

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

ZHAOYIN WANG,
Plaintiff,

v.

BETA PHARMA, INC., DON ZHANG,
AND ZHEJIANG BETA PHARMA
CO., LTD.,
Defendants.

No. 3:14CV1790 (VLB)

April 21, 2015

MEMORANDUM OF LAW IN SUPPORT OF
MOTION TO DISQUALIFY OPPOSING COUNSEL

Pursuant to Rule 7(a)(1) of the Local Rules of this Court, defendants Beta Pharma, Inc. ("Beta Pharma") and Don Zhang ("Zhang") (together, "Defendants") hereby file this Memorandum of Law in support of their Motion to Disqualify Opposing Counsel (filed herewith). Defendants move to disqualify Jonathan Katz, Esq. ("Katz") from representing plaintiff Zhaoyin Wang ("Plaintiff") because Katz has teamed up with Lance Liu, Esq., Defendants' former lawyer who counseled Defendants on the very matters at issue in this case. Katz's associations with Liu have created multiple opportunities for Liu to disclose Defendants' confidential and privileged information to Katz, so Katz must be disqualified from representing Plaintiff.

I. STATEMENT OF THE CASE

This matter presents the question of "whether private counsel in a civil law suit . . . should be disqualified for his having consulted with an attorney who changed sides." *Goldenberg v. Corporate Air, Inc.*, 189 Conn. 504, 506 (1983),

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overruled in part on other grounds Burger & Burger, Inc. v. Murren, 202 Conn. 660 (1987). In *Goldenberg*, the Supreme Court of Connecticut has already answered yes.¹

Lance Liu, Esq. (“Liu”), a lawyer barred in other states, previously provided Beta Pharma with comprehensive legal representation, had broad access to confidential information, and even counseled Defendants² on the agreement at issue in this breach of contract action.³ Indeed, in an email to Zhang dated July 30, 2012, Plaintiff confirmed Liu’s involvement in Plaintiff’s purported agreements with Beta Pharma, as he wrote, “I had a chat with your legal advisor (Mr. Liu) today, and it looks like that we have to change all of our previous agreement [sic].” The next day, Zhang wrote an email to Plaintiff, copying Liu, and stated, “[v]ery fortunately, we have Dr. Lance Liu take care [sic] of our legal affairs.” Ironically, Beta Pharma was anything but fortunate to have Liu representing it on these matters.

¹ As discussed below, this Court has adopted the State of Connecticut’s Rules of Professional Conduct as the relevant standard of conduct, and Connecticut state court caselaw as well as federal caselaw is pertinent to the interpretation of those Rules.

² Liu provided legal services to Beta Pharma and to Don Zhang, as president of Beta Pharma. He did not counsel Zhang in his individual capacity.

³ Defendants do not concede the validity or legality of any alleged agreement between Plaintiff and any Defendant.

After terminating his attorney-client relationship with Defendants, Liu switched teams. He began consulting with Katz in this lawsuit, which concerns the very issues on which Liu advised Beta Pharma, and, with Katz, began jointly representing the plaintiffs in two other actions against Defendants.

Federal and Connecticut law dictate that, by forming these relationships with Katz, Liu “infected” Katz. That is, Liu created an opportunity for the disclosure of Defendants’ confidential and privileged information to Katz. As a result of that opportunity for disclosure, federal and Connecticut law both require that Katz be disqualified from representing Plaintiff in this action. Liu poisoned the well, and this Court can remove Liu’s taint only by removing Katz. This Court should, therefore, disqualify Katz.

II. STATEMENT OF FACTS

A. *Background on Parties and Their Alleged Relationship*

Beta Pharma is a drug discovery company focusing on oncological drugs. Affidavit of Dr. Don Zhang, Ph.D. (copy attached as Exhibit A) (“Zhang Aff.”), at ¶ 4. Zhang is Beta Pharma’s CEO and President. *Id.* at ¶ 3.

Plaintiff alleges that, in March 2010, he entered into an agreement (the “2010 Agreement”) that had two components. First, he would become Beta Pharma’s Chief Scientific Officer in exchange for a salary and a portion of Beta Pharma’s stock in a Chinese company. Complaint, First Count, ¶ 10 [Doc. 1-1]. Second, Plaintiff contends that the contract contemplated the establishment of Beta Pharma Canada (“BPC”), a Canadian corporation in which Plaintiff would own 51% of the stock and Zhang would own 49%. *Id.* at ¶ 11. According to

Plaintiff, Beta Pharma and Zhang breached the 2010 Agreement by, among other things, failing to pay Plaintiff his salary and stock, and by discontinuing funding of BPC. *Id.* at ¶ 12; Complaint, Second Count, ¶ 15.

B. Liu's Representation of Defendants

Liu is an attorney who is licensed to practice law in New Jersey. Zhang Aff., ¶ 5.⁴ Liu represented Beta Pharma from approximately July 2011 until November or December 2012.⁵ *Id.* at ¶ 6. When Liu formed an attorney-client relationship with Beta Pharma, he also entered into a "Mutual Non-Disclosure and Non-Use Agreement," which provides that Liu would not disclose Beta Pharma's Confidential Information. *Id.* at ¶ 7, Exh. 1.⁶

Liu provided comprehensive legal services to Beta Pharma. These services included rendering legal advice regarding intellectual property issues, real estate leases, taxation issues, employment issues, contract issues and corporate and stock issues.⁷ *Id.* at ¶ 9. Liu had a Beta Pharma email address,

⁴ Liu is not, and has never been, licensed to practice law in Connecticut.

⁵ Liu purported to terminate the attorney-client relationship in November 2012, but continued to be involved in Beta Pharma's legal matters. Zhang Aff., at ¶ 6.

⁶ Liu never provided Beta Pharma with a written retainer agreement and never provided any other documents setting forth the scope of the representation or how he intended to charge for his legal services. *Id.* at ¶ 8.

⁷ The details of much of the work Liu performed for Beta Pharma are confidential and protected from disclosure by the Rules of Professional Conduct, see Conn. R. Prof. Conduct 1.6, and by the attorney-client privilege and/or work product

billed Beta Pharma in excess of \$126,000.00 for legal services, which Beta Pharma paid, and was introduced by Zhang to another company as the “Director of Legal Affair[s] [sic.] of BetaPharma, Inc.” *Id.* at ¶ 11, Exh. 2-3.

During the representation, Liu received broad access to Beta Pharma’s corporate information, including highly confidential and proprietary business information such as research projects, business contracts, investor information, financial information, tax filings and related information, employee information and settlements, and proposed stock valuations. *Id.* at ¶ 12. Liu also received confidential and privileged requests for legal advice from Beta Pharma, and rendered confidential and privileged legal advice on various issues, including contract issues. *Id.*

C. *Liu Represented Beta Pharma in Connection with Plaintiff’s Alleged Agreement with Beta Pharma*

During the representation, Liu counseled Beta Pharma on the purported 2010 Agreement. *Id.* at ¶ 13.

doctrine. The Second Circuit has held that the court need not inquire whether confidential information was in fact used, but rather, where it can reasonably be said that an attorney might have acquired such information, it is the court’s duty to disqualify the attorney. *Hull v. Celanese Corp.*, 513 F.2d 568, 572 (2d Cir. 1975); see also *Goldenberg*, 189 Conn. at 512 (“[C]ourts will not inquire whether the lawyer has, in fact, used confidential information to the client’s detriment because such inquiry would require the revelation of the very information the canon is designed to protect.”).

On July 28, 2012, Plaintiff sent Dr. Jirong Peng, Ph.D., Vice-President of Beta Pharma, an email attaching a draft "Shareholder's Agreement." Zhang Aff., Exh. 4. That draft agreement reflected Zhang's and Plaintiff's purported obligations and ownership interests in BPC. *Id.* Peng forwarded that email to Zhang. *Id.* Zhang then forwarded Plaintiff's July 28, 2012 email and the attached agreement to Liu. Declaration of Jack Kolpen (copy attached as Exhibit B) ("Kolpen Decl."), Exh. 1, reference # 1. The contents of this communication, and others related to the 2010 Agreement, are protected by the attorney-client privilege.⁸ *Id.* Subsequently, Liu counseled Beta Pharma on the 2010 Agreement, BPC, and a possible revision to the 2010 Agreement. Zhang Aff., at ¶ 13; Kolpen Decl., Exh. 1, reference # 2.

Additionally, on July 30, 2012, Plaintiff himself confirmed Liu's involvement with any and all purported agreements between Plaintiff and Beta Pharma. On that date, Plaintiff wrote an email to Zhang, stating: "I had a chat with your legal advisor (Mr. Liu) today, and it looks like that we have to change all of our previous agreement [sic]." Zhang Aff., Exh. 5 (emphasis added). One day later, Zhang responded to Plaintiff by email, stating, "[v]ery fortunately, we have Dr. Lance Liu take care of our legal affairs . . . So at this point, please feel free to pass our agreements to him and also explain your

⁸ On March 20, 2015, Defendants filed a Motion for Entry of a Protective Order for Motion to Disqualify Counsel (D.E. 49). If an Order is entered permitting disclosure of these privileged materials without effectuating a waiver of privilege, Defendants will file them with the Court under seal.

problems, concerning and so on to him. The bottom line is to comply with IRS regulations and clearly resolve our past and sign a new agreement as you requested.” *Id.* Zhang copied Liu on that email. *Id.* The same day, after speaking with Plaintiff, Liu sent Plaintiff an email asking for a copy of his purported agreement with Zhang. Kolpen Decl., Exh. 2. Liu billed Beta Pharma for his work on the 2010 Agreement and related issues. Zhang Aff., at ¶ 13; Kolpen Decl., Exh. 1, reference # 3-4.

Plaintiff also testified⁹ that Liu provided Beta Pharma with other legal services in connection with the alleged 2010 Agreement. He testified that, in 2012, he sent the 2010 Agreement to Liu, at Zhang’s direction, because Zhang wanted to dissolve the 2010 Agreement. Kolpen Decl., Exh. 3, 68:3-6. Liu also reviewed the 2010 Agreement in September 2012 and provided legal advice to Beta Pharma in connection with BPC and associated tax issues. Zhang Aff., at ¶ 16; Kolpen Decl., Exh. 1, reference # 5-9.

Put simply, during and as a part of the representation of Defendants, Liu had confidential, attorney-client communications with Defendants about the 2010 Agreement, including issues regarding BPC, taxes, a possible revision to the 2010 Agreement, and dissolving the 2010 Agreement. Zhang Aff., at ¶ 13, 16; Kolpen Decl., Exh. 3, 68:3-6.

⁹ Defendants deposed Wang in *Beta Pharma, Inc., et al. v. Liu*, Docket No. L-2040-14 (Superior Court of New Jersey, Law Division) (the “Liu Action”), an action in which Defendants are suing Liu for engaging in attorney misconduct.

D. *Liu Threatens Beta Pharma and Zhang*

During his representation of Beta Pharma, Liu proposed that Beta Pharma enter into a business relationship with him to start a generic drug business. Zhang Aff., at ¶ 17. Beta Pharma considered Liu's proposals, but ultimately declined them. *Id.* at ¶ 18. During November 2012, Liu purported to terminate his attorney-client relationship with Beta Pharma by e-mail, but continued to involve himself in Defendants' legal issues. See *id.* at ¶ 6.

Thereafter, Liu engaged in a campaign to destroy Beta Pharma and Zhang because they refused to enter into a business deal with him. See *id.* at ¶ 19-21. Liu threatened Zhang with criminal prosecution by the United States Attorney's Office if Zhang did not, among other things, pay Liu money and give Liu shares of another company's stock owned by Beta Pharma. *Id.* at ¶ 19. Liu also made written statements to business associates of Beta Pharma accusing Zhang of criminal activity. *Id.* at ¶ 20.

E. *Liu Switches Sides and Assists Katz in Suing Beta Pharma and Zhang*

Plaintiff filed this action in the Superior Court on November 10, 2014, and Beta Pharma and Zhang subsequently removed it to this Court [Doc. 1]. Plaintiff's allegations go directly to the 2010 Agreement and the issues on which Liu advised Beta Pharma. As explained above, Plaintiff alleges, among other things, that Beta Pharma and Zhang breached the 2010 Agreement with Plaintiff by, *inter alia*, not paying Plaintiff's salary, not transferring to Plaintiff shares in Beta Pharma and another company, and not funding BPC. Complaint, First Count, ¶ 12; Complaint, Second Count, ¶ 15.

Counsel of record for Plaintiff in this case is Jonathan Katz, Esq. and the law firm of Jacobs & Dow, P.C. In connection with this action, Liu has acted as a “consultant” and a liaison between Katz and Plaintiff.

In particular, on April 26, 2014, Liu executed a retainer agreement with Katz pursuant to which Liu agreed to act as a “non-disclosed expert for Jacobs & Dow, LLC” and consult the firm in connection with various Beta Pharma matters. Kolpen Decl., Exh. 4. The retainer agreement provides that Liu would “act as liaison between [Jacobs & Dow] and the clients [it] represent[s] who have matters against Beta Pharma, Inc., Don Zhang and other potential defendants,” and that Liu would “assist them in seeking and obtaining representation from [Jacobs & Dow], and assist [Jacobs & Dow] in representing them, including dealing with international, cultural and linguistic matters.” *Id.* In exchange, Liu will receive 24% of any recovery that Jacobs & Dow obtains from Beta Pharma. *Id.* Katz concedes that he and Liu entered this consulting agreement. Affidavit of Jonathan Katz dated November 18, 2014 (“Katz Aff.”), at ¶ 11-12 (copy attached as Exhibit C).

Less than three weeks after Liu signed that retainer agreement, on May 14, 2014, Plaintiff sent Liu an email titled “My case against Don(betaPharma),” delineating the facts of the present lawsuit. Kolpen Decl., Exh. 5. Plaintiff’s May 14, 2014 email stated, among other things, that: Plaintiff founded BPC; he owned 51% of BPC, and Zhang owned 49%; and “Don breached the agreement without fulfill[ing] [sic.] his obligation to [Plaintiff].” *Id.* The May 14 email included the 2010 Agreement as an attachment. *Id.* Two days later, Liu sent an email to Wang

attaching a representation agreement dated May 15, 2014 for Katz to represent Liu in this lawsuit. Kolpen Decl., Exh. 6. The representation agreement indicated that another “lawyer” – Liu – would receive a portion of any recovery that Katz obtains for Plaintiff: “Your case was referred to us by another lawyer. In consideration of the referral we will pay that lawyer a forwarding fee of 24% of any contingent fee (8% of the recovery) that we may earn from representing you.” *Id.*

On May 24, 2014, Plaintiff sent an email to Zhang stating, “I am under pressure to sign an attorney service agreement and it would be irreversible once I sign the service contract with the attorney. I certainly hope we can resolve everything by some other means instead of going through legal procedures.” Zhang Aff., Exh. 6.

Ultimately, Plaintiff filed this lawsuit against Zhang and Beta Pharma. On July 31, 2014, Plaintiff wrote an email to Liu in which he stated, “I have decided to start the suit against Don and BetaPharma according to the proposal by Jonathan.” Kolpen Decl., Exh. 7. Plaintiff asked for Liu’s advice about this lawsuit. *Id.* Further, that email referenced the May 14, 2014 representation agreement. *Id.*

Liu therefore acted as a liaison for Katz and assisted Katz in bringing this action against Beta Pharma and Zhang.

F. Liu Has Teamed Up with Katz in Several Cases Against Beta Pharma

Beyond the present matter, Liu has teamed up with Katz in other cases to sue Beta Pharma and Zhang, Liu’s former clients. With Katz, Liu is or was jointly representing the plaintiffs in two other actions against Beta Pharma and Zhang:

Xie v. Beta Pharma, Inc., et al., No. X06-UWY-CV13-6025526-S (Superior Court of Connecticut) (the “Xie Action”) and *Shao, et al., v. Beta Pharma, Inc., et al.*, No. 3:14-CV-01177 (D.Conn. 2014) (the “Shao Action”). Specifically, Liu has represented that he: (i) has an attorney-client relationship with the Shao plaintiffs and Xie relating to the claims in the Shao and Xie Actions; (ii) with Katz, is jointly representing the Shao plaintiffs and Xie in those cases; and (iii) is represented by Katz with respect to his own claims. See Liu Motion to Quash (Exh. D) (without exhibits), at pp. 8–9.¹⁰ Further, as in this case, Liu is consulting with Katz in those actions.¹¹

G. *Katz and Liu Have Communicated Regarding the Various Actions*

As a result of working together against Beta Pharma on all these claims, Katz and Liu have had many opportunities to communicate regarding these

¹⁰ Not surprisingly, Defendants have filed motions in the Shao and Xie Actions to disqualify Katz and his law firm.

¹¹ Neither Liu nor Katz voluntarily disclosed to Defendants that Liu was working with Katz to jointly represent the plaintiffs in any of these cases. Zhang Aff., at ¶ 23. Further, neither Liu nor Katz ever disclosed to Defendants that Liu was consulting with Katz and the plaintiffs regarding this action, or the Shao and Xie Actions. *Id.* Neither Liu nor Katz ever requested a conflict waiver, and Defendants have not consented to Liu’s joint representation or consulting relationship with Katz in any of these cases. *Id.* Nor have Defendants consented to Liu’s disclosure of confidential information to Zhaoyin Wang, Xie, the Shao plaintiffs, or their counsel. *Id.*

actions. Indeed, under the April 2014 consulting agreement, Liu had an obligation to communicate with Katz and prospective plaintiffs, like Wang, to facilitate lawsuits against Beta Pharma. Kolpen Decl., Exh. 4. As Plaintiff admitted, he sent Liu the factual basis for his claims against Defendants. Kolpen Decl., Exh. 5. He ultimately entered into a representation with Katz. Kolpen Decl., Exh. 6-7. Liu served as the liaison between Plaintiff and Katz, and the information found its way into the Complaint in this case.

Between 2013 and 2014, Liu undeniably communicated directly with Katz. Liu's cell phone records reflect that, between November 2013 and August 2014, Liu communicated with Katz for over 600 minutes. Kolpen Decl., Exh. 8; see also J. Katz email to G. Duhl dated October 1, 2014 (copy attached as Exhibit F) (Katz states, "Lance Liu has nonprivileged, discoverable information material to [Xie's] case in Connecticut" and thus confirms he has communicated with Liu or received information from Liu); Katz Aff. (Exh. C), at ¶ 7 (Katz admits that, on October 30, 2013, he attended a meeting amongst himself, Xie, and Liu).

Liu also concedes that he introduced Katz to certain purchasers of Beta Pharma's stock – that is, prospective and actual plaintiffs in the Shao Action. See relevant portion of Liu's Answer in the Liu Action, ¶ 51 (copy attached as Exhibit E) ("[Liu] admits that he introduced certain Buyers to Katz").

H. The Superior Court of New Jersey Has Enjoined Liu From Continuing to Disclose Beta Pharma's Confidences

As a result of Liu's misconduct, Defendants brought the Liu Action¹² in the Superior Court of New Jersey, seeking to recover damages and to enjoin Liu's disclosure of their confidences. See Verified Complaint filed on September 16, 2014 (without exhibits) (copy attached as Exhibit G). On September 26, 2014, after a hearing, the Honorable Paul Innes, P.J.Ch., entered an Order to Show Cause with Temporary Restraints (the "Restraining Order") against Liu, enjoining

¹² This was the second time Liu's misconduct necessitated the filing of a lawsuit. Previously, Defendants had requested that Liu return all client files. Liu refused. Thus, Defendants commenced an Order to Show Cause on June 27, 2014 directing Liu to turn over the client files. Liu then provided *some* (but not all) of his files, yet represented that he had turned over all of his files. Based on that representation, Defendants dismissed that Order to Show Cause on July 30, 2014. Subsequently, Defendants and their counsel confirmed that Liu had withheld documents, as Defendants provided documents to their counsel related to the representation that Liu had not turned over. In particular, Liu withheld communications with Beta Pharma that demonstrate that he had conflicts of interest that precluded him from having an adverse relationship with Defendants. Further, Liu has admitted deleting emails related to his representation of Defendants. See excerpt of Liu July 29, 2014 affidavit in the Liu Action, at ¶ 30 ("Any other e-mails I may have sent or received on my Yahoo account relating to legal work for Beta Pharma have been deleted.") (copy attached as Exhibit J).

Liu from communicating with the Shao plaintiffs or Xie, or their counsel (Katz), regarding the Shao and Xie Actions.¹³ See Order to Show Cause entered on September 26, 2014 (copy attached as Exhibit H); excerpt of transcript of September 26, 2014 hearing (copy attached as Exhibit I) (“Hr’g Tr.”). In entering the Restraining Order, Judge Innes found that Liu had represented Beta Pharma, and that Liu subsequently had disclosed its confidential information. See Hr’g Tr. (Exh. I), at p. 33 (“Mr. Liu was the attorney for Beta Pharma, Incorporated and Beta Pharma Scientific, Incorporated and now finds himself in an adversarial relationship with those entities and *there has been a showing to the Court that Mr. Liu has used privileged and confidential information in connection with his representation in other matters and in connection with his controversies with [Defendants].*”) (emphasis added). Liu was present at the hearing, and consented to the restraints imposed by the New Jersey Court, barring him from communicating with Katz, the Shao plaintiffs, or Xie. *Id.*, at pp. 26–27.

Subsequently, on January 14, 2015, the New Jersey Court entered an Order (on the consent of the parties) continuing the restraints for the remainder of the action. See Jan. 14, 2015 Consent Order Entering Preliminary Injunction (copy attached as Exhibit K). The Consent Order further precludes Liu from disclosing Beta Pharma’s confidential information. *Id.* at ¶ 3(e). It also bars Liu from

¹³ The application and the Restraining Order specifically refer to the Shao (“Buyers”) Action and Xie Action, and not this case, because this case had not yet been filed.

soliciting any party to bring a legal claim against Beta Pharma. *Id.* at ¶ 3(b). That case is still pending, and the injunction remains in full effect.

Liu recently consented to extend the injunction to the present matter. The Amended Consent Order Entering Preliminary Injunction bars Liu from communicating directly or indirectly with Katz or Wang about this lawsuit.¹⁴

III. LEGAL ARGUMENT

“Every client has a right to expect that his lawyer will not disclose his secrets.” *Goldenberg*, 189 Conn. at 512. Where a conflicted lawyer, like Liu, teams up with a second lawyer to sue the conflicted lawyer’s prior client in the same matter as the prior representation, the second lawyer likewise becomes conflicted and must be disqualified. *Id.* at 512-513. Here, Liu had access to Defendants’ information and secrets, including information concerning the 2010 Agreement, and he advised Defendants on that Agreement and all purported agreements between Plaintiff and Beta Pharma. Liu now has switched sides. He is consulting with Katz, and is assisting Katz in bringing claims against Beta Pharma, in this case. In such circumstances, the opportunity for disclosure of Defendants’ confidential and privileged information is overwhelming. Disqualification of Katz is therefore required to preserve and protect confidential, attorney-client privileged, and/or attorney work product confidences, and in accordance with the Rules of Professional Conduct.

