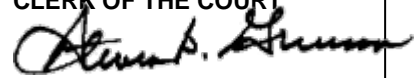


Exhibit E



AACC

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DISTRICT COURT

CLARK COUNTY, NEVADA

ROWEN SEIBEL, an individual and citizen of
New York, derivatively on behalf of Real Party
in Interest GR BURGR LLC, a Delaware limited
liability company,

Plaintiff,

v.

PHWLTV, LLC, a Nevada limited liability
company; GORDON RAMSAY, an individual;
DOES I through X; ROE CORPORATIONS I
through X,

Defendants,

AND ALL RELATED MATTERS

Case No.: A-17-751759-B
Dept. No.: 11

Consolidated with:
Case No.: A-17-760537-B

**LLTQ/FERG DEFENDANTS' ANSWER
AND AFFIRMATIVE DEFENSES TO
PLAINTIFFS' COMPLAINT AND
COUNTERCLAIMS**

This document applies to:
A-17-760537-B

Defendants LLTQ Enterprises, LLC, LLTQ Enterprises 16, LLC, FERG, LLC, and FERG 16,
LLC (collectively, the "LLTQ/FERG Defendants") hereby answer the claims asserted by Plaintiffs in

1 the above-captioned matter as follows:

2 **PRELIMINARY STATEMENT**

3 1. The LLTQ/FERG Defendants deny the allegations contained in paragraph 1, except
4 admit that Caesars entered into multiple agreements with entities previously owned by, managed by
5 or affiliated with Rowen Seibel, and that Caesars requested and received "Business Information
6 Forms" from Mr. Seibel in connection with the MOTI and DNT business relationships. The contents
7 of the agreements and "Business Information Forms" speak for themselves, and LLTQ/FERG
8 Defendants respectfully refer to those documents for the full and complete contents thereof.

9 2. The LLTQ/FERG Defendants deny the allegations contained in paragraph 2.

10 3. The LLTQ/FERG Defendants deny the allegations contained in paragraph 3, except
11 admit that on April 18, 2016, Rowen Seibel pled guilty to one count of a corrupt endeavor to obstruct
12 and impede the due administration of the Internal Revenue Laws under 26 U.S.C. § 7212, which is a
13 class E felony and served one month in prison.

14 4. The LLTQ/FERG Defendants deny the allegations contained in paragraph 4.

15 5. The LLTQ/FERG Defendants deny the allegations contained in paragraph 5, except
16 admit that Caesars wrongfully purported to terminate the agreements and state that the contents of the
17 certain agreements referenced in paragraph 5 speak for themselves, and respectfully refer to the
18 aforementioned agreements for the full and complete contents thereof.

19 6. The LLTQ/FERG Defendants deny the allegations contained in paragraph 6, except
20 admit that Caesars wrongfully attempted to terminate their agreements, that Caesars cannot continue
21 to operate the restaurants subject to such agreements absent providing compensation to the
22 LLTQ/FERG Defendants, that the LLTQ/FERG Defendants and certain of the Plaintiffs are parties to
23 litigation commenced in the jointly-administered chapter 11 bankruptcy cases of Caesars Palace and
24 CAC in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, Case No.
25 15-01145 ("Bankruptcy Actions"), and that Caesars commenced the present action by a complaint that
26 speaks for itself, and LLTQ/FERG Defendants respectfully refer to the complaint for the full and
27 complete contents thereof.

28 7. The LLTQ/FERG Defendants deny the allegations contained in paragraph 7, except

1 admit that certain defendants are seeking monetary relief from Caesars in different courts across the
2 country related to the agreements, and that Caesars commenced the present action by a complaint that
3 speaks for itself, and LLTQ/FERG Defendants respectfully refer to the complaint for the full and
4 complete contents thereof.

5 8. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
6 belief as to the truth of the allegations contained in paragraph 8, except admit that Caesars commenced
7 the present action by a complaint that speaks for itself, and LLTQ/FERG Defendants respectfully refer
8 to the complaint for the full and complete contents thereof.

9 **PARTIES, JURISDICTION, AND VENUE**

10 9. The LLTQ/FERG Defendants admit the allegations contained in paragraph 9.

11 10. The LLTQ/FERG Defendants admit the allegations contained in paragraph 10.

12 11. The LLTQ/FERG Defendants admit the allegations contained in paragraph 11.

13 12. The LLTQ/FERG Defendants admit the allegations contained in paragraph 12.

14 13. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
15 belief as to the truth of the allegations contained in paragraph 13.

16 14. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
17 belief as to the truth of the allegations contained in paragraph 14.

18 15. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
19 belief as to the truth of the allegations contained in paragraph 15.

20 16. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
21 belief as to the truth of the allegations contained in paragraph 16.

22 17. The LLTQ/FERG Defendants deny the allegations contained in paragraph 17 except
23 the LLTQ/FERG Defendants admit that TPOV Enterprises, LLC is a New York limited liability
24 company, and that the TPOV Agreement was entered into in or about November 2011, the contents
25 of which speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete
26 contents thereof.

27 18. The LLTQ/FERG Defendants deny the allegations contained in paragraph 18 except
28 admit that TPOV Enterprises 16, LLC is a Delaware limited liability company, and that a letter was

1 sent informing Caesars of the assignment.

2 19. The LLTQ/FERG Defendants deny the allegations contained in paragraph 19 except
3 admit the location and corporate status of LLTQ Enterprises, LLC, that the LLTQ Agreement was
4 entered into on or about April 4, 2012, the contents of which speak for themselves, and respectfully
5 refer to the LLTQ Agreement for the full and complete contents thereof.

6 20. The LLTQ/FERG Defendants deny the allegations contained in paragraph 20 except
7 admit that LLTQ Enterprises 16, LLC is a Delaware limited liability company, and that a letter was
8 sent informing Caesars of the assignment.

9 21. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
10 belief as to the allegations contained in paragraph 21.

11 22. The LLTQ/FERG Defendants deny the allegations contained in paragraph 22 except
12 admit the location and corporate status of FERG, LLC, that the FERG Agreement was entered into on
13 or about May 16, 2014, the contents of which speak for themselves, and respectfully refer to the FERG
14 Agreement for the full and complete contents thereof.

15 23. The LLTQ/FERG Defendants deny the allegations contained in paragraph 23 except
16 admit that FERG 16, LLC is a Delaware limited liability company, and that a letter was sent informing
17 CAC of the assignment.

18 24. The LLTQ/FERG Defendants admit that Seibel assigned his duties and obligations
19 under the LLTQ Agreement and FERG Agreement to Mr. Frederick, to the extent any duties existed.
20 The LLTQ/FERG Defendants deny knowledge and information sufficient to form a belief as to the
21 truth of the balance of the allegations contained in paragraph 24.

