

ORIGINAL

1 Peter I. Ostroff (SBN 45718)
postroff@sidley.com
2 Sean A. Commons (SBN 217603)
scommons@sidley.com
3 SIDLEY AUSTIN LLP
4 555 West Fifth Street, Suite 4000
Los Angeles, California 90013
5 Telephone: (213) 986-6000
Facsimile: (213) 896-6600.

6 Blake L. Beckham (TX SBN 02816500)
7 Jose M. Portela (TX SBN 90001241)
THE BECKHAM GROUP P.C.
8 3400 Carlisle, Suite 550
Dallas, Texas 75204
9 Telephone: (214) 965-9300
Facsimile: (214) 965-9301

10 Attorneys for Plaintiff
11 Alan Debonneville

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

15 ALAN DEBONNEVILLE,
16 Plaintiff,
17 vs.
18 BROCK PIERCE,
19 Defendant.

No. CV 07-03776 R (MANx)
20 FIRST AMENDED COMPLAINT
21 AND
22 DEMAND FOR JURY TRIAL

23 Plaintiff ALAN DEBONNEVILLE ("Debonneville") files this his Original
24 Complaint against BROCK PIERCE ("Pierce") and respectfully shows as follows:

25 I. VENUE AND JURISDICTION

26 1. The United States District Court for the District of California has
27 jurisdiction over this matter under 28 U.S.C. §1332(a) as the suit involves a controversy
28 between a citizen of the United States and a citizen of a foreign state. Additionally, the
amount of the dispute exceeds \$75,000.00 excluding interest and costs. Venue is proper

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SEP 18 2007
CENTRAL DISTRICT OF CALIFORNIA
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1 pursuant to 28 U.S.C. §1391(b) as well as 28 U.S.C. §1391(a). Pierce resides in the
2 state of California. Additionally, a substantial part of the events or omissions giving
3 rise to this claim occurred in California.

4 5 **II. PARTIES**

6 2. Alan Debonneville is a Swiss citizen domiciled in Hong Kong, China.

7 3. Brock Pierce is an individual who resides in California may be served at
8 8010 Oceanus Drive, Los Angeles, CA 90046-2047.

9 10 **III. FACTS**

11 4. This is a case in which one of the two founders of a company which was
12 valued at over \$220,000,000.00 is now suing the other founder due to, among other
13 things, numerous breaches of fiduciary duty, breaches of contract, and fraud.

14 5. For almost 5 years, Debonneville has dedicated his entire life to the
15 creation, development, and success of IGE US, LLC ("IGE"). IGE's meteoric rise from
16 an under funded startup to the market leader culminated in a Goldman-Sachs
17 investment of \$60,000,000, which set the value of IGE at the time of \$220,000,000.
18 Where Pierce has always been the public face of IGE, Debonneville has been the
19 tireless working founder, responsible for the expansion and operation of the company.
20 Pierce has taken advantage of Debonneville on numerous occasions including:

- 21 1. Stealing shares of IGE which should have been given to Debonneville;
- 22 2. Denying Debonneville the right to sell his stock; and
- 23 3. Excluding Debonneville from participating in a \$20,000,000 stock sale
24 which benefited only Pierce.

25 These are but a few of the actions for which Debonneville now brings suit.

26 6. In 2000, Debonneville lived in Switzerland, and took up the hobby of
27 playing an online game called Everquest. Everquest allows players from all over the
28 world to log on to the internet and interact in a medieval themed role playing game in

1 its virtual world. Oftentimes, players come together to achieve feats that individual
2 players could not achieve. Typically, the players gather together in what are called
3 “guilds” which represent a group of players who have decided to join together and
4 identify themselves as a specific warring or hunting clan. In the online world of guilds,
5 the members of the guild, all online players, live all over the world, and typically have
6 not met each other face to face; rather, the friendships develop online via their online
7 persona.

8 7. At the time, Debonneville was the leader of the guild in which Pierce was
9 a member. Two of Pierce’s online friends, Mark Collins Rector (“Rector”) and Chad
10 Shackley (“Shackley”) were also guild members. Due to the nature of online gaming,
11 Debonneville had never actually met these individuals.

12 8. Debonneville was a highly skilled player of Everquest. When you are a
13 skilled player, you accumulate items - - like a sword or a mace - - to assist you in
14 virtual warfare. For example, if your guild was successful, a player may be rewarded
15 with the booty from the fight, perhaps a powerful sword and some virtual currency.
16 As Debonneville played, he accumulated excess warfare items and currency. On the
17 side, Debonneville began online selling of both virtual items and virtual currency for
18 the game Everquest to other online players. This transaction is typically achieved by a
19 buyer sending U.S. Dollars via an online service called Paypal, to Debonneville, the
20 Seller. Then, Debonneville in his online persona, meets the buyer inside the virtual
21 world of Everquest, and hands to the Buyer either the item or the virtual currency that
22 the Buyer purchased. While this virtual economy was not well known or developed in
23 the 2000 timeframe, it is believed that sales for virtual items and currency in online
24 games currently amount to \$1,000,000,000.00 U.S. dollars per year. This market is not
25 limited to the game Everquest but, in fact, can now be found in almost every online
26 multi-player game in existence.

27 9. As Debonneville’s online sales of Everquest items grew, he remained in
28 contact with Pierce and discussed the success of Debonneville’s new business. As a

1 result of those conversations, Pierce, who Debonneville learned was living in Spain,
2 began to develop a similar business of his own. Pierce hired local individuals in Spain
3 to assist him in the development of this business.

4 10. Over the next couple of months, Debonneville and Pierce continued to
5 communicate. Pierce continued to pick Debonneville's brain for ideas, all the while
6 complaining that Pierce's business was not very successful, and that he had no idea how
7 to actually conduct this business in a profitable manner. Pierce requested that
8 Debonneville travel to Spain to discuss a potential business arrangement. At that time,
9 Pierce indicated that fellow guild members Rector and Shackley were living in Spain as
10 well.

11 11. Impressed with the promises of riches that Pierce made, in November of
12 2001, Debonneville traveled to Spain from Switzerland to meet with Pierce.

13 12. At that meeting, Pierce discussed how he, Rector, and Shackley had a
14 significant amount of business experience and that they had previously made millions
15 of dollars in business. Further, they suggested that a company could be created that
16 would eventually go public. In this scenario, Pierce represented that Debonneville
17 could earn stock options which when exercised would entitle him to 2% of the company
18 then owned by Pierce, Rector, and Shackley. Pierce and Rector represented that this
19 2% could be worth multiple millions.

20 13. Debonneville, being a 20 year old student at the time, was quickly taken in
21 by Pierce, Rector, and Shackley and agreed to join them in their business venture.
22 Debonneville contributed his expertise, research and development, his time, talent,
23 creativity, and effort, along with approximately \$30,000 worth of virtual goods to the
24 company called Internet Gaming Entertainment SL ("IGE Spain"). At the time of this
25 investment, both Pierce and Rector were heavily involved in the negotiations with
26 Debonneville regarding his contributions and what would be required of him.

27 14. Debonneville began to work in Spain for IGE Spain. Debonneville
28 contributed on average between 80 to 100 hours a week to operation of this business.

1 The nature of this industry, given that customers can be located anywhere in the world,
2 makes it a 24 hour a day, 7 day a week, business. One of the keys to achieving repeat
3 business is that prompt delivery in the virtual world, and that there is always someone
4 available to speak or chat with in the real world. This became one of the fundamental
5 building blocks of IGE Spain's early success.

6 15. From November 2001 until May 2002, the business of IGE Spain
7 continued to develop, thanks to Debonneville's steady hand on the tiller in a rapidly
8 growing market. Debonneville was promoted from being in charge of customer service
9 and sales to being in charge of the entire operation of the business.

10 16. Debonneville was later made administrator for IGE Spain. At this time,
11 Pierce agreed that Debonneville would now have 8% of IGE Spain. Pierce empowered
12 Debonneville to interact with all parties regarding the operations of IGE Spain.
13 Between July and December 2002, Pierce and Debonneville remained in contact,
14 although only Debonneville was focused on running and expanding the business.