¹⁴ Liu and Beta Pharma have submitted the Amended Consent Order to the New Jersey Court, but it has not yet been entered.

A. Disqualification of Katz is Required to Preserve Confidences

Federal courts have inherent authority to discipline attorneys who appear before them for conduct deemed inconsistent with ethical standards imposed by the court. *In re Snyder*, 472 U.S. 634, 645 n.6 (1985); *Board of Educ. of the City of N.Y. v. Nyquist*, 590 F.2d 1241 (2d Cir. 1979) (power to disqualify). This Court has adopted the Rules of Professional Conduct of the State of Connecticut (“RPC”) as the relevant standard of conduct. L.R. 83.2(a). Connecticut state court caselaw as well as federal caselaw is pertinent to such issues. *Id.*; see also *Pierce & Weiss, LLP v. Subrogation Partners LLC*, 701 F.Supp.2d 245 (E.D.N.Y. 2010) (explaining that, when interpreting the Rules of Professional Conduct, state court decisions are pertinent).

“Disqualification of counsel is a remedy that serves to enforce the lawyer’s duty of absolute fidelity and to guard against the danger of inadvertent use of confidential information.” *Silver Chrysler Plymouth, Inc. v. Chrysler Motors Corp.*, 518 F.2d 751, 754 (2d Cir. 1975); *American Heritage Agency, Inc. v. Gelinas*, 62 Conn. App. 711, 725 (2001) (quotations omitted). If the asserted course of conduct threatens to affect the integrity of the adversarial process, the court should take appropriate measures, including disqualification, to eliminate such taint. See *Hull v. Celanese Corp.*, 513 F.2d 568, 572 (2d Cir. 1975). The preservation of public trust both in the scrupulous administration of justice and in the integrity of the bar is paramount. *Id.* Thus, although a party’s right to counsel of his or her choice is important, that consideration must yield to

considerations of ethics which run to the very integrity of the judicial process. *Id.* Accordingly, “any doubt is to be resolved in favor of disqualification.” *Id.* at 571.

B. Liu’s Consulting Relationship with Katz Violates Rules of Professional Conduct 1.6 and 1.9

Under Connecticut Rule of Professional Conduct 1.6, Liu has a duty to maintain Defendants’ confidences. Rule 1.6(a) provides, in relevant part: “A lawyer shall not reveal information relating to representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation, or the disclosure is permitted by subsection (b), (c), or (d).” RPC 1.6(a).

To make sure confidences are preserved, Rule 1.9(a) specifically prohibits attorneys, such as Liu, from representing parties adverse to former clients, such as Defendants, in the same or a substantially related matter. See RPC 1.9(a). Likewise, Rule 1.9(c) prohibits Liu from using confidential information relating to his representation of Defendants against Defendants. The relevant sections of Rule 1.9 provide:

(a) A lawyer who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client gives informed consent, confirmed in writing. . . .

(c) A lawyer who has formerly represented a client in a matter or whose present or former firm has formerly represented a client in a matter shall not thereafter:

(1) use information relating to the representation to the disadvantage of the former client except as these Rules would permit or require with respect to a client, or when the information has become generally known; or

(2) reveal information relating to the representation except as these Rules would permit or require with respect to a client. . . .

RPC 1.9.

Accordingly, “an attorney should be disqualified if he has accepted employment adverse to the interests of a former client on a matter substantially related to the prior representation.” *American Heritage*, 62 Conn. App. at 726. Matters are substantially related where the relationship between the issues in the prior and present cases is patently clear or when the issues are identical or essentially the same. *Id.* Once a substantial relationship between the matters is demonstrated, the receipt of confidential information that would potentially disadvantage the former client is presumed, and the moving party need not show that confidential information actually changed hands. *Goldenberg*, 189 Conn. at 512; *Hull*, 513 F.2d at 572.

RPC 1.9 precludes Liu’s consulting relationship with Katz in this case. Plaintiff’s claims in this action arise from alleged breaches of the 2010 Agreement. Specifically, Plaintiff alleges that he contracted with Beta Pharma to become Beta Pharma’s Chief Scientific Officer, and, in exchange, would receive a salary, along with stock in Beta Pharma and another company. Complaint, First Count, ¶ 10. Also, Plaintiff contends that the contract contemplated the establishment of BPC, a Canadian corporation, in which Plaintiff would own 51% of the stock and Zhang would own 49%. *Id.* at ¶ 11. According to Plaintiff, Beta Pharma and Zhang breached the 2010 Agreement by, among other things, failing to pay Plaintiff his salary and stock, and by discontinuing funding of BPC. *Id.* at ¶

12; Complaint, Second Count, ¶ 15. The Complaint therefore specifically raises issues regarding the 2010 Agreement and BPC.

As detailed above, Liu advised Beta Pharma on precisely these issues. Liu advised Beta Pharma on the 2010 Agreement and a possible revision to that Agreement. Zhang Aff., at ¶ 13. He advised Beta Pharma on BPC and related tax issues. *Id.*, at ¶ 13, 16. He advised Beta Pharma on dissolving the 2010 Agreement. Kolpen Decl., Exh. 3. He advised Beta Pharma on all of its alleged agreements and its relationship with Plaintiff. Zhang Aff., at ¶ 13 and Exh. 5. Liu's representation of Beta Pharma and Zhang therefore concerned the same matter as this lawsuit.

Because Liu represented Beta Pharma on the same matter as – or one which is substantially related to – the matter at issue in this action, he cannot be adverse to Beta Pharma in this action through his consulting relationship with Katz. Liu cannot use information relating to his representation of Beta Pharma to Beta Pharma's disadvantage. RPC 1.9(c)(1). If Liu were permitted to continue his consulting relationship with Katz, he would presumptively be using his confidential knowledge of Defendants (his former clients) regarding their dealings with Plaintiff against Defendants. This is precisely what the Rules of Professional Conduct prohibit. Not surprisingly, courts have upheld disqualification in similar circumstances. See, e.g., *Emle Indus., Inc. v. Patenax, Inc.*, 478 F.2d 562 (2d Cir. 1973) (disqualifying counsel for plaintiff who previously represented part owner of defendant on identical issue); *American Heritage*, 62 Conn. App. at 724–27

(disqualifying defense attorney who previously represented plaintiff in related matters).

C. *Katz's Consulting Relationship with Liu in this Action, and Relationships with Liu in Other Cases, Require Katz's Disqualification*

Katz's many relationships with Liu, including Katz's consulting relationship with Liu in this case, require Katz's disqualification. Liu has confidential, privileged information from Beta Pharma and Zhang relating to this action. It would completely defeat the purpose of the rules if Katz were permitted to affiliate with Liu and use Liu's confidential knowledge in representing Plaintiff against Beta Pharma and Zhang. Moreover, attorneys have an ethical obligation to protect client confidential information and should not participate in assisting another lawyer in the breach of that obligation. See RPC 8.4 (1), (4). Accordingly, Katz cannot assist Liu in breaching his obligations to Beta Pharma and Zhang.

The Connecticut Supreme Court's decision in *Goldenberg* requires disqualification in this case. In *Goldenberg*, the Court addressed the issue of "whether private counsel in a civil law suit and his firm should be disqualified for his having consulted with an attorney who changed sides during the pendency of the litigation." 189 Conn. at 506. The case involved an airplane accident; "[m]ultiple suits followed against various defendants [including] [Corporate Air], lessee and operator of the aircraft involved in the accident, and [Avco], manufacturer of the two engines which powered the plane." *Id.* There was an adverse relationship between Corporate Air and Avco because "Avco contend[ed] that the accident resulted from operational or pilot error while

Corporate Air contend[ed] that defective equipment manufactured by Avco caused the accident.” *Id.*

Joseph Flaherty worked for Avco’s insurer as a staff attorney. Flaherty “represented Avco in regard to its defense of any tort claims arising out of the crash” and “was given total access to all Avco records, documents, tests, correspondence and personnel to assist him in formulating that defense.” *Id.* Subsequently, Flaherty left Avco’s insurer and began working for an insurance adjusting firm that represented the insurance underwriting company for Corporate Air. *Id.* at 507. William Moller, the attorney for Corporate Air, consulted with Flaherty about the accident. *Id.*

Upon motion by Avco, the trial court disqualified Moller and his office from representing Corporate Air and “rendered a further order designed to insulate Flaherty and his information from successor counsel.” *Id.* The Supreme Court affirmed the trial court’s disqualification of Moller based upon his consultation with Flaherty. *Id.* at 512.

In its analysis of the motion to disqualify, the Court explained that the first step was to determine whether an attorney-client relationship existed between Flaherty and Avco. *Id.* at 508–509. The Court concluded that Flaherty “participated in discussions designed to formulate Avco’s trial plan and played an active role in structuring its defenses. [Flaherty’s] intimate knowledge of Avco’s affairs received in the course of the attorney-client relationship subjected him to a fiduciary responsibility.” *Id.* at 509.

The Supreme Court then determined that, because Moller (counsel for Corporate Air) consulted with Flaherty (former counsel for Avco), Moller was in a position to receive confidences concerning Avco and thereby become “infected.” *Id.* at 512. The Court held expressly: “This possibility is sufficient to disqualify Moller,” *id.* at 512–513, and that it was “immaterial” that Moller had acted properly at all times and was unaware of Flaherty’s past relationships. *Id.* at 513. The Supreme Court stated: “No person is immune from the spread of infection by reason of his good conduct or pure heart. Although it is unfortunate that Moller, through no fault of his own, must be precluded from representing Corporate Air . . . in the present litigation, no other result consistent with the [rules of professional conduct] is appropriate.” *Id.* at 513.

The Court emphasized that there need *not* be a showing that the attorney (Moller in *Goldenberg*; Katz in the present case) actually received the confidential/privileged information in order to disqualify him. *Id.* at 512–13. To the contrary, “where the opportunity for disclosure of confidential information to an adversary is shown, the breach of confidence . . . is presumed in order to preserve the spirit of the [Rules of Professional Conduct].” *Id.* at 512. The Court stated:

Every client has a right to expect that his lawyer will not disclose his secrets. To protect this right, courts will not inquire whether the lawyer has, in fact, used confidential information to the client’s detriment because such inquiry would require the revelation of the very information the [rule] is designed to protect. . . . *Where the opportunity for disclosure of confidential information to an adversary is shown, the breach of confidence would not have to be proved; it is presumed in order to preserve the spirit of the [rules of professional conduct].*

Id. at 512 (citations omitted) (emphasis added). Because the consultations between Flaherty (former counsel for Avco) and Moller (counsel for Corporate Air) concerning the airplane accident put Moller “in a position to receive relevant confidences concerning Avco,” the Court concluded that disqualification of Moller was required. *Id.* at 512–13.

Just as Flaherty represented Avco, Liu had an attorney-client relationship with Beta Pharma. See Zhang Aff., at ¶ 6; Hr’g Tr. (Exh. I), at p. 20. And, just as Moller (representing Corporate Air, adverse to Avco) consulted with Flaherty (former counsel for Avco) in *Goldenberg*, Katz (representing Plaintiff, adverse to Defendants) has consulted with Liu (former counsel for Defendants). Kolpen Decl., Exh. 4; see also Kolpen Decl., Exh. 5-8.

In addition, Katz and Liu have formed other associations, including a joint representation and a consulting relationship in the Shao Action and the Xie Action, and an attorney-client relationship, with Katz representing Liu. See Liu Motion to Quash (Exh. D), at pp. 8–9. Beyond these relationships, Katz concedes that he has communicated with Liu. See Katz 10/1/14 email (Exh. F) (where Katz states, “Lance Liu has nonprivileged, discoverable information material to [Xie’s] case in Connecticut,” and thus confirms he has communicated with Liu or received information from him); Katz Aff. (Exh. C), ¶ 7 (Katz admits that, on October 30, 2013, he attended a meeting amongst himself, Xie, and Liu).

Likewise, Liu admits that he introduced Katz to prospective or actual plaintiffs in the Shao Action. See Answer in Liu Action (Exh. E), ¶ 51. Furthermore, Liu’s phone records reflect that, between November 2013 and

August 2014 alone, Liu communicated with Katz for over 600 minutes. Kolpen Decl., Exh. 8.

As a result, Katz was and is in a position to receive attorney-client confidences regarding Defendants. This is true even if Katz has acted at all times with the utmost propriety; where, as here, “the opportunity for disclosure of confidential information to an adversary is shown, the breach of confidence . . . is presumed in order to preserve the spirit of the rules.” *Goldenberg*, 189 Conn. at 512. Just as it was necessary to disqualify Moller from representing Corporate Air, Katz must be disqualified from representing Plaintiff in the present case. See *id.* at 512–13.

A state court disqualified a law firm under similar circumstances in *ARJ Trucking, Inc. v. Emery Worldwide and Consolidated Freightways, Inc.*, 7 Conn. L. Rptr. 167, 1992 WL 189367 (Conn. Super. Ct. Jul. 29, 1992). In *ARJ Trucking*, ARJ’s counsel, Cohen and Wolf, secured an affidavit from Emery’s former general counsel wherein he revealed, *inter alia*, facts relating to a contract between ARJ and Emery that was at issue in the lawsuit and that he had negotiated as Emery’s general counsel. The court disqualified Cohen and Wolf because there was an opportunity for disclosure of Emery’s confidential information when Cohen and Wolf took that affidavit. The disclosure of such confidential information was presumed under *Goldenberg*. *Id.* Much the same opportunity for disclosure of confidential information arose when Liu consulted with Katz in this case (and in the Shao and Xie Actions), about their joint representations in the Shao and Xie Actions, and about Liu’s projected claims against Beta Pharma.

A recent case from the Eastern District of New York confirms this analysis. In *Gerffert Co., Inc. v. Dean*, 2011 WL 683963 (E.D.N.Y. Feb. 16, 2011), Attorney Horowitz had previously represented Gerffert and the Bonellas. He obtained a waiver from the Bonellas to represent Gerffert in a business transaction with the Bonellas. *Id.* at * 1. The waiver was limited, however, and explicitly stated that Horowitz would not represent either side in the event a dispute arose between them. *Id.* at *2. Gerffert, represented by separate counsel, Attorney Magnotti, ultimately sued the Bonellas. *Id.* at *4. Unbeknownst to the Bonellas, however, Horowitz was involved in the case behind the scenes before ultimately entering a notice of appearance on behalf of Gerffert. *Id.* at *9. The Court disqualified both Horowitz and Magnotti, noting that “the risk that confidential information has already passed between them would remain and taint the fairness of the proceedings.” *Id.* at *10. In making its ruling, the Court particularly emphasized the failure to disclose that Horowitz had been working on the matter. *Id.* at *11.

Under *Gerffert*, Katz must be disqualified. Just as in *Gerffert*, Katz has affiliated with former counsel for his adversary. Just as in *Gerffert*, Liu did not make an appearance in this case (or in the Xie and Shao cases). Just as in *Gerffert*, this relationship was not immediately disclosed; instead, Beta Pharma discovered the consulting relationship in this case only after suing Liu for attorney misconduct and conducting discovery in the Liu Action. Just as in *Gerffert*, the risk that Liu has shared Beta Pharma’s confidences with Katz taints the proceeding and requires disqualification.

Because Katz has consulted and associated with Liu (who previously represented Defendants with respect to facts and issues in controversy in this action), Katz was and is in a position to receive confidences concerning Defendants regarding the subject matter of this case. As this opportunity for disclosure of confidential information exists, a breach of confidence is presumed and disqualification is required. *Goldenberg*, 189 Conn. at 512; *ARJ Trucking*, 1992 WL 189367, at *3.

IV. CONCLUSION

For all the foregoing reasons, Defendants respectfully move that the Court grant their Motion to Disqualify and order the following relief:

1. Disqualification of Katz from representing Plaintiff Zhaoyin Wang in this case; and
2. An injunction precluding Katz from turning over his file(s) associated with this matter to any other lawyer or law firm.

By: /s/

Michael G. Caldwell (ct26561)
LeClairRyan, A Professional Corporation
545 Long Wharf Drive, Ninth Floor
New Haven, Connecticut 06511
Telephone: (203) 672-1636
Facsimile: (203) 672-1656
Email: michael.caldwell@leclairryan.com

Jack L. Kolpen (NJ Bar No. 026411987)
Benjamin R. Kurtis (NJ Bar No. 029492010)
Fox Rothschild, LLP
Princeton Pike Corporate Center
997 Lenox Dr., Bldg. 3
Lawrenceville, NJ 08648-2311
Telephone: (609) 895-3304

Facsimile: (609) 896-1469
Email: JKolpen@foxrothschild.com
Email: bkurtis@foxrothschild.com
Admitted as Visiting Attorneys

Glenn A. Duhl (ct03644)
Siegel, O'Connor, O'Donnell & Beck, P.C.
150 Trumbull Street
Hartford, CT 06103
Tel. (860) 280-1215
Fax (860) 527-5131
Email: gduhl@siegelconnor.com

CERTIFICATE OF SERVICE

I hereby certify that on April 21, 2015 a copy of the foregoing was filed electronically. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

/s/

Michael G. Caldwell (ct 26561)

EXHIBIT A

mail, but continued to involve himself in Defendants' legal issues through at least December 2012.

7. During July 2011, when Liu formed an attorney-client relationship with Beta Pharma, Liu also entered into a "Mutual Non-Disclosure and Non-Use Agreement" with Beta Pharma, which provided that Liu would not disclose Beta Pharma's "Confidential Information." A true and correct copy of the Mutual Non-Disclosure and Non-Use Agreement is attached as Exhibit 1.

8. Liu never provided Beta Pharma with a written retainer agreement or other documents setting forth the scope of the representation or how he intended to charge for legal services.

9. Liu provided comprehensive legal services to Beta Pharma, including rendering legal advice regarding intellectual property, real estate leases, taxation issues, employment issues, contract issues, and corporate and stock transfer issues.

10. I had regular contact and communications with him about business and legal issues impacting my companies.

11. Liu had a Beta Pharma email address (Lance.Liu@betapharma.com) and billed Beta Pharma in excess of \$126,000 for legal services provided between July 2011 and December 2012, which Beta Pharma paid. Attached as Exhibit 2 are true and correct copies of emails dated July 17, 2012, July 26, 2012, and October 8, 2012 from Liu (the irrelevant portions have been redacted). Attached as Exhibit 3 is a true and correct copy of an email chain dated June 28, 2012 in which I introduce Liu as "Director of Legal Affairs of BetaPharma, Inc."

12. During the representation, Liu received broad access to Beta Pharma's corporate information, including highly confidential and proprietary business information such as research projects, business contracts, investor information, financial information, tax filings and related information, employee information and settlements, and proposed stock valuations. Liu also received confidential and privileged requests for legal advice from Beta Pharma, and rendered confidential and privileged legal advice on intellectual property issues, corporate issues, employment issues, stock sale issues, tax issues, real estate issues, and contract issues.

13. During the representation, Liu counseled Beta Pharma on the purported agreement between Plaintiff and Beta Pharma from March 2010 (the "2010 Agreement"), including issues related to: Beta Pharma Canada ("BPC"), a Canadian company; and a possible revision to the 2010 Agreement. Liu billed Beta Pharma for these legal services.

14. A true and correct redacted copy of a July 28-July 30, 2012 email chain involving me, Plaintiff, and Dr. Jirong Peng, Ph.D., Vice-President of Beta Pharma, along with the draft agreement that was attached to the emails, is attached as Exhibit 4.

15. Attached as Exhibit 5 is a true and correct redacted copy of a July 30-31, 2012 email chain, between Plaintiff, me, Jirong Peng, and Liu (irrelevant portions have been redacted). I copied Liu on the July 31, 2012 email.

16. Liu also reviewed the 2010 Agreement in September 2012 and provided legal advice to Beta Pharma in connection with BPC and associated tax issues.

17. During his representation of Defendants, Liu proposed that Beta Pharma enter into a business relationship with him to start a generic drug business.

18. While Beta Pharma and I considered Liu's proposals, we ultimately declined them.

19. After purporting to terminate his attorney-client relationship with Defendants in November 2012, Liu subsequently threatened me with criminal prosecution by the U.S. Attorney's office if I did not, among other things, pay him and give him Beta Pharma's shares of another company's stock.

20. During June 2013, Liu informed third parties with whom Beta Pharma had an ongoing business relationship that Liu was actively preparing a federal lawsuit against Beta Pharma. Liu also made written statements to business associates of Beta Pharma, accusing me of criminal activity.

21. Liu engaged in a campaign to destroy Beta Pharma and me because we refused to enter into a business deal with him.

22. Attached as Exhibit 6 is a true and correct copy of an email dated May 24, 2014 that Plaintiff sent to me.

23. Before August 2014, neither Liu nor Jonathan Katz, Esq. voluntarily disclosed to Defendants that Liu was working with Katz to jointly represent the plaintiffs in *Xie v. Beta Pharma, Inc., et al.*, Docket No. X06-UWY-CV13-6025526-

ZHANG – A
EXHIBIT 1

MUTUAL NON-DISCLOSURE AND NON-USE AGREEMENT

This AGREEMENT is made by and between Beta Pharma, Inc. at 31 Business Park Drive, Brunford, CT06405 (hereinafter "BetaPharma") and Lance Liu at 4 Colonial Court, Middlebury, CT 06762 (hereinafter "Lance Liu").