22 25. The LLTQ/FERG Defendants deny the allegations contained in paragraph 25.

23 **STATEMENT OF FACTS**

24 26. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
25 belief as to the allegations contained in paragraph 26.

26 27. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
27 belief as to the truth of whether, "In reliance on those representations (among other things), Caesars
28 Palace and MOTI entered into the MOTI Agreement." The LLTQ/FERG Defendants deny the balance

1 of the allegations contained in paragraph 27 except admit that to the extent that a “Business
2 Information Form” is referenced in paragraph 27, the contents of said “Business Information Form”
3 speak for themselves, and respectfully refer to the “Business Information Form” for the full and
4 complete contents thereof.

5 28. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
6 belief as to the truth of the allegations contained in paragraph 28.

7 29. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
8 belief as to the truth of the allegations contained in paragraph 29.

9 30. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
10 belief as to the truth of the allegations contained in paragraph 30.

11 31. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
12 belief as to the truth of the allegations contained in paragraph 31 except admit that to the extent a
13 “Business Information Form” is referenced in paragraph 31, the contents of said “Business
14 Information Form” speak for themselves, and respectfully refer to the “Business Information Form”
15 for the full and complete contents thereof.

16 32. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
17 belief as to the truth of the allegations contained in paragraph 32.

18 33. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
19 belief as to the truth of the allegations contained in paragraph 33.

20 34. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
21 belief as to the truth of the allegations contained in paragraph 34.

22 35. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
23 belief as to the truth of the allegations contained in paragraph 35.

24 36. The LLTQ/FERG Defendants deny the allegations contained in paragraph 36, except
25 admit that Caesars entered into multiple agreements with entities previously owned by, managed by
26 or affiliated with Rowen Seibel, the contents of which speak for themselves, and respectfully refer to
27 the aforementioned agreements for the full and complete contents thereof.

28 37. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a

1 belief as to the truth of the allegations contained in paragraph 37.

2 38. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
3 belief as to the truth of the allegations contained in paragraph 38 except admit that the contents of said
4 “Business Information Form” speak for themselves, and respectfully refer to the “Business
5 Information Form” for the full and complete contents thereof.

6 39. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
7 belief as to the truth of the allegations contained in paragraph 39.

8 40. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
9 belief as to the truth of the allegations contained in paragraph 40.

10 41. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
11 belief as to the truth of the allegations contained in paragraph 41.

12 42. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
13 belief as to the truth of the allegations contained in paragraph 42.

14 43. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
15 belief as to the truth of the allegations contained in paragraph 43.

16 44. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
17 belief as to the truth of the allegations contained in paragraph 44.

18 45. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
19 belief as to the truth of the allegations contained in paragraph 45.

20 46. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
21 belief as to the truth of the allegations contained in paragraph 46.

22 47. The LLTQ/FERG Defendants deny the allegations contained in paragraph 47 except
23 admit that the TPOV Agreement was entered into in or about November 2011 in connection with a
24 restaurant in the Paris casino known as “Gordon Ramsay Steak”, the contents of which speak for
25 themselves, and respectfully refer to the TPOV Agreement for the full and complete contents thereof.

26 48. The LLTQ/FERG Defendants deny the allegations contained in paragraph 48 except
27 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
28 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents

1 thereof.

2 49. The LLTQ/FERG Defendants deny the allegations contained in paragraph 49 except
3 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
4 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents
5 thereof.

6 50. The LLTQ/FERG Defendants deny the allegations contained in paragraph 50 except
7 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
8 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents
9 thereof.

10 51. The LLTQ/FERG Defendants deny the allegations contained in paragraph 51 except
11 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
12 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents
13 thereof.

14 52. The LLTQ/FERG Defendants deny the allegations contained in paragraph 52 except
15 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
16 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents
17 thereof.

18 53. The LLTQ/FERG Defendants deny the allegations contained in paragraph 53 except
19 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
20 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents
21 thereof.

22 54. The LLTQ/FERG Defendants deny the allegations contained in paragraph 54 except
23 admit that the TPOV Agreement was entered into in or about November 2011, the contents of which
24 speak for themselves, and respectfully refer to the TPOV Agreement for the full and complete contents
25 thereof.

26 55. The LLTQ/FERG Defendants deny the allegations contained in paragraph 55.

27 56. The LLTQ/FERG Defendants deny the allegations contained in paragraph 56.

28 57. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a

1 belief as to the truth of the allegations contained in paragraph 57 except admit that the LLTQ
2 Agreement was entered into on or about April 4, 2012 in connection with a restaurant in the Caesars
3 Palace casino known as the Gordon Ramsay Pub, the contents of which speak for themselves, and
4 respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

5 58. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
6 belief as to the truth of the allegations contained in paragraph 58 except admit that the LLTQ
7 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
8 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

9 59. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
10 belief as to the truth of the allegations contained in paragraph 59 except admit that the LLTQ
11 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
12 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

13 60. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
14 belief as to the truth of the allegations contained in paragraph 60 except admit that the LLTQ
15 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
16 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

17 61. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
18 belief as to the truth of the allegations contained in paragraph 61 except admit that the LLTQ
19 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
20 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

21 62. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
22 belief as to the truth of the allegations contained in paragraph 62 except admit that the LLTQ
23 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
24 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

25 63. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
26 belief as to the truth of the allegations contained in paragraph 63 except admit that the LLTQ
27 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
28 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

1 64. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
2 belief as to the truth of the allegations contained in paragraph 64 except admit that the LLTQ
3 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
4 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

5 65. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
6 belief as to the truth of the allegations contained in paragraph 65 except admit that the LLTQ
7 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
8 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

9 66. The LLTQ/FERG Defendants deny the allegations contained in paragraph 66.

10 67. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
11 belief as to the truth of the allegations contained in paragraph 67 except admit that the LLTQ
12 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
13 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof.

14 68. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
15 belief as to the truth of the allegations contained in paragraph 68, except admit that the LLTQ
16 Agreement was entered into on or about April 4, 2012, the contents of which speak for themselves,
17 and respectfully refer to the LLTQ Agreement for the full and complete contents thereof, and admit
18 the allegations contained in the first sentence of paragraph 68 and that the LLTQ/FERG Defendants
19 assert that Section 13.22 is enforceable.

20 69. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
21 belief as to the truth of the allegations contained in paragraph 69.

22 70. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
23 belief as to the truth of the allegations contained in paragraph 70.

24 71. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
25 belief as to the truth of the allegations contained in paragraph 71.

26 72. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
27 belief as to the truth of the allegations contained in paragraph 72.

28 73. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a

1 belief as to the truth of the allegations contained in paragraph 73.

2 74. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
3 belief as to the truth of the allegations contained in paragraph 74.

