

THE HONORABLE JAMES L. ROBART

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

ATIGEO LLC, a Washington limited liability company; and MICHAEL SANDOVAL, an individual,

Plaintiffs,

v.

OFFSHORE LIMITED D, a California business organization, form unknown; OFFSHORE LIMITED D, a California partnership; DENNIS MONTGOMERY, individually and as a partner of Offshore Limited D; ISTVAN BURGYN, individually and as a partner of Offshore Limited D; DEMARATECH, LLC, a California limited liability company; and DOES 1-10, inclusive,

Defendants.

Case No. 2:13-cv-01694 JLR

DECLARATION OF MICHAEL SANDOVAL IN SUPPORT OF PLAINTIFFS' OPPOSITION TO DEFENDANTS' MOTION TO DISMISS AND SPECIAL MOTION TO STRIKE

I, Michael Sandoval, declare and state:

1. I am the CEO and Chairman of Plaintiff Atigeo LLC ("Atigeo"), and an individual party in this action. I am competent to testify, and I have personal knowledge of all facts set forth herein.

2. Atigeo is a small, privately held technology company located in Bellevue, Washington that develops software to improve the applicability, knowledge and enjoyment of software applications. Atigeo currently has 43 full-time and part-time employees.

DECLARATION OF MICHAEL SANDOVAL
(No. 2:13-cv-01694 JLR) - 1

1 3. As the CEO of Atigeo, I am personally familiar with the company’s business,
2 clients, employees, and finances.

3 4. False statements about Atigeo’s business practices and Atigeo’s and my past
4 business relationship with Edra Blixseth appear on various websites. It is my understanding that
5 these websites are controlled and operated by the Defendants in this case. Attached hereto as
6 **Exhibit 1** are true and correct copies of screen shots of excerpts of these websites containing
7 false allegations about Atigeo and me.

8 5. Atigeo has never billed a client for “nonexistent development work,” as
9 Defendants represented on their websites.

10 6. Additionally, Edra Blixseth did not place \$7 million into Atigeo’s account as
11 “pre-divorce money,” and I never agreed to “shelter” any money for Edra Blixseth, as
12 Defendants represented on their websites.

13 7. I have also never stolen or otherwise misappropriated any money or property
14 belonging to Edra Blixseth, as Defendants represented on their websites. Indeed, neither I nor
15 Atigeo “took” or otherwise misappropriated any money or anything of value from Edra Blixseth
16 to purchase property on Lake Washington “without her knowledge and consent,” and I never
17 “admitted” to any purported “wrongdoing in March 2007 after being confronted with evidence
18 by Edra Blixseth and her associates,” as Defendants represented on their website. All
19 transactions were conducted with Edra Blixseth’s full knowledge and consent.

20 8. Finally, neither I nor Atigeo “still owe the Blixseth estate \$8 million,” as
21 Defendants represented on their website.

22 9. I understand that in addition to publishing the above-described false statements on
23 their various websites, the Defendants, through a pseudonym email account called “David
24 Webb,” also sent website links to above-referenced false statements to Atigeo’s employees.

25 10. On April 5, 2006, Dennis Montgomery was hired by a company called Opspring
26 LLC (“Opspring”) to develop and implement certain marketable software products. At that time,

DECLARATION OF MICHAEL SANDOVAL
(No. 2:13-cv-01694 JLR) - 2

1 Edra Blixseth and Atigeo were investors in Opspring. Also at that time, Ms. Blixseth was
2 married to Tim Blixseth, who was engaged in the development of a private ski resort community
3 known as the Yellowstone Club. Prior to joining Opspring, Mr. Montgomery had been
4 employed by a company known as eTreppid Technologies LLC (“eTreppid”). eTreppid filed an
5 action in the United States District Court for the District of Nevada alleging that Mr.
6 Montgomery had converted eTreppid property, interfered with and misappropriated eTreppid’s
7 business relationships, and misappropriated eTreppid’s trade secrets.

8 11. In 2007, while the eTreppid litigation was pending, Edra Blixseth took over sole
9 operations of Opspring and we severed our business relationship. Thereafter, Opspring’s
10 business failed and Edra Blixseth and Dennis Montgomery filed for bankruptcy. Tim and Edra
11 Blixseth were also later divorced.

12 12. In 2007, in connection with the severance of my business relationship with Edra
13 Blixseth, Atigeo and Ms. Blixseth entered into a Letter Agreement dated March 31, 2007
14 governing the disposition of certain investments, assets and obligations.