WITNESSETH

WHEREAS, BetaPharma and Lance Liu are interested in evaluating their respective interests in entering into a possible mutually beneficial business arrangement; and

WHEREAS, it will be necessary for BetaPharma and Lance Liu to exchange certain confidential and proprietary information relating to certain of their respective research and development programs, in order for them to carry out the above-described evaluation;

WHEREAS both PARTIES believe that the execution and delivery of this AGREEMENT is in their best interests;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the PARTIES do agree as follows:

Preamble: The preamble forms an integral part of this AGREEMENT

2. Definitions

- (a) As used herein, the term "PARTIES" shall mean BetaPharma and Lance Liu, and the term "PARTY" shall mean either of them, as the context shall indicate.
- (b) As used herein, the term "AFFILIATED COMPANIES" shall mean:
 - (i) a business entity which owns, directly or indirectly, a controlling interest in a PARTY, by stock ownership or otherwise; or
 - (ii) a business entity in which the controlling interest is owned by a PARTY, either directly or indirectly, by stock ownership or otherwise; or,
 - (iii) a business entity in which ownership of the controlling interest is directly or indirectly common to that of a PARTY.
- (c) As used herein, the term "Confidential Information" shall mean any and all information, data, know-how, or samples, relating to the research, development, sales or marketing programs of a PARTY, and, or its AFFILIATED COMPANIES, which is (are) disclosed or given by that

PARTY, or on its behalf, to the other PARTY, or to an agent of the other PARTY disclosed hereunder in a writing, marked "Confidential", or, if initially disclosed orally, visually and/or in another intangible form, and identified as "Confidential" at the time of disclosure. Confidential Information shall not, however, include:

(i) Information which is now generally available to the public or which after disclosure hereunder becomes generally available to the public, through no fault attributable to the RECEIVING PARTY; or,

(ii) information which was known by a PARTY prior to receipt hereunder, as evidenced by competent proof, or which is subsequently generated by that PARTY or an AFFILIATED COMPANY by persons who have not had access to or knowledge of the information disclosed hereunder; or,

information which is lawfully received by a PARTY after the Effective Date from any party other than the DISCLOSING PARTY or the DISCLOSING PARTY'S AFFILIATED COMPANIES, their employees or agents; or,

Information which is expressly released in writing from the obligation of confidentiality imposed by this AGREEMENT; or

(v) Information which is disclosed pursuant to a formal request of a government body, agency or a court of law but the RECEIVING PARTY shall inform the DISCLOSING PARTY of such request immediately and prior to disclosure in order to allow the DISCLOSING PARTY to take the appropriate measures.

3 Both PARTIES warrant that they have the full and unconditional right to disclose to each other the Confidential Information covered by this AGREEMENT. Each PARTY gives no warranty as to the accuracy or completeness of any Confidential Information, and is under no obligation to disclose any particular information under this AGREEMENT.

4. After the execution of this AGREEMENT, the PARTIES may disclose to each other Confidential Information pertaining to the topics listed in Schedule A, which is attached hereto and made a part hereof. Such disclosures shall be made and received for the sole purpose of enabling the PARTIES to evaluate their respective interests in entering into the contemplated relationship. During the term of this AGREEMENT and for a period of five (5) years thereafter, a PARTY receiving Confidential Information from the other agrees:

a) not to use the Confidential Information which it receives for any purposes other than those specified above; and

b) to take all reasonable precautions to prevent the disclosure of the Confidential Information which it receives to any third party, other than AFFILIATED COMPANIES and agents which agree to be bound by the terms of this AGREEMENT. Without limiting the foregoing, RECEIVING

PARTY shall take at least those measures that it employs to protect its own Confidential Information.

5. Schedule A may be amended from time-to-time, by mutual written agreement, in order to add additional topics respecting which Confidential Information may be disclosed under the terms and conditions of this AGREEMENT. Such amending additions to Schedule A shall be initialed and dated by authorized representatives of both PARTIES in order to become effective.
6. Any intellectual property right created or brought into existence as a result of the use of the Confidential Information under this AGREEMENT is to be or to remain the property of the DISCLOSING PARTY. Nothing in this AGREEMENT shall be considered as granting any license or right under any patent rights or as representing any commitment by either PARTY to enter into any further agreement, by implication or otherwise.

All disclosed information shall remain the property of the DISCLOSING PARTY. Each of the PARTIES agrees to return promptly to the other, upon request, all of the Confidential Information received from the other, except that a PARTY may, at its option, retain one archival copy of the Confidential Information for the sole purpose of being able to determine the scope of its continuing obligations of confidentiality under this AGREEMENT.

8. The term of this AGREEMENT shall extend for a period of one (1) year from the effective date, unless extended by mutual written agreement, except that either PARTY may terminate this AGREEMENT for any reason on thirty (30) days prior written notice to the other. Any obligation of either PARTY accrued prior to expiry or termination of this AGREEMENT and the obligations set forth in Sections 4, 6, 7, 8, 10 and 11 shall survive the expiration or termination of this AGREEMENT.
9. No amendment hereto shall be binding unless expressly provided for by the mutual written consent of the PARTIES hereto.
10. In the event of a breach or threatened breach by a PARTY of any provision of this AGREEMENT, the PARTY victim of said breach shall be entitled to any remedy including injunction, relief, damage or any other right available to it, to prevent or restrain any such breach by either PARTY.

Neither PARTY shall use the name of the other in any public announcement, publicity, or advertising with respect to the subject matter of this AGREEMENT unless reasonably necessary to comply with applicable government laws or regulations.

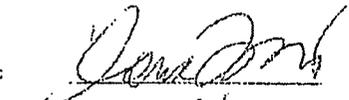
12. This AGREEMENT shall constitute the entire understanding between the PARTIES with respect to the Confidential Information.
13. This AGREEMENT shall be construed and interpreted in accordance with the applicable laws of the State of Connecticut, USA.

IN WITNESS, WHEREOF, the PARTIES have duly executed this AGREEMENT this 26th day of July, 2011, the Effective Date.

Bela Pharma, Inc.

Lance Liu

BY:


Name
Title 7/27/2011

BY


07/26/2011

SCHEDULE A

Topics covered by the NON-DISCLOSURE AND NON-USE AGREEMENT entered into between _____ and _____ include:

_____ disclosing to _____ confidential and proprietary information related to its research and development programs and products; and

_____ disclosing to _____ confidential and proprietary information

related to their _____



ZHANG – A
EXHIBIT 2

----- Original Message -----
Subject: Re: Agreements (Confidential)
From: "Lance Liu" <Lance.Liu@betapharma.com>
>
Date: Tue, July 17, 2012 10:39 am
To: 王翔 <yinxlang.wang@betapharma.com.cn>
>

REDACTED

Sincerely,

Lance Liu, J.D., Ph.D.
Beta Pharma, Inc.
31 Business Park Drive
Branford, CT 06405
(203)706-9536

INBOX

Compose

Addresses

Folders

Options

Current Folder: Sent

Calendar

Message List | Delete | Edit Message as | Forward | Forward as Attachment | Reply | Reply All

Now

Subject: Re: FW: TC
From: "Lance Liu" <Lance.Liu@betapharma.com>
Date: Thu, July 26, 2012 10:57 pm
To: "Don Zhang" <don_zhang@betapharma.com>
Cc: "Jirong Peng" <jirong_peng@betapharma.com>
Priority: Normal
Options: View Full Header | View Printable Version | Download this as a file | View Message details

REDACTED

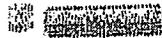
7/26/2012

REDACTED

Lance Liu, J.D., Ph.D.
Beta Pharma, Inc.
31 Business Park Drive
Branford, CT 06405
(203)706-9536

Delete & Prev | Delete & Next

Move to: INBOX



1/26/2012

https://mailing.ipage.com/cgi/mail/ero/read_body.php?mailbox=INBOX&...

INBOX

Compose

Addresses

Folders

Options

Current Folder: **INBOX**

Calendar

 Message List |  Delete



 Forward |  Forward as Attachment |  Reply

REDACTED

-----Original Message-----
From: Lance Liu [mailto:Lance.Liu@betapharma.com]
Sent: Monday, October 08, 2012 12:39 PM
To: don_zhang@betapharma.com
Cc: jirong_peng@betapharma.com

https://emailg.ipage.com/sqmail/src/read_body.php?mailbox=INBOX&...

REDACTED

Sincerely,

Lance Liu, J.D., Ph.D.
Beta Pharma, Inc.
31 Business Park Drive
Branford, CT 06405
(203)706-9536

Delete & Prev | Delete & Next

Move to:

ZHANG – A
EXHIBIT 3

From: Lance Liu [mailto:Lance.Liu@betapharma.com]
Sent: Thursday, June 28, 2012 12:23 PM
To: susie.xu@betapharma.com.cn; jia.tong@betapharma.com.cn
Cc: don_zhang@betapharma.com; jirong_peng@betapharma.com
Subject: [Fwd: Director of Legal Affair of BetaPharma]

Susie and Tong,

It is a pleasure to "meet" you (via e-mail).

Sincerely,

Lance Liu, J.D., Ph.D.
Beta Pharma, Inc.
31 Business Park Drive
Branford, CT 06405
(203)706-9536

----- Original Message -----
Subject: Director of Legal Affair of BetaPharma
From: "Don Zhang" <don_zhang@betapharma.com>
Date: Thu, June 28, 2012 10:53 am
To: "董 强" <jieming.ding@betapharma.com.cn>
"yinxiang.wang" <yinxiang.wang@betapharma.com.cn>
"susie.xu" <susie.xu@betapharma.com.cn>
"jia.tong" <jia.tong@betapharma.com.cn>
Cc: "Jirong Peng" <jirong_peng@betapharma.com>
"Lance Liu" <lance.liu@betapharma.com>
"Vickie" <vickie_gullano@betapharma.com>
"Mehrnaz Kamal" <mehrnaz_kamal@betapharma.com>
caroline_dnal@betapharma.com

Dear all,

It is my great honor and pleasure to notify you that Dr. Lance Liu, a well established attorney at law who has great background and professional experience with Yale and Pfizer and so on, has been appointed as Director of Legal Affair of BetaPharma, Inc. Lance has helped our company over a year and has demonstrated his integrity and professionalism and we are very fortunate to have Lance join us.

He has started to charge our legal affairs on behalf of BetaPharma so please give your full cooperation in all aspects of our business and legal affairs in the future! Your assistance and cooperation with him is highly appreciated!

Sincerely,

Don Zhang
President and CEO
BetaPharma, Inc.
31 Business Park Dr.
Branford, CT 06405
Phone: 203-315-5062
Fax: 203-315-5081

ZHANG – A
EXHIBIT 4

REDACTED

From: Jirong Peng [mailto:jirong_peng@betapharma.com]
Sent: Sunday, July 29, 2012 9:17 PM
To: don_zhang@betapharma.com
Subject: FW: Agreement

From: z. wang [mailto:zwang.ca@gmail.com]
Sent: Saturday, July 28, 2012 9:38 AM
To: Jirong Peng
Subject: Agreement

Hi Jirong,

Attached please find the "shareholder" agreement based on the "gentleman's agreement" for my tax credit filing with the Canadian government. I need it to be signed by Don. Please have Don signed the 2nd page and initial the 1st page, and send me a scan now, followed by the hard copy to me at 72 Denault, Kirkland, Quebec H9J 3X3, Canada. I am leaving for China on the 1st of August and would like to get thing done before I leave. Thanks for the help! (Please knowledge after receiving the email).

Best

Zhaoyin

BP-00007037

Shareholder's Agreement

Between

Party A: Zhaoyin Wang
72 Donault
Kirkland, Quebec
Canada H9J 3X3

Party B: Don Xiaodong Zhang
31 Business Park Dr.,
Branford, CT 06405
USA

Both Parties, based on mutual respect and friendship, have agreed the following:

1. Collaboration contents and business model:

(1) Both parties have agreed on the establishment of a research-based company in October of 2010 in Montreal and the Name of the new company is Beta Pharma Canada Inc. (the Company)

(2) Party A will be responsible for the required laboratory equipments and securing an operating space in Montreal. Party B is responsible for the operating cost of the Company.

(3) Party A is responsible for the selection of research projects and the operation at the Company and Party B is responsible for providing business guidelines for the Company.

(4) The Company does not provide salary to Party A. However, Party A's business-related expenses such as traveling and office expenses will be reimbursed by the Company.

2. Ownership/share structure:

(1) Party A has 51% shares of the Company and Party B has 49% shares of the Company.

(2) All discoveries made at the Company are the property of the Company.

(3) The benefit resulted from the discoveries made at the Company, such as patents, and pharmaceutical products, shall be shared between Party A at 51% and Party B at 49%.

(4) If Party B does not fulfil his obligation, Party B's benefit percentage shall be reduced accordingly.

3. Other obligations

(1) Both parties shall agree to hold in strict confidence and to use all reasonable efforts to maintain the operation of the Company. It is understood that breaching the agreement may injure or cause loss to both parties, and legal actions will be brought against to the party responsible for such actions.

(2) In case either party could not fulfill the obligation of the agreement due to an uncontrollable event, the party shall provide the evidence for such an event.

(3) If either party wish to transfer his ownership/share to a third party, it has to be agreed on by both parties through consultation.

4. Both parties keep one copy of the signed agreement.

IN WITNESS WHEREOF, each of the parties has executed this Agreement effective as of the date below.

Party A: Zhaoyin Wang, Ph.D.

Signature: _____

Date: _____

Party B: Don Xiaodong Zhang

Signature: _____

Date: _____

ZHANG – A
EXHIBIT 5

REDACTED

From: Don Zhang [mailto:don_zhang@betapharma.com]
Sent: Tuesday, July 31, 2012 6:52 PM
To: 'z. wang'
Cc: 'Jirong Peng'; 'Lance Liu'
Subject: RE: call me

Hi Zhaoyin,

Very fortunately, we have Dr. lance Liu take care of our legal affairs
So at this point, please feel free to pass our
agreements to him and also explain your problems, concerning and so on to him. The bottom line is to comply with IRS
regulations and clearly resolve our past and sign a new agreement as you requested. It is OK to call me and have a chat
anytime you like since I am back from my travel.

Thanks and please stay in touch!

Don
BetaPharma, Inc.

From: z. wang [mailto:zwang.ca@gmail.com]
Sent: Monday, July 30, 2012 3:57 PM
To: Don Zhang
Subject: Re: call me

Hi Don,

I had a chat with your legal adviser (Mr. Liu) today, and it looks like that we have to change all of our previous
agreement. I do appreciate to have a chat with you before I deal with Mr. Liu. If it's possible, please let me
know a phone number that you can be reached at. I only have time tonight and tomorrow since I am leaving for
China on Wednesday morning. If you prefer, we can have a Skype chat.

Best,

ZW

On Fri, Jul 27, 2012 at 11:00 PM, Don Zhang <don_zhang@betapharma.com> wrote:

Hi Zhaoyin,

ZHANG – A
EXHIBIT 6

From: z. wang <zwang.ca@gmail.com>
Date: Sat, May 24, 2014 at 6:15 PM
Subject: Re: Legal action against you and BetaPharma US
To: Don Zhang <don.pharmaman@gmail.com>

Hi Don,

I am under pressure to sign an attorney service agreement and it would be irreversible once I sign the service contract with the attorney. I certainly hope we can resolve everything by some other means instead of going through legal procedures. Anyway, June 1st is my deadline to sign the contract and that gives us only a week of time.

Best,

Zhaoyin

EXHIBIT B

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

ZHAOYIN WANG,
Plaintiff,

v.

BETA PHARMA, INC., DON ZHANG,
AND ZHEJIANG BETA PHARMA
CO., LTD.,
Defendants.

No. 3:14CV1790 (VLB)

April 21, 2015

DECLARATION OF JACK L. KOLPEN
PURSUANT TO 28 U.S.C. § 1746

I, Jack L. Kolpen, say:

1. Attached as Exhibit 1 is a Privilege/Confidentiality Log of documents referenced in Don Zhang and Beta Pharma, Inc.'s ("Beta Pharma") (together, "Defendants") Memorandum in Support of their Motion to Disqualify.

2. Attached as Exhibit 2 is a copy of an email dated July 31, 2012, from Liu to Plaintiff, which was obtained by Beta Pharma in discovery in *Beta Pharma, Inc., et al. v. Liu*, Docket No. L-2040-14 (Superior Court of New Jersey, Law Division) (the "Liu Action"). Exhibit 2 was produced by Zhaoyin Wang in the Liu Action as ZWANG BP v LIU 00026-ZWANG BP v LIU 00027 and was not designated as confidential.

3. Attached as Exhibit 3 is a portion of the transcript of Plaintiff Zhaoyin Wang's deposition in the Liu Action.

4. Attached as Exhibit 4 is a copy of a retainer agreement between Liu and Jonathan Katz, Esq. ("Katz"), dated April 24, 2014, which was obtained by Beta Pharma in discovery in the Liu Action. Exhibit 4 was produced by Liu in the Liu Action as LL 6203-LL 6204 and was not designated as confidential or attorneys' eyes only under the Protective Order in the Liu Action.

5. Attached as Exhibit 5 is a copy of an email dated May 14, 2014 from Plaintiff to Liu, along with the agreement that was attached to the email, which was obtained by Beta Pharma in discovery in the Liu Action. Exhibit 5 was produced by Liu in the Liu Action as LL 6907-LL 6910 and was not designated as confidential or attorneys' eyes only under the Protective Order in the Liu Action.

6. Attached as Exhibit 6 is a copy of an email dated May 16, 2014 from Liu to Plaintiff, along with the agreement that was attached to the email, which was obtained by Beta Pharma in discovery in the Liu Action. Exhibit 6 was produced by Zhaoyin Wang in the Liu Action as ZWANG BP v LIU 00213-ZWANG BP v LIU 00217 and was not designated as confidential.

7. Attached as Exhibit 7 is a copy of an email dated July 31, 2014 from Plaintiff to Liu, which was obtained by Beta Pharma in discovery in the Liu Action. Exhibit 7 was produced by Zhaoyin Wang in the Liu Action ZWANG BP v LIU 00230-ZWANG BP v LIU 00231 and was not designated as confidential.

8. Attached as Exhibit 8 is a chart summarizing the minutes that Liu spent communicating with Katz between November 2013 and August 2014, which was created using Liu's cell phone records that were produced in the Liu Action.

Under 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on April 21, 2015

 /s/
Jack L. Kolpen

KOLPEN – B

EXHIBIT 1

ZHAOYIN WANG
v.
BETA PHARMA, INC., ET AL.
U.S. DISTRICT COURT, DISTRICT OF CONN.
3:14-CV-1790 (VLB)

PRIVILEGE/CONFIDENTIALITY LOG

Ref. #	Date	From	To	CC	Description	Grounds of Privilege	Subject
1	7/30/2012	Don Zhang	Lance Liu	Jirong Peng	Email with attachment	Attorney-client privilege	Tax issues; purported agreement between Zhaoyin Wang and Don Zhang
2	7/30/2012	Lance Liu	Don Zhang	Jirong Peng	Email with attachment	Attorney-client privilege; work product	Purported agreement between Zhaoyin Wang and Beta Pharma, Inc.
3	7/26-30, 2012	Lance Liu	Beta Pharma, Inc.		Description of legal services on bill	Attorney-client privilege	Beta Pharma Canada and Zhaoyin Wang
4	7/31/2012	Lance Liu	Beta Pharma, Inc.		Description of legal services on bill	Attorney-client privilege	Zhaoyin Wang's purported agreement
5	9/11/2012	Don Zhang	John Anastasio	Jirong Peng, Lance Liu	Email with attachment	Confidential	Confidential tax information
6	9/11/2012	John Anastasio	Don Zhang	Erik Johnson	Email	Confidential	Confidential tax information
7	9/11/2012	Don Zhang	Erik Johnson	John Anastasio, Jirong Peng, Lance Liu	Email	Confidential	Confidential tax information
8	9/12/2012	Erik Johnson	Don Zhang	John Anastasio, Jirong Peng, Lance Liu	Email	Confidential	Confidential tax information
9	9/12/2012	Erik Johnson	Don Zhang, Zhaoyin Wang	John Anastasio, Jirong Peng, Lance Liu	Email	Confidential	Confidential tax information

KOLPEN – B

EXHIBIT 2

Page 1 of 2

Jonathan Katz

From: 王石印 [zywang@sioc.ac.cn]
Sent: Friday, December 12, 2014 7:33 AM
To: Jonathan Katz
Subject: Fw: Fwd: Greeting

-----原始邮件-----

发件人: Zed <zwang.ca@gmail.com>
发送时间: 2014年12月12日 星期五
收件人: "zywang@sioc.ac.cn" <zywang@sioc.ac.cn>
抄送:
主题: Fwd: Greeting

发自我的 iPhone

以下是转发的邮件:

发件人: "Lance Liu" <Lance.Liu@betapharma.com>
日期: 2012年7月31日 GMT+8上午11:38:31
收件人: zwang.ca@gmail.com
主题: 回复: Greeting

Dear Dr. Weng,

It was very nice talking to you today.

Please send a copy of your agreement with Don (PDP copy is fine).

Thanks.

Lance Liu, J.D., Ph.D.
Beta Pharma, Inc.
31 Business Park Drive
Branford, CT 06405
(203)766-5336

ZWANG BP v LIU 00026

12/12/2014

Zhaoyin Wang, Ph.D.
Chinese Academy of Science
Interdisciplinary Research Center on Biology and Chemistry
345 Ling Ling Road, Shanghai 200032
The People's Republic of China
Tel. +86-21-54925610, 86-18602560157

王召印

中国科学院生物与化学交叉研究中心
电话：021-54925610/18602560157

地址：上海市徐汇区零陵路345号君谋楼602室

KOLPEN – B
EXHIBIT 3

No. 500-17-085655-143

BEFORE THE SUPERIOR COURT OF NEW JERSEY

IN THE MATTER OF:
BETA PHARMA INC.

-and-

BETA PHARMA SCIENTIFIC
INC.

-and-

DON ZHANG
Plaintiffs

-vs-

LANCE LIU
Defendant

EXAMINATION OF ZHAOYIN WANG

APPEARANCES:
Mr. JACK KOLPEN
for Plaintiffs

Me FRANÇOIS OLIVIER BOUCHARD (Montreal)
Attorney for Plaintiffs for the
purposes of the Motion to Request
Assistance of a Foreign Jurisdiction

Mr. MICHAEL CALDWELL
for Plaintiffs, Beta Pharma Inc.
and Beta Pharma Scientific Inc.

Mr. MATTHEW SCHWARTZ
for Defendant

Mr. JONATHAN KATZ
for Third Party Witness

DECEMBER 19, 2014

AZ141219.

ASTRIDA AUZA, o.c.r.

MAXIN

No. 500-17-085655-143
DECEMBER 19, 2014

ZHAOYIN WANG
EXAMINATION

5

LIST OF EXHIBITS

PAGE

- # 1: Deposition Notice9
 - # 2: E-mail correspondence between Mr. Zhaoyin Wang and Mr. Lance Liu. 28
 - # 3: E-mail dated May 14, 2014 at 10:20 a.m. from Mr. Zhaoyin Wang to Mr. Lance Liu. 41
 - # 4: Not referenced.55/56
 - # 5: E-mail dated May 14, 2014 (10:51), from Mr. Zhaoyin Wang to Mr. Lance Liu..... 57
-

Astrida Auza o.c.r.