4 75. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
5 belief as to the truth of the allegations contained in paragraph 75.

6 76. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
7 belief as to the truth of the allegations contained in paragraph 76.

8 77. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
9 belief as to the truth of the allegations contained in paragraph 77.

10 78. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
11 belief as to the truth of the allegations contained in paragraph 78.

12 79. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
13 belief as to the truth of the allegations contained in paragraph 79 except admit that the FERG
14 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
15 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

16 80. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
17 belief as to the truth of the allegations contained in paragraph 80 except admit that the FERG
18 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
19 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

20 81. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
21 belief as to the truth of the allegations contained in paragraph 81 except admit that the FERG
22 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
23 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

24 82. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
25 belief as to the truth of the allegations contained in paragraph 82 except admit that the FERG
26 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
27 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

28 83. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a

1 belief as to the truth of the allegations contained in paragraph 83 except admit that the FERG
2 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
3 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

4 84. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
5 belief as to the truth of the allegations contained in paragraph 84 except admit that the FERG
6 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
7 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

8 85. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
9 belief as to the truth of the allegations contained in paragraph 86 except admit that the FERG
10 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
11 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

12 86. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
13 belief as to the truth of the allegations contained in paragraph 86 except admit that the FERG
14 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
15 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

16 87. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
17 belief as to the truth of the allegations contained in paragraph 87 except admit that the FERG
18 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
19 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

20 88. The LLTQ/FERG Defendants deny the allegations contained in paragraph 88.

21 89. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
22 belief as to the truth of the allegations contained in paragraph 89 except admit that the FERG
23 Agreement was entered into on or about May 16, 2014, the contents of which speak for themselves,
24 and respectfully refer to the FERG Agreement for the full and complete contents thereof.

25 90. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
26 belief as to the truth of the allegations contained in paragraph 90, except admit that the FERG
27 Agreement was entered into on or about May 16, 2015, the contents of which speak for themselves,
28 and respectfully refer to the FERG Agreement for the full and complete contents thereof, and admit

1 the allegations contained in the first sentence of paragraph 90 and that the LLTQ/FERG Defendants
2 assert that Section 4.1 is enforceable.

3 91. The LLTQ/FERG Defendants deny the allegations contained in paragraph 91.

4 92. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
5 belief as to the truth of the allegations contained in paragraph 92.

6 93. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
7 belief as to the truth of the allegations contained in paragraph 93.

8 94. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
9 belief as to the truth of the allegations contained in paragraph 94.

10 95. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
11 belief as to the truth of the allegations contained in paragraph 95.

12 96. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
13 belief as to the truth of the allegations contained in paragraph 96.

14 97. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
15 belief as to the truth of the allegations contained in paragraph 97.

16 98. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
17 belief as to the truth of the allegations contained in paragraph 98.

18 99. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
19 belief as to the truth of the allegations contained in paragraph 99.

20 100. The LLTQ/FERG Defendants aver that paragraph 100 contains conclusions of law to
21 which no responsive pleading is required. To the extent a response is required, the LLTQ/FERG
22 Defendants deny knowledge and information sufficient to form a belief as to the truth of the allegations
23 contained in paragraph 100.

24 101. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
25 belief as to the truth of the allegations contained in paragraph 101.

26 102. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
27 belief as to the truth of the allegations contained in paragraph 102.

28 103. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a

1 belief as to the truth of the allegations contained in paragraph 103.

2 104. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
3 belief as to the truth of the allegations contained in paragraph 104.

4 105. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
5 belief as to the truth of the allegations contained in paragraph 105.

6 106. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
7 belief as to the truth of the allegations contained in paragraph 106 except admit that on April 18, 2016,
8 Rowen Seibel pled guilty to one count of a corrupt endeavor to obstruct and impede the due
9 administration of the Internal Revenue Laws under 26 U.S.C. § 7212, which is a class E felony.

10 107. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
11 belief as to the truth of the allegations contained in paragraph 107 except admit that on August 19,
12 2016, the Southern District of New York sentenced Rowen Seibel to serve one month in prison, six
13 months in home detention, and 300 hours of community service.

14 108. The LLTQ/FERG Defendants deny the allegations contained in paragraph 108 except
15 admit that the letter referenced in paragraph 108 was sent on or about April 8, 2016, the contents of
16 which speak for themselves, and respectfully refers to the aforementioned letter for the full and
17 complete contents thereof.

18 109. The LLTQ/FERG Defendants deny the allegations contained in paragraph 109, except
19 admit that Caesars wrongfully purported to terminate all of its agreements with entities that were
20 associated or had been associated with Rowen Seibel.

21 110. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
22 belief as to the truth of the allegations contained in paragraph 110.

23 111. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
24 belief as to the truth of the allegations contained in paragraph 111.

25 112. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
26 belief as to the truth of the allegations contained in paragraph 112.

27 113. The LLTQ/FERG Defendants deny the allegations contained in paragraph 113 except
28 admit that the aforementioned letter from Caesars Palace to TPOV was dated September 2, 2016, the

1 contents of which speak for themselves, and respectfully refer to the aforementioned letter for the full
2 and complete contents thereof.

3 114. The LLTQ/FERG Defendants deny the allegations contained in paragraph 114 except
4 admit that the aforementioned letter from Caesars Palace to LLTQ was dated September 2, 2016, the
5 contents of which speak for themselves, and respectfully refer to the aforementioned letter for the full
6 and complete contents thereof.

7 115. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
8 belief as to the truth of the allegations contained in paragraph 115.

9 116. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
10 belief as to the truth of the allegations contained in paragraph 116.

11 117. The LLTQ/FERG Defendants deny the allegations contained in paragraph 117 except
12 admit that the aforementioned letter from Caesars Palace to FERG was dated September 2, 2016, the
13 contents of which speak for themselves, and respectfully refer to the aforementioned letter for the full
14 and complete contents thereof.

15 118. The LLTQ/FERG Defendants deny the allegations contained in paragraph 118 except
16 admit certain referenced letters were sent to Caesars, which speak for themselves, and respectfully
17 refer to the aforementioned letters for the full and complete contents thereof.

18 119. The LLTQ/FERG Defendants deny the allegations contained in paragraph 119 except
19 admit that the aforementioned letter from Caesars Palace was dated September 12, 2016, the contents
20 of which speak for themselves, and respectfully refer to the aforementioned letter for the full and
21 complete contents thereof.

22 120. The LLTQ/FERG Defendants admit the allegations contained in paragraph 120.

23 121. The LLTQ/FERG Defendants deny the allegations contained in paragraph 121 except
24 admit that Caesars Palace filed the motion to reject and that LLTQ and FERG objected to the motion.

25 122. The LLTQ/FERG Defendants deny the allegations contained in paragraph 122 except
26 admit that LLTQ and FERG filed the administrative expense request and that Caesars Palace and CAC
27 objected to the request.