15 17. Pierce transferred an additional 17% of IGE Spain to Debonneville in
16 recognition of Debonneville's successful efforts. Debonneville was now a 25% owner
17 of IGE Spain.

18 18. During 2003, Pierce also spent a significant amount of his time dealing
19 with a dispute not related to IGE. Debonneville is informed and believes that an
20 attorney by the name of Randy Maslow ("Maslow") was assisting Pierce in this matter.

21 19. In 2002 and 2003, Debonneville ran IGE Spain by himself. At the
22 beginning of 2003, Pierce and Debonneville had a discussion and agreed to move the
23 business operations of IGE Spain to Hong Kong. It was believed that Hong Kong
24 would be beneficial for many reasons, and a new corporation was created. On April 3,
25 2003, IGE US, LLC was formed as a Delaware limited liability company.

26 20. At that time, Pierce also hired Maslow to become IGE's general counsel
27 and gave Maslow 5% of IGE's shares. Debonneville was granted shares in IGE
28 common stock at the same percent he owned in IGE Spain. This resulted in Pierce

1 owning 70% of the company, Maslow 5%, and Debonneville owning the remaining
2 25% of the company.

3 21. Accordingly, Debonneville uprooted his life for the second time and
4 moved to Hong Kong and established a place of business for IGE.

5 22. Later that year, the accountants of IGE Spain had difficulties accounting
6 properly for IGE Spain's profits and declared taxes due of approximately \$200,000.
7 Debonneville believes that to this day IGE Spain owes the Spanish taxing authority
8 \$250,000 with interest thereon ("Spanish Tax"). At that time, and on multiple
9 occasions subsequent to that time, Pierce has repeatedly represented that Debonneville
10 is not responsible for the payment of the Spanish Tax and that he and IGE would
11 indemnify Debonneville from any liability relating to the Spanish Tax. These were false
12 statements made by Pierce.

13 23. During the later half of the year 2003, IGE experienced rapid growth and
14 quickly became the 2nd largest seller of online currency and items. In 1st place was a
15 site called MySuperSales.com which was owned by Jonathan Yantis via his company
16 Yantis Enterprises, Inc. ("Yantis"). IGE's success, coupled with a massive growth in
17 the market lead to Yantis and IGE engaging in a vicious battle for control of market
18 share. Ultimately, this fight resulted in both companies cutting profits in order to
19 remain competitive with each other.

20 24. At a certain point in late 2003 or early 2004, Yantis and Pierce began
21 discussing a potential buyout by IGE of Yantis. Pierce made numerous representations
22 to Yantis regarding the alleged multi-million dollar financial backing of IGE to
23 intimidate Yantis into selling out. Eventually, Pierce negotiated Yantis into a merger
24 with IGE. In return Yantis received 36.67% of the shares of IGE, and a commitment
25 that he would be paid by IGE a \$2.4 million payment over 12 months.

26 25. This resulted in an ownership structure of IGE of:
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Class A

Pierce 36.667%

Yantis 36.667%

Class B

Debonneville 16.67%

Maslow 10%

26. As a result of the merger, all Yantis operations were merged into the IGE operation in Hong Kong. Debonneville became directly responsible for the operation of the world's leading seller of online game related items and virtual currency. This entire market continued its explosive growth, and the profits became substantial. In February through August of 2004, IGE continued with its success, revenues in the business climbed to over several million dollars per month, and IGE opened new offices in New York.

27. In August 2004, IGE recruited Mark Steven Salyer ("Salyer") to fill a role as President with hopes that he would become the CEO in the future. As part of this recruitment, Salyer was given 5% of shares in IGE to be earned over a 3-year period. The purpose of recruiting Salyer was to give IGE a better image in the business world. Previously IGE, although incredibly successful monetarily, had suffered from Yantis' tainted reputation, Pierce's relationship with DEN and Rector, and the fact that the sales of goods for online games was looked down upon by some gamers and gaming companies. The hope was that the hiring of a well-known individual like Salyer would lend credibility to IGE and make it more investment worthy.

28. Between September 2004 and May 2005, IGE began to diversify its business. IGE continued to purchase competitors but also began purchasing what are known as "content sites." Content sites are informational internet sites which relate to specific online games, which house game discussion forum, game playing tips and

1 industry gossip. It was believed that as a result of membership fees and advertising
2 monies, the purchase of content sites could provide a new source of revenue in addition
3 to the already existing successful strategy and business which became known as the
4 “trading arm.”

5 29. During this time period, hundreds of thousands of dollars were paid to
6 Pierce, Yantis, Maslow, and Debonneville. Salaries for these individuals were \$17,500
7 a month, and each was also receiving substantial amounts in profit distributions.

8 30. Steve Bannon (“Bannon”) was hired around March 2005 to head the effort
9 of obtaining private equity investment into IGE and eventually take IGE public. All the
10 shareholders wished to cash out on their respective equity in the wildly successful
11 business. From March 2005 to February 2006, Bannon and Pierce’s primary focus was
12 on raising investment money for the company. Upon information and belief, during
13 June and July of 2005, Pierce determined that, based on IGE’s incredible success, IGE
14 would be valued in the hundreds of millions of dollars. Upon information and belief,
15 Pierce wanted more stock for his own account. Upon information and belief, Pierce
16 developed a scheme whereby he could pressure Yantis into selling his shares of the
17 company for a value far lower than what Pierce believed the stock would be valued
18 once an investment into the company was achieved.

19 31. Upon information and belief, Pierce believed that the company could
20 purchase Yantis’ shares at a reduced price; therefore, should the company receive
21 venture capital investment, and eventually go public, this could result in significant
22 added value to IGE. As it later turns out, Pierce was planning for this benefit to flow to
23 him personally and not any of the other shareholders.

24 32. Upon information and belief, Pierce believed that by terminating profit
25 distributions from the company he could put a financial stranglehold on Yantis. Upon
26 information and belief, Yantis had developed quite a lavish lifestyle, which he had
27 become accustomed to as a result of the significant amounts of cash that he was earning
28 from the operation of IGE. Accordingly, Pierce advised all members that he was

1 stopping all distributions from the company. Eventually, Pierce was able to achieve his
2 goal of forcing Yantis to sell his stock in IGE.

3 33. In June of 2005, Pierce advised Debonneville that an agreement in
4 principal had been reached with Yantis relating to the sale of Yantis' shares in IGE.
5 Debonneville advised Pierce that Debonneville was entitled to participate, pro rata, in
6 any benefit that Pierce received from the purchase of Yantis' shares. Pierce agreed.

7 34. Approximately two weeks after this discussion, Pierce advised
8 Debonneville that Pierce was not going to allow Debonneville to share in the benefit of
9 the purchase of Yantis' shares, as Pierce was going to use Pierce's personal funds to
10 purchase the Yantis' shares directly from Yantis for \$22,000,000. Debonneville argued
11 that he was entitled to participate in this repurchase as a result of his ownership of share
12 in IGE and his rights under the IGE agreements. Pierce attempted to convince
13 Debonneville that Pierce was entitled to the sole benefit of the purchase of the Yantis'
14 shares as Pierce had conducted the negotiations with Yantis. Debonneville stood firm
15 and stated that Debonneville was entitled to participate.

16 35. Upon information and belief, in recognition of Debonneville's rights as a
17 shareholder in IGE which would allow Debonneville to participate in any IGE stock
18 purchase, Pierce advised Debonneville that if Debonneville wished to raise 25% of the
19 purchase price, that then Debonneville could participate in the purchase of the Yantis
20 shares. Debonneville replied that he would not be able to raise the required cash.

21 36. Around late June or early July of 2005, Pierce indicated to Debonneville
22 that Bannon, Maslow, and Salyer were recommending that the repurchase of the Yantis
23 shares be conducted through IGE. Pierce claimed this would result in IGE monies
24 being used to fund the purchase of shares and Yantis selling those shares to IGE. Pierce
25 stated that it was his intent to then immediately purchase the Yantis' shares from IGE
26 using Pierce's personal funds.

27 37. Pierce finalized his negotiations with Yantis and entered into the "Yantis
28 Stock Repurchase." This transaction resulted in an agreement where IGE would pay

1 Yantis approximately \$1,000,000 per month until the amount of \$22,000,000 was paid
2 for IGE's purchase of Yantis' shares of IGE stock.