STENO EXACT

ZHAOYIN WANG
EXAMINATION

MAXIM

No. 500-17-085655-143
DECEMBER 19, 2014

1	thousand and ten (2010), did you have a lawyer?	1	is that right?
2 A-	No, I don't.	2 A-	Yes, it's only tax issues.
3 Q-	When Beta Pharma signed the agreement, did it have a lawyer?	3 Q-	How many phone calls did you have in two thousand and twelve (2012), with Lance Liu about the tax issues?
4	have a lawyer?	4	At most five (5).
5 A-	No.	5	Did you ever discuss any other issues with Lance Liu in any of those calls that you had with him in two thousand and twelve (2012)?
7 A-	Well, this is sort of through a mutual friendship and trust, and we signed it as personally... based on that.	7 Q-	No, the whole thing was trying to get Don to sign the tax document for me.
10 Q-	Who was the person that you were talking to when you negotiated and signed that agreement?	10 A-	And did Don ultimately sign the tax document?
11	I directly negotiated with Don.	11	No, he did not.
12 A-	Did Lance Liu participate at all in the negotiation or execution of that agreement that you signed in two thousand and ten (2010)?	12 Q-	And did that cause a problem for you?
13 Q-	Don Zhang.	13 A-	Well, I resolved the problem somehow myself.
14 A-	Don Zhang.	14 Q-	And did that cause a problem for you?
15 Q-	Did Lance Liu participate at all in the negotiation or execution of that agreement that you signed in two thousand and ten (2010)?	15 A-	And did that cause a problem for you?
16	negotiation or execution of that agreement that you signed in two thousand and ten (2010)?	16	Well, I resolved the problem somehow myself.
17 A-	No.	17 Q-	And did that cause a problem for you?
18 A-	Now, I think earlier you said that you had discussions with Lance Liu by telephone in two thousand and twelve (2012), is that correct?	18	And did that cause a problem for you?
19 Q-	Now, I think earlier you said that you had discussions with Lance Liu by telephone in two thousand and twelve (2012), is that correct?	19	And did that cause a problem for you?
20	discussions with Lance Liu by telephone in two thousand and twelve (2012), is that correct?	20	And did that cause a problem for you?
21	thousand and twelve (2012), is that correct?	21	And did that cause a problem for you?
22 A-	In the summer of two thousand and twelve (2012), yes.	22 A-	And the agreement that you sent him in two thousand and twelve (2012), is that the agreement that's attached as... that's attached
23	yes.	23 Q-	And the agreement that you sent him in two thousand and twelve (2012), is that the agreement that's attached as... that's attached
24 Q-	And those discussions that you had with him were about tax issues relating to Beta Pharma Canada,	24 A-	And you sent it to Lance Liu?
25	Pharma?	25 Q-	And you sent it to Lance Liu?
1	to the e-mail that's marked as Exhibit 5?	1 A-	No.
2 A-	Yes, it is, it's the same document.	2 Q-	I have no further questions.
3 Q-	And why did you send him the agreement in two thousand and twelve (2012)?	3 Mr. JACK KOLPEN:	Can you hear me? It's Jack Kolpen.
4	thousand and twelve (2012)?	4	Can you hear me? It's Jack Kolpen.
5 A-	I believe that Don had some ideas to dissolve our working relationship at that time.	5 Me FRANÇOIS OLIVIER BOUCHARD:	Yes.
6	Was the agreement relevant to the tax issues that you were discussing with Lance?	6	Yes.
7 Q-	Was the agreement relevant to the tax issues that you were discussing with Lance?	7 Mr. JACK KOLPEN:	Just... I was trying to make an objection to the form of that last question, Stenographer, and for some reason I couldn't say it.
8	Not really.	8	Just... I was trying to make an objection to the form of that last question, Stenographer, and for some reason I couldn't say it.
9 A-	Not really.	9	Just... I was trying to make an objection to the form of that last question, Stenographer, and for some reason I couldn't say it.
10 Q-	Were you involved in any lawsuit with Beta Pharma in two thousand and twelve (2012)?	10	Just... I was trying to make an objection to the form of that last question, Stenographer, and for some reason I couldn't say it.
11	Pharma in two thousand and twelve (2012)?	11	Just... I was trying to make an objection to the form of that last question, Stenographer, and for some reason I couldn't say it.
12 A-	No.	12 EXAMINATION BY Mr. JACK KOLPEN (CONT'D).	
13 Q-	After the phone calls related to the tax issue in two thousand and twelve (2012), did you have any contact with Lance Liu up until January two thousand and fourteen (2014)?	13 On behalf of Plaintiffs:	
14	in two thousand and twelve (2012), did you have any contact with Lance Liu up until January two thousand and fourteen (2014)?	14 Q-	Anyway, a question, Mr. Wang.
15	any contact with Lance Liu up until January two thousand and fourteen (2014)?	15	You said that in two thousand and twelve (2012), you had sent the agreement that was attached to Exhibit 5 to Lance Liu?
16	thousand and fourteen (2014)?	16	(2012), you had sent the agreement that was attached to Exhibit 5 to Lance Liu?
17 A-	No.	17	attached to Exhibit 5 to Lance Liu?
18 Q-	Beginning in January of two thousand and fourteen (2014), did Lance Liu ever send you any documents relating to Beta Pharma?	18 A-	Yes, I did.
19	fourteen (2014), did Lance Liu ever send you any documents relating to Beta Pharma?	19 Q-	Okay, and it didn't have anything to do with the taxes? I think you said it had to do with...
20	documents relating to Beta Pharma?	20	taxes? I think you said it had to do with...
21 A-	No.	21	Don wanted to dissolve the agreement?
22 Q-	Beginning in two thousand and fourteen (2014), did Lance Liu ever disclose to you any confidential information belonging to Beta Pharma?	22 A-	Yes, I think he had some intention.
23	did Lance Liu ever disclose to you any confidential information belonging to Beta Pharma?	23 Q-	Okay, and that's why you sent it to Lance Liu?
24	confidential information belonging to Beta Pharma?	24 A-	Don actually asked for it, I think.
25	Pharma?	25 Q-	And you sent it to Lance Liu?

STENO EXACT

Astrida Auza o.c.r.

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MAXIN

No. 500-17-085855-143
DECEMBER 19, 2014

ZHAOYIN WANG
EXAMINATION

70	71
1 A- Yes.	1
2 Q- Okay. I have no further questions.	2 I, ASTRIDA AUZA, Official Court Reporter in the
3 Me FRANÇOIS OLIVIER BOUCHARD:	3 Judicial District of Montreal, hereby certify that
4 So, are we done?	4 the foregoing pages are a true and accurate
5 Mr. JACK KOLPEN:	5 transcript of the proceeding taken to the best of my
6 I think so, unless Matt Schwartz has any other	6 skill, ability, and understanding,
7 questions. Matt?	7
8 Mr. MATTHEW SCHWARTZ:	8 And I have signed
9 No, I don't.	9
10 Mr. JACK KOLPEN:	10
11 Okay. I think we're finished.	11
12 Q- Thank you, Mr. Wang.	12 ASTRIDA AUZA,
13 A- You're welcome.	13 Official Court Reporter
14 Me FRANÇOIS OLIVIER BOUCHARD:	14
15 Thank you very much to you all on the... at	15
16 different locations. We're going to close...	16
17 we're going to go off record now.	17
18	18
19 AND FURTHER DEPONENT SAITH NOT	19
20	20
21	21
22	22
23	23
24	24
25	25

KOLPEN – B

EXHIBIT 4

LAW OFFICES OF
Jacobs & Dow, LLC
350 ORANGE STREET
POST OFFICE BOX 606
NEW HAVEN, CONNECTICUT 06503-0606
TELEPHONE (203) 772-3100
FAX (203) 772-1691
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¹Also admitted in Washington D.C.
²Managing Partner
³Board Certified Civil Trial Specialist
⁴Also admitted in New York

FILE NUMBER JDB13-1298

April 24, 2014

Privileged attorney work product for consultant not retained to testify--Not discoverable

Dr. Lance Liu
(Via email)

Dear Lance:

This agreement sets forth the terms under which you will perform consulting services as a non-disclosed expert for Jacobs & Dow, LLC in connection with Beta Pharma, Inc. matters. Please sign and return a copy of this agreement.

1. You will act as liaison between our firm and the clients we represent who have matters against Beta Pharma, Inc., Don Zhang and other potential defendants. You will assist them in seeking and obtaining representation from our firm, and assist us in representing them, including dealing with international, cultural and linguistic matters.
2. You will not have any in-court responsibility whatsoever with respect to any of these claims. You will not be identified on court papers or disclosed as an expert witness. Our firm will have full responsibility for the conduct of all litigation.
3. You will maintain in strictest confidence all information you obtain from us in connection with this representation, and not disclose that information to anyone other than our client to whom the information pertains.
4. You agree to notify us in advance of undertaking any representation that might create a conflict of interest for you or for us.

LL 6203

Jacobs & Dow, LLC

5. In exchange for work you perform hereunder, we will pay you a consulting fee equal to 24% of any contingent fee we earn from representing any Beta Pharma investors other than Guojian Xie.

If we choose not to represent an investor or do not earn a fee from the representation we will not owe you anything with respect to that case.

6. Dr. Guojian Xie is not included in this agreement and we do not owe you any portion of any attorney's fee we earn from representing Dr. Xie.

7. Our firm will not advance costs for you. You are responsible for your own costs and expenses in performing the work contemplated by this consulting agreement.

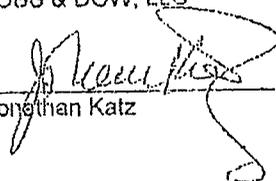
8. In the event that any dispute arises with any client concerning the payment of a contingent consulting fee to you, we will escrow the amount of the fee until such time as the dispute is resolved.

9. This agreement is made in Connecticut, in accordance with the laws of Connecticut, and venue for resolution of any disputes arising hereunder is proper only in the Superior Court for the Judicial District of New Haven, Connecticut.

Very truly yours,

JACOBS & DOW, LLC

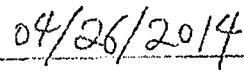
By


Jonathan Katz

JK/da

Read, Understood and
Agreed to:


Attorney Lance Liu

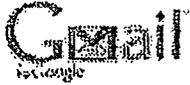

Date

LL 6204

KOLPEN – B
EXHIBIT 5

Gmail - My case against Don(betaPharma)

https://mail.google.com/mail/w0/?ui=2&ik=486fdd56f2&view=pt&cat=g..



Lance Liu <lancellu2000@gmail.com>

My case against Don(betaPharma)

1 message

z. wang <zwang.ca@gmail.com>
To: Lance Liu <lancellu2000@gmail.com>

Wed, May 14, 2014 at 10:51 AM

Hi Lance,

Attached is the employment agreement that I had with Don (BetaPharma) back in year 2010. A few key points I should emphasize for you:

1. my career was deeply effected by the attached offer which persuaded me to decline quite a few very good offers;
2. I founded Beta Pharma Canada Inc. with Don. With his consensus, Beta Pharma Canada Inc was structured as the ownership: Zhaoyin Wang (51%), Don Zhang (49%), inorder to gain the R&D tax credit from the Canadian government;
3. Don Invested a total of ~\$400,000.00 US from October 2010 to June 2011;
4. I was never paid any salary during my entire service to the company;
6. Don breached the agreement without fulfill his obligation to me and beta Pharma Canada Inc.
7. I was never released from my position of CSO of BetaPharma.

Please take a look at the attached document and if you need more information or have any questions, please do not hesitate to contact me.

best,

Zhaoyin

 Zhaoyin Wang-BetaPharma Employment agreement.pdf
1619K

Partnership Offering to Dr. Zhaoyin Wang by Betapharma, Inc.

Date: March 22nd, 2010

Name: Zhaoyin Wang, Ph. D.

Address: 72 Denault, Kirkland, Quebec H9J3X3, Canada

Dear Dr. Zhaoyin Wang,

Beta Pharma Inc. is very pleased to offer a partnership to you. We are very excited about the potential that you will bring to our organization!

As we discussed during your visiting and phone conversation, the partnership package is described as the followings:

- 1) You will be the CSO (Chief Scientific Office) of Beta Pharma (group) for our organization. You will be responsible for overall Research and Development efforts of whole Betapharma group including our joint venture with other organizations such as Zhejiang, Anhui, and Shanghai, and Betapharma USA; you will also be partially involved in company fund raising, in-license in and out-license out, business development, the preparation of business plan and research grant proposals
- 2) You will be awarded initially with 2 million shares (about 2 % of company value). Your total number shares will be increased annually as company gets better and grows due to your contribution and we will make adjustment from this starting point: A formal agreement on the stock ownership will be signed separately. The ownership of the stock will be increased annually at 10-25% rate based on company operation and financial situation;
- 3) You will be awarded with 3 million shares of current Zhejiang Betapharma stock (Zhejiang Beta total number of shares is 300 million). Your total ownership of Zhejiang Betapharma is one percent. Following Zhejiang Betapharma company rules and regulation, upon certain point such as company go public, the transaction will be executed following the detailed procedure that will be described in Zhejiang Betapharma stock ownership policy.
- 4) Your annual salary will be 850,000 RMB Yuan. And about 400,000 Yuan will be paid to you in the form of USA dollars from the US source, that is, \$60,000.00 ($60,000 \times 6.83 = 409,800$ yuan) annual salary paid from Betapharma USA; 450,000 Yuan will be paid to you in the form of Chinese RMB Yuan from the Chinese source. of which 150,000 Yuan is tax-free and the remaining 100,000 Yuan will be subjected as taxable income in China. Beta Pharma will guarantee 440,000 Yuan income from the Chinese source. The overall salary will be raised 5-15% annually based on company operation and financial situation.
- 5) You will be awarded with 12.5% of net profit for all generic drugs you brought to market;



WZ

6) For your new patent ideas and so on, we will following the method described as the following in Yinxiang Wang's offer letter to you:

根据你对一些项目的设想，你先拟出 1-4 个项目，专门为你注册个公司，你兼任该公司的 CEO。我们共同讨论后开始在现有的平台上实施，由公司投入。下面是一份对项目合作的初步设想：

BetaPharma - BP 方; Zhaoyin Wang- ZW 方; 项目执行团队-C 方

WZ

1. 为项目单独注册一公司（NEWCO），将该项目的知识产权等转入 NEWCO。项目的运作依然在现有框架下运行。
2. BP 将负责投资并将项目推进到在中国的临床批文为结点，其中包括完成在中国、美国以及在 PCT 的专利申请。作为回报，BP 拥有项目的全球权利的 65%，即拥有 NEWCO 65% 的股份。
3. ZW 将在合作初始负责提供项目，以及 ZW 拥有的与项目相关的所有能直接导致专利申请的信息与设计，并确保该专利申请的有效性和真实性，ZW 并将继续负责与项目相关的药物研发方面的研究与设计，包括在此期间的相关的技术支持。作为回报，ZW 拥有项目的全球权利的 20%；即拥有 NEWCO 20% 的股份；其它 15% 股份由执行项目的团队所有（暂由 C 方代持股，具体比例由 BP 董事会商定，分配依据执行团队的贡献）。
4. 在双方同意的情况下，双方可以找任意第三方投资，但是在拿到中国的临床批文前 ZW 和 C 方拥有的股份保持不变；由该项目申请的国家资助均归 NEWCO 所有。
5. 项目以在中国的临床批文为结点，在拿到中国的临床批文后，如果找到第三方投资，公司及项目的所有股份则应按比例同时稀释。如果转让出去的话，BP 有 65% 的利益，ZW 有 20% 的利益，C 方有 15% 的利益；如 BP 愿意保留该项目，则 BP 有优先权以同样价格获得 ZW 及 C 方的股份，而同时 ZW 及 C 方有权任意选择部分或全部套现。
6. 项目在拿到中国的临床批文后，在转让不出也未第三方介入的条件下，如果 BP 愿意继续追加投资在中国作临床试验，BP 将负责将项目推进到完成临床二期并拿到临床三期批文为第二个结点。作为回报，BP 拥有 NEWCO 72% 的股份；ZW 有 16% 的股份，C 方有 12% 的股份。
7. 如 BP 愿意继续追加投资在中国作临床试验，BP 将负责将项目推进到完成临床三期，直至获得新药证书和生产批文。作为回报，BP 拥有 NEWCO 78% 的股份；ZW 有 12% 的股份，C 方有 10% 的股份。
8. 如 BP 愿意投资将项目推进在美国 FDA 拿到临床批文，或者以拿到新药证书，作为回报，在每个阶段，BP 所持股份将相应增加同等比例 8%。其他两方的股份则相应按比例稀释。（比如，如果拿到 FDA 的临床批文，BP 将拥有 70.2%，如果完成临床一期，BP 将拥有 75.8%，如果完成临床二期，BP 将拥有 81.86%，如果完成临床三期直至获得新药证书和生产批文，BP 将拥有 88.41%。）
9. 若 ZW 主动离职，或 BP 解除与 ZW 聘用关系，对于解除聘用关系前已实现的相关里程碑成果的奖励按以下约定方式处理：
 - 9.1. 对由 ZW 提出并作为主要负责人完成研发工作的新药，若处于临床前研究阶段，上述一次性支付的奖励应当是已实现的相关里程碑成果当时的净价值（双方应当在聘用关系结束后三个月内完成里程碑成果净价值协商确认。此净价值应扣除里程碑成果的产生成本）的 20%，且此奖励为终结性的；

10. 2. 对由 ZW 方提出并作为主要负责人完成研发工作的新药，若处于临床研究阶段，则 ZW 有权从以下二种受益方式中选择一种适用：

(1) 根据已实现的相关里程碑成果当时的净价值（双方应当在聘用关系结束后三个月内完成里程碑成果净价值协商确认，此净价值应扣除里程碑成果的产生成本），由甲方一次性按照上述第五至八条款中的比例给予 ZW 相应金额，或

(2) 在已实现的相关里程碑成果的未来净收益中享有确定比例（10%）的净收益奖励。

11. 双方都应严格遵守保密协议；

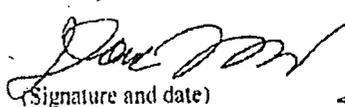
双方在合作过程中如有任何争议，应本着相互信任、精诚合作的原则协商解决，如协商不成，则可通过聘用合同的约定及法律法规的规定，通过法律途径解决。

In the case of accidental death of ZW, the designated beneficiaries in his will shall be entitled to all of the above-listed profit-sharing benefits including the 3 million shares of Zhejiang Betapharma current stock, 2 million shares of Betapharma Inc (US) stock, and all other awards/benefits described above in item 5 to 9. Their right to these awards/benefits shall be protected by both US and Chinese laws.

In accepting the terms and conditions, please sign your name below to certify your understanding. As company growing, we may make adjustment for your position, compensation, work time and all other terms.

We look forward to your arrival at our company and are confident that you will play a key role in our company's expansion into national and international markets. Please let me know if you have any questions or if I can do anything to make your arrival easier.

Sincerely,

 March 26/2010
(Signature and date)

By Don Zhang, Ph. D.

Representative Of

Beta Pharma, Inc.

(Signature and date)

 March 23, 2010

By Zhaoyin Wang, Ph. D.

KOLPEN – B
EXHIBIT 6

Jonathan Katz

From: 王召印 [zywang@sioo.ac.cn]
Sent: Friday, December 12, 2014 7:26 AM
To: Jonathan Katz
Subject: Fw: Fwd: From Jonathan
Attachments: Jonathan Letter to Zhaoyin.pdf; ATT00004.html; Zhaoyin Wang representation agreement.DOC;
ATT00005.html

-----原始邮件-----

发件人: Zed <zwang.ca@gmail.com>
发送时间: 2014年12月12日 星期五
收件人: "zywang@sioo.ac.cn" <zywang@sioo.ac.cn>
抄送:
主题: Fwd: From Jonathan

发自我的 iPhone

以下是转发的邮件:

发件人: Lance Liu <lancelin2000@gmail.com>
日期: 2014年5月16日 GMT+8上午5:38:12
收件人: "z. wang" <zwang.ca@gmail.com>
主题: 回复: From Jonathan

[[enclose two documents from Jonathan Katz, Esq. for your review]]

Lance

Zhaoyin Wang, Ph.D.

ZWANG BP v LIU 00213

12/12/2014

Chinese Academy of Science
Interdisciplinary Research Center on Biology and Chemistry
345 Ling Ling Road, Shanghai 200032
The People's Republic of China
Tel. +86-21-54925610, 86-18602560157

王召印

中国科学院生物与化学交叉研究中心
电话：021-54925610/18602560157

地址：上海市徐汇区零陵路345号君谋楼002室

LAW OFFICES OF
JACOBS & DOW, LLC

350 ORANGE STREET
POST OFFICE BOX 808
NEW HAVEN, CONNECTICUT 06503-0808
TELEPHONE (203) 772-3100
FAX (203) 772-1631
www.JacobsonLaw.com

CHARLES DOW, II
JACOBSON & DOW, LLC
RICHARD A. JACOBS
RICHARD A. JACOBS
RICHARD A. JACOBS
RICHARD A. JACOBS

or counsel
RICHARD A. JACOBS
RICHARD A. JACOBS
RICHARD A. JACOBS

Attorneys for Plaintiff
in the above captioned case
New Haven, Connecticut
May 15, 2014

REFERENCE

May 15, 2014

Dr. Zhaoyin Wang
72 Denault
Kirkland, Quebec H9J 1Y5
Canada

Re: REPRESENTATION AGREEMENT

Dear Dr. Wang:

This letter sets forth the terms of our agreement to represent you concerning your claims for damages for Beta Pharma, Inc's and Don Zhang's failure to pay you the promised shares in Zhejiang Beta Pharma Co., Ltd., shares in Beta Pharma, Inc. and salaries.

1. You have retained us, and we will represent you on this matter and perform all necessary legal services up to and including a trial and any post-judgment motions in the trial court. Our fee shall be based on the gross amount we recover in your behalf, whenever the case is settled, before or after filing suit, or if it goes to trial and judgment. For our legal services we will charge you a contingent fee of one-third (33.33%) of the gross recovery up to \$3,000,000.00 and then 28% of the gross recovery above \$3,000,000.00, in accordance with the following terms:

(a) if the settlement is paid in a lump sum, we will collect the entire fee at time of settlement;

(b) if the settlement is to be paid in instalments, we are entitled at our choice to collect the present value of the attorney's fee from the settlement proceeds first received;

(c) if the settlement is paid in consideration other than money (say, for example, in stock) we agree that the fair value of the stock or other valuable consideration shall be determined, and one-third of that amount paid in cash up to \$3,000,000.00 and 28% of the amount above \$3,000,000.00 when the settlement is reached;

Jacobs & Dow, LLC

(d) the contingent fee applies to cash, stock, and other consideration, whether paid in the United States or elsewhere, or in dollars or foreign currency, and includes value paid in China;

(e) some or all of the settlement will likely be taxable to you and you agree that you are responsible for payment of all applicable taxes. We are not tax lawyers, and you understand and agree that you may need to obtain tax advice at your expense from unrelated tax professionals.