28 123. The LLTQ/FERG Defendants deny the allegations contained in paragraph 123 except

1 admit that MOTI filed the administrative expense request and that Caesars Palace objected to the
2 request.

3 124. The LLTQ/FERG Defendants admit the allegations contained in paragraph 124 except
4 deny the defenses and contentions made by Caesars Palace and CAC.

5 125. The LLTQ/FERG Defendants deny the allegations contained in paragraph 125.

6 126. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
7 belief as to the truth of the allegations contained in paragraph 126.

8 127. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
9 belief as to the truth of the allegations contained in paragraph 127.

10 128. The LLTQ/FERG Defendants deny knowledge and information sufficient to form a
11 belief as to the truth of the allegations contained in paragraph 128.

12 129. The LLTQ/FERG Defendants deny the allegations contained in paragraph 129 except
13 admit that the referenced documents filed in the TPOV Federal Action and the court docket for that
14 Action speak for themselves and respectfully refer to the aforementioned docket for the full and
15 complete contents thereof.

16 130. The LLTQ/FERG Defendants deny the allegations contained in paragraph 130 except
17 admit that the referenced documents filed in the TPOV Federal Action and the court docket for that
18 Action speak for themselves and respectfully refer to the aforementioned docket for the full and
19 complete contents thereof.

20 COUNT I

21 131. The LLTQ/FERG Defendants hereby repeat and reallege each and every one of the
22 LLTQ/FERG Defendants' responses in paragraphs 1-130 above as if fully set forth herein.

23 132. The LLTQ/FERG Defendants state that the referenced statute speaks for itself.

24 133. The LLTQ/FERG Defendants admit that the parties dispute whether Caesar properly
25 terminated the agreements, but deny there is a justiciable controversy ripe for adjudication among the
26 parties.

27 134. The LLTQ/FERG Defendants deny the allegations contained in paragraph 134, except
28 admit that Caesars seeks declaratory relief in the present action.

135. The LLTQ/FERG Defendants deny the allegations set forth in paragraph 135, except admit that the complaint filed in the present action seeks certain relief, that the complaint that speaks for itself, and LLTQ/FERG Defendants respectfully refer to the complaint for the full and complete contents thereof.

COUNT II

136. The LLTQ/FERG Defendants hereby repeat and reallege each and every one of the LLTQ/FERG Defendants' responses to the above paragraphs as if fully set forth herein.

137. The LLTQ/FERG Defendants state that the referenced statute speaks for itself.

138. The LLTQ/FERG Defendants admit that the parties dispute whether Caesar properly terminated the agreements, but deny there is a justiciable controversy ripe for adjudication among the parties.

139. The LLTQ/FERG Defendants deny the allegations set forth in paragraph 139.

140. The LLTQ/FERG Defendants deny the allegations contained in paragraph 140, except admit that the agreements speak for themselves, and LLTQ/FERG Defendants respectfully refer to those documents for the full and complete contents thereof.

141. The LLTQ/FERG Defendants deny the allegations contained in paragraph 141, except admit that the agreements speak for themselves, and LLTQ/FERG Defendants respectfully refer to those documents for the full and complete contents thereof.

142. The LLTQ/FERG Defendants deny the allegations contained in paragraph 142.

143. The LLTQ/FERG Defendants deny the allegations contained in paragraph 143.

144. The LLTQ/FERG Defendants deny the allegations contained in paragraph 144.

145. The LLTQ/FERG Defendants deny the allegations contained in paragraph 145, except admit that Caesars seeks declaratory relief in the present action.

146. The LLTQ/FERG Defendants deny the allegations set forth in paragraph 146, except admit that the complaint filed in the present action seeks certain relief, that the complaint that speaks for itself, and LLTQ/FERG Defendants respectfully refer to the complaint for the full and complete contents thereof.

1 **COUNT III**

2 147. The LLTQ/FERG Defendants hereby repeat and reallege each and every one of the
3 LLTQ/FERG Defendants' responses to the above paragraphs as if fully set forth herein.

4 148. The LLTQ/FERG Defendants state that the referenced statute speaks for itself.

5 149. The LLTQ/FERG Defendants admit that the parties dispute whether the referenced
6 sections of the agreements are enforceable, but deny there is a justiciable controversy ripe for
7 adjudication among the parties.

8 150. The LLTQ/FERG Defendants deny the allegations contained in paragraph 150.

9 151. The LLTQ/FERG Defendants deny the allegations contained in paragraph 151.

10 152. The LLTQ/FERG Defendants deny the allegations contained in paragraph 152.

11 153. The LLTQ/FERG Defendants deny the allegations contained in paragraph 153.

12 154. The LLTQ/FERG Defendants deny the allegations contained in paragraph 154.

13 155. The LLTQ/FERG Defendants deny the allegations contained in paragraph 155, except
14 admit that Caesars seeks declaratory relief in the present action.

15 156. The LLTQ/FERG Defendants deny the allegations set forth in paragraph 156, except
16 admit that the complaint filed in the present action seeks certain relief, that the complaint that speaks
17 for itself, and LLTQ/FERG Defendants respectfully refer to the complaint for the full and complete
18 contents thereof.

19 **AS AND FOR A FIRST AFFIRMATIVE DEFENSE**

20 157. The Complaint fails to state a claim upon which relief can be granted.

21 **AS AND FOR A SECOND AFFIRMATIVE DEFENSE**

22 158. The LLTQ/FERG Defendants expressly incorporate herein as affirmative defenses
23 their allegations and claims in the contested matters between the LLTQ/FERG Defendants, Caesars
24 Palace and CAC filed in the Bankruptcy Actions and all related matters and proceedings.

25 **AS AND FOR A THIRD AFFIRMATIVE DEFENSE**

26 159. The LLTQ/FERG Defendants expressly incorporate herein as affirmative defenses
27 their arguments in their motion to dismiss this action.
28

1 **AS AND FOR A FOURTH AFFIRMATIVE DEFENSE**

2 160. Plaintiff's claims warrant dismissal under the first-to-file rule and due to forum
3 shopping.

4 **AS AND FOR A FIFTH AFFIRMATIVE DEFENSE**

5 161. Plaintiffs consented to and ratified the assignments from FERG to FERG 16, from
6 LLTQ Enterprises to LLTQ Enterprises 16, and from Seibel to Frederick.

7 **AS AND FOR A SIXTH AFFIRMATIVE DEFENSE**

8 162. Plaintiffs are precluded from obtaining the relief they seek because, based on
9 information and belief, they do or have done business with persons who have criminal records or are
10 actually or potentially unsuitable.

11 **AS AND FOR A SEVENTH AFFIRMATIVE DEFENSE**

12 163. Plaintiffs are precluded from obtaining the relief they seek because they owe money to
13 LLTQ/FERG Defendants.