3 38. In addition to the large drain in IGE's cash flow from the monthly
4 payments due to Yantis under the Yantis Stock Repurchase, Pierce agreed to a profit
5 distribution to be made to the shareholders of the remaining cash that IGE maintained
6 before the Yantis shares were purchased. This distribution, and the payments to Yantis,
7 resulted in IGE having no cash reserves, even though it owed taxes of over
8 \$1,000,000.00. While Pierce's plan had succeeded in forcing Yantis to sell his shares, it
9 came at the cost of leaving IGE in a financially vulnerable position.

10 39. At this same time, Pierce was in in-depth negotiations with Goldman
11 Sachs ("GS") and some related investors regarding an investment in IGE in the nature
12 of \$30,000,000 to \$60,000,000.

13 40. The Yantis Share Repurchase was drafted. Unbeknownst to Debonneville
14 in the final documentation, the Yantis' shares were directly transferred to Pierce not
15 IGE, while IGE, rather than Pierce, was obligated to pay for the shares. Further, there
16 was no requirement for Pierce to repay the monies to IGE. Later, Debonneville realized
17 that this transaction would be the first of many transactions which constitute a breach of
18 various duties owed to Debonneville by Pierce.

19 41. Around July or August of 2005, when Debonneville eventually became
20 aware of this fraud, he confronted Pierce. Pierce responded by telling Debonneville that
21 the GS investment was imminent and that during that transaction, Pierce would insure
22 that the inequitable aspect of what he had done would be addressed, and that
23 Debonneville would be made whole by giving Debonneville his proportionate amount
24 of shares received from Yantis in the Yantis Stock Repurchase (the "Promise"). This
25 false statement was made by Pierce around July or August of 2005.

26 42. As a result of Pierce's apparent theft, Debonneville refused to sign the
27 Second Amended and Restated Limited Liability Company Agreement of IGE US,
28 LLC, until the Promise was completed.

1 43. From September of 2005 through December of 2005, the company's
2 performance began to decline. In part, the decline in performance was due to the loss of
3 Yantis. Yantis was the only individual other than Debonneville who truly understood
4 the operation of the business and could assist in making what became known as the
5 "trading arm" of IGE profitable.

6 44. In October of 2005, Debonneville approached Pierce again about
7 performing the Promise. The GS Investment had not been closed, the Promise had not
8 been performed, IGE was paying Yantis, and Pierce owned all of the Yantis' shares in
9 his own name. Pierce agreed to partially perform the Promise and agreed that
10 Debonneville would receive his proportionate amount of the shares relating to 16.67%
11 of the \$5,200,000 already paid to Yantis. This arrangement was agreed to by
12 Debonneville, and Debonneville still maintained that the entire Promise should be
13 completed. Pierce assured Debonneville that Pierce would perform the Promise in its
14 entirety. This was a false statement by Pierce in October of 2005.

15 45. In December of 2005, the company was not able to pay the monthly
16 \$1,000,000 owed to Yantis pursuant to the Yantis Stock Repurchase. IGE's shortfall
17 was a direct result of Pierce having previously agreed to the cash distribution which
18 drained all of IGE's cash reserves.

19 46. As a result of IGE's inability to fund the December payment of the Yantis
20 Stock Repurchase, a new agreement had to be reached with Yantis. This new
21 agreement allowed for an extension for a few months of IGE's payments due to Yantis.
22 In return for that extension, Yantis was granted the right to develop and operate a site
23 which would compete with IGE, although it was to be serviced by IGE. At this time,
24 over \$5,000,000 had been paid to Yantis, therefore Pierce claimed IGE was forced to
25 grant Yantis this concession. Even worse, Yantis was granted a reduction in the time
26 frame of his non-compete from 3 years to 1 year. As a result, Yantis, after getting his
27 final payment for his shares in February of 2007, made it clear that as soon as his non-
28 compete was up, his intention was to crush IGE through competition.

1 47. Pierce advised Debonneville that IGE simply had no choice but to grant
2 these concessions, as Yantis could declare IGE in default and would be entitled to keep
3 the \$5.2 million that had already been paid to Yantis as well as be entitled to have all of
4 his shares given back to him. Even worse according to Pierce, Yantis would gain a
5 greater a significant control of IGE. Pierce indicated that if Debonneville did not
6 immediately sign the documents relating to these latest concessions and the Yantis
7 Stock Repurchase that essentially the company would lose over \$5,000,000 and Pierce
8 and would lose control of IGE. Pierce made it clear that if Yantis came back into IGE,
9 that not only would Pierce suffer, so would Debonneville.

10 48. Because of these representations, and because of the results of Pierce's
11 poor decision regarding forcing Yantis to sell his stock initially, Debonneville felt as if
12 he was left with no option but to sign the various documents. Throughout this time,
13 Pierce continued to represent to Debonneville that that he would perform the Promise as
14 soon as the GS investment took place and that the documents being signed were a mere
15 formality and did not alter Pierce's duty to perform the Promise. This was a false
16 statement by Pierce in December of 2005.

17 49. In January of 2006, Debonneville had a discussion with Peter Huie
18 ("Huie"), IGE's in-house counsel, that Pierce's purchasing Yantis' shares with
19 company money and not sharing the shares with Debonneville, pro-rata, was not
20 equitable. Debonneville advised Huie this action by Pierce needed to be made right in
21 the GS documents and that since Huie was involved in the drafting of those documents,
22 he should ensure all parties were treated fairly.

23 50. Shortly after that conversation, Pierce called Debonneville and expressed
24 that Debonneville should not be talking to other management of IGE regarding the
25 Promise. He indicated that he fully intended to perform his promises. This was another
26 false statement, made by Pierce in January of 2006.

27 51. In late January of 2006 and throughout February of 2006, Pierce advised
28 Debonneville that Rector was blackmailing Pierce. Pierce stated that Rector was

1 threatening to involve IGE in litigation which would severely cripple the likelihood of
2 closing the GS investment. Further, Rector was threatening protracted litigation that
3 would harm IGE and kill any future investment potential. It is believed that this was a
4 false statement made by Pierce in January of 2006.

5 52. Pierce indicated that if Rector was not given between 10-15% of IGE,
6 Rector would do everything he could to cause problems. Over the course of several
7 conversations, it became apparent that what Pierce was essentially saying was that any
8 benefit that Pierce personally received from the Yantis Stock Repurchase was now lost
9 to pay off Rector. Pierce further reasoned that since he lost his ill gotten gain, then
10 Debonneville was truly not harmed by Pierce's actions regarding the Yantis Stock
11 Repurchase.

12 53. As the GS investment started to come to fruition, Debonneville was
13 advised that: (i) Salyer would be selling his interest in IGE; (ii) Maslow would be
14 selling his interest in IGE; and (iii) that the remaining amount due to Yantis under the
15 Yantis Stock Repurchase agreement would be paid for out of the GS investment. At the
16 same time, to manipulate Debonneville, Pierce feigned displeasure with the proposed
17 GS transaction, and hinted that perhaps he had no interest in going through with it, and
18 instead, he might unilaterally chose to sue Yantis and take away Maslow's shares as
19 Maslow had not earned them. At the time, Debonneville was misled by Pierce's
20 manipulations and was deceived into believing that the GS transaction was tenuous and
21 might not take place as a result of Pierce's actions. It now appears that Pierce was using
22 all means necessary to keep Debonneville focused on other potential problems, to
23 minimize the possibility that Debonneville might rock the boat and interrupt the
24 culmination of Pierce's theft.

25 54. After learning that other shareholders were selling their shares in the
26 company as part of the GS transaction, Debonneville told Pierce that he also wished to
27 sell a significant portion of his interest in IGE as part of the GS transaction. Pierce
28 stated that he would look into this and see if the investors were interested in purchasing

1 a portion of, if not all of, Debonneville's interest in IGE. It is believed that this was a
2 false statement made by Pierce in January of 2006.

3 55. In January 2006, Debonneville left for a vacation to Malaysia. Pierce was
4 aware of this fact. Debonneville had been requesting that he be able to review any
5 documents relating to the GS transaction and was repeatedly advised that no documents
6 were ready for his review yet. It is believed that this was a false statement made by
7 Pierce in January of 2006.