Because this is not a personal injury case, the contingent fee limitations in Section 52-251c of the Connecticut General Statutes do not apply. Since our fee will be based upon the size of any recovery on your behalf, we will receive no fee for our services if there is no recovery in your case.

2. In addition, we will advance (without interest) all costs and expenses of your case including filing fees, marshal's fees, expert witness fees, translation and interpretation expenses, deposition costs, travel expenses, costs for medical reports, investigators' fees, photocopying, mileage, long distance telephone calls, photographs, and fees paid to public agencies. Automobile mileage is charged at fifty cents a mile. At time of settlement or judgment, we shall be reimbursed those expenses in addition to our fee as set forth above. If there is no recovery, we will absorb the loss of any costs advanced in your case.

3. If, in addition to a full trial, there also is an appeal to a higher court, we will discuss continuing representation of you in the appeal at that time, based on what has happened in the case to date. We are not required to handle an appeal. If we appeal, we may do so on a contingent fee basis, or on some other basis we agree upon. In the event of an appeal on a different fee arrangement, we will enter into a written amendment to this agreement.

4. You agree to fully cooperate with us, including providing current information with regard to home and work telephone numbers, and current mailing address. In addition, you agree to promptly appear when advised for all court hearings, depositions, pretrial conferences, and to furnish all information, written documentation and computer records requested by us.

5. You have an attorney-client privilege protecting confidential communications with our firm. The privilege belongs to you, but in order to protect the privilege you agree not to divulge to anyone else any communications we have made to you in confidence, without first seeking our advice.

6. From time to time we may request that you provide translation or interpretation services between Chinese and English. You agree to assist us in providing timely, accurate and independent translations at reasonable cost. You also agree to assist us in other aspects of the case that may involve business practices in China and the Far East.

Jacobs & Dow, LLC

7. In the event that the defendants offer money to settle the case, the final decision to settle the case belongs to you. You agree to consider carefully all recommendations we make concerning settlement, and you agree not to reject unreasonably a settlement which we recommend to you in good faith.

8. Your case was referred to us by another lawyer. In consideration of the referral we will pay that lawyer a forwarding fee of 24% of any contingent fee (8% of the recovery) that we may earn from representing you. The forwarding fee comes out of our share of the recovery. It will not increase your attorney's fee or decrease the amount of the recovery. You agree with this forwarding fee and authorize us to pay it. The referring lawyer will have no responsibility for doing any work on your case.

If you have any questions arising out this agreement, please call me. Otherwise, please sign a copy of this letter to indicate our acceptance of the terms of representation stated above. We are required by law to have our agreement in writing.

Please scan and email the agreement to me, and I will return a fully executed copy to you

Very truly yours,

JACOBS & DOW, LLC

By _____
Jonathan Katz

Read, Understood and
Agreed to:

Date: _____

Client

KOLPEN – B

EXHIBIT 7

Jonathan Katz

From: 王召印 [zywang@sioo.ac.cn]
Sent: Friday, December 12, 2014 7:30 AM
To: Jonathan Katz
Subject: Fw: Fwd: suit against Don and BetaPharma
Attachments: Zhao Yin Wang representation agreement.docx; ATT00004.html

-----原始邮件-----

发件人: Zed <zwang.ca@gmail.com>
发送时间: 2014年12月12日 星期五
收件人: "zywang@sioo.ac.cn" <zywang@sioo.ac.cn>
抄送:
主题: Fwd: suit against Don and BetaPharma

发自我的 iPhone

以下是转发的邮件:

发件人: Zed Wang <zwang_ca@yahoo.com>
日期: 2014年7月31日 GMT+8下午10:37:28
收件人: "lanceliu2000@gmail.com" <lanceliu2000@gmail.com>
抄送: "z. wang" <zwang_ca@gmail.com>
主题: suit against Don and BetaPharma
回复: Zed Wang <zwang_ca@yahoo.com>

Hi Lance,

How are you? hope all is well for you.

I guess you might also think it is not easy to collaborate with Wang Zhe, and anyway, he has not follow this through with me after our conference call.

On a different note, I have decided to start the suit against Don and BetaPharma according to the proposal by Jonathan. However, I do have some trouble to understand the part (b) of Item 1. My understanding is that, to be fair, he should only take his percentage for each installment I receive. I also have an issue with Item 2. His cost and expensive should be part of the percentage he is entitled from the recovery. The problem is that the cost/expensive can be so much that it could eat up all of the recovery and I may end up with nothing. Please let me know how

you think.

Best,

Zhaoyin

P.S. I am using my Yahoo mail now since Google is not working properly in China.

Zhaoyin Wang, Ph.D.
Chinese Academy of Science
Interdisciplinary Research Center on Biology and Chemistry
345 Ling Ling Road, Shanghai 200032
The People's Republic of China
Tel. +86-21-54925610, 86-18602560157

王召印

中国科学院生物与化学交叉研究中心
电话：021-54925610/18602560157

地址：上海市徐汇区零陵路345号君谋楼602室

KOLPEN - B
EXHIBIT 8

LANCE LIU'S PHONE CONTACTS WITH JONATHAN KATZ					
Bates No.	Date	Phone Number	Minutes	Description	Monthly Minutes Total
LL6930	11/19/2013	203-641-3373	8	New Haven, CT	8
LL6933	12/2/2013	203-641-3373	1	New Haven, CT	
LL6933	12/2/2013	203-772-3100	1	New Haven, CT	
LL6933	12/3/2013	203-641-3373	5	New Haven, CT	
LL6936	12/14/2013	203-641-3373	1	New Haven, CT	
LL6936	12/18/2013	203-641-3373	24	New Haven, CT	32
LL6938	1/2/2014	203-641-3373	1	New Haven, CT	
LL6939	1/8/2014	203-641-3373	16	New Haven, CT	
LL6941	1/15/2014	203-641-3373	1	New Haven, CT	18
LL6948	2/25/2014	203-641-3373	9	New Haven, CT	9
LL6949	3/6/2014	203-641-3373	1	New Haven, CT	
LL6950	3/7/2014	203-641-3373	5	New Haven, CT	
LL6950	3/9/2014	203-641-3373	1	New Haven, CT	
LL6950	3/8/2014	203-641-3373	1	New Haven, CT	
LL6950	3/8/2014	203-641-3373	1	New Haven, CT	
LL6950	3/9/2014	203-641-3373	1	New Haven, CT	
LL6950	3/9/2014	203-641-3373	1	New Haven, CT	
LL6950	3/9/2014	203-641-3373	1	New Haven, CT	
LL6950	3/9/2014	203-641-3373	34	New Haven, CT	
LL6952	3/12/2014	203-641-3373	1	New Haven, CT	
LL6953	3/13/2014	203-641-3373	1	New Haven, CT	
LL6953	3/13/2014	203-641-3373	1	New Haven, CT	
LL6953	3/13/2014	203-641-3373	1	New Haven, CT	
LL6953	3/14/2014	203-641-3373	1	New Haven, CT	
LL6953	3/14/2014	203-641-3373	3	New Haven, CT	
LL6956	3/26/2014	203-641-3373	21	New Haven, CT	75
LL6957	4/3/2014	203-641-3373	1	New Haven, CT	
LL6957	4/3/2014	203-772-3100	2	New Haven, CT	
LL6962	4/15/2014	203-641-3373	18	New Haven, CT	
LL 6963	4/17/2014	203-641-3373	29	Incoming	
LL 6963	4/17/2014	203-641-3373	4	New Haven, CT	
LL 6963	4/18/2014	203-641-3373	1	New Haven, CT	
LL 6963	4/18/2014	203-641-3373	3	New Haven, CT	
LL6970	4/18/2014	203-641-3373	1	Outgoing text	
LL6970	4/18/2014	203-641-3373	1	Incoming text	
LL6965	4/21/2014	203-641-3373	7	Incoming	

Bates No.	Date	Phone Number	Minutes	Description	Monthly Minutes Total
LL6965	4/22/2014	203-641-3373	1	New Haven, CT	
LL6965	4/22/2014	203-641-3373	1	New Haven, CT	
LL6966	4/24/2014	203-641-3373	13	Incoming	
LL6966	4/25/2014	203-641-3373	7	New Haven, CT	
LL6966	4/25/2014	203-641-3373	1	New Haven, CT	
LL6966	4/26/2014	203-641-3373	20	New Haven, CT	
LL6967	4/28/2014	203-641-3373	1	New Haven, CT	
LL6967	4/28/2014	203-641-3373	14	New Haven, CT	
LL6967	4/29/2014	203-641-3373	7	New Haven, CT	
LL6967	4/30/2014	203-641-3373	1	New Haven, CT	
LL6967	4/30/2014	203-641-3373	22	New Haven, CT	155
LL6969	5/6/2014	203-641-3373	2	New Haven, CT	
LL6969	5/7/2014	203-641-3373	4	New Haven, CT	
LL6972	5/14/2014	203-641-3373	8	New Haven, CT	
LL6973	5/15/2014	203-641-3373	30	Incoming	
LL6973	5/15/2014	203-641-3373	3	New Haven, CT	
LL6973	5/17/2014	203-641-3373	16	New Haven, CT	
LL6973	5/17/2014	203-641-3373	1	New Haven, CT	
LL6973	5/19/2014	203-641-3373	13	New Haven, CT	
LL6974	5/21/2014	203-641-3373	4	Incoming	
LL6974	5/26/2014	203-641-3373	7	New Haven, CT	
LL6974	5/28/2014	203-641-3373	1	New Haven, CT	
LL6974	5/28/2014	203-641-3373	1	New Haven, CT	
LL6974	5/28/2014	203-641-3373	32	New Haven, CT	
LL6975	5/29/2014	203-641-3373	3	New Haven, CT	
LL6975	5/31/2014	203-641-3373	1	New Haven, CT	126
LL6976	6/2/2014	203-641-3373	1	New Haven, CT	
LL6976	6/3/2014	203-641-3373	1	New Haven, CT	
LL6976	6/3/2014	203-641-3373	19	New Haven, CT	
LL6976	6/4/2014	203-641-3373	2	New Haven, CT	
LL6978	6/10/2014	203-641-3373	11	New Haven, CT	
LL6979	6/16/2014	203-641-3373	3	New Haven, CT	
LL6979	6/16/2014	203-641-3373	24	New Haven, CT	
LL6979	6/19/2014	203-641-3373	11	New Haven, CT	
LL6980	6/25/2014	203-641-3373	12	Incoming	
LL6980	6/27/2014	203-641-3373	12	New Haven, CT	
LL6981	6/27/2014	203-641-3373	3	New Haven, CT	
LL6981	6/30/2014	203-641-3373	6	New Haven, CT	105
LL6981	7/1/2014	203-641-3373	2	New Haven, CT	
LL6981	7/1/2014	203-641-3373	1	New Haven, CT	

Bates No.	Date	Phone Number	Minutes	Description	Monthly Minutes Total
LL6982	7/2/2014	203-641-3373	8	New Haven, CT	
LL6982	7/3/2014	203-641-3373	10	Incoming	
LL6983	7/7/2014	203-641-3373	1	New Haven, CT	
LL6983	7/7/2014	203-641-3373	1	New Haven, CT	
LL6983	7/7/2014	203-641-3373	6	Incoming	
LL6983	7/7/2014	203-641-3373	12	New Haven, CT	
LL6984	7/8/2014	203-641-3373	3	New Haven, CT	
LL6986	7/10/2014	203-641-3373	1	New Haven, CT	
LL6986	7/10/2014	203-641-3373	1	New Haven, CT	
LL6986	7/10/2014	203-641-3373	1	New Haven, CT	
LL6986	7/10/2014	203-772-3100	1	New Haven, CT	
LL6986	7/10/2014	203-641-3373	16	Incoming	64
LL6988	8/4/2014	203-641-3373	2	Incoming	
LL6990	8/11/2014	203-641-3373	11	Incoming	13
TOTAL					605

EXHIBIT C

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

SHANSHAN SHAO, HONGLIANG
CHU, QIAN LIU, SONG LU,
AND XINSHAN KANG,
Plaintiffs,

v.

BETA PHARMA, INC., AND
DON ZHANG,
Defendants.

Civil Action No. 3:14CV01177 (CSH)

NOVEMBER 18, 2014

AFFIDAVIT OF JONATHAN KATZ

STATE OF CONNECTICUT)
) ss.: November 18, 2014
COUNTY OF NEW HAVEN)

1. My name is Jonathan Katz. I am over age 18. I believe in the obligation of an oath.
2. I am a member of the firm of Jacobs & Dow, LLC.
3. I represent plaintiffs Shanshan Shao, Hongliang Chu, Qian Liu, Song Lu and Xinshan Kang in the civil action Shao v. Beta Pharma, Inc., et al., docket no. 3:14cv01177(CSH) currently pending in the United States District Court for the District of Connecticut. These investors purchased shares in Zhejiang Beta Pharma Co. Ltd, a privately held Chinese pharmaceutical company, from Beta Pharma Inc. and Don Zhang in 2010 and 2011. The latest purchase agreement, with Qian Liu, is dated March 15, 2011. Attached to this Affidavit are copies of Jirong Peng's email to Qian Liu dated November 17, 2013, the "Agreement of Beta Pharma Payment Calculation," and Qian Liu's email to Jirong Peng and Don Zhang dated November 18, 2013.

4. I am making this affidavit in opposition to the motion of defendants Beta Pharma, Inc. ("Beta Pharma") and Don Zhang ("Zhang") to disqualify me, and my firm, from representing the plaintiffs in this action.

5. I currently represent plaintiff Guojian Xie, Ph.D. in a lawsuit pending in the Connecticut Superior Court alleging breach of contract and other claims against Beta Pharma and Zhang.

6. Dr. Xie's case against Beta Pharma and Zhang was initiated in Connecticut Superior Court by Attorney Thomas Flanagan in late December 2012, and was pending for nearly one year prior to the time my firm entered an appearance on Dr. Xie's behalf on November 25, 2013. Attorney Donald Altschuler represented defendants.

7. Dr. Xie brought Lance Liu to a meeting with me on October 30, 2013. He told me that Liu was helping him in connection with some personal matters.

8. By the time of this October 30, 2013 meeting, I had become aware that Dr. Xie already had a pending case against Beta Pharma and Zhang, and that Attorney Altschuler represented defendants Beta Pharma and Zhang. Accordingly, when Liu arrived with Dr. Xie, there was no reason for me to believe that he represented, or had represented Beta Pharma. Indeed, it was reasonable for me to believe that if Liu had a potential conflict of interest, i.e. a prior representation of Beta Pharma, he would act accordingly in compliance with the Rules of Professional Conduct.

9. In connection with my representation of Dr. Xie, through non-privileged sources, I became aware that Beta Pharma, through defendant Zhang, had sold stock in Zhejiang Beta Pharma.

10. In March of 2014, Liu did bring to my attention that some of those investors were interested in bringing lawsuits against Beta Pharma and Zhang in connection with those stock transactions.

11. Accordingly, Liu informed me that he would communicate with those investors about whether any were interested in retaining Jacobs & Dow, LLC to bring suit against Beta Pharma and Don Zhang.

12. Attorney Liu acted as a contact between me and the stockholders, including Song Lu and Xinshan Kang, who live in China. In particular, in view of his facility with the Chinese language, Liu transmitted my representation agreement to the stockholders, and transmitted the completed representation agreements back to me. Liu also transmitted the investors' stock purchase agreements to me for review, as well as certain e-mails between the investors and Don Zhang, discussing Beta Pharma's repurchase of their shares. None of these documents were Beta Pharma internal documents. None were marked confidential, and none were attorney-client privileged between Beta Pharma and its lawyers. After I received these initial documents, I have dealt directly with all of the investors that I represent. Liu's role as contact has ceased.

13. The investors' email communications with Don Zhang establish that the investors warned Zhang that they were contemplating legal action against him and Beta Pharma as early as November, 2013.

14. Liu and I agreed that Liu would be entitled to a forwarding fee of 25% of the contingent fee, which constituted a referral fee.

15. In December, 2012, in Dr. Xie's case in Connecticut Superior Court, I served an interrogatory on Beta Pharma asking them to identify their lawyers, in order to identify the

lawyers who had prepared and managed Beta Pharma's stock option plan. Beta Pharma did not respond to that interrogatory until six months later, on June 23, 2014. Their response identified Lance Liu as having been their general counsel.

16. My review of Beta Pharma's June 23, 2014 discovery response was the first time I became aware that Lance Liu had served as Beta Pharma's general counsel.

17. After I learned that Beta Pharma claimed that Liu had acted as its general counsel, Liu and I terminated the forwarding fee arrangement, and I notified the investors.

18. Liu no longer has any financial interest in the investor cases.

19. Attorney Liu has not participated with me in representing the investors. He had no responsibility for the conduct of the litigation.

20. Other than the materials he transmitted from the investors, Attorney Liu has given me no documents in connection with representing the investors. He has never provided me with any confidential, privileged, or non-public information concerning Beta Pharma, including, but not limited to, information regarding Beta Pharma's dealings with Zhejiang Beta Pharma stock.

21. Counsel for Beta Pharma provided me with a copy of a New Jersey Superior Court order on September 26, 2014. I am not a party to that order. I have had no communications with Liu since I received the order.

22. On October 2, 2014, I noticed the deposition of Lance Liu in the Xie case and issued a Subpoena Duces Tecum for his attendance, with documents. The marshal was not able to serve the subpoena.

23. On October 1, 2014 and October 2, 2014, I advised Attorney Glen Duhl, who represents Beta Pharma and Zhang in the Xie action, that Liu has non-privileged discoverable

information in this case. The basis of that statement is public sworn statements that have been made by Don Zhang in the Verified Complaint for injunction that he filed in a pending Superior Court of New Jersey case against Liu, Attorney Liu's own affidavit filed in a prior, dismissed New Jersey Superior Court case against Liu, and Beta Pharma's own prior deposition notice and document subpoena for Lance Liu.

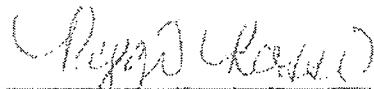
24. Although I am not a party to the New Jersey court's order, in deference to that court I moved in the Connecticut Superior Court for orders to govern the conduct of the Lance Liu deposition, so that Liu's deposition could proceed in concert with the New Jersey Order.

25. I have never represented Beta Pharma, Beta Pharma Scientific, Zhejiang Beta Pharma or Don Zhang. I have never been asked to represent any of those parties.

26. Lance Liu consulted me concerning some matters, and asked me to represent him. The consultations are attorney-client privileged. I am not representing him and I do not intend to do so.


Jonathan Katz

Subscribed and sworn to before me this 18th day of November, 2014.


Notary Public

PEGGI ROSSI
NOTARY PUBLIC
MY COMMISSION EXPIRES 12/31/16

EXHIBIT D

NNH-CV-13-6035116-S)
GUOJIAN XIE) SUPERIOR COURT
V.) JUDICIAL DISTRICT OF
BETA PHARMA, INC., ET AL.) NEW HAVEN AT NEW HAVEN
) AUGUST 20, 2014

**NON-PARTY DEPONENT'S MOTION TO QUASH AND OBJECTIONS TO
PRODUCTION OF
DOCUMENTS UNDER SUBPOENA**

The undersigned, on behalf of a non-party deponent, Dr. Lance Liu, Esq. ("Attorney Liu"), pursuant to Connecticut Practice Book §§13-5 and 13-28(d) – (e) hereby timely moves both within 15 days of service and before the time for compliance to object to document production requested in and to quash the subpoena-duces-tescum-served upon him by Beta Pharma, Inc. in this action. A copy of that subpoena is attached hereto as Exhibit 1.

The basis for this motion and objections is mainly threefold:

1. The subpoena is in fact and is intended to be unduly burdensome and overbroad in an attempt to intimidate Attorney Liu and his clients who are parties or witnesses to this litigation.
2. The documents subject to the subpoena were recently produced in a previous legal action in New Jersey Chancery Court Beta Pharma, et al. v, Lance Liu, Superior Court of New Jersey, Chancery Division, Mercer County, Docket No. C-46-14.
3. The subpoena seeks to invade the sanctity of the attorney-client and/or attorney work product privileges.

The requested relief sought by Attorney Liu includes:

1. That the subpoena duces tecum be quashed.
2. That the discovery of privileged materials, previously disclosed materials not be had.
3. That the deposition currently scheduled by agreement at September 15th not be had or that it not be had until parameters are set in place to protect a non-party from undue burden and to protect the attorney-client and work product privileges.
4. That any production required not be had for 45 days from the date of this motion so that a proper review of the files may be conducted without undue pressure.
5. That the expense of the discovery of electronically stored information be borne by the party seeking the information under Practice Book §13-5(9).
6. That any discovery and production requests that are found to be discoverable be clarified to assist the non-party deponent in identifying relevant materials and to limit the scope of inquiry.

BACKGROUND

The instant litigation, to which Attorney Liu is not a party, appears to be an action arising out of sheer corporate greed in which a pharmaceutical company promised and later reneged on the promise to compensate Guojian Xie¹, and certain stockholders and employees or independent contractors. Apparently offended by the attempt to recover the monies owed, the pharmaceutical company is engaging in scorched earth tactics to punish

¹ BetaPharma's former Vice-President and employed medicinal chemist, who synthesized "Icotinib," a lung cancer treatment marketed by Zhejiang Beta Pharma Co., Ltd. in the People's Republic of China.

or break the will of its opponents and Attorney Liu.

The subpoena also seeks documents and testimony from Attorney Liu concerning five individuals who have a separate dispute with Beta Pharma concerning repurchase of their shares in Zhejiang Beta Pharma. Their case Shanshan Shao, Hongliang Chu, Qian Liu, Song Lu and Xinshan Kang v. Beta Pharma and Don Zhang, Judicial District of New Haven, Docket Number NNH-CV14-6048646S was just removed to the United States District Court for the District of Connecticut.