14 **AS AND FOR AN EIGHTH AFFIRMATIVE DEFENSE**

15 164. Plaintiffs are precluded under the applicable contracts from continuing to operate the
16 subject restaurants, use the licensed materials, and do business with Ramsay related to the subject
17 restaurants and similar ventures.

18 **AS AND FOR A NINTH AFFIRMATIVE DEFENSE**

19 165. Plaintiffs breached the applicable contracts with LLTQ/FERG Defendants and
20 therefore are precluded from pursuing their claims.

21 **AS AND FOR A TENTH AFFIRMATIVE DEFENSE**

22 166. Plaintiffs' claims are barred by the statute of limitations or statute of repose.

23 **AS AND FOR AN ELEVENTH AFFIRMATIVE DEFENSE**

24 167. Plaintiffs' claims are barred, in whole or in part, by the doctrines of acquiescence,
25 estoppel, laches, ratification, unclean hands, unjust enrichment, or waiver, as well as all other
26 applicable equitable doctrines.

27 **AS AND FOR A TWELFTH AFFIRMATIVE DEFENSE**

28 168. Plaintiffs' claims are barred, in whole or in part, by their own conduct, including but

1 not limited to their failure to mitigate their damages.

2 **AS AND FOR A THIRTEENTH AFFIRMATIVE DEFENSE**

3 169. The alleged unsuitability of Seibel is immaterial and irrelevant because, inter alia, he
4 assigned his interests, if any, in LLTQ/FERG Defendants or the contracts.

5 **AS AND FOR A FOURTEENTH AFFIRMATIVE DEFENSE**

6 170. This Court lacks jurisdiction over the allegations, claims, and theories alleged by
7 Plaintiffs that already are pending in the Bankruptcy Actions and all related matters and proceedings.

8 **AS AND FOR A FIFTEENTH AFFIRMATIVE DEFENSE**

9 171. All possible affirmative defenses may not have been alleged herein insofar as sufficient
10 facts were not available after reasonable inquiry upon the filing of LLTQ/FERG Defendants' answer.
11 Therefore, Defendants reserve the right to amend their answer to allege additional affirmative defenses
12 if subsequent investigation so warrants. Defendants reserve the right to (a) rely upon such other
13 affirmative defenses as may be supported by the facts to be determined through full and complete
14 discovery, and (b) voluntarily withdraw any affirmative defense.

15 **COUNTERCLAIMS**

16 NOW COMES LLTQ ENTERPRISES, LLC ("**LLTQ**"), LLTQ ENTERPRISES 16, LLC
17 ("**LLTQ 16**"), FERG, LLC ("**FERG**") and FERG 16, LLC ("**FERG 16**"), by and through their
18 undersigned counsel, and for their Counterclaims against Desert Palace, Inc. ("**Caesars**") and
19 Boardwalk Regency Corporation d/b/a Caesars Atlantic City ("**CAC**"), allege as follows:

20 **PARTIES**

- 21 1. LLTQ is a Delaware limited liability company.
- 22 2. FERG is a Delaware limited liability company and an affiliate of LLTQ.
- 23 3. LLTQ 16 is a Delaware limited liability company and successor in interest to LLTQ.
- 24 4. FERG 16 is a Delaware limited liability company and successor in interest to FERG.
- 25 5. Caesars is a Nevada corporation and has a principal place of business of 3570 Las Vegas
26 Boulevard South, Las Vegas, Nevada, which is a resort hotel casino known as "Caesars Palace."
- 27 6. CAC is a Delaware limited liability company, an affiliate of Caesars, and has a principal
28 place of business of 2100 Pacific Avenue, Atlantic City, New Jersey.

GENERAL ALLEGATIONS

The LLTQ Agreement and Restrictions

7. LLTQ and Caesars entered into that certain Development and Operation Agreement with an effective date of April 12, 2012 (the “**LLTQ Agreement**”).

8. In connection with entering into the LLTQ Agreement, Caesars did not require LLTQ nor its Associated Persons (as that term is defined in the LLTQ Agreement to provide information concerning LLTQ’s “suitability” or complete a business information form.

9. Contemporaneously with entering into the LLTQ Agreement, Caesars entered into that certain Development, Operation and License Agreement (the “**Ramsay LV Agreement**”) with Gordon Ramsay and his affiliate business, Gordon Ramsay Holdings Limited (collectively, “**Ramsay**”).

10. The LLTQ Agreement and the Ramsay LV Agreement were negotiated contemporaneously with among the parties. Mr. Rowen Seibel on behalf of LLTQ assisted in the negotiations of the Ramsay LV Agreement.

11. Representatives of Caesars, LLTQ and Ramsay engaged in multiple meetings to negotiate the terms of the design, development, construction, and operation of and the sharing of profits from that certain “**Gordon Ramsay Pub**” (defined as the “Restaurant” in the LLTQ Agreement) located at the “Restaurant Premises” (as defined in the LLTQ Agreement) in a property owned and operated by Caesars in Las Vegas, Nevada.

12. Both Caesars and LLTQ contributed an amount not less than \$1,000,000 of the costs required to develop the Gordon Ramsay Pub.

13. The LLTQ Agreement and the Ramsay LV Agreement are integrated and, together, establish a single transaction and agreement among LLTQ, Caesars and Ramsay to design, develop, construct, and operate the Gordon Ramsay Pub and share the profits therefrom.

14. Both the LLTQ Agreement and the Ramsay LV Agreement were (a) executed and effective as of the same day, (b) concern the same subject matter, and (c) refer to each other. Caesars is a party to both contracts, which contain the same choice of law, dispute resolution, and other provisions.

15. For the consideration received under the LLTQ Agreement, including a \$1,000,000 development contribution provided by LLTQ, Caesars agreed that it and its affiliates would not pursue

1 a venture similar to, among other ventures, the Gordon Ramsay Pub without entering into an agreement
2 with LLTQ (or its affiliates) similar to the LLTQ Agreement.

3 16. Specifically, Section 13.22 of the LLTQ Agreement provides:

4 If Caesars elects under this Agreement to pursue any venture similar to
5 (i) the Restaurant (i.e., any venture generally in the nature of a pub, bar,
6 café or tavern) or (ii) the “Restaurant” as defined in the development
7 and operation agreement entered into December 5, 2011 between
8 TPOV Enterprises, LLC (an affiliate of LLTQ), on the one hand, and
9 Paris Las Vegas Operating Company, LLC, on the other hand (i.e., any
10 venture generally in the nature of a steak restaurant, fine dining
11 steakhouse or chop house) [each a “**Restricted Restaurant Venture**,”
12 and, collectively, the “**Restricted Restaurant Ventures**”], Caesars
13 and LLTQ shall, or shall cause an Affiliate to, execute a development
14 and operation agreement on the same terms and conditions as this
15 Agreement, subject only to revisions proposed by Caesars or its
16 Affiliate as are necessary to reflect the difference in location between
17 the Restaurant and such other venture (including, for the avoidance of
18 doubt, the Baseline Amount, permitted Operating Expenses and
19 necessary Project Costs).