15 13. Atigeo and Ms. Blixseth’s Bankruptcy Trustee have been involved in litigation
16 over the validity and enforceability of Letter Agreement. Specifically, on December 7, 2009,
17 Atigeo filed a complaint against Ms. Blixseth in the United States Bankruptcy Court for the
18 District of Montana to obtain an order repudiating the Letter Agreement (the “Montana
19 litigation”) based on the failure of, among others, Ms. Blixseth and Opspring to perform their
20 contract obligations under the Letter Agreement.

21 14. Based on statements made on the Defendants’ websites concerning the Montana
22 litigation, it is apparent that the Defendants are well aware of the pendency of the case the
23 pleadings that have been filed therein. In that case, Atigeo alleged that both Opspring and Ms.
24 Blixseth failed to perform certain material commitments set forth in the Letter Agreement and, as
25 a result, the Letter Agreement has been repudiated. To that end, Ms. Blixseth signed a sworn
26 declaration under oath confirming and detailing her and Opspring’s many failures to perform

DECLARATION OF MICHAEL SANDOVAL
(No. 2:13-cv-01694 JLR) - 3

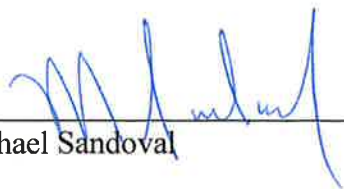
1 under the Letter Agreement and stipulated to entry of an order repudiating the Letter Agreement.
2 Attached hereto as *Exhibit 2* is a true and correct copy Ms. Blixseth's affidavit that was filed in
3 the Montana litigation.

4 15. In addition, Defendants created, and are maintaining, websites containing false
5 statements about Atigeo and me because I refused to make monetary payment to Dennis
6 Montgomery in 2012. That year, Mr. Montgomery approached me and demanded that Atigeo or
7 I make a financial investment in a new business of his. Mr. Montgomery made threats toward
8 Atigeo and me if I refused to make payment, including "If you're not with me, you're against
9 me" and warnings that he had previously followed through on similar threats made against others
10 and that Atigeo and I did not want to end up like others who, according to Mr. Montgomery, had
11 "learned the hard way." Based on these statements, Mr. Montgomery made clear that he would
12 do something to harm Atigeo's and my reputation and business ventures. Even so, I did not give
13 in to his demands to pay him off with money.

14 16. In sum, there is no credible basis for Defendants' false representations concerning
15 my and Atigeo's purported misappropriation of money from Ms. Blixseth or any purported debt
16 owed to Ms. Blixseth. Defendants' statements about Atigeo and me are outright lies.

17 I declare under penalty of perjury of the laws of the State of Washington and the United
18 States that the foregoing is true and correct.

19
20 Executed this 18th day of November, at Bellevue, Washington.

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23 
24 Michael Sandoval

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DECLARATION OF MICHAEL SANDOVAL
(No. 2:13-cv-01694 JLR) - 4

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following participants:

Paul Edward Brain pbrain@paulbrainlaw.com, jdavenport@paulbrainlaw.com

Shellie McGaughey shellie@mcbdlaw.com, katie@mcbdlaw.com

Stoel Rives LLP

s/Leslie Lomax

Leslie Lomax, Legal Secretary

Dated at Seattle, WA on November 18, 2013

The Untold Story: Atigeo

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Latest News: [Tim Blixseth Placed on IRS Enemy List Thanks to Ron Burkle and his friend Lanny Brewer at the DOJ...](#)



2013.06.14 -- MICHAEL SANDOVAL AND ATIGEO RACE TO SELL BLIXSETH PROPERTY Kirkland, WA - [Michael Sandoval](#) and [Atigeo, LLC](#) are racing to sell their lakefront properties on Lake Washington to a local developer for \$9.2 million before bankruptcy trustees in the [Edra Blixseth](#) and [Western Capital bankruptcy](#) can seize the properties.

[Edra Blixseth](#) had set aside an \$8 million safety-net for her and her family before filing for divorce from [Tim Blixseth](#) in December 2006. [Michael Sandoval](#) used the \$8.0 million to purchase three lakefront properties without the knowledge or consent of Edra Blixseth.

When confronted in Los Angeles on March 22, 2007, [Michael Sandoval](#) admitted to purchasing the properties with the \$8 million. After month of refusing to produce financial statements, Michael and Heather Sandoval signed a settlement agreement with [Edra Blixseth](#) and her estate. In the settlement agreement Michael and Heather Sandoval, signed personally for the money to avoid criminal prosecution. [Andrew Boyd](#), the controller for [Atigeo](#) resigned shortly after the settlement agreement was signed.