The subpoena is one abusive salvo in that dispute. It is notable that defendants would not agree to extend Attorney Liu's time to review the subpoena and file objections which necessitated making the motion to quash at this time.

STANDARD OF LAW

Practice Book '13-29(d) provides in relevant part: "A nonparty deponent may be compelled by subpoena served within this state to give a deposition at a place *within the county of his or her residence or within thirty miles of the nonparty deponent's residence*, or if a nonresident of this state within any county in this state in which he or she is personally served, or at such other place as is fixed by order of the judicial authority.

(emphasis added)

"When presented with a subpoena duces tecum, the subject of that subpoena may file a motion under Practice Book §13-5, which provides in relevant part: "Upon motion *by a party from whom discovery is sought*, and for good cause shown, the judicial authority may make any order which justice requires to protect a party from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the

following: (1) that the discovery not be had; (2) that the discovery may be had only on specified terms and conditions . . ." (Emphasis added.) The other relevant section is §13-28, which provides in relevant part: "(d) *The person to whom a subpoena is directed* may, within fifteen days after the service thereof . . . serve upon the issuing authority designated in the subpoena written objection to the inspection or copying of any or all of the designated materials . . . (e) The court in which the cause is pending . . . may, upon motion made promptly . . . (1) quash or modify the subpoena if it is unreasonable and oppressive or if it seeks the production of materials not subject to production under the provisions of subsection (c) of this section . . ." (Emphasis added.)

A party may challenge the propriety of a subpoena duces tecum in order to protect the sanctity of professional privilege. The party who holds the privilege or who hold the client information in trust has standing to move for protection from the subpoena on the basis that it seeks privileged information which is an interest which may be harmed. See *Smith v. Rossi, supra*, 37 Conn. L. Rptr. 506 (party has standing to file motion to quash subpoena directed to his physicians seeking disclosure of his medical records); and *Kowalonek v. Bryant Lane, Inc.*, Superior Court, judicial district of Danbury, Docket No. CV 96 0324942 (April 11, 2000, Moraghan, J.) (subpoenaed party appears to have standing to move for a protective order regarding deposition of her former attorney).

In fact, an attorney has such a strong interest in protecting the privilege that the attorney may intervene as of right in an action to protect the privilege where the attorney has been subpoenaed to produce client materials. *In re Katz*, 623 F.2d 122, 125 (2d Cir. 1980).

In this context, "[c]ourts have defined good cause as a sound basis or legitimate need

to take action . . . Good cause must be based upon a particular and specific demonstration of fact as distinguished from stereotyped and conclusory statement . . . Whether or not good cause exists for entry of a protective order must depend on the facts and circumstances of a particular case." (Citations omitted; internal quotation marks omitted.) *Longwood Engineered Products, Inc. v. Polyneer, Inc.*, Superior Court, judicial district of Windham at Putnam, Docket No. CV 04 0072627 (September 7, 2004, Potter, J.).

a. Attorney-client privilege

The Rules of Professional Conduct provide that an attorney may divulge such materials in certain circumstances. See Rules of Professional Conduct 1.6(a) and (c)(4) ("[a] lawyer shall not reveal information relating to representation of a client" but "[a] lawyer may reveal such information *to the extent the lawyer reasonably believes necessary to . . . [c]omply with . . . a court order*" [emphasis added]). In doing so, however, an attorney is nevertheless obliged to disclose only what is necessary and to challenge the court order when he or she believes that such disclosure is not necessary. See Rules of Professional Conduct 1.6, commentary. As the commentary to rule 1.6 provides, "[a] fundamental principle in the client-lawyer relationship is that, in the absence of the client's informed consent, the lawyer must not reveal information relating to the representation." Rules of Professional Conduct 1.6, commentary. Furthermore, "[a] lawyer may be ordered to reveal information relating to the representation of a client by a court. . . . Absent informed consent of the client to do otherwise, *the lawyer should assert on behalf of the client all nonfrivolous claims that the order is not authorized by other law or that the information sought is protected against disclosure by the attorney-client*

privilege or other applicable law." (Emphasis added.) Rules of Professional Conduct 1.6, commentary. Moreover, "[s]ubsection (c) permits but does not require the disclosure of information relating to a client's representation to accomplish the purposes specified in subsections (c)(1) through (c)(4)." Rules of Professional Conduct 1.6, commentary. See generally General Statutes § 1-25. *Woodbury Knoll v. Shipman & Goodwin*, 305 Conn. 750, 764 (2012).

Additionally, rule 8.4 of the Rules of Professional Conduct provides in relevant part that "[i]t is professional misconduct for a lawyer to ... (1) [v]iolate or attempt to violate the Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another...." Thus, a nonparty attorney or law firm faces a real dilemma. Because the attorney is obliged to protect the client's interest, the attorney should challenge any discovery order that requires disclosure of privileged or confidential material. *Woodbury Knoll v. Shipman*, *supra* at 765.

The courts will normally protect this privilege vigorously. *PSE Consulting, Inc. v. Frank Mercede & Sons, Inc.*, 267 Conn. 279, 329-30, 838 A.2d 135 (2004) ("On numerous occasions we have reaffirmed the importance of the attorney-client privilege and have recognized the long-standing, strong public policy of protecting attorney-client communications.... In Connecticut, the attorney-client privilege protects both the confidential giving of professional advice by an attorney acting in the capacity of a legal advisor to those who can act on it, as well as the giving of information to the lawyer to enable counsel to give sound and informed advice.... The privilege fosters full and frank communications between attorneys and their clients and thereby

promote[s] the broader public interests in the observation of law and [the] administration of justice." [Internal quotation marks omitted.]); see also *Mohawk Industries, Inc. v. Carpenter*, 558 U.S. 100, 130 S.Ct. 599, 606, 175 L.Ed.2d 458 (2009) ("acknowledg[ing] the importance of the attorney-client privilege, which is one of the oldest recognized privileges for confidential communications" [internal quotation marks omitted]); cf. *Hickman v. Taylor*, 329 U.S. 495, 510-12, 67 S.Ct. 385, 91 L.Ed. 451 (1947) (noting importance of attorney's interest in preserving confidentiality of work product).

In fact, the Connecticut Supreme Court has ruled that it is an abuse of discretion to deny a motion to quash an overbroad subpoena seeking to invade the attorney-client privilege. *Woodbury Knoll*, supra at 786.

b. Privilege Logs are Unnecessary to Assert the Privilege

A privilege log is an additional unnecessary burden which is not necessary where privileged materials are clearly requested. *Woodbury Knoll*, supra at 777. "[W]ith respect to privilege claims generally, we have held that [when] the confidential status of otherwise discoverable information is apparent, a claim of privilege may be disposed of without further inquiry." *Babcock v. Bridgeport Hospital*, supra, 251 Conn. at 847, 742 A.2d 322 Thus, a subpoena which inappropriately sought privileged materials in violation of Practice Book §§ 13-2, 13-26 and 13-28 may be quashed.

Moreover, "[n]o provision of the rules of practice, and no decision by this court or the Appellate Court, requires that any person claiming the attorney-client privilege has

the burden to provide a privilege log at the time the claim of privilege is made." *Woodbury Knoll*, supra at 779. This is especially so where the subject of the subpoena is not a party to the litigation. *Id.* at 779-780.

ARGUMENT OF LAW TO FACTS

Beta Pharma claims that on August 6th, caused an allegedly indifferent person, Ryan Mulcahy, to serve Attorney Liu with a subpoena duces tecum commanding him to appear at a deposition at 150 Trumbull Street, Hartford, Hartford County, Connecticut which is about 37 miles from Dr. Liu's residence in Middlebury, New Haven County, Connecticut. Despite Attorney Liu's residence he is not admitted in Connecticut and is only admitted to practice law in New York and New Jersey.

First, Attorney Liu challenges the subpoena's validity on the grounds that there is no proof that the "indifferent person" was in fact indifferent to this action and requests the opportunity to voir dire the process server.

Second, Attorney Liu challenges the validity of the subpoena on the grounds that it schedules the deposition outside of the county in which he resides and more than 30 miles from his residence as required by Practice Book §13-29(a).

Third, the subpoena purportedly scheduled the deposition for August 29th, 2014 and calls for broad categories of documents, many of which have already been produced to Beta Pharma.

Fourth, the evidence sought relates to privileged communications and documents transmitted, delivered, handled and discussed between Attorney Liu and several of his clients. ~~These clients, including the plaintiff in this lawsuit, are now represented by Jacobs~~

& Dow, LLC and its member, Jonathan Katz, who has given notice that plaintiff and the other clients object to the disclosure of their privileged communications with Attorney Liu.

Fifth, other documents and information sought to be produced and testified to at the deposition relate to Attorney Liu's consultation with a Connecticut attorney, Jonathan Katz, Esq. with whom Attorney Liu consulted as an attorney with respect to his own potential claims against Beta Pharma and in joint representation with respect to the claims asserted by Attorney Liu's clients who are named in the subpoena. Specifically, the documents relating to Attorney Liu's consultation with his Connecticut attorney are subject to a confidentiality privilege under Rules of Professional Conduct Rule 1.6 (a) which Attorney Liu asserts. The Rules of Professional Conduct in Connecticut and New York and New Jersey are substantially similar. (see copies of Rule 1.6 for NY and NJ attached as Exhibit 2)

The subpoena is overly broad and vague so as to be unduly burdensome and is not limited as to time (in most instances), type or subject matter or to those materials reasonably likely to be relevant, thereby increasing the potential for harm to Attorney Liu's clients and Attorney Liu if disclosed.

Moreover, the subpoena seeks discovery of privileged communications and documents and Attorney Liu's clients have not given authorization to release of any information in his possession relating to his representation of them.

~~Objections to the Subpoenaed Items Pursuant to Practice Book §13-28(d)~~

General Objections:

OBJECTION:

In addition to objections raised above in this motion, Attorney Liu objects to the production of electronically stored information requested in the definition of "documents" stated by the issuing authority. Much of the requested material has either already been produced or would reside on the servers of BetaPharma or its attorneys and therefore is equally available to them. Further the definition presents a burden to Attorney Liu to produce in a non-native format without the assistance of a professional ESI vendor. In addition the definition of electronically stored information is vague and overbroad making compliance impossible.

OBJECTION:

The subpoena instructs Attorney Liu to refrain from disclosing any of the documents requested with other parties to the litigation. This instruction has no basis in the practice book and places an unreasonable and unlawful prior restraint on Attorney Liu's ability to communicate with his clients. In fact, it contradicts Practice Book Section 13-30(f), which provides that "[d]ocuments and things produced for inspection during the examination of the deponent ... may be inspected and copied by any party."

Further, the instruction is vague and overbroad in that it covers all documents possibly responsive to the broad subpoena.

OBJECTION:

With respect to request numbers 1 through 4 of the subpoena, Attorney Liu objects ~~on the grounds that the documents relating to his attorney-client relationship with~~

BetaPharma have been recently turned over to BetaPharma's NJ counsel appearing in this case during litigation in the NJ Chancery Court in 2014. Therefore the request is duplicative, equally available to BetaPharma and unduly burdensome and meant only to harass and vex the deponent. (See Dr. Liu's affidavit in the NJ action attached as Exhibit 3)

OBJECTION:

With respect to requests 5-through 7, Attorney Liu objects on the grounds that they seek the production of materials protected by the attorney-client privilege between Attorney Liu and Guojian Xie under a prior joint representation with Attorney Katz and separately. It is also unduly vague and burdensome in that fails to make any attempt to specify what materials might fully respond to the request and is unlimited. To the extent the client, Dr. Xie, sought advice regarding issues relating to the instant litigation and in at least one case a matter unrelated to the instant litigation, the disclosure of the same would violate the client's reasonable expectations of privacy and confidentiality. Dr. Xie, through counsel, has objected to the disclosure of privileged material.

OBJECTION:

With regard to request #8(a - d), Attorney Liu objects on the grounds that these requests seek the production of communications and other materials protected by the attorney-client privilege between Attorney Liu and the listed individuals who were clients of Attorney Liu. It is also unduly vague and burdensome in that fails to make any attempt to ~~specify what materials might fully respond to the request and is unlimited.~~ To the extent

the clients identified sought advice regarding issues relating to the instant litigation and in some cases to legal matters having nothing to do with the litigation, the disclosure of the same would violate the client's reasonable expectations of privacy and confidentiality. These former clients of Attorney Liu, through counsel, have objected to the disclosure of privileged material.

OBJECTION:

With regard to request #9, Attorney Liu objects on the grounds that the same is equally available to BetaPharma in that the only document Attorney Liu believes may be responsive to the request is a single power of attorney authorizing Attorney Liu to jointly represent Dr. Xie and Beta Pharma with respect to an application filed with the US Patent & Trademark Office which document is on file at the USPTO and available to Beta Pharma online. In addition, the request is vague and overbroad in that as presently phrased it covers any client at any time without restriction and does not sufficiently define what documents might constitute a waiver or what subject matter the waiver requested covers.

OBJECTION:

With regard to requests 10, 11 and 12, please see objection to request #8.

OBJECTION:

With regard to request #13, Attorney Liu objects on the grounds that the request is vague and overly broad in scope making compliance impossible. The request also seeks ~~documents previously disclosed in the NJ litigation (see objection to requests #1 through~~

4 above).

OBJECTION:

With regard to requests 14, 15 and 16, see objections to requests #1 through 4 above and the requests seek information relating to employees of BetaPharma. The deponent is unaware of the entire list of employees of BetaPharma and therefore the requests seeks information not within his possession, information which cannot reasonably be identified and which is overbroad and vague in addition to being equally available to BetaPharma, the documents having been previously produced in recent NJ litigation.

OBJECTION:

Attorney Liu objects to the instruction to provide a privilege log in that the request is unduly burdensome, not required by lawful subpoena, not required by law as noted in this motion above, overly broad and vague and seeks only to harass and vex the non-party deponent with expense and effort.

OBJECTION:

Finally with respect to the two areas of requested inquiry at the end of the subpoena, Attorney Liu asserts the attorney-client and or work-product privileges. The proposed subject matter should be quashed because it is also vague, overbroad with reference to time, topic; the subjects are equally available to Beta Pharma as they relate to BetaPharma's internal operations. The request is overbroad in that it does not define "work". Moreover, to the extent that the two areas of inquiry relate to inquiries about the

documents objected to above, the inquiry is objectionable on the same grounds as the respective documents.

WHEREFORE, for all of the foregoing reasons, Attorney Liu respectfully moves this Court to grant his Motion to Quash and his objections to the subpoena duces tecum and protect the attorney-client privilege and a non-party from the burdens of the subpoena of over-reaching and litigious corporate clients and to afford Attorney Liu whatever protections from abusive litigation and discovery tactics the court deems appropriate.

Dr. Lance Liu, Esq.

By

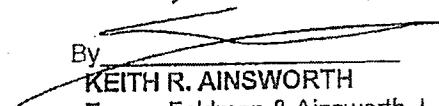

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EXHIBIT E

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-and-

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Attorneys for Defendant Lance Liu

BETA PHARMA, INC.,
BETA SCIENTIFIC, INC., and
DON ZHANG,

Plaintiffs,

vs.

LANCE LIU,

Defendant.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: MERCER COUNTY

DOCKET NO. L-2040-14

CIVIL ACTION

**ANSWER, AFFIRMATIVE
DEFENSES, COUNTERCLAIM,
DEMAND FOR STATEMENT OF
DAMAGES, AND DESIGNATION OF
TRIAL COUNSEL**

Defendant Lance Liu, by and through his counsel, The Reinartz Law Firm, LLC, responds to the allegations set forth in Plaintiffs' Complaint and Jury Demand ("Complaint") as follows:

1. Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint.
2. Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 2 of the Complaint.
3. Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 3 of the Complaint.

45. Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 45 of the Complaint.

46. Defendant is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in paragraph 46 of the Complaint.

47. Defendant denies each and every allegation in paragraph 47 of the Complaint.

48. Defendant admits the allegations contained in paragraph 48 of the Complaint.

49. Defendant admits the allegations contained in paragraph 49 of the Complaint.

50. Defendant denies each and every allegation in paragraph 50 of the Complaint except admits that the Buyers are represented by Katz who also represents Xie.

51. Defendant denies each and every allegation in paragraph 51 of the Complaint except admits that he introduced certain Buyers to Katz.

52. Defendant denies each and every allegation in paragraph 52 of the Complaint.

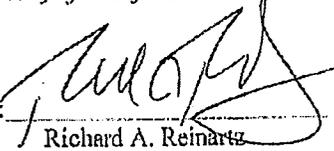
53. Defendant denies each and every allegation in paragraph 53 of the Complaint except admits that he objected and declined to produce certain documents and information in response to plaintiffs' subpoena in the Xie lawsuit, that he moved to quash the subpoena, and that Exhibits 2 and 4 to the Complaint are true copies of his objections and motion to quash.

54. Defendant denies each and every allegation in paragraph 54 of the Complaint except admits that he objected and declined to produce certain documents and information in response to plaintiffs' subpoena in the Xie lawsuit, that he moved to quash the subpoena, and that Exhibit 4 to the Complaint is a true copy of his supplemental objections to the subpoena.

55. Defendant denies each and every allegation in paragraph 55 of the Complaint.

**THE REINARTZ LAW FIRM, LLC; and
SCHWARTZ & PONTERIO, PLLC**
Attorneys for Defendant Lance Liu

By:



Richard A. Reinartz

Dated: October 24, 2014

EXHIBIT F

From: Jonathan Katz [<mailto:jkatz@jacobsllaw.com>]
Sent: Wednesday, October 01, 2014 1:24 PM
To: Glenn Duhi; 'Keith R. Alnsworth'; 'lanceliu2000@gmail.com'
Cc: Kolpen, Jack (JKolpen@foxrothschild.com); bkurtis@foxrothschild.com; Jillian Orticelli; DONALD
ALTSCHULER (donalt14@sbcglobal.net); Don Altschuler (altschuler.don@snet.net)
Subject: RE: Xie vs. Beta Pharma, et al.

Plaintiff's position is that the issue is not moot. Lance Liu has nonprivileged, discoverable information material to Dr. Xie's case in Connecticut and defendants should be compelled to modify the New Jersey gag order to permit discovery of Attorney Liu to proceed in Connecticut. I will go forward on Monday in accordance with the hearing the court previously ordered, and with respect to all matters listed below.

Thanks, Jonathan

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EXHIBIT G

CLERK OF SUPERIOR COURT
SUPERIOR COURT OF N.J.
MERCER COUNTY
RECEIVED AND FILED

SEP 18 2014

Sue Regan
SUE REGAN
CLERK OF SUPERIOR COURT

FOX ROTHSCHILD LLP

Formed in the Commonwealth of Pennsylvania

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Beta Pharma Scientific, Inc., and Don Zhang*

BETA PHARMA, INC., BETA PHARMA
SCIENTIFIC, INC., AND DON ZHANG,

Plaintiff,

v.

LANCE LIU,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - MERCER COUNTY

DOCKET NO.: 2 2040-14

CIVIL ACTION

VERIFIED COMPLAINT

Plaintiffs, Beta Pharma, Inc., Beta Pharma Scientific, Inc., and Don Zhang (collectively "Plaintiffs") by way of Verified Complaint against Defendant Lance Liu say:

THE PARTIES

1. Plaintiff Beta Pharma, Inc. ("Beta Pharma") is a Delaware corporation with its principal place of business at 5 Vaughn Drive, Suite 106, Princeton, New Jersey.
2. Plaintiff Beta Pharma Scientific, Inc. ("Scientific") is a Connecticut corporation with its principal place of business at 31 Business Park Drive, Branford, Connecticut.

3. Plaintiff Don Zhang ("Zhang") is an officer and shareholder of Beta Pharma and Scientific.

4. Defendant Lance Liu ("Defendant" or "Liu") is an attorney who is licensed to practice law in New Jersey. Liu represented both Beta Pharma and Scientific.

5. This action relates to Liu's wrongful and unethical conduct including, but not limited to, using confidential and privileged information obtained during his representation of Beta Pharma and Scientific to solicit third parties to sue Beta Pharma and Scientific and using that information to represent the third parties in lawsuits against Beta Pharma and Scientific, using Beta Pharma's and Scientific's privileged and confidential information against them.

FACTS

6. Beta Pharma is a pharmaceutical company engaged in the business of discovering drugs for the treatment of human diseases, including human cancers.

7. Scientific is a contract research organization that supplies ready-made and custom-synthesized chemicals for the pharmaceutical and biotechnology R&D community.

8. Zhang is the President and CEO of Beta Pharma and Scientific.

9. On July 18, 2006, the United States Patent & Trademark Office ("USPTO") issued Patent No. 7,078,409 (the "409 Patent") to Beta Pharma. The 409 Patent claims a class of anticancer agents, including Icotinib, a drug that was approved for the treatment of non-small cell lung cancer in the Peoples' Republic of China ("China") in June 2011.

10. Beta Pharma contributed the Chinese rights to the corresponding Chinese Patent Application to the 409 Patent to Zhejiang Beta Pharma Co., Ltd. ("ZJBP"), a joint stock company organized under the laws of China. In exchange for those patent rights, Beta Pharma received an ownership interest in ZJBP.

11. ZIBP has announced that it intends to make an initial public offering of its stock in China.

A. Liu's Representation of Beta Pharma and Scientific

12. Starting in approximately July 2011, Liu provided legal services to Beta Pharma and Scientific.

13. In late July 2011, Liu also entered into a "Mutual Non-Disclosure and Non-Use Agreement" with Beta Pharma, which provides that Liu would not disclose Beta Pharma's Confidential Information. A copy is attached as Exhibit 1.

14. Liu never provided Beta Pharma or Scientific with a written retainer agreement or other documents setting forth the scope of his representation or how he was to be compensated for his legal services.

15. Liu nevertheless provided comprehensive legal services to Beta Pharma and Scientific, including rendering legal advice regarding patent and intellectual property issues, including the 409 Patent, real estate leases, taxation issues, employment issues, contract issues, corporate and stock transfer issues, among others. Liu was provided with a company email address during the representation.

16. During the representation, Liu billed Beta Pharma for his legal services provided between July 2011 through November 2012, and Plaintiffs paid Liu in excess of \$126,000.

17. Liu received unfettered access to Beta Pharma's and Scientific's corporate information, including highly confidential and proprietary business information, such as research projects, business contracts, investor information, financial information, tax filings and related information, employee information and settlements, and proposed stock valuations.

18. Liu received confidential and privileged requests for legal advice from Beta Pharma and Scientific, and rendered confidential and privileged legal advice on intellectual property issues, corporate issues, employment issues, stock sale issues, tax issues, and real estate issues.