20 17. Section 13.22 of the LLTQ Agreement survives both expiration and termination of the
21 LLTQ Agreement.

22 18. Section 10.2 of the LLTQ Agreements provides Caesars the right to terminate for
23 unsuitability. Section 4.2.5 indicates Caesars can terminate the contract based on suitability per section
24 10.2. Section 4.3.2. states that after termination Caesars maintains its rights in the Restaurant Premises,
25 the furniture and equipment and its marks, and that Caesars can only operate “a restaurant in the
26 Restaurant Premises.”

27 19. Section 4.3.1 of the LLTQ Agreement expressly provides:

28 The provisions of this Section 4.3 and Section 2.3(b), the last sentence of
Section 11.2.2 and Articles 12 and 13 (other than Section 13.16) shall survive
any termination or expiration of this Agreement.

20. Since its opening, the Gordon Ramsay Pub has been one of the most profitable restaurants
for Caesars at its Las Vegas location.

The First Restricted Restaurant Venture

21. Due in part to the restrictions contained in Section 13.22 of the LLTQ Agreement and a
developing falling out between Rowen Seibel, the former principal of LLTQ, and Ramsay, in December

1 2013, Caesars made clear to representatives of both LLTQ and Ramsay that both LLTQ and Ramsay
2 were required for Caesars (or its affiliate) to proceed with a restaurant similar to the Gordon Ramsay
3 Pub to be located at a property owned and operated by CAC, in Atlantic City, New Jersey.

4 22. In an email to representatives for both LLTQ and Ramsay, Jeffrey Frederick (Caesars'
5 then Regional Vice President Food & Beverage and one of its representatives heavily involved in the
6 negotiations of the LLTQ Agreement and the Ramsay LV Agreement), stated that "we [Caesars] are not
7 able to proceed" with a Ramsay Pub without both Mr. Seibel and Gordon Ramsay "agreeing to do so."

8 23. Mr. Frederick's email goes on to state: "I want to be clear. I've confirmed with Tom
9 [Jenkin – Global President of Caesars Entertainment Operating Company, Inc.] and our [Caesars'] legal
10 counsel we are not able to proceed with GR Steak or GR P&G [Gordon Ramsay Pub and Grill] without
11 both you and Rowen agreeing to do so, nor a concept similar in the Steakhouse, Chophouse, Bar & Grill,
12 Pub or Tavern Categories."

13 24. Representatives of Caesars, FERG, and Ramsay engaged in multiple meetings to
14 negotiate the terms of the design, development, construction, and operation of and the sharing of profits
15 of a restaurant similar to the Gordon Ramsay Pub to be located at a property owned and operated by
16 CAC, in Atlantic City, New Jersey.

17 25. FERG and CAC entered into that certain Consulting Agreement concerning the Atlantic
18 City venture with an effective date of May 16, 2014 (the "**FERG Agreement**").

19 26. Contemporaneously with entering into the FERG Agreement, CAC entered into that
20 certain Development, Operation and License Agreement concerning the Atlantic City venture (the
21 "**Ramsay AC Agreement**") with Ramsay.

22 27. The FERG Agreement and the Ramsay AC Agreement were negotiated
23 contemporaneously with one another between the parties.

24 28. The FERG Agreement and the Ramsay AC Agreement are integrated and, together,
25 establish a single transaction and agreement among FERG, CAC and Gordon Ramsay to design,
26 develop, construct, and operate the "**Gordon Ramsay Pub and Grill**" (defined as the "Restaurant" in
27 the FERG Agreement) located at the "Restaurant Premises" (as defined in the FERG Agreement) in
28 CAC's location in Atlantic City.

1 29. Both the FERG Agreement and the Ramsay AC Agreement were (a) executed and
2 effective as of the same day, (b) concern the same subject matter, and (c) the FERG Agreement
3 references the Ramsay AC Agreement in numerous provisions. CAC is a party to both contracts, which
4 contain the same choice of law, dispute resolution, and other provisions.

5 30. Section 4.1 of the FERG Agreement states: “In the event a new agreement is executed
6 between CAC and/or its Affiliate and Gordon Ramsay and/or his Affiliate relative to the [Gordon
7 Ramsay Pub and Grill] or the [Gordon Ramsay Pub and Grill] Premises, this Agreement shall be in
8 effect an binding on the parties during the term thereof.”

9 31. Section 4.2(a) and (b) of the FERG Agreement provide certain termination rights of the
10 FERG Agreement only “if CAC simultaneously terminates the [Ramsay AC Agreement] and no
11 different or amended agreement is entered into with Gordon Ramsay and/or his Affiliate(s) relative to
12 the” Gordon Ramsay Pub and Grill or its premises.

13 32. Section 4.2(c) of the FERG Agreement provides that the FERG Agreement may be
14 terminated upon no less than ninety (90) days written notice “if the [Ramsay AC Agreement] is
15 terminated and no different or amended agreement is entered into with Gordon Ramsay and/or his
16 Affiliate(s) relative to the” Gordon Ramsay Pub and Grill or its premises.

17 33. Section 11.2 of the FERG Agreements provides CAC the right to terminate for
18 unsuitability. Section 4.2(e) indicates CAC can terminate the contract based on suitability per section
19 11.2. Section 4.3(b) states that after termination CAC maintains its rights in the Restaurant Premises,
20 the furniture and equipment and its marks, and that CAC can only operate “a restaurant in the Restaurant
21 Premises.”

22 34. Since its opening, the Gordon Ramsay Pub and Grill has been one of the most profitable
23 restaurants for CAC at its Atlantic City location.

24 **The Bankruptcy Matters**

25 35. On January 15, 2015 (the “**Petition Date**”), Caesars, CAC and several of their affiliated
26 entities (collectively, the “**Debtors**”) each filed voluntary petitions under Chapter 11 of the Bankruptcy
27 Code, thereby commencing the Chapter 11 Cases.

1 36. On June 8, 2015, the Debtors filed that certain *Fourth Omnibus Motion for the Entry of*
2 *an Order Authorizing the Debtors to Reject Certain Executory Contracts Nunc Pro Tunc to June 11,*
3 *2015* [Docket No. 1755] (the “**Rejection Motion**”). In the Rejection Motion the Debtors seek to reject
4 the LLTQ Agreement and the FERG Agreement pursuant to section 365 of the Bankruptcy Code.