8 56. In late January and the first week of February, Debonneville took his
9 vacation to Malaysia. While in Malaysia, Debonneville received emails stating that it
10 was urgent that he be ready to execute the documents relating to the GS transaction.
11 Notably, Debonneville had never been provided a single document which showed the
12 entire terms of the GS transaction. Nevertheless, multiple emails were sent to
13 Debonneville indicating that time was of the essence and that the documents would be
14 forthcoming and that he must sign them immediately.

15 57. In the first days of February of 2006, Debonneville was advised by Pierce
16 that the investors did not want Pierce or Debonneville to sell any shares. This was a
17 false statement made by Pierce in February of 2006. Further Pierce concealed that he
18 was selling a significant stake.

19 58. On February 5, 2006, Huie emailed Debonneville and requested his
20 itinerary for the next 24 to 48 hours stating that they were going to be signing the GS
21 transaction that day.

22 59. On February 6, 2006, for the first time ever, Debonneville was sent some,
23 but not all, of the documents relating to the GS transaction, for his signature. Notably,
24 absent from these documents were many of the exhibits. Much later, Debonneville
25 learned that the missing exhibits would have shown that Pierce was, in fact, not going
26 to perform the Promise, and that Pierce was self-dealing, and obtaining personal benefit
27 to the prejudice of Debonneville. Shockingly, Pierce had negotiated a sale of a portion
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1 of his ill-gotten Yantis' shares to Maverick USA Corp. and Maverick Levered Corp.,
2 Ltd., which would net Pierce \$20,000,000.

3 60. In reliance on Pierce's promises and omissions, as well as due to the time
4 pressures, and the limited disclosure in the documents that were sent to him,
5 Debonneville executed certain agreements relating to the GS transaction, without ever
6 being advised of Pierce's deception. On February 7, 2006, the GS transaction was
7 consummated and every major stockholder in the company except Debonneville walked
8 away with each over \$1,000,000. Pierce himself received \$20,000,000 while still
9 ending up with a greater stock position in the company than prior to the Yantis stock
10 repurchase.

11 61. In March of 2006, while speaking with Bannon, Debonneville learned for
12 the first time of the sale by Pierce to Maverick of some of Pierce's stock (the "Maverick
13 transaction"). On March 7, 2006, Debonneville emailed Huie and requested a complete
14 set of all closing documents.

15 62. On March 10, 2006, Huie emailed Debonneville certain documents, but by
16 no means all documents related to the closing of the GS transaction or the Maverick
17 transaction. Specifically excluded from the documents sent by Huie were the
18 documents relating to the funding of the monies owed to Yantis, the funding of the
19 stock purchase from Salyer and Maslow, and finally the documents regarding showing
20 Pierce's personal sale of IGE stock to Maverick. From the documents which
21 Debonneville did receive, Debonneville was starting to discover that Pierce had not
22 only lied to Debonneville about the Yantis Stock Repurchase, but also that Pierce had
23 benefited personally to the detriment of Debonneville from the Salyer and Maslow sale
24 of stock. Of course, Debonneville was shocked to learn that Pierce had sold any of
25 Pierce's stock in IGE.

26 63. On March 10, 2006, Debonneville emailed Pierce and expressed his
27 dismay over the fraud that had been committed upon Debonneville. Later in March,
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1 Debonneville advised Pierce that he was going to talk to the investors about selling his
2 interest in IGE.

3 64. Shortly after that email, Pierce commanded Debonneville to not meet with
4 GS or any of the other investors. Pierce threatened Debonneville with lawsuits if
5 Debonneville talked to the investors. Pierce intimidated Debonneville by threatening to
6 terminate Debonneville's position as manager, director, and employee of IGE.

7 65. Pierce suggested that Debonneville should simply take a 2 week vacation
8 to cool down. Debonneville, responding to the threats, did in fact cancel his meeting
9 with the investors.

10 66. Despite his compliance with Pierce's demands, shortly thereafter,
11 Debonneville received notification that he had been removed from the board of
12 directors and was no longer a manager of IGE. Debonneville later contacted some of
13 the investors regarding his interest in selling some of his shares of the company. The
14 investors indicated that they were very interested in purchasing Debonneville's interest
15 in the company.

16 67. On April 30, 2006, as a result of Pierce's actions and threats, Debonneville
17 stopped working at IGE. AS a result of Debonneville's employment contract,
18 Debonneville was owed nine months of severance. In May of 2006, Debonneville had
19 several discussions with Pierce regarding his contractually owed severance and Pierce
20 indicated that Debonneville would be paid the contractually obligated severance. This
21 was a false statement made by Pierce in April of 2006

22 68. Over the next few months, Debonneville discussed the payment of
23 severance with Pierce and Huie on multiple occasions and was advised the documents
24 were being drawn up to effectuate this payment. At this time, Debonneville was
25 entitled to receive \$17,500 a month as severance pursuant to his employment
26 agreement.

27 69. Also, during this timeframe, Pierce began attempting to negotiate with
28 Debonneville for the purchase of Debonneville's interest in IGE. Pierce was offering a

1 significantly lower value than what had just been consummated with Goldman Sachs.
2 On or about June 6th of 2006, Debonneville placed a phone call to Pierce regarding this
3 matter. In that phone call, Pierce threatened that he would intentionally block any sale
4 by Debonneville of his interest in the company other than a sale to Pierce. Pierce lied
5 and indicated that the investors had told him that they were not even interested in
6 buying Debonneville's interest in the company. This was a false statement made by
7 Pierce in June of 2006. On the same day, the same investors stated to Debonneville that
8 they were truly interested in purchasing Debonneville's stock. Pierce further indicated
9 that if Debonneville did wish to sell, he would have to sell all of his interest to Pierce
10 for a value significantly less than what the investors were offering.

11 70. Later, in June of 2006, the investors advised Debonneville that they were
12 no longer interested as they had been told that Pierce would not allow them to purchase
13 Debonneville's interest in the company.

14 71. On July 14, 2006, in an apparent attempt to convince Debonneville that his
15 interest in IGE was becoming worth less and less money, Debonneville was sent an
16 article regarding a crackdown on the sale and purchase of game items for cash in Korea.
17 The implication was that IGE's recent acquisition of Itemmania, a Korean online
18 auction house, was going to be a failure. In hindsight, it appears that this was just
19 another one of Pierce's attempts to manipulate Debonneville into selling his stock to
20 Pierce for a less than fair value, certainly for less than Pierce realized on the sale to
21 Maverick. Today, it is likely that this may in fact be IGE's most valuable remaining
22 asset.

23 72. In December of 2006, after tiring of Pierce's delays, Debonneville traveled
24 to Korea where Pierce was residing at the time and confronted Pierce on all of the
25 actions which he had been taken specifically including Pierce's blocking of
26 Debonneville's sale of stock. Pierce feigned surprise and at that time indicated that he
27 would sign a document allowing Debonneville to talk to investors about selling
28 Debonneville's shares in IGE.

1 73. While that document was subsequently received by Debonneville, all the
2 document indicated was that Debonneville could sell his shares as long as he complied
3 with all of the obligations which were contained in the various agreements. Essentially,
4 the document was meaningless.

5 74. In January of 2007, Pierce suggested to Debonneville that in lieu of
6 receiving a severance, Pierce would pay off the tax obligation owed to the Spanish
7 government. By this time, the trading arm of IGE was losing on average about
8 \$500,000 to \$1,000,000 a month. Pierce's greed had forced Yantis and Debonneville
9 out. With the loss of both Yantis and Debonneville, there was essentially no
10 experienced person leading the operations of the organization.

11 75. On or about February 7 of 2007, Debonneville was contacted by Pierce
12 regarding Pierce's plans to turn around the trading arm of the business. Pierce indicated
13 that he had been in discussions with Yantis and that under certain conditions Yantis was
14 willing to come back to IGE and run the operation of the trading arm of IGE. Pierce
15 indicated that Yantis was asking for a significant amount of stock in IGE and that
16 Yantis had specifically requested that Debonneville agree to give Yantis some of
17 Debonneville's stock. At this point in time, Debonneville expressed that he was not
18 interested in giving Yantis any stock.