Michael and Heather then transferred the property into a trust for their children to shelter the properties from litigation. **More to come on this story...**

2013.06.14 -- MICHAEL SANDOVAL AND THE SEATTLE HOPE HEART INSTITUTE Bellevue, WA - [Michael Sandoval](#), CEO of [Atigeo](#), claims on his current biography that he is a member on the Board of Directors of the [Hope Heart Institute](#) in Seattle, WA. The current list of [Board of Directors of The Hope Heart Institute](#) **does not** list Michael Sandoval as a member of their Board of Directors. **The investigation continues...**

Keep emailing your sightings to us at: lstevens144@gmail.com



This news site has been contacted by, and is working with, various news organizations and their affiliates regarding the Yellowstone Club. We will continue our investigative work on the Yellowstone Club as well as other related news stories. Feel free to [contact us](#) if you would like to respond, or report mistakes that have been found regarding our work. We will try to respond in a timely manner. Suggest a news story that you would like to see us pursue and will try to get the story out. As with all news organizations, this publication and it's reporters will [protect the confidentiality of it's sources](#).

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Breaking News: *Morgan Creek Capital Removes Yellowstone Financial Information from Website After PUMP-AND-DUMP Stock Fraud Allegations Are Exposed...*

[2007.03.07](#)
Edra Blixseth finds out that the "Sandoval's" have taken all of her "sheltered" money, and terminates relationship with them.

[2007.01.04](#)
[Michael and Heather Sandoval](#) take "sheltered" money from [Edra Blixseth](#) and buy 3 lots on Lake Washington, WA.

[2006.12.09](#)
[Edra Blixseth](#) places \$7mil into Azimyth accounts as "pre-divorce" money. [Michael Sandoval](#) agrees to escrow and "shelter" the money for Edra Blixseth.

[2006.08.17](#)
Edra Blixseth injects another \$5mil into [Michael Sandoval](#) and businesses. Azimyth LLC bills [Yellowstone Club](#) for "nonexistent development" work.

http://yellowstoneclub.co/

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Latest News: [Marc S. Kirschner Resigns as Board Member of Spectrum Brands \(stock: SPB\) After Allegations Surface Of His Role In Document Theft Ring...](#)

2013.05.08 -- ATIGEO AND MICHAEL SANDOVAL

Bellevue, WA - [Michael Sandoval](#) of [Atigeo](#) is listed as a debtor owing \$10 million in bankruptcy [documents](#) filed in Denver, Colorado. Michael Sandoval is attempting to "shelter the property" from the bankruptcy court by [selling the property](#) now. Michael Sandoval, with the help of his controller, took the money to purchase the property on [Lake Washington](#) in 2006 without the knowledge or consent of [Edra Blixseth](#). Michael Sandoval admitted to the wrongdoing in March 2007 after being confronted with the evidence by Edra Blixseth and her associates.



01/25/13 Minor leaguer [Michael Sandoval](#) and family including their kids manny, were spotted at a lavish dinner at a Bellevue restaurant, El Gaucho. As usual, dinner was paid for by Michael Sandoval using OPM (other peoples money). Sources confirm [Atigeo](#) has raised approximately \$45mil since 2006. To date, Atigeo has produced very little in the way of products or results, and surely no ROI for the investors. Sources have confirmed Michael, Heather, and Atigeo still owe the Blixseth's estate \$8mil, for the (3) lots on Lake Washington, purchased with Blixseth money without their consent or knowledge. Litigation on this matter continues...

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MONTANA
BUTTE DIVISION

In re:

EDRA D. BLIXSETH,
Debtor.

Case No. 09-60452
Chapter 7

ATIGEO LLC (f/k/a AZIMYTH LLC) and
xPatterns LLC,
Plaintiffs,

Adv. Pro. No. 09-00105
(The Honorable Ralph B. Kirscher)

v.

RICHARD J. SAMSON, as Chapter 7 Trustee to
the Estate of Edra Blixseth; DEBTOR EDRA
BLIXSETH; OPSRING LLC; BLXWARE, LLC;
JULIE BARVE; MATTHEW CROCKER; and
ERIK BERGSAGEL,

Defendants.

WESTERN CAPITAL PARTNERS LLC, a
Colorado limited liability company,

Third Party Plaintiff,

v.

MICHAEL SANDOVAL AND xPATTERNS LLC

Third Party Defendants.

AFFIDAVIT OF EDRA D. BLIXSETH

I, Edra D. Blixseth, declare and state:

1. I am the Bankruptcy Debtor in this action. I am competent to testify, and I have personal knowledge of all facts set forth herein.

2. Prior to March 31, 2007, I invested \$10 million in xPatterns and \$8 million in a company called Opspring LLC (“Opspring”). As part of my investment in xPatterns, I became one of two directors for xPatterns. Michael Sandoval was the CEO of xPatterns and the other director for xPatterns.

3. Prior to March 31, 2007, Opspring had hired Dennis Montgomery to develop and implement certain marketable software products. Prior to joining Opspring, Mr. Montgomery had been employed by a company known as eTreppid Technologies LLC (“eTreppid”).