5 37. LLTQ and FERG objected to the relief sought in the Rejection Motion asserting, among
6 other things, that Section 13.22 of the LLTQ Agreement is an enforceable restrictive covenant.

7 38. The Rejection Motion is contested and remains pending.

8 39. On November 4, 2015, LLTQ and FERG filed that certain *Request for Payment of*
9 *Administrative Expense* [Docket No. 2531] (the “**Admin Request**”) seeking payments to which LLTQ
10 and FERG claim they are owed under the LLTQ Agreement and FERG Agreement (collectively, the
11 “**Pub Agreements**”) as a result of the Debtors’ continued operations of the Gordon Ramsay Pub in Las
12 Vegas and the Gordon Ramsay Pub and Grill in Atlantic City (collectively, the “**Ramsay Pubs**”).

13 40. The Debtors objected to the relief sought in the Admin Request asserting, among other
14 things, that the Pub Agreements may not be valid, enforceable agreements and, instead, may be void,
15 voidable or void *ab initio*.

16 41. The Admin Request is contested and remains pending.

17 42. On January 14, 2016, the Debtors filed that certain *Motion for the Entry of an Order*
18 *Authorizing the Debtors to (A) Reject Certain Existing Restaurant Agreements and (B) Enter Into New*
19 *Restaurant Agreements* [Docket No. 3000] (the “**Ramsay Rejection Motion**”). In the Ramsay Rejection
20 Motion the Debtors seek to reject the Ramsay LV Agreement and the Ramsay AC Agreement (the
21 “**Original Ramsay Agreements**”) and simultaneously enter into new agreements with Ramsay to
22 continue operating the Ramsay Pubs (the “**New Ramsay Agreements**”). The Debtors only seek
23 rejection of Original Ramsay Agreements if the Illinois Bankruptcy Court approves the Debtors’ entry
24 into the New Ramsay Agreements.

25 43. LLTQ and FERG objected to the relief sought in the Ramsay Rejection Motion asserting,
26 among other things, that Section 13.22 of the LLTQ Agreement and Sections 4.1 and 4.2 of the FERG
27 Agreement are enforceable restrictive covenants.

28 44. The Ramsay Rejection Motion is contested and remains pending.

1 45. On October 5, 2016, the Debtors filed their Sixteenth Amended Plan of Reorganization.
2 46. On January 17, 2017, the Bankruptcy Court entered an order confirming the Plan.
3 47. On October 6, 2017 (the “**Plan Effective Date**”), the Effective Date of the Plan occurred,
4 and the Plan was consummated.

5 **Purported Termination of the LLTQ Agreement and FERG Agreement**

6 48. On February 29, 2016, the United States government filed a Notice of Intent to File an
7 Information against Rowen Seibel. A Notice of Intent to File an Information is not a charging instrument.

8 49. On April 8, 2016, the Debtors were notified via letters (the “**Assignment Letters**”) that,
9 among other things, effective as of April 13, 2016: (i) the membership interests in LLTQ and FERG,
10 previously owned, directly or indirectly, by Mr. Seibel were being transferred to The Seibel Family 2016
11 Trust (the “**Trust**”); and (ii) the LLTQ Agreement and the FERG Agreement were being assigned to
12 new entities (LLTQ 16 and FERG 16) in which Mr. Seibel was not a manager and did not hold any
13 membership interests, directly or indirectly.

14 50. Effective as of April 13, 2016, Mr. Seibel divested himself of any direct or indirect
15 membership interests in LLTQ and in FERG.

16 51. Effective as of April 13, 2016, LLTQ assigned the LLTQ Agreement to LLTQ 16, an
17 entity in which Mr. Seibel never directly or indirectly held any ownership or management interest.

18 52. Effective as of April 13, 2016, FERG assigned the FERG Agreement to FERG 16, an
19 entity in which Mr. Seibel never directly or indirectly held any ownership or management interest.

20 53. Five days after Mr. Seibel divested himself of any interests relating to the Ramsay Pubs,
21 on April 18, 2016, the United States Attorney’s Office filed an information as to Mr. Seibel in case no.
22 16-CR-00279, in the U.S. District Court South District of New York (the “**Seibel Case**”).

23 54. Also on April 18, 2016, Mr. Seibel entered a guilty plea for violation of Title 26, United
24 States Code, Section 7212(a) (the “**Seibel Plea**”).

25 55. On May 16, 2016, an order was entered in the Seibel Case accepting the Seibel Plea.

26 56. On August 19, 2016, Mr. Seibel was sentenced and a judgment was entered against him
27 in the Seibel Case.
28

1 57. On September 2, 2016, Caesars and CAC issued notices of termination of the LLTQ
2 Agreement and the FERG Agreement “effective immediately” (the “**Termination**”). The asserted basis
3 for the Termination provided was allegations that Mr. Seibel fraudulently induced the Debtors into
4 entering into and breached the Pub Agreements by failing to disclose certain material facts alleged in
5 the Information or otherwise relating to the Seibel Case.

6 58. The Debtors were informed that Mr. Seibel had no relationship with the Trust, but if the
7 assignees could be found to jeopardize the Debtors’ gaming licenses, LLTQ, FERG (or their successors
8 and assigns) would work with the Debtors to agree upon different assignees that would not jeopardize
9 any gaming licenses.

10 59. The Debtors were informed that the Trust expressly provides protections to avoid any
11 possible issues concerning “unsuitable” persons.

12 60. Notwithstanding the purported Termination, both Ramsay Pubs remain open and, upon
13 information and belief, profitable.

14 **New Restricted Restaurant Ventures**

15 61. In October 2014, Flamingo Las Vegas Operating Company, LLC (“**Flamingo**”) entered
16 into an agreement (the “**Fish & Chips Agreement**”) with Gordon Ramsay Holdings Limited and
17 Gordon Ramsay for the development and operation of a restaurant (“**Fish & Chips**”) to be located in
18 Las Vegas at certain premises located at the retail center known as The Linq (the “**Linq**”). Flamingo is
19 an affiliate of Caesars.

20 62. At no time prior to entering into the Fish & Chips Agreement did Caesars or any of its
21 affiliates inform LLTQ or any of its affiliates of the Debtors’ pursuit of Fish & Chips.

22 63. On or about October 7, 2016, Fish & Chips opened at the Linq. At no time, whether prior
23 to opening Fish & Chips or anytime thereafter, did Caesars or any of its affiliates seek to enter into an
24 agreement with LLTQ, LLTQ 16 or any of their respective affiliates in connection with Fish & Chips.

25 64. Caesars has not caused Flamingo to enter into any agreement with LLTQ, LLTQ 16 or
26 an affiliate of LLTQ or LLTQ 16 in connection with Fish & Chips.

27 65. Fish & Chips is a Restricted Restaurant Venture.

