MARTY J. McMILLAN, :
Plaintiff, : Index No.
-against- : VERIFIED COMPLAINT
INTELLI-TEC SECURITY SERVICE, INC., :
RUSSELL R. MACDONNELL and :
FRANK A. BOLZ, :
Defendants. :
- - - - - x

Plaintiff, Xi Mei Jia, a/k/a Nancy Jia, as Administrator
of the Estate of Marty J. McMillan (the "Estate"), complains of
defendants and states:

PARTIES

- 1. Plaintiff was appointed the administrator of the Estate on March 6, 2009 by the Surrogate's Court of New York County. The decedent, Marty McMillan ("Decedent"), Ms. Jia's husband, died on November 30, 2008.
- 2. Defendant Intelli-Tec Security Services, Inc. ("Intelli-Tec") is a New York corporation with its principal place of business at 2000 Shames Drive, Westbury, New York.
- 3. Defendant Russell R. MacDonnell is a shareholder in Intelli-Tec, and its president and Chief Executive Officer.
- 4. Defendant, Frank A. Bolz, is, upon information and belief, a shareholder of Intelli-Tec and a director and officer.

AS AND FOR A FIRST CAUSE OF ACTION

5. Plaintiff repeats and realleges the allegations of ¶¶ 1 through 4 as if fully set forth herein.

6. Intelli-Tec holds itself out as one of the largest independent security systems integrators on Long Island and New York City. Decedent was one of the principal founders of Intelli-Tec which, upon information and belief, was organized as an S corporation. The income of an S corporation is deemed payment directly to the shareholders who are personally responsible for any tax due.

7. Decedent and defendants agreed that, in addition to any salary or other benefits they would receive, Intelli-Tec would pay them an annual amount to cover their tax obligations arising from the pass-through of Intelli-Tec's income to its shareholders.

8. Annually, Intelli-Tec paid Decedent an amount equal to or in excess of his tax obligation as an S corporation shareholder.

9. Upon Decedent's death, defendants unilaterally stopped making payments pursuant to their agreement, although they continued to report income of the corporation as received by Decedent and taxable.

10. Plaintiff, as Administrator of the Estate, frequently inquired about and requested payment. Defendants assured her they would pay it.

11. Defendants have breached their contract and agreement with Decedent, and have failed to reimburse the Estate as agreed causing the Estate to expend the sum of \$136,886.00 to pay taxes.

AS AND FOR A SECOND CAUSE OF ACTION

12. Plaintiff repeats and realleges the allegations of ¶¶ 1 through 11 as if fully set forth herein.

13. Defendants sought to redeem Decedent's stock from the Estate.

14. In negotiating the purchase and sale of Decedent's stock, defendants repeatedly told plaintiff they would deal separately with the issue of annual payments to reimburse tax payments.

15. Defendants lured plaintiff into selling Decedent's stock back to the company at a reduced price with promises that a separate arrangement would be made to pay her to cover the tax liabilities the Estate incurred.

16. Defendants knew when they made those statements that they were false, untrue, and that they had no intention of paying the Estate for tax obligations they shifted to it.

17. All communications seeking recovery of the tax money were dismissed by defendants and ignored once they recovered Decedent's stock at an unfairly low price.

18. The Estate sold Decedent's stock back to the company

in reliance on defendants' false promises that they would pay the Estate money to cover its tax obligations from the phantom income they ascribed to it.

19. The sale was the result of fraud and should be set aside or, alternatively, supplemented to reflect the true value of Decedent's shareholdings.

WHEREFORE, Plaintiff respectfully requests judgment against defendants:

A) On the First Cause of Action: damages in the amount of \$136,886.00, plus interest from March 6, 2009;

B) On the Second Cause of Action: for rescission of the sale of Decedent's stock to Intelli-Tec, or damages in an amount to be determined reflecting the true value of the stock;

C) Costs and attorneys' fees; and

D) Such other and further relief as to the Court seems just and proper.

Dated: New York, New York
June 12, 2013

Respectfully submitted,

LAW OFFICES OF SANDRA GALE BEHRLE

By: 

Sandra Gale Behrle

Attorney for Plaintiff

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New York, New York 10170

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Email: cbblaw@aol.com

Verification

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

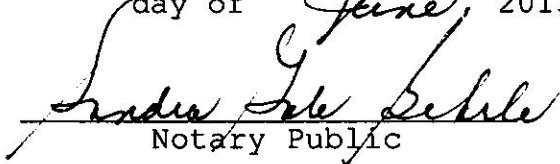
Xi Mei Jia a/k/a Nancy Jia, being duly sworn deposes and
says:

I am the Plaintiff in the within action. I have read the
foregoing Verified Complaint and know the contents thereof. The
same is true to my own knowledge, except as to those matters
therein stated to be alleged upon information and belief, and as to
those matters I believe them to be true.



Xi Mei Jia

Sworn to before me this *12th*
day of *June*, 2013


Notary Public

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