4. Prior to March 31, 2007, eTreppid had filed an action in the United States District Court for the District of Nevada asserting claims against Opspring and others, alleging that Mr. Montgomery had converted eTreppid property, interfered with and misappropriated eTreppid’s business relationships, and misappropriated eTreppid’s trade secrets (the “Nevada Litigation”).

5. In early 2007, the decision was made to sever my business relationship with xPatterns, Atigeo, and Mr. Sandoval, to address my investment in xPatterns, to take sole ownership of Opspring, and to settle and transfer certain assets and liabilities between the parties.

6. A letter agreement dated March 31, 2007, attached hereto as Exhibit A (the “Letter Agreement”), was prepared and executed. It was intended to memorialize the rights and responsibilities associated with the separation of the companies and the transfer of the assets and liabilities between the parties. The intent of the parties was to enter into an accord and satisfaction pursuant to the terms of the Letter Agreement.

7. The parties to the Letter Agreement executed it on or about March 31, 2007. The material rights and obligations of the parties to the Letter Agreement include the following:

- a. My \$10 million investment in xPatterns was converted into a \$10 million installment loan. Sandoval guaranteed the first \$5 million portion of the “xPatterns obligations”;
- b. Mr. Sandoval agreed to grant a security interest in Kirkland property owned by him and his wife to xPatterns. xPatterns agreed not to release that interest until certain conditions were satisfied;
- c. I and certain of my family members, Julie Barve, Matthew Crocker, Beau Blixseth and Morgan Blixseth (collectively the “Blixseth Family”), would assume full ownership of Opspring;
- d. I, on behalf of the Blixseth Family, would cause Opspring to pay AziMyth a quarterly performance fee equal to 5 percent of the annual revenue generated by Opspring, and its affiliates, successors and assigns, up to a maximum performance fee of \$15 million. The first \$5 million of such performance fee was to be used to reduce the Note owed by xPatterns;
- e. Opspring agreed to indemnify and hold harmless Atigeo, xPatterns, and Mr. Sandoval from any and all claims, liabilities and damages arising out of or related in any way to the Nevada Litigation or Opspring’s relationship with Mr. Montgomery or the Montgomery Family Trust;
- f. The parties agreed to: (1) not disclose any terms of the Letter Agreement without prior written consent; (2) keep confidential, and to not disclose or use, trade

secret and confidential information with respect to the other party; (3) not to disparage the other party in any way;

g. Opspring agreed to return all property belonging to Atigeo and xPatterns including business records and technical media; and

h. The parties exchanged release and discharge commitments.

8. On November 20, 2009, Beau Blixseth and Morgan Blixseth released all claims and interest in the Letter Agreement.

9. It is my understanding that no party to the Letter Agreement would have executed it without the exchange of promises and obligations set forth in such Letter Agreement.

10. My loan to xPatterns was to be repaid by xPatterns in installment payments. xPatterns satisfied the first \$2 million owed under the terms of the Letter Agreement and the promissory note through agreed upon set-offs and a payment of \$382,568 on March 10, 2008.

11. Opspring (and its successors in interest, including Blxware LLC), the Blixseth Family, and I did not perform certain commitments set forth in the Letter Agreement, as follows:

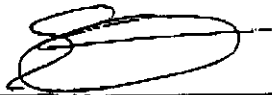
a. After March 31, 2007, Opspring, and its affiliates, successors and assigns, earned revenue from business operations, including via a government contract. xPatterns was not paid any performance fees owed under the Letter Agreement;

b. On or about January 2008, Opspring received a request to defend and indemnify Atigeo, xPatterns and Mr. Sandoval in connection with the claims asserted against them in the Nevada Litigation. Opspring did not defend and indemnify Atigeo, xPatterns, and Mr. Sandoval in connection with the claims asserted against them in the Nevada Litigation; and

c. The Letter Agreement was filed and disclosed on the public Court docket of the Superior Court for the State of Washington for King County.

I declare under penalty of perjury of the laws of the State of Montana and the United States that the foregoing is true and correct.

Executed this 19 day of July, 2011, at Beverly Hills, CA.

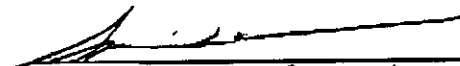


Edra D. Blixseth

STATE OF CALIFORNIA)
) :SS
County of Los Angeles)

SUBSCRIBED AND SWORN TO before me this 19 day of July, 2011, by Edra D. Blixseth.

[SEAL]



Printed Name: AFSHIN KHODDAM
Notary Public for the State of California
Residing at: Beverly Hills
My commission expires: 4/21/12