19 76. Shortly after this conversation, Debonneville was contacted by Yantis.
20 Yantis discussed that he was in negotiations with Pierce regarding Yantis' potential
21 return to the company. Yantis indicated that if Debonneville did not cooperate with
22 Pierce, that Pierce had already stated to Yantis that Pierce would set up an illegal side
23 deal with Yantis. Essentially, the side deal would mean that Pierce, personally, would
24 be receiving an undisclosed benefit from Yantis' reentry into IGE, and that IGE and
25 Debonneville would be the victims.

26 77. Yantis also advised Debonneville that if a deal was not reached with IGE,
27 Yantis had already put a network in place to compete with and destroy IGE. Yantis
28

1 stated that through the hiring of certain individuals who he had a long time business
2 relationship with, Yantis would sell currency that had been exploited or duped.

3 78. Exploiting or duping is a process whereby an outsider hacks the game
4 program into creating currency for the individual or duplicating an item and then selling
5 it over and over which also results the creation of currency. These actions allow for the
6 exploiter/duper to create an endless supply of currency without any real cost to that
7 currency. This is something that Yantis had done in the past and had made large profits
8 from. The exploiter/duper would typically receive a commission for any currency sold
9 of about 40% of the sales price. Due to the currency being exploited, Yantis was and
10 would be able to sell currency at a price significantly below market, since the cost of the
11 currency sold was non existent. This also allowed for an infinite supply to be created in
12 what could take as little time as a few minutes.

13 79. Yantis indicated that this was also how he could turn the trading arm of
14 IGE around and make it profitable, almost instantly. Pierce was aware of Yantis' intent
15 to use these exploits. In fact, Pierce counted on them as part of the rationale behind
16 why Yantis should be brought back to work for IGE.

17 80. Debonneville refused to be forced into a deal with Yantis and advised
18 Yantis that he would not be giving Yantis any of his stock. At that time, Yantis offered
19 to buy 100% of Debonneville's interest in the company for \$5,000,000. Debonneville
20 declined this offer, considering that pursuant to the Goldman Sachs investment his
21 interest in the company should be worth at least \$40,000,000.

22 81. On or about March 20, 2007, Pierce requested that Debonneville meet with
23 him and Yantis in Hong Kong. Debonneville went to the meeting and was advised that
24 Pierce and Yantis were close to consummating the transaction whereby Yantis would
25 come back to the company. At that time, none of the details of the transaction were
26 actually disclosed to Debonneville. Pierce later advised Debonneville that Yantis was
27 no longer interested in obtaining shares of the company, but was now only willing to
28

1 take over the trading arm if it was given to him for free, in exchange for the payment of
2 a 10% royalty on all sales.

3 82. In a few weeks, Debonneville heard through the grapevine that Yantis was
4 in fact back to working for IGE. Debonneville contacted Pierce regarding the terms
5 between IGE and Yantis and was advised that Yantis had been given the entire trading
6 arm of IGE, and Yantis paid no consideration other than a 5% royalty in return.
7 Considering the low price paid by Yantis, it is entirely possible that Pierce did reach a
8 side deal with Yantis, just as Yantis had previously said Pierce would.

9 83. Essentially, in one year as a result of Pierce's actions, the trading arm of
10 IGE which previously had a value of over \$100,000,000 was now being given away for
11 a mere 5% royalty. Pierce did not seek Debonneville's approval of this transaction.

12 84. On numerous occasions, Debonneville has requested the documents
13 governing this transaction and Pierce has refused to provide them.

14 85. Additionally, in April of 2007, Debonneville requested a copy of financial
15 statements for IGE. Debonneville is entitled to receipt of these pursuant to any of the
16 operating agreements of IGE US, LLC. After the request in April, Debonneville was
17 given a one-page spreadsheet in response to his request for the financial records of the
18 company. To this date, Pierce has refused to provide the documents regarding Yantis'
19 acquisition of the IGE trading arm as well as the documents relating to the Maverick
20 transaction.

21 22 **IV. CLAIMS FOR RELIEF**

23 **FIRST CLAIM FOR RELIEF- BREACH OF FIDUCIARY DUTY**

24 86. Scrupulous adherence to fiduciary duties is normally expected. Further,
25 efforts to avoid a fiduciary duty should be scrutinized carefully.

26 87. Debonneville hereby incorporates Paragraphs 1 through 95 from above.
27 As a manager, director, majority shareholder, and controlling shareholder of IGE US
28 LLC as well as IGE Spain, Pierce owes a fiduciary duty to Debonneville. Debonneville

1 is owed this fiduciary duty by Pierce as Debonneville was a minority shareholder,
2 member, and manager of IGE US LLC. Pierce violated his fiduciary duties on
3 numerous occasions, specifically but not limited to:

- 4 a. Failing to advise Debonneville that Debonneville might be held liable for
5 the Spanish Tax.
- 6 b. Failing to advise Debonneville that Pierce was not going to perform the
7 Promise.
- 8 c. Failing to advise Debonneville of the negative consequences of signing any
9 of the IGE agreements.
- 10 d. Failing to advise Debonneville of the Maverick transaction.
- 11 e. Failing to advise Debonneville that investors were interested in buying
12 Pierce's and/or Debonneville's stock.
- 13 f. Using corporate funds for personal use and thereby exposing Debonneville
14 to liability for the Spanish Tax.
- 15 g. Failing to pay the Spanish Tax.
- 16 h. Taking all of the shares from the Yantis Stock Repurchase in lieu of sharing
17 those shares pro-rata with Debonneville.
- 18 i. Making a cash distribution in order to close the Yantis Stock Repurchase
19 which caused IGE to not have the monies to fund the Yantis Stock
20 Repurchase which later resulted in Debonneville being forced into signing
21 various agreements.
- 22 j. Conducting the Maverick transaction while telling Debonneville that GS
23 would not allow either Pierce or Debonneville to sell their shares in IGE
24 US.
- 25 k. Making various changes to the IGE agreements to the detriment of
26 Debonneville and to the benefit of Pierce, including but not limited to the
27 removal of tag along rights from the 2nd amended IGE US LLC agreement
28

1 and the insertion of a 2 year waiting period for tag along rights to become
2 effective in the 3rd amended IGE US LLC.

- 3 l. Not complying with the IGE agreements regarding the obligations a
4 shareholder must perform before selling stock.
- 5 m. Blocking the sale of Debonneville's shares of IGE.
- 6 n. Attempting to force Debonneville to sell his shares to Pierce at a lower
7 price than what Debonneville could receive in the market.
- 8 o. Not performing the Promise.
- 9 p. Not giving Debonneville his pro-rata shares of IGE's purchase of Salyer
10 and Maslow's shares.
- 11 q. Not providing Debonneville with drafts or sufficient time to review the GS
12 transaction documents.
- 13 r. Threatening to sue Debonneville.
- 14 s. Terminating Debonneville's status as director and manager of IGE and not
15 following the procedures contained in the IGE agreement regarding those
16 actions.
- 17 t. Arranging a side deal with Yantis relating to the purchase of the trading
18 arm of IGE.

19 88. Debonneville's damages from these breaches of fiduciary duty by Pierce
20 include but are not limited to:

- 21 a. Potential liability for the Spanish Tax.
- 22 b. The loss of the value of Debonneville's proportionate interest in the Yantis
23 Stock Repurchase.
- 24 c. The loss of value in Debonneville's proportionate interest in the Maverick
25 Transaction.
- 26 d. The loss of value of Debonneville's proportionate interest in the Maslow
27 and Salyer redemptions.
- 28

- 1 e. The difference in the value that Debonneville would have received for the
2 sale of his stock at the time of the GS transaction versus the fair market
3 value of the shares today.
- 4 f. Preventing Debonneville from being able to make informed decisions
5 relating to the various transactions.
- 6 g. Agreeing to various changes to the IGE agreements to the detriment of
7 Debonneville and to the benefit of Pierce, including but not limited to the
8 removal of tag along rights from the 2nd amended IGE US LLC agreement
9 and the insertion of a 2 year waiting period for tag along rights to become
10 effective in the 3rd amended IGE US LLC and failing to advise
11 Debonneville of those harmful changes.
- 12 h. Being deceived into signing various documents including but not limited to
13 the Second Amended LLC Agreement, the Third Amended LLC
14 Agreement, various related consents and waivers, and the Bridge Loan
15 Agreement.
- 16 i. Loss of monies relating to a potential sale of Debonneville's shares of IGE
17 US.
- 18 j. Loss of value of Debonneville's shares in IGE as a result of Pierce's
19 actions.