19. Liu received confidential information from Beta Pharma and Scientific, which information could be used against them in subsequent representation of parties adverse to Beta Pharma and Scientific.

B. Liu Provides Legal Representation and Advice Regarding Xie

20. Liu provided legal advice and counsel to Beta Pharma in connection with a plan to send Guojian Xie ("Xie"), its then-employee, to China to form a drug discovery company named Sanda. The legal advice and discussions between Liu and Beta Pharma included advice on the business relationship between Xie and Beta Pharma and Xie's compensation.

21. In order to render that legal advice, Liu had confidential attorney-client communications with Beta Pharma regarding Xie.

C. Liu Provides Legal Representation and Advice Regarding ZJBP Stock

22. Liu provided Beta Pharma with legal advice and counsel in connection with Beta Pharma's potential sale of shares of ZJBP stock to certain buyers ("Buyers").

23. As part of his representation of Beta Pharma, during September 2012, Liu traveled to China to attend ZJPB board meetings as Beta Pharma's lawyer and representative.

24. At those ZJBP board meetings, decisions were made concerning Beta Pharma's right to transfer ZJBP stock to third parties with whom Beta Pharma had entered or intended to enter into stock purchase agreements, and ZJBP's initial public offering. Liu voted Zhang's proxy in at least one ZJBP board meeting.

25. As part of his representation of Beta Pharma, Liu had confidential attorney-client communications with Beta Pharma about ZJBP stock, the sale and potential sale of that stock to third parties, ZJBP board meetings, stock transfers and valuations, and ZJBP's planned initial public offering.

D. Liu's Proposed Business Relationship with Beta Pharma, Attempted Extortion, and Disparagement

26. During his representation of Beta Pharma, Liu proposed that Beta Pharma enter into a business relationship with him to start a generic drug business. While Beta Pharma and Scientific considered Liu's proposals, they ultimately declined them.

27. In requesting that his clients enter into a business relationship with him, Liu did not comply with the requirements governing business relationships between lawyers and their clients including, but not limited to, the requirements set forth in Rule of Professional Conduct ("RPC") 1.8.

28. Liu threatened Zhang with criminal prosecution by the U.S. Attorney's office if Zhang did not, among other things, pay Liu money and give Liu shares of ZJBP stock owned by Beta Pharma.

29. During June 2013, Liu informed third parties with whom Beta Pharma has an ongoing business relationship that Zhang would hire an assassin to have Liu killed should Beta Pharma receive the money from its sale of ZJPB stock in China, and that Liu was actively preparing a federal lawsuit against Beta Pharma.

30. Liu made written statements to business associates of Beta Pharma and Scientific, accusing Zhang of criminal activity.

31. Further, as detailed below, Liu used information that he gained during his legal representation of Plaintiffs to assist others in instituting and prosecuting litigation against Plaintiffs.

32. During November 2012, Liu purported to terminate his attorney client relationship with Beta Pharma and Scientific by e-mail but continued to involve himself in Plaintiffs' legal issues.

E. Liu Represents Xie In Suing Beta Pharma, Scientific, and Zhang.

33. Liu is representing or advising Xie in a lawsuit adverse to Beta Pharma, Scientific and Zhang, using privileged and/or confidential information he obtained during his representation of Beta Pharma and Scientific.

34. On December 12, 2012, Xie filed a lawsuit against Beta Pharma, Scientific and Zhang in the Superior Court of Connecticut. That action is docketed as No. NNH-CV13-6035116-S ("Xie Action").

35. In the Xie Action, Xie alleges, among other things, that Beta Pharma, Zhang, and Scientific breached an alleged oral promise with to give him 20% of Beta Pharma.

36. In the Xie Action, Xie claims he is an inventor of Icotinib and that he is identified as an inventor on the 409 Patent.

37. Xie is represented in the Xie Action by Attorney Jonathan Katz, Esquire ("Katz"), a member of the Connecticut bar.

38. Liu introduced Xie to Katz.

39. Beta Pharma and Scientific became aware that Liu was providing information to Xie to assist in the Xie Action.

40. Beta Pharma and Scientific accordingly served a subpoena on Liu in the Xie Action to discover what information Liu provided to Xie and/or Katz.

41. Although Liu is not admitted to practice law in Connecticut and has not entered an appearance in the Xie Action, in response to the subpoena, Liu represented to the Superior Court of Connecticut that he should not have to produce documents regarding his provision of information to Xie and/or Katz because he:

- (a) has an attorney-client relationship with Xie relating to the claims in the Xie Action;
- (b) with Katz, is jointly representing Xie in the Xie Action; and
- (c) is represented by Xie's lawyer, Katz.

A copy of Liu's response to the Subpoena is attached as Exhibit 2.

42. Liu has an agreement to be paid money from any recovery by Xie in the Xie Action.

43. Upon information and belief, Liu has disclosed confidential and/or privileged information of Beta Pharma, Scientific, and/or Zhang to Xie and/or Katz.

44. Liu never requested a conflict waiver and Beta Pharma, Scientific, and Zhang have not consented to Liu's representation of Xie in the Xie Action.

45. Beta Pharma, Scientific, and Zhang have not consented to Liu's disclosure of their confidential and/or privileged information to Xie or his counsel.

46. Beta Pharma, Scientific, and Zhang have and will incur substantial fees and costs in defending the Xie Action.

F. Liu Represents Buyers of ZJBP Stock In Suing Beta Pharma and Zhang.

47. Liu is representing or advising the Buyers in a lawsuit adverse to Beta Pharma and Zhang, using privileged and/or confidential information he obtained during his representation of Beta Pharma and Scientific.

48. On or about July 10, 2014, five plaintiffs who claimed to be potential Buyers of ZJBP stock filed a complaint against Beta Pharma and Zhang in the Superior Court of Connecticut (the "Buyers Action"). Beta Pharma and Zhang have removed the Buyers' Action to the United States District Court for the District of Connecticut, where it has docket no. 3:14-cv-01177-CSH.

49. In the Buyers' Action, the plaintiff Buyers allege, among other things, that Beta Pharma and Zhang allegedly breached agreements to sell ZJBP stock to them.

50. The Buyers are represented by Katz, the same attorney who represents Xie in the Xie Action and who represents Liu.

51. Liu introduced the Buyers to Katz, and has solicited other Buyers to become plaintiffs in the Buyers' Action. For example, a few months ago, Liu contacted a Buyer with whom Liu had no prior relationship, asked him if he wanted to sue Beta Pharma, and directed him to Katz. A copy of the Affidavit of Wei Yuan is attached as Exhibit 3.

52. Liu provided confidential legal advice to Beta Pharma about the sales of ZJBP stock while he was Beta Pharma's lawyer.

53. Although Liu is not admitted to practice law in Connecticut and has not entered an appearance in the Buyers' Action, in response to the subpoena in the Xie Action, Liu represented to the Superior Court of Connecticut, that he should not have to produce documents regarding his provision of information to Buyers and/or Katz because he:

- (a) has an attorney-client relationship with the Buyers relating to the claims in the Buyers' Action;
- (b) with Katz, is jointly representing Buyers in the Buyers' Action; and
- (c) is represented by Katz.

A copy of Liu's response to the Subpoena is attached as Exhibit 2.

54. Liu has also asserted that he cannot provide Beta Pharma, Zhang, and Scientific with information regarding ZJBP because he has a Confidentiality Agreement with ZJBP that precludes him from disclosing communications between him and ZJBP. A copy of Liu's supplemental response is attached as Exhibit 4. Liu refuses to even provide a copy of the alleged confidentiality agreement.

55. During his representation of Beta Pharma and Scientific, Liu's interactions with ZJBP were as a lawyer and representative for Beta Pharma and Scientific, not as a business associate or representative of ZJBP.

56. Upon information and belief, Liu has or had an agreement to be paid money from any recovery in the Buyers' Action.

57. Liu has disclosed confidential information of Beta Pharma, Scientific, and/or Zhang regarding the Buyers' claims to the Buyers and/or Katz.

58. Liu never requested a conflict waiver, and Beta Pharma, Scientific, and Zhang have not consented to Liu's representation of the Buyers in the Buyers' Action.

59. Beta Pharma, Scientific, and Zhang have not consented to Liu's disclosure of confidential information to the Buyers or their counsel.

60. Beta Pharma and Zhang have and will incur substantial fees and costs in defending the Buyers' Action.

G. Liu Refuses To Cooperate With Beta Pharma, Scientific, and Zhang

61. Beta Pharma and Scientific sought to recover their files from Liu.

62. Liu refused to provide a copy of his attorney file to Beta Pharma and Scientific.

63. Beta Pharma and Scientific were forced to commence an action against him in the Superior Court of New Jersey, Chancery Division, Mercer County, New Jersey, Docket # MER-C-46-14. In response to that action, Liu provided certain information. Beta Pharma and Scientific then dismissed that action without prejudice.

64. Liu has admitted deleting emails from his email account that relate to the representation, and he did not provide Plaintiffs with all of the documents from the representation.

65. Liu withheld communications with Plaintiffs that demonstrate that he has conflict of interest that precluded him from having an adverse relationship with Plaintiffs.

66. Beta Pharma and Scientific incurred legal fees and costs in that action.

67. Defendant's actions were for his personal gain and/or revenge because Beta Pharma refused to fund his business venture.

COUNT I
Breach of Fiduciary Duty

68. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

69. Defendant had an attorney/client relationship with Beta Pharma and Scientific.

70. As their attorney, Defendant owed and continues to owe Beta Pharma and Scientific a fiduciary duty.

71. Defendant breached this duty to Beta Pharma and Scientific by disclosing confidential information, soliciting parties to bring litigation against Beta Pharma and Scientific,

defaming Zhang, and using information learned during his legal representation to assist parties in litigation against Beta Pharma and Scientific.

72. Defendant's breach of this duty damaged Plaintiffs.

COUNT II
Breach of Duty of Loyalty

73. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

74. Defendant had an attorney/client relationship with Beta Pharma and Scientific.

75. As their attorney, Defendant owed and continues to owe Beta Pharma and Scientific a duty of loyalty.

76. Defendant breached this duty to Beta Pharma and Scientific by disclosing confidential information, soliciting parties to bring litigation against Beta Pharma and Scientific, defaming Zhang, and using information learned during his legal representation to assist parties in litigation against Beta Pharma and Scientific.

77. Defendant's breach of this duty damaged Plaintiffs.

COUNT III
Breach of Duty of Confidentiality

78. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

79. Defendant had an attorney/client relationship with Beta Pharma and Scientific.

80. As their attorney, Defendant owed and continues to owe Beta Pharma and Scientific a duty of confidentiality.

81. Defendant breached this duty to Beta Pharma and Scientific by disclosing confidential information, soliciting parties to bring litigation against Beta Pharma and Scientific,

defaming Zhang, and using information learned during his legal representation to assist parties in litigation against Beta Pharma and Scientific.

82. Defendant's breach of this duty damaged Plaintiffs.

COUNT IV
Breach of Contract

83. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

84. Defendant had a contract to act as attorney for Beta Pharma and Scientific.

85. Part of that agreement required Defendant to act in the best interest of Beta Pharma and Scientific, to follow the Rules of Professional Conduct, and, among other things, to keep Beta Pharma and Scientific information confidential and to not take action contrary to the interests of Beta Pharma and Scientific.

86. Defendant did provide legal advice and counsel to Beta Pharma and Scientific on a number of issues.

87. In return, Defendant received over \$126,000 for his legal services.

88. Defendant materially breached his agreement with Beta Pharma and Scientific by disclosing confidential information, soliciting parties to bring litigation against Beta Pharma and Scientific, defaming Zhang, and using information learned during his legal representation to assist parties in litigation against Beta Pharma and Scientific.

89. Defendant also was a party to a Mutual Non-Disclosure and Non-Use Agreement with Beta Pharma.

90. Defendant materially breached his agreement with Beta Pharma and by disclosing confidential information, soliciting parties to bring litigation against Beta Pharma and Scientific,

and using information learned during his legal representation to assist parties in litigation against Beta Pharma and Scientific.

91. As a result, Plaintiffs suffered damages.

COUNT V
Attorney Malpractice/Professional Negligence

92. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

93. As attorney for Beta Pharma and Scientific, Defendant owed them a duty of care.

94. Defendant, either negligently or willfully, breached the standard of care by failing to maintain and safeguard his client's confidential information.

95. Defendant, either negligently or willfully, breached the standard of care by failing to properly identify a conflict of interest, which prohibits his representation or involvement in the Xie and Buyers' Actions.

96. As a direct result of Defendant's breach of the duty of care, Plaintiffs suffered damages.

COUNT VI
Trade Libel and Disparagement

97. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

98. Defendant has made false statements of fact regarding Plaintiffs.

99. For example, Defendant falsely told numerous people that Zhang was engaged in criminal activity and activities of moral turpitude by falsely stating that Zhang threatened to hire an assassin to have Defendant killed.

100. Defendant also communicated material derogatory to the quality of Beta Pharma and Scientific, and derogatory about Beta Pharma and Scientific in general.

101. These false communications were calculated to prevent others from dealing with Beta Pharma and Scientific, or to otherwise adversely impact his business relationship with others.

102. These communications were knowing and reckless.

103. These communications injured Plaintiffs' reputations.

104. These communications were intended to cause others to choose not to do business with Beta Pharma and Scientific.

105. It causes particular injury to the reputations of Beta Pharma and Scientific as they are businesses whose activities in treating cancer implicate the public interest.

106. As a result of these communications, Plaintiffs were harmed.

COUNT VII
Breach of the Duty of Good Faith and Fair Dealing

107. Plaintiffs incorporate by reference the preceding paragraphs of this Complaint as if set forth at length herein.

108. Every contract in New Jersey includes an implied covenant of good faith and fair dealing.

109. Defendant breached this covenant when he took information that he learned during the course of his legal representation of Plaintiffs, and improperly disclosed it and used it to the detriment of Plaintiffs.

110. As a result, Plaintiffs were harmed.

COUNT VIII
Attorney Misconduct

111. Defendant was an attorney for Beta Pharma and Scientific.

112. Defendant engaged in intentional acts that breach the duty of care owed to Beta Pharma and Scientific, including but not limited to when Defendant took information that he learned during the course of his legal representation of Plaintiffs, and improperly disclosed it and used it to the detriment of Plaintiffs.

113. As a result of Defendant's misconduct, Plaintiffs were harmed.

COUNT IX
Injunctive Relief

114. Defendant has entered into attorney client relationships and joint representations that are materially adverse to Plaintiffs, his former clients, in substantially related matters.

115. Defendant also is using knowledge that he obtained during his representation of Plaintiffs to Plaintiffs' detriment in the Xie and Buyers' Actions.

116. Defendant is disclosing, or is in the position to disclose, confidential information, attorney/client communications and work product that was obtained during his representation of Plaintiffs.

117. Plaintiffs are being immediately and irreparably harmed, and will continue to be immediately and irreparably harmed by Defendant's actions.

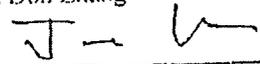
118. Plaintiffs thus seek permanent injunctive relief, or, in the alternative, injunctive relief pending the full investigation and adjudication by the New Jersey Supreme Court as to the ethical violations of Defendant.

WHEREFORE, Plaintiffs demand that judgment be entered in their favor and against Defendant as set forth below.

- a. A temporary, preliminary and permanent injunction barring Attorney Liu from communicating with the attorneys who are representing adverse parties;
- b. A temporary, preliminary and permanent injunction barring Attorney Liu from soliciting parties to sue the Beta Pharma Parties, his former clients;
- c. A temporary, preliminary and permanent injunction barring Attorney Liu from participating in joint representations adverse to his former clients' interests;
- d. A temporary, preliminary and permanent injunction barring Attorney Liu from communicating with parties who are suing the Beta Pharma parties in actions pending in Connecticut federal and state courts;
- e. A temporary, preliminary and permanent injunction barring Attorney Liu from disclosing confidential information related to the representation of Beta Pharma, Scientific and Zhang;
- f. A temporary, preliminary and permanent injunction barring Attorney Liu from disclosing confidential information and/or attorney-client communications;
- g. A temporary, preliminary and permanent injunction compelling Attorney Liu to terminate his attorney-client relationship with Guojian Xie in the Xie Action;
- h. A temporary, preliminary and permanent injunction compelling defendant to terminate his attorney-client relationship with Shanshan Shao, Hongliang Chu, Qian Liu, Song Lu and Xinshan Kang in the Shao Action;
- i. A temporary, preliminary and permanent injunction compelling defendant to terminate his joint representation with Jonathan Katz, Esq., in the Xie Action and Shao Action;

- j. A temporary, preliminary and permanent injunction compelling Attorney Liu to identify parties he solicited to sue Plaintiffs;
- k. A temporary, preliminary and permanent injunction compelling Attorney Liu to identify confidential and protected information he disclosed;
- l. A temporary, preliminary and permanent injunction compelling Attorney Liu to identify any information he disclosed to third parties regarding the representation.
- m. Disgorgement of the recovery of any proceeds from the Xie Action or the Buyers' Action;
- n. Compensatory damages;
- o. Disgorgement of legal fees paid to Lance Liu;
- p. Declaration that Defendant must indemnify Plaintiffs for any attorneys' fees, damages, or judgments incurred as a result of litigation caused or aided by Mr. Liu, including but not limited to the Xie Action and the Buyers' Action;
- q. Attorneys' fees;
- r. Punitive damages; and,
- s. Any other relief the court deems just and appropriate.

FOX ROTHSCHILD LLP
Attorneys for Plaintiffs
Beta Pharma Inc., Beta Pharma Scientific,
Inc., and Don Zhang

By: 

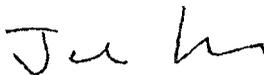
JACK L. KOLPEN
BARRY J. MULLER
ABBEY TRUE HARRIS

Dated: September 16, 2014

DESIGNATION OF TRIAL COUNSEL

PLEASE TAKE NOTICE that pursuant to R. 4:25-4, Jack L. Kolpen, Esquire is hereby designated as trial counsel in this matter.

FOX ROTHSCHILD LLP
Attorneys for Plaintiffs
Beta Pharma Inc., Beta Pharma Scientific,
Inc., and Don Zhang

By: 

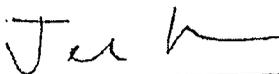
JACK L. KOLPEN
BARRY J. MULLER
ABBEY TRUE HARRIS

Dated: September 16, 2014

JURY DEMAND

Pursuant to R. 4:35-1(a)&(b), Plaintiffs demand a jury trial on all issues so triable.

FOX ROTHSCHILD LLP
Attorneys for Plaintiffs
Beta Pharma Inc., Beta Pharma Scientific,
Inc., and Don Zhang

By: 

JACK L. KOLPEN
BARRY J. MULLER
ABBEY TRUE HARRIS

Dated: September 16, 2014

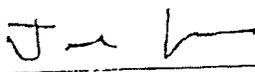
CERTIFICATION PURSUANT TO RULE 4:5-1

Pursuant to R 4:5-1, it is stated that the matter in controversy is not the subject of any other action pending in any other court or of a pending arbitration proceeding to the best of our knowledge or belief, except for Xie v. Bet Pharma et al, Superior Court of Conn., No. NNH-CV13-6035116-S, Shao v. Beta Pharma, et al, U.S.D.C. (D.Conn), Case No. 3:14-cv-01177-CSH, and Beta Pharma, Inc., et al. v. Lance Liu, Superior Court of New Jersey, Chancery Division, Mercer County, Docket No. C-46-14. Also, to the best of our belief, no other action or arbitration proceeding is contemplated. Further, other than the parties set forth in this pleading, we know of no other parties that should be joined in the above action. In addition, we recognize the continuing obligation of each party to file and serve on all parties and the Court an amended certification if there is any change in the facts stated in this original Certification.

CERTIFICATION PURSUANT TO R. 1:38-7(C)(2)

I hereby certify that confidential personal identifiers have been redacted from the documents now submitted to the Court and will be redacted from all documents submitted in the future in accordance with R. 1:38-7(b).

FOX ROTHSCHILD LLP
Attorneys for Plaintiffs

By: 

JACK L. KOLPEN
BARRY J. MULLER
ABBIE TRUE HARRIS

Dated: September 16, 2014

VERIFICATION

Don Zhang, of full age, upon his verification states the following:

1. I am the President and CEO of Beta Pharma, Inc. and Beta Pharma Scientific, Inc., plaintiff in the foregoing action. I am duly authorized to give this Verification on Plaintiffs, which is based upon my personal knowledge.

2. I have read the foregoing Verified Complaint, and I hereby verify that all of the factual allegations contained therein are true and correct.

I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.


Don Zhang

Dated: September 15, 2014

EXHIBIT H

CLERK OF SUPERIOR COURT
SUPERIOR COURT OF N.J.
MERCER COUNTY
RECEIVED AND FILED

SEP 26 2014

Sue Regan
SUE REGAN
DEPUTY CLERK OF SUPERIOR COURT

FOX ROTHSCHILD LLP

Formed in the Commonwealth of Pennsylvania

By: Jack L. Kolpen, Esquire (N.J.I.D.# 026411987)
Barry J. Muller, Esquire (N.J.I.D. # 016911998)
Abbey True Harris, Esquire (N.J.I.D. #029112005)

Princeton Pike Corporate Center
997 Lenox Drive, Building 3
Lawrenceville, NJ 08648-2311
(609) 896-3600

*Attorneys for Plaintiffs Beta Pharma, Inc.,
Beta Pharma Scientific, Inc., and Don Zhang*

BETA PHARMA, INC., BETA PHARMA
SCIENTIFIC, INC., AND DON ZHANG,

Plaintiff,

v.