20 **SECOND CLAIM FOR RELIEF- VIOLATION OF DUTY TO DISCLOSE**

21 89. In a case where directors have breached their disclosure duties in a
22 transaction that has in turned caused impairment to the economic or voting rights of
23 stockholders, there must at least be an award of nominal damages.

24 90. Debonneville hereby incorporates Paragraphs 1 through 98 from above.
25 As a manager, director, majority shareholder, and controlling shareholder, Pierce owes
26 a fiduciary duty, including the duty to disclose to Debonneville. Pierce's failures to
27 disclose material facts constitute a breach of the duty to disclose owed to Debonneville.
28 These breaches include, but are not limited to:

- 1 a. Failing to advise Debonneville that he might be held liable for the Spanish
2 Tax.
- 3 b. Failing to advise Debonneville that Pierce was not going to perform the
4 Promise.
- 5 c. Failing to advise Debonneville of the negative consequences of signing
6 any of the IGE agreements.
- 7 d. Failing to advise Debonneville of the Maverick transaction.
- 8 e. Failing to advise Debonneville that investors were interested in buying
9 Pierce's and/or Debonneville's stock.

10 91. Pierce knew that these non-disclosed facts were material. The failure to
11 disclose these facts caused damage to Debonneville individually including the
12 impairment of Debonneville's economic and voting rights. Debonneville's damages
13 include, but are not limited to:

- 14 a. Potential liability for the Spanish Tax.
- 15 b. The loss of the value of Debonneville's proportionate interest in the Yantis
16 Stock Repurchase.
- 17 c. The loss of various shareholder rights, specifically but not limited to, tag
18 along rights, economic rights, and sale of stock rights.
- 19 d. The loss of value in Debonneville's proportionate interest in the Maverick
20 Transaction.
- 21 e. The loss of value of Debonneville's proportionate interest in the Maslow
22 and Salyer redemptions.
- 23 f. The difference in the value that Debonneville would have received for the
24 sale of his stock at the time of the GS transaction versus the fair market value of the
25 shares today.

26 **THIRD CLAIM FOR RELIEF- VIOLATION OF DUTY OF LOYALTY**

27 92. Where there is a breach of the duty of loyalty, potentially harsher rules
28 come into play and the scope of recovery for a breach of the duty of loyalty is not to be

1 determined narrowly. This allows the court to fashion any form of equitable and
2 monetary relief as may be appropriate. The duty of loyalty mandates that the fiduciary
3 place the interests of the person to which he owes the fiduciary duty of loyalty above
4 his own. In other words, Pierce must not take any actions which would benefit Pierce
5 and in turn harm Debonneville.

6 93. Debonneville hereby incorporates Paragraphs 1 through 101 from above.
7 As a manager, director, majority shareholder, and controlling shareholder, Pierce owes
8 Debonneville a duty of loyalty. Pierces numerous violations of the duty of loyalty
9 include but are not limited to:

10 a. Using corporate funds for personal use and thereby exposing Debonneville
11 to liability for the Spanish Tax.

12 b. Failing to pay the Spanish Tax.

13 c. Taking all of the shares from the Yantis Stock Repurchase in lieu of
14 sharing those shares pro-rata.

15 d. Making the cash distribution in order to close the Yantis Stock Repurchase
16 which later resulted in Debonneville being forced into signing various agreements.

17 e. Conducting the Maverick transaction while telling Debonneville that GS
18 would not allow either Pierce or Debonneville to sell their shares in IGE.

19 f. Making various changes to the IGE agreements to the detriment of
20 Debonneville and to the benefit of Pierce, including but not limited to the removal of
21 tag along rights from the 2nd amended IGE US LLC agreement and the insertion of a 2
22 year waiting period for tag along rights to become effective in the 3rd amended IGE US
23 LLC.

24 g. Not complying with the IGE agreements regarding the obligations a
25 shareholder must perform before selling stock.

26 h. Blocking the sale of Debonneville's shares of IGE.

27 i. Attempting to force Debonneville to sell his shares to Pierce at a lower
28 price than what Debonneville could receive in the market.

- 1 j. Not performing the Promise.
- 2 k. Not giving Debonneville his pro-rata shares of IGE's purchase of Salyer
3 and Maslow's shares.
- 4 l. Not providing Debonneville with drafts or sufficient time to review the GS
5 transaction documents.
- 6 m. Threatening to sue Debonneville.
- 7 n. Terminating Debonneville's status as director and manager of IGE US and
8 not following the procedures contained in the IGE agreement regarding those actions.
- 9 o. Arranging a side deal with Yantis relating to the purchase of the trading
10 arm of IGE.
- 11 94. Pierce's breaches caused damage to Debonneville individually including
12 but not limited to the following:
- 13 a. Exposing Debonneville to liability for the Spanish Tax.
- 14 b. Robbing Debonneville of his pro-rata share of the shares taken by Pierce in
15 the Yantis Stock Repurchase.
- 16 c. Forcing or deceiving Debonneville into signing various documents
17 including but not limited to the Second Amended LLC Agreement, the Third Amended
18 LLC Agreement, various related consents and waivers, and the Bridge Loan
19 Agreement.
- 20 d. Stealing Debonneville's ability to tag-along on the sale of the Maverick
21 transaction.
- 22 e. Costing Debonneville his ability to sell his shares to other interested in
23 investors at a higher value than today's current fair market value.
- 24 f. Taking Debonneville's pro-rata shares in IGE from the Salyer and Maslow
25 redemption of stock.
- 26 g. Preventing Debonneville from being able to make informed decisions
27 related to the various transactions.
- 28

1 **FOURTH CLAIM FOR RELIEF- BREACH OF DUTY OF COMPLETE CANDOR**

2 95. The duty of complete candor requires fiduciaries to disclose all material
3 information relevant to decisions from which they may derive a personal benefit. The
4 duty of complete candor dictates that fiduciaries may not use superior information or
5 knowledge to mislead others in the performance of their own fiduciary obligations.

6 96. Debonneville hereby incorporates Paragraphs 1 through 104 from above.
7 As a manager, director, majority shareholder, and controlling shareholder, Pierce owes
8 a duty of complete candor to Debonneville. The breaches of that duty by Pierce include
9 making intentional misrepresentations as well as material omissions. Pierce knew that
10 this information would be relied upon by Debonneville. Debonneville entered into
11 various transactions as a result of the violations by Pierce of the duty of candor.
12 Pierce's violations of the duty of candor include but are not limited to:

13 a. Failing to advise Debonneville that he might be held liable for the Spanish
14 Tax.

15 b. Telling Debonneville that Pierce was going to perform the Promise when
16 Pierce knew that he had no intention of doing so and was only making the false
17 statement to induce Debonneville into certain actions and inaction.

18 c. Failing to advise Debonneville of the negative consequences of signing
19 any of the IGE agreements.

20 d. Failing to advise Debonneville of the Maverick transaction.

21 e. Failing to advise Debonneville that investors were interested in buying
22 Pierce's and/or Debonneville's stock.

23 f. Conducting the Maverick transaction while telling Debonneville that GS
24 would not allow either Pierce or Debonneville to sell their shares in IGE.

25 g. Making various changes to the IGE agreements to the detriment of
26 Debonneville and to the benefit of Pierce, including but not limited to the removal of
27 tag along rights from the 2nd amended IGE US LLC agreement and the insertion of a 2
28

1 year waiting period for tag along rights to become effective in the 3rd amended IGE US
2 LLC and failing to advise Debonneville of those harmful changes.

3 h. Attempting to force Debonneville to sell his shares in IGE to Pierce at a
4 lower price than what Debonneville could receive in the market.

5 i. Advising Debonneville that no drafts of the GS transaction documents
6 were available for Debonneville's review.

7 j. Lying to Debonneville regarding Rector's blackmail threats.

8 97. As a result of Pierce's breaches of the duty of complete candor,
9 Debonneville suffered the following individual harms, specifically but not limited to:

10 a. Exposing Debonneville to liability for the Spanish Tax.

11 b. Robbing Debonneville of his pro-rata share of the shares of IGE stock
12 taken by Pierce in the Yantis Stock Repurchase.

13 c. Forcing or deceiving Debonneville into signing various documents
14 including but not limited to the Second Amended LLC Agreement, the Third Amended
15 LLC Agreement, various related consents and waivers, and the Bridge Loan
16 Agreement.

17 d. Stealing Debonneville's ability to tag-along on the sale of the Maverick
18 transaction.

19 e. The difference in the value that Debonneville would have received for the
20 sale of his stock at the time of the GS transaction versus the fair market value of the
21 shares today.

22 f. Taking Debonneville's pro-rata shares of IGE stock from the Salyer and
23 Maslow redemption of stock.

24 g. Preventing Debonneville from being able to make informed decisions
25 related to the various transactions.

26 h. The loss of various shareholder rights, specifically but not limited to, tag-
27 along rights, economic rights, and sale of stock rights.

28

1 **FIFTH CLAIM FOR RELIEF- BREACH OF THE DUTY OF FAIRNESS**

2 98. If a controlling shareholder stands on both sides of a transaction, the
3 requirement of fairness is unflinching in its demand that the controlling shareholder
4 establish entire fairness sufficient to pass careful scrutiny. Any form of equitable relief
5 may be appropriate if a court finds a violation of this duty. The business judgment rule
6 does not protect a fiduciary from the rigors that are required by the duty of fairness.
7 Inequitable conduct is not protected merely because it is in fact legal conduct.

8 99. Debonneville hereby incorporates Paragraphs 1 through 107 from above.
9 As a manager, director, majority shareholder, and controlling shareholder, Pierce owes
10 Debonneville a duty of fairness. The transactions described above clearly establish that
11 Pierce was self-dealing to the detriment of Debonneville. The following actions by
12 Pierce constitute some of but not all the breaches of the duty of fairness owed to
13 Debonneville:

- 14 a. Pierce's taking of all of the Yantis shares received in the Yantis stock
15 repurchase.
- 16 b. Pierce's various mandated amendments to the IGE agreements.
- 17 c. Pierce's taking of all of the Maslow and Salyer shares.
- 18 d. The Maverick transaction.
- 19 e. Any side deal with Yantis relating to the trading arm purchase.

20 100. As a result of Pierce's breach of duty of fairness, Debonneville was
21 damaged as follows, specifically but not limited to:

- 22 a. Loss of his pro-rata share of the Yantis shares taken by Pierce in the Yantis
23 Stock Repurchase.
- 24 b. Loss of various shareholder rights.
- 25 c. Loss of his pro-rata shares of the Maslow and Salyer shares received by
26 Pierce in the Maslow and Slayer redemptions.
- 27 d. Loss of his ability to participate in the Maverick transaction.
- 28 e. Loss of monies relating to a sale of Debonneville's shares of IGE US.

1 f. Loss of value of his shares in IGE as a result of Pierce's actions.

2 **SIXTH CLAIM FOR RELIEF- FRAUD**

3 101. Debonneville hereby incorporates Paragraphs 1 through 109 from above.
4 The facts above clearly state that Pierce made numerous false representations and
5 material omissions. The dates of those representations, as best can be determined, are
6 set forth above. The false representations regard issues of material fact and were
7 knowingly made with the intent to be believed and relied upon by Debonneville.
8 Those false representations made by Pierce include but are not limited to:

9 a. Telling Debonneville he would not be liable for the Spanish Tax.

10 b. Promising to perform the Promise.

11 c. Promising that the GS transaction documents would make Debonneville
12 whole.

13 d. Representing to Debonneville that no drafts of the GS transaction
14 documents were available for Debonneville's review.

15 e. Artificially creating time pressures on Debonneville in order to have him
16 believe that he had to sign documents immediately.

17 f. Deceiving Debonneville into believing that Yantis was going to revoke the
18 Yantis Stock Repurchase if the 2nd amended IGE US LLC agreement was not signed in
19 December.

20 g. Failing to advise Debonneville that there were negative impacts to
21 Debonneville's shareholder's rights if he signed various agreements.

22 h. Telling Debonneville that the GS investors would not allow Pierce and
23 Debonneville to sell any stock in IGE during or after the GS transaction.

24 i. Telling Debonneville that investors did not want to buy Debonneville's
25 stock in IGE.

26 j. Telling Debonneville that Rector was blackmailing Pierce.
27
28

1 k. Telling Debonneville that Pierce would provide Debonneville with a
2 document that authorized Debonneville to sell his shares in IGE which would not
3 require any further approval.

4 m. Telling Debonneville that Debonneville would be paid his severance.

5 n. Concealing the Maverick transaction.

6 102. As a direct and proximate cause of this fraud, Debonneville suffered the
7 following damages:

8 a. Being exposed to liability for the Spanish Tax.

9 b. Loss of his pro-rata share of the Yantis shares received by Pierce in the
10 Yantis Stock Repurchase.

11 b. Loss of various shareholder rights.

12 c. Loss of his pro-rata shares of the Maslow and Salyer shares received by
13 Pierce in the Maslow and Slayer redemptions.

14 d. Loss of his ability to participate in the Maverick transaction.

15 e. Loss of monies relating to a sale of Debonneville's shares of IGE.

16 f. Loss of value of his shares in IGE as a result of Pierce's actions.

17 g. Loss of the ability to have time to properly review the GS transaction
18 documents which in turn resulted in Debonneville signing documents that Debonneville
19 would not have agreed to.

20 h. Being deceived into signing various documents.

21 **SEVENTH CLAIM FOR RELIEF- NEGLIGENT MISREPRESENTATION**

22 103. Debonneville hereby incorporates Paragraphs 1 through 111 from above.
23 This claim is brought in the alternative, should the court decide that any of the
24 statements, or omissions, by Pierce described above were made as a result of
25 negligence. Debonneville asserts that those same representations constitute a claim for
26 negligent misrepresentation.

27 104. The facts above clearly state that Pierce made false representations to
28 Debonneville. The dates of the false representations, as best can be determined are

1 described above. As a direct and proximate cause of those representations,
2 Debonneville was damaged in the same manner as is described above in his claim for
3 fraud.

4 **EIGHTH CLAIM FOR RELIEF- BREACH OF CONTRACT**

5 105. Debonneville hereby incorporates Paragraphs 1 through 113 from above.
6 There are several iterations of the LLC agreement which govern the shareholders,
7 managers, members, directors, and stockholders of IGE. The last agreement which was
8 agreed to by all parties, absent fraud by Pierce, was the Amended and Restated Limited
9 Liability Company Agreement of IGE U.S. LLC dated as of August 1, 2004 (the
10 "Agreement"). The Agreement is attached to this Complaint as Exhibit A and is
11 incorporated herein by reference. This Agreement establishes the various rights and
12 responsibilities which the parties outlined earlier in this paragraph must adhere to.
13 Pierce has violated the Agreement in many ways, specifically but not limited to:

14 a. Failing to follow the procedures found in the Agreement for removal of an
15 elected Manager.

16 b. Failing to follow the procedures found in the Agreement relating to the
17 approval needed to allow for the sale of the trading arm of IGE, as such an act was an
18 Extraordinary Action as found in the Agreement.

19 c. Failing to provide financial reports and reports or information concerning
20 the business affairs of IGE to Debonneville.

21 d. Failing to follow the procedures found in the Agreement relating to the
22 sale of Class A shares of Pierce's stock in the Maverick transaction.

23 e. Failing to follow the procedures found in the Agreement relating to the
24 tag-along rights to which Debonneville was entitled.

25 f. Failing to perform the Promise.

26 106. As a result of these breaches, Debonneville was damaged in the following
27 ways, specifically but not limited to:

28 a. Debonneville was improperly removed from the Board of Managers.

1 b. Debonneville's rights as member of IGE were ignored.

2 c. Debonneville was and still is being denied access to information which he
3 is entitled to under the Agreement. One of the reasons this information is needed is to
4 value his interest in IGE in order to be able to sell this interest.