LANCE LIU,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - MERCER COUNTY
DOCKET NO.: *L-2040-14*

CIVIL ACTION

ORDER TO SHOW CAUSE
TEMPORARY RESTRAINTS

THIS MATTER having been opened to the Court by Fox Rothschild LLP (Jack L. Kolpen, Esq., appearing), attorneys for Plaintiffs, Beta Pharma, Inc., Beta Pharma Scientific, Inc. and Don Zhang, on notice to Defendant, Lance Liu, Esquire, and the Court having considered the moving papers and any opposition thereto; and the Court have considered the arguments of counsel; and for the reasons set forth on the record; and for other good cause having been shown;

IT IS on this 26 day of September 2014;

ORDERED that defendants shall show cause before this Court at the Mercer County Court House, 175 South Broad Street, Trenton, New Jersey 08650 on this 20th day of January 2015 ~~September, 2014~~ at 9:00 A.M., as to why an Order should not be entered in favor of Plaintiffs and against Defendant:

1. barring Attorney Liu from communicating with the attorneys who are representing adverse parties in Xie v. Beta Phanna et al, NNH-CV13-6035116-S, pending in the Superior Court of Connecticut ("Xie Action") and Shao et al. v. Beta Pharama, Inc et al., No. Civil Action No. 3:14CV01177 (CSH), pending in the USDC Conn. ("Buyers' Action");
2. barring Attorney Liu from soliciting parties to sue the Beta Pharma Parties, his former clients;
3. barring Attorney Liu from participating in joint representations adverse to his former clients' interests in the Xie Action or Buyers' Action;
4. barring Attorney Liu from communicating with parties who are suing the Beta Pharma parties in Xie Action and Buyers' Action about the Xie Action and Buyers' Action;
5. barring Attorney Liu from disclosing confidential information related to the representation of Beta Pharma, Scientific and Zhang;
6. compelling Attorney Liu to terminate his attorney-client relationship with Guojian Xie in the Xie Action;
7. compelling defendant to terminate his attorney-client relationship with Shanshan Shao, Hongliang Chu, Qian Liu, Song Lu and Xinshan Kang in the Buyers' Action;
8. compelling defendant to terminate his joint representation with Jonathan Katz, Esq., in the Xie Action and Buyers' Action;
9. compelling Attorney Liu to identify parties he solicited to sue Plaintiffs;

10. compelling Attorney Liu to identify Beta Pharma's confidential and protected information he disclosed;

11. compelling Attorney Liu to identify any information he disclosed to third parties regarding his representation of Beta Pharma, Inc. and Beta Pharma Scientific, Inc..

12. requiring that the parties conduct expedited discovery as to Defendant's disclosure of information regarding Plaintiffs as follows:

- a. The parties must serve interrogatories and document demands on this limited issue must be served no later than October 10, 2014;
- b. The parties must respond to interrogatories and document demands on this limited issue no later than November 25, 2014;
- c. Fact witness depositions on this limited issue must conclude no later than December 23, 2014.

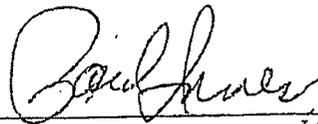
FURTHER ORDERED that pending the return date of this Order to Show Cause, Defendant shall take no action to:

1. Soliciting any person or entity to bring a legal claim against Plaintiffs anywhere in the world.
2. Communicating directly or indirectly with Gojian Xie about the Xie Action or any Plaintiff in the Buyers' Action about the Buyers' Action;
3. Communicating directly or indirectly with Jonathan Katz, Esquire, regarding the Xie Action or the Buyers Action; and it is

FURTHER ORDERED, that a copy of this Order to Show Cause and the Verified Complaint and Letter Brief filed herein ~~shall be served~~ *have been served by the court* upon the Defendant ~~via hand delivery~~ *on this date* ~~within~~ days of entry hereof; and it is

FURTHER ORDERED, that the Defendant shall serve and file any opposition to this Order to Show Cause upon the attorneys for Plaintiffs at least 30 days ~~from the return date of this Order to Show Cause~~ ^{from this date}. Plaintiffs may serve a reply to the opposition upon attorneys for the Defendant at least 14 days prior to the return date of the Order to Show Cause; and it is

FURTHER ORDERED, that Defendant must serve upon the attorneys for the Plaintiffs an Answer to the Verified Complaint within 30 days after service of this Order to Show Cause and Verified Complaint, exclusive of the date of the service. If the Defendant fails to answer, judgment by default may be entered against the defaulting Defendant for the relief demanded in the Verified Complaint. The Answer should be filed promptly with proof of service thereof in duplicate with the Clerk of the Superior Court of New Jersey, Law Division, Mercer County, 175 South Broad Street, Trenton, New Jersey 08650 in accordance with the Rules of Civil Practice and Procedure. If Defendant cannot afford to pay an attorney, the telephone number for the Mercer County Legal Services is (609)695-6249. If the individual is not eligible for free legal assistance he may obtain a referral to an attorney by calling the Mercer County Bar Association's Lawyer Referral Service at (609) 585-6200. This Order to Show Cause shall serve as a substitute summons.



J.S.C.

EXHIBIT I

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION, CIVIL PART
MERCER COUNTY, NEW JERSEY
DOCKET NO. MER-L-2040-14
A.D. # _____

BETA PHARMA, INC., BETA)
PHARMA SCIENTIFIC, INC.,)
and DON ZHANG,)

Plaintiffs,)

v.)

LANCE LIU,)

Defendant.)

TRANSCRIPT

OF

MOTION HEARING

Place: Mercer County Civil
Courthouse
175 South Broad Street
Trenton, NJ 08650

Date: September 26, 2014

BEFORE:

THE HON. PAUL INNES, P.J.Ch.

TRANSCRIPT ORDERED BY:

JACK L. KOLPEN, ESQ. (Fox Rothschild, LLP)

APPEARANCES:

JACK L. KOLPEN, ESQ. (Fox Rothschild, LLP)

ABBEY TRUE HARRIS, ESQ.
Attorneys for the Plaintiff

LANCE LIU, Defendant, Pro Se

Transcriber, Janet D. Persons
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Hamilton, NJ 08619

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Website: www.jjcourt.com

Audio Recorded

Audio Operator, Patrice Flim

I N D E X

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THE COURT: Good morning, everyone. Please be seated.

MR. KOLPEN: Good morning, Your Honor.

THE COURT: Okay, this morning we have Beta Pharma, Incorporated; Beta Pharma Scientific, Incorporated; and Don Zhang versus Lance Liu. This is Docket Number MER-L-2040-14. Let's have appearances of counsel please.

MR. KOLPEN: Jack Kolpen and Abbey Harris from Fox Rothschild on behalf of the plaintiffs.

MR. LIU: Lance Liu, pro se.

THE COURT: This is actually an application for a order to show cause. There were temporary restraints sought in connection with the order to show cause. The Court directed plaintiffs' counsel to appear today and to advise Mr. Liu that there would be a hearing on the issue of the temporary restraints. So let's begin with, Mr. Kolpen?

MR. KOLPEN: Yes. Your Honor, BPI is a drug discovery company. Refer to that as Beta Pharma, I'll refer to it as BPI. Beta Scientific is a CRO, that's a contract research organization, that produces synthesized drugs for use in the pharmaceutical industry and sort of a customized drug company for pharmaceutical companies.

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THE COURT: Attorney?
MR. LIU: -- 25-percent to 40-percent was legal work.

THE COURT: You were doing legal work for them?

MR. LIU: From July I didn't do legal work. My general work. The type of work I'm doing, I'm a patent lawyer, I do like --

THE COURT: Did you do legal work for Beta Pharma at any time?

MR. LIU: From December 2011 and November 3rd, 2012. And the legal issues I did with Beta Pharma they were assigned first by the business manager Amy Chang (phonetic). Then Amy was replaced by another individual called a Gireng Peng, I will spell it, G-i-r-e-n-g P-e-n-g.

And from July 2011 to December 2011 and it's all business discussion. And the plaintiff has tried to get me in to dealing with legal issues on the IOU. They basically don't have the money to pay. They say okay, take the IOU, help us with this, help us with the critical issue, and after that I will make an investment into the business and we will also pay you a finder's fee for any sales to the institutional investors.

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That's when I got into dealing with legal issues. And anything I dealt with came directly either from Amy Cheng or from Gireng Peng. I don't have free access to the Beta Pharma database. Anything, any documents they want me to work on they send it to me by e-mail. The representation is on a per diem basis and the access is limited to what they want me to look.

Initially I don't like the idea of getting the IOUs for legal work for them and Don Zhang, one of the plaintiffs, pointed to me that Gireng Peng has already taken IOUs by working full-time for Beta Pharma and at the same time is on the government's full disability payroll. So the IOU will hide as income from Beta Pharma while he can still be eligible --

MR. KOLPEN: Judge, I object to all of this. What does this have to do with this case?

THE COURT: I want to hear it. Go ahead, Mr. Liu.

MR. LIU: And at the same time he can collect the disability benefits and the IOU would postpone the payment to the time when the disability benefit runs out.

According to Don it's a win -- he said it's a win-win situation for Gireng to get money from the government and the -- my payment to him will be made

1 claim against Beta -- Beta Pharma or Beta Scientific or
2 Mr. Zhang?
3 MR. LIU: If it doesn't include me, fine.
4 THE COURT: I'm sorry?
5 MR. LIU: If it does not include me.
6 THE COURT: Well it is going to --
7 MR. LIU: If I file a counterclaim.
8 THE COURT: I'm not talking about
9 counterclaims today.
10 MR. LIU: Okay.
11 THE COURT: You're a lawyer. I want you to
12 listen closely. All right? I think my question is
13 very clear and unambiguous. The first thing they're
14 asking for is an order barring you from soliciting any
15 person or entity from bringing a claim against Beta
16 Pharma, Beta Scientific or Mr. Zhang. Now, do you have
17 an objection to that this morning?
18 MR. LIU: No.
19 THE COURT: Okay.
20 MR. LIU: No, that's fine.
21 THE COURT: The second thing they're asking
22 for is an order barring you from communicating directly
23 or indirectly with Dojong (phonetic) Xie about the Xie
24 action or any plaintiff in the buyer's action, this
25 action, about the buyer's action. Do you have any

1 objection to that?
2 MR. LIU: (No audible response).
3 THE COURT: You're shaking your head no.
4 MR. LIU: I don't have objection to the -- to
5 contact with them on the --
6 THE COURT: Okay.
7 MR. LIU: -- on the litigations that's going
8 on. But with regard to Mr. Xie. There is an ongoing
9 like I'm helping him to do the mortgage modification.
10 It's in the process.
11 THE COURT: A separate mortgage modification,
12 what, on his personal residence or?
13 MR. LIU: Yes, yes.
14 THE COURT: That's not what's being barred
15 here.
16 MR. LIU: Yeah, okay.
17 THE COURT: All right.
18 MR. LIU: That's fine. I don't have a
19 problem.
20 THE COURT: And the last thing they're asking
21 for is that you be barred from communicating directly
22 or indirectly with Jonathan Katz regarding the Xie
23 action or the buyer's action.
24 MR. LIU: Oh, yeah, that's fine.
25 THE COURT: So you would be barred from

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1 Court of Connecticut that he should not have to produce
2 documents and testify regarding his provision of
3 information to buyers because he has an attorney-client
4 relationship with the buyers relating to the claims in
5 the buyer's action, he is jointly representing the
6 buyers in the buyer's action, and he is represented by
7 Katz.

8 Defendant also asserts he could not provide
9 plaintiffs with information regarding ZJBP because he
10 has a confidentiality agreement with ZJBP that
11 precludes him from disclosing communications between
12 him and ZJBP.

13 Plaintiffs further assert that they sought to
14 recover their legal files from defendant and which he
15 was initially uncooperative, but a lawsuit was
16 initiated and subsequently Mr. Liu provided some
17 information but withheld other information.

18 We're here this morning on plaintiffs'
19 application for a temporary restraint in connection
20 with and injunctive relief in this particular matter.
21 The standards with regard to issuing a temporary
22 restraint are set forth in Crowe v. DeGioia at 90 N.J.
23 126 (1982).

24 They include the Court considering whether or
25 not there would be immediate and irreparable harm lest

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1 the temporary restraints are issued, whether or not
2 plaintiffs have a settled legal right to the temporary
3 restraint, whether or not there is a likelihood, a
4 reasonable likelihood of success on the merits, and
5 then at the balance of equities favor the imposition of
6 the temporary restraints.

7 In this particular case I have no problem
8 finding that under the standards set forth in Crowe v.
9 DeGioia that the standard with regard to the issuance
10 of temporary restraints in this case are satisfied.

11 Mr. Liu was the attorney for Beta Pharma,
12 Incorporated and Beta Pharma Scientific, Incorporated
13 and now finds himself in an adversarial relationship
14 with those entities and there has been a showing to the
15 Court that Mr. Liu has used privileged and confidential
16 information in connection with his representation in
17 other matters and in connection with his controversies
18 with plaintiffs here.

19 Additionally Mr. Liu himself has no objection
20 to the temporary restraints, the specific relief sought
21 by plaintiffs for temporary relief in this particular
22 matter.

23 So for those reasons the Court will grant
24 plaintiffs' application for temporary restraints.
25 Going to execute the order to show cause today, make it

C E R T I F I C A T I O N

I, JANET D. PERSONS, the assigned transcriber, do hereby certify the foregoing transcript of proceedings on compact disk, playback number 9:10:08 to 9:58:42, is prepared in full compliance with the current Transcript Format for Judicial Proceedings and is a true and accurate compressed transcript of the proceedings as recorded, and to the best of my ability.

/s/ Janet D. Persons

JANET D. PERSONS AOC # 575

J&J COURT TRANSCRIBERS, INC. DATE: October 3, 2014

EXHIBIT J

27. Because of their ever-changing demands, I was forced to retain counsel to respond to this lawsuit. I have produced additional documents. Exhibit C is a chart setting forth in detail a catalog of the 6,199 pages I have produced to plaintiffs' counsel

Files Delivered

28. As noted above, initially I produced all the electronic files from my laptop related to my work for Beta Pharma. These were all saved in an electronic folder I had on the computer for the purpose of storing Beta Pharma work and I have produced them as documents 1 in 0037-5769 as cataloged on the chart annexed as Exhibit C. It took me many hours over the course of three days to deliver these files.

29. The only documents I have withheld from production from the Beta Pharma electronic folder on my laptop are approximately 13 files that I had saved to that same Beta Pharma folder, but that are unrelated to my legal work for Beta Pharma, including: (i) files concerning to an antibiotics patent that is owned by an unrelated third party; (ii) documents related to my visa application for business travel to China for the company; and (iii) one of my e-mail communications with my personal attorney from January, 2011, from a time before I began acting as attorney for Beta Pharma. Out of an excess of caution, and to be thorough, I offered to provide these documents (except for my privileged e-mail with my personal attorney) to plaintiffs' counsel for attorneys' eyes only, provided they gave me a non-disclosure agreement. A copy of my e-mail proposal is annexed as Exhibit D. Plaintiffs' counsel has not responded and has not offered any means of securing the confidentiality of these documents.

30. In addition to the electronic files from my laptop computer, I have also now reviewed my Yahoo e-mail account and produced all the e-mails from my personal Yahoo account relating to my work for Beta Pharma that remain available. Any other e-mails I may

have sent or received on my Yahoo account relating to legal work for Beta Pharma have been deleted. I have produced the Yahoo e-mails to plaintiffs' counsel as documents Liu 5770-6199 as cataloged on the chart annexed as Exhibit C. Virtually all these e-mails were exchanged with plaintiff Don Zhang and with Beta Pharma's COO, Jirong Peng to their Beta Pharma e-mail addresses, so I assume plaintiffs already had copies of all these e-mails. While I worked for Beta Pharma, I had the use of a company e-mail address, which I used for most of my e-mail communications. I no longer have access to the e-mails I sent and received using this e-mail address.

31. I have also produced all my legal bills to the company. I have produced them as documents Liu 0001-0037 as cataloged on the chart annexed as Exhibit C. Again, I assume that the company has copies of these bills since they paid them, at least in part.

The Motion Should Be Denied

32. When I ceased work for Beta Pharma, I did not keep any physical files and I sent the company electronic copies of all important and time sensitive client files.

33. When plaintiffs commenced this proceeding, they offered, twice (see Exhibits A-B), to drop the case if I would deliver all client files. I again delivered copies of all client files to their attorneys as cataloged in Exhibit C.

34. I have delivered all the client files to plaintiffs so their motion to compel me to do so should be denied and the case should be dismissed.

Conclusion

35. I respectfully submit that I have fully honored my obligations as an attorney by providing plaintiffs with their client files. I respectfully request that the Court deny the motion and dismiss this proceeding. If the plaintiffs persist in maintaining this proceeding after the service and filing of this affidavit, I respectfully request that the court award me legal fees.

Lance Liu
LANCE LIU

Sworn to before me this
25th day of July, 2014

Brigitte M Bessette
Notary Public

Brigitte M Bessette
Notary Public
Connecticut
My Commission Expires 04/30/2017



EXHIBIT K

ENTERED

CLERK OF SUPERIOR COURT
SUPERIOR COURT OF N.J.
MERCER COUNTY
RECEIVED AND FILED

JAN 14 2015

Sue Regan
SUE REGAN
DEPUTY CLERK OF SUPERIOR COURT

FOX ROTHSCHILD LLP

Formed in the Commonwealth of Pennsylvania

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*Attorneys for Plaintiffs Beta Pharma, Inc.,
Beta Pharma Scientific, Inc., and Don Zhang*

BETA PHARMA, INC., BETA PHARMA
SCIENTIFIC, INC., AND DON ZHANG,

Plaintiffs,

v.

LANCE LIU,

Defendant.

: SUPERIOR COURT OF NEW JERSEY
: LAW DIVISION – MERCER COUNTY
:
: DOCKET NO.: MER-L-2040-14
:
: CIVIL ACTION
:
: CONSENT ORDER ENTERING
: PRELIMINARY INJUNCTION
:
:

THIS MATTER having been opened to the Court by Fox Rothschild LLP, attorneys for Plaintiffs Beta Pharma, Inc. ("Beta Pharma"), Beta Pharma Scientific, Inc. ("Scientific"), and Don Zhang ("Zhang") ("Plaintiffs"); and the court having entered a Temporary Restraining Order on September 26, 2014 (appended as Exhibit A) and scheduled a preliminary injunction hearing for January 26, 2015; and it appearing that the parties have stipulated and agreed to the terms of a preliminary injunction, as set forth in this Consent Order; and good cause having been shown;

NOW, THEREFORE, IT IS on this 14th day of January 2015,
ORDERED as follows:

1. The three restraints on page three of the Court's Order dated September 26, 2014, attached hereto as Exhibit A, are hereby continued for the remainder of this action.

2. For the remainder of this action, Defendant is hereby barred from:

- a. Soliciting any person or entity to bring a legal claim against Plaintiffs anywhere in the world;
- b. Communicating directly or indirectly with Guojian Xie about the Xie Action (*Xie v. Beta Pharma et al.*, UWY-CV-13-6025526-S, pending in the Superior Court of Connecticut) or any Plaintiff in the Buyers' Action (*Shao, et al. v. Beta Pharma, Inc., et al.*, Civil Action No. 3:14CV01177 (CSH)) about the Buyers' Action, except as provided in paragraph five of this Order; and
- c. Communicating directly or indirectly with Jonathan Katz, Esquire, or any attorney representing the plaintiffs in the Xie Action and/or the Buyers' Action, regarding the Xie Action or the Buyers Action, except as provided in paragraph five of this Order.

3. Furthermore, for the remainder of this action, Defendant is hereby barred from:

- a. communicating with any attorneys who are representing adverse parties (to Plaintiffs) in the Xie Action and in the Buyers' Action;
- b. soliciting parties to sue Plaintiffs, his former clients;
- c. participating in joint representations adverse to his former clients' interests in the Xie Action or Buyers' Action;

- d. communicating with parties who are suing Plaintiffs in the Xie Action and the Buyers' Action about the Xie Action and the Buyers' Action; and
- e. disclosing Protected Information related to the representation of Beta Pharma, Scientific and/or Zhang, which shall be defined as and include:
 - i. information protected from disclosure by the attorney-client privilege;
 - ii. information protected from disclosure by NJ RPC 1.6;
 - iii. information protected from disclosure by the work product doctrine; and
 - iv. information protected from disclosure as business, proprietary, sensitive, or otherwise confidential information.

4. Within fourteen (14) days of the date of this Order, if he has not already done so,

Defendant shall:

- a. terminate his attorney-client relationship with Guojian Xie in the Xie Action;
- b. terminate his attorney-client relationship with Shanshan Shao, Hongliang Chu, Qian Liu, Song Lu and Xinshan Kang in the Buyers' Action;
- c. terminate his joint representation with Jonathan Katz, Esq., in the Xie Action and Buyers' Action;
- d. identify any and all parties he solicited to sue Plaintiffs;
- e. identify Plaintiffs' Protected Information that Defendant disclosed (except that Defendant is not required to disclose any communications with his attorneys in this case); and

f. identify any information he disclosed regarding his representation of Beta Pharma and/or Scientific to Zhejiang Beta Pharma Co., Ltd. (including any of its employees, officers, or directors) to any lawyer (except if in connection with his claims against Plaintiffs), and/or any person or entity in connection with any claim or potential claim or complaint against Don Zhang, Beta Pharma, Inc., or Beta Pharma Scientific, Inc. (except that Defendant is not required to disclose any communications with his attorneys in this case).

5. Defendant may send the letters attached as Exhibits B and C.

6. Plaintiffs do not concede that the contents of the letters marked as Exhibits B and C are accurate. The Court has neither found nor ruled that the letters in Exhibits B and C are accurate.

7. Defendant does not concede that he has acted improperly or that he has disclosed confidential or protected information. Plaintiffs dispute this contention.

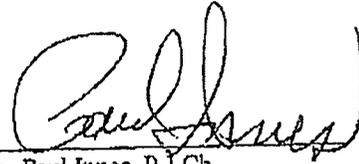
8. To the extent permitted by NJ RPC 1.6(d), Liu may disclose information otherwise protected from disclosure by this order to his attorneys in this action and/or in this action. Such disclosure shall not cause or work a waiver of the Plaintiffs' attorney client privilege, work product, or confidentiality under NJ RPC 1.6. Any such disclosure shall be governed by and subject to the Protective Order in place in this action, and shall be designated "ATTORNEY'S EYES ONLY" and subject to paragraph 18 thereunder.

SO ORDERED

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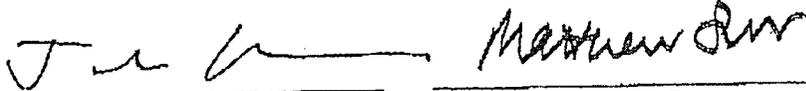
JUDGE INNES CHAMBERS

PAGE 05/06



Hon. Paul Innes, P.J.Ch.

We hereby consent to the form and entry of the within Order.



Jack L. Kolpen, Esq.
FOX ROTHSCHILD LLP
997 Lenox Drive, Building 3
Lawrenceville, NJ 08648
Attorneys for Plaintiffs

Matthew F. Schwartz, Esq.
Schwartz & Ponterio, PLLC
134 W. 29th Street, Suite 1006
New York, NY 10001
Attorney for Defendant

Dated: January 13, 2015

Dated: January 12, 2015