5 d. Debonneville was denied the right to participate in the Maverick
6 transaction which he was entitled to participate in as a result of his tag-along rights.

7 e. Debonneville was prevented from exercising his authority to decline the
8 GS transaction. Had Debonneville exercised this right, he could have prevented Pierce
9 from stealing Debonneville's pro-rata shares received from the Yantis Stock
10 Repurchase as well as the Maslow and Salyer redemptions.

11 f. Debonneville was prevented from selling his shares as part of the GS
12 transaction.

13 g. Debonneville was deprived from receiving his proportionate amount of
14 shares of stock in IGE from the Yantis Stock Repurchase, the Maslow redemption, as
15 well as the Salyer redemption.

16 **NINTH CLAIM FOR RELIEF- BREACH OF THE IMPLIED COVENANT OF GOOD FAITH**
17 **AND FAIR DEALING**

18 107. An implied covenant of good faith and fair dealing inheres in every
19 contract. The implied covenant of good faith and fair dealing embodies the law's
20 expectation that each party to a contract will act in good faith toward the other with
21 respect to the subject matter of the contract. The implied covenant is a judicial
22 convention designed to protect the spirit of the agreement when, without violating the
23 express term of the agreement, one side uses oppressive or underhanded tactics to deny
24 the other side the fruits of the parties bargain.

25 108. Debonneville hereby incorporates Paragraphs 1 through 116 from above.
26 The following is a list of Pierce's actions which violate the implied covenant of good
27 faith and fair dealing relating to the Agreement:

28 a. Conducting the Maverick transaction to the exclusion of Debonneville.

- 1 b. The failure to advise Debonneville of the Maverick Transaction.
- 2 c. The removal of Debonneville's tag-along rights.
- 3 d. Taking the shares from the Yantis Stock Repurchase in Pierce's name.
- 4 e. The sale of the trading arm of IGE to Yantis without revealing the terms to
- 5 Debonneville or seeking Debonneville's approval.

6 109. There are numerous contracts which govern the relationship between
7 Pierce and Debonneville including but not limited to the Agreement. The actions
8 described above illustrate a pattern of abuse of the implied covenant of good faith and
9 fair dealing relating to those contracts. As a result of this pattern of abuse,
10 Debonneville has suffered the following damages:

- 11 a. Not being able to participate in the monies received from the Maverick
- 12 transaction.
- 13 b. Not receiving his pro-rata shares of the Yantis shares received as part of
- 14 the Yantis stock repurchase.
- 15 c. Being able to ascertain and possibly provide another option than selling
- 16 the trading arm to Yantis for such a low price.

17 **TENTH CLAIM FOR RELIEF-TORTIOUS INTERFERENCE WITH A CONTRACT**

18 110. Debonneville hereby incorporates Paragraphs 1 through 118 from above.
19 Debonneville had an employment agreement with IGE. That employment agreement
20 was breached when IGE failed to pay the severance payments due under that
21 agreement to Debonneville after he stopped working at IGE at the end of April, 2006.
22 This severance being due as well as the failure to pay Debonneville was a direct result
23 of Pierce's tortious interference with the contract between IGE and Debonneville. As
24 a result of this tortious interference, Debonneville has suffered monetary damages in
25 the amount of \$17,500 per month for a 9 month period.

26 **ELEVENTH CLAIM FOR RELIEF- PROMISSORY ESTOPPEL**

27 111. Debonneville hereby incorporates Paragraphs 1 through 119 from above.
28 The facts above outline multiple promises made by Pierce to Debonneville. Pierce

1 intended to induce Debonneville into entering into various transactions. Pierce
2 repeatedly promised the Promise. Debonneville detrimentally relied upon those
3 promises and was deceived into not taking immediate action to stop the theft by
4 Pierce. Further, Debonneville allowed the GS transaction to occur, based on the
5 promise of the Promise which would then include additional shares relating to the
6 Maslow and Salyer redemptions. Avoiding the promises of the Promise will result in
7 injustice. Debonneville would be damaged as a result of that injustice. Debonneville
8 was damaged by not receiving his pro-rata shares from the Yantis shares which were
9 taken by Pierce as part of the Yantis Stock Repurchase as well as not receiving
10 Debonneville's pro-rata shares from the Maslow and Salyer redemptions.

11 **TWELFTH CLAIM FOR RELIEF- UNJUST ENRICHMENT**

12 112. Courts have developed unjust enrichment as a claim for plaintiffs when
13 there is an absence of a formal contract as a basis to bring a claim.

14 113. Debonneville hereby incorporates Paragraphs 1 through 121 from above
15 and brings this claim in the alternative should the court determine that there is no
16 remedy at law for Pierce's actions. As a result of the actions described above, Pierce
17 was unjustly enriched. Pierce now claims a greater ownership interest in the
18 company. Additionally, Pierce managed to sell stock in the company and obtained
19 over \$20,000,000 cash. The stock which Pierce now claims for himself should in part
20 be owned by Debonneville. Additionally, Debonneville was impoverished as a result
21 of Pierce's refusal and intentional interference in the sale of Debonneville's stock
22 while at the same time Pierce sold stock. There is no justification for Pierce's actions.

23 24 **V. CONDITIONS PRECEDENT**

25 114. Debonneville has successfully performed or otherwise satisfied all
26 conditions precedent to performance. Additionally or alternatively, conditions
27 precedent have been excused or waived by Defendant. Despite Debonneville's
28

1 performance, Defendant has breached the terms and provisions of the various
2 agreements between Debonneville and Defendant.

3
4 **VI. PUNITIVE DAMAGES**

5 115. Due to the nature of claims brought against Defendant, Debonneville is
6 entitled to punitive damage award in addition to actual damages.

7
8 **VII. ATTORNEYS FEES**

9 116. Pursuant to the Employment Agreement dated January 31, 2004, the
10 prevailing party in any litigation or claims arising out of or in connection with that
11 Agreement shall be entitled to collect from the other party costs of the prevailing
12 party's reasonable attorney fees incurred in connection with litigation. Additionally,
13 pursuant to the equitable remedies available to the Court, Debonneville is entitled to
14 recovery of his attorneys fees and costs.

15
16 **VIII. CHOICE OF LAW**

17 117. Many of the contracts which are the subject matter of this suit, as well as
18 which several of Debonneville's claims are related to, contain a "Governing Law"
19 provision. That provision states as follows "This agreement, the rights and obligations
20 of the parties hereto, and any claims or disputes relating thereto, shall be governed by
21 and construed with the laws of the State of Delaware (but not including the choice of
22 laws rules thereof)." Accordingly, this provision mandates that Debonneville's claims
23 be considered under the laws of the State of Delaware.

24
25 **IX. PRAYER**

26 WHEREFORE, Plaintiff ALAN DEBONNEVILLE prays as follows:

27 a. Recovery of any and all forms of damages to which Debonneville may be
28 entitled;

- 1 b. Rescission;
2 c. Disgorgement;
3 d. Fair value payment for Debonneville's shares of IGE US, LLC;
4 e. Punitive damages;
5 f. Pre-judgment interest;
6 g. Post-judgment interest;
7 h. An accounting from Pierce;
8 i. Attorneys fees;
9 j. Out of pocket expenses;
10 k. Costs of court; and
11 t. Any relief other in equity or at law to which Debonneville may be
12 entitled including a trial by jury.

13
14 Dated: September 18, 2007

Respectfully submitted,

SIDLEY AUSTIN LLP
Peter I. Ostroff
Sean A. Commons

Attorneys for Plaintiff
Alan Debonneville

THE BECKHAM GROUP P.C.
Blake L. Beckham
Jose M. Portela

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23 By: _____

Jose M. Portela
Attorneys for Plaintiff
Alan Debonneville

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DEMAND FOR JURY TRIAL

Plaintiff hereby requests a jury trial.

Dated: September 18, 2007

SIDLEY AUSTIN LLP
Peter I. Ostroff
Sean A. Commons

Attorneys for Plaintiff
Alan Debonneville

THE BECKHAM GROUP P.C.
Blake L. Beckham
Jose M. Portela

By: 

Jose M. Portela
Attorneys for Plaintiff
Alan Debonneville