28 66. Horseshoe Baltimore Casino is an affiliate of Caesars.

1 67. Horseshoe Baltimore Casino, Gordon Ramsay Holdings Limited and Gordon Ramsay
2 entered into a license agreement for a Gordon Ramsay Steak restaurant to be located in Baltimore,
3 Maryland (“**GR Steak Baltimore**”).

4 68. GR Steak Baltimore is a venture similar to the Gordon Ramsay Steak restaurant at the
5 Paris hotel in Las Vegas and which is the subject of the development and operation agreement entered
6 into December 5, 2011 between TPOV Enterprises, LLC (an affiliate of LLTQ), on the one hand, and
7 Paris Las Vegas Operating Company, LLC, on the other hand.

8 69. Caesars has not caused Horseshoe Baltimore Casino to enter into any agreement with
9 LLTQ, LLTQ 16 or an affiliate of LLTQ or LLTQ 16 in connection with GR Steak Baltimore.

10 70. GR Steak Baltimore is a Restricted Restaurant Venture.

11 71. Upon and information and belief, Ramsay intends to open additional restaurants in the
12 United States and one or more of such restaurant ventures is: (a) between Ramsay and Caesars or one of
13 its affiliates; and (b) qualifies as a Restricted Restaurant Venture.

14 72. On September 26, 2017, LLTQ, among others, sent a letter to Caesars requesting Caesars
15 comply with Section 13.22 of the LLTQ Agreement and provide a proposed development and operation
16 agreement in connection with GR Steak Baltimore along with any proposed changes from the LLTQ
17 Agreement.

18 73. In November 2017, GR Steak Baltimore opened. At no time, whether prior to opening
19 GR Steak Baltimore or anytime thereafter, did Caesars or any of its affiliates seek to enter into an
20 agreement with LLTQ, LLTQ 16 or any of their respective affiliates in connection with GR Steak
21 Baltimore.

22 **COUNT I – Breach of the LLTQ Agreement**
23 (against Caesars)

24 74. All preceding paragraphs are incorporated herein.

25 75. The object of the LLTQ Agreement is the development, construction, and operation of
26 the Gordon Ramsay Pub.

27 76. The Gordon Ramsay Pub was developed and constructed, and Caesars has continued to
28 operate the Gordon Ramsay Pub since it opened in December 2012.

 77. The Gordon Ramsay Pub continues to generate revenues and is profitable.

1 78. Caesars continues to operate the Gordon Ramsay Pub in the same manner and fashion as
2 Caesars operated the Gordon Ramsay Pub since its opening.

3 79. Caesars intends to continue operating the Gordon Ramsay Pub.

4 80. Caesars has not been fined or sanctioned in any manner by any gaming authorities in
5 connection with its continued operations of the Gordon Ramsay Pub.

6 81. Caesars has not compensated LLTQ, LLTQ 16 or any of their respective affiliates as
7 required pursuant to the LLTQ Agreement despite Caesars' continued operation of the Gordon Ramsay
8 Pub, Fish & Chips, and GR Steak Baltimore.

9 **COUNT II – Breach of the FERG Agreement**
10 (against CAC)

11 82. All preceding paragraphs are incorporated herein.

12 83. The object of the FERG Agreement is the development and operation of the Gordon
13 Ramsay Pub and Grill.

14 84. The Gordon Ramsay Pub and Grill was developed and CAC has continued to operate
15 Gordon Ramsay Pub and Grill since it opened in 2015.

16 85. The Gordon Ramsay Pub and Grill continues to generate revenues and is profitable.

17 86. CAC continues to operate the Gordon Ramsay Pub and Grill in the same manner and
18 fashion as CAC operated the Gordon Ramsay Pub and Grill since its opening.

19 87. CAC intends to continue operating the Gordon Ramsay Pub and Grill.

20 88. CAC has not been fined or sanctioned in any manner by any gaming authorities in
21 connection with its continued operations of the Gordon Ramsay Pub and Grill.

22 89. CAC has not compensated FERG, FERG 16 or any of their respective affiliates as
23 required pursuant to the FERG Agreement despite Caesars' continued operation of the Gordon Ramsay
24 Pub and Grill.

25 **COUNT III – Accounting**
26 (against Caesars)

27 90. All preceding paragraphs are incorporated herein.

28 91. The LLTQ Agreement permits LLTQ and LLTQ 16 to request and conduct an audit
concerning the monies owed under the LLTQ Agreement.

92. The laws of equity also allow for LLTQ and LLTQ 16 to request an accounting of Caesars. Without an accounting, LLTQ and LLTQ 16 may not have adequate remedies at law because the exact amount of monies owed to it could be unknown.

93. The accounts between the parties are of such a complicated nature than an accounting is necessary and warranted.

94. LLTQ and LLTQ 16 has entrusted and relied upon Caesars to maintain accurate and complete records to compute the amount of monies due under the LLTQ Agreement.

95. LLTQ and LLTQ 16 request an accounting of the monies owed to it under the LLTQ Agreement, as well as all further relief found just, fair and equitable.

COUNT IV – Accounting
(against CAC)

96. All preceding paragraphs are incorporated herein.

97. The FERG Agreement permits FERG and FERG 16 to request and conduct an audit concerning the monies owed under the FERG Agreement.

98. The laws of equity also allow for FERG and FERG 16 to request an accounting of CAC. Without an accounting, FERG and FERG 16 may not have adequate remedies at law because the exact amount of monies owed to it could be unknown.

99. The accounts between the parties are of such a complicated nature than an accounting is necessary and warranted.

100. FERG and FERG 16 has entrusted and relied upon CAC to maintain accurate and complete records to compute the amount of monies due under the FERG Agreement.

101. FERG and FERG 16 request an accounting of the monies owed to it under the FERG Agreement, as well as all further relief found just, fair and equitable

PRAYER FOR RELIEF

WHEREFORE, LLTQ ENTERPRISES, LLC, LLTQ Enterprises 16, LLC, FERG, LLC and FERG 16, LLC respectfully request the entry of judgment in their favor and against Caesars and CAC as follows:

A. Monetary damages in excess of \$15,000, including:

1 and Counterclaims, and to bring additional counterclaims in connection with the complaint pending a
2 final determination of the Pending Appeals.

3 DATED July 2, 2018.

4 MCNUTT LAW FIRM, P.C.

5
6 /s/ Dan McNutt

DANIEL R. MCNUTT (SBN 7815)

MATTHEW C. WOLF (SBN 10801)

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IN THE SUPREME COURT OF THE STATE OF NEVADA

ROWEN SEIBEL; LLTQ
ENTERPRISES, LLC; LLTQ
ENTERPRISES 16, LLC; FERG, LLC;
FERG 16, LLC; MOTI PARTNERS,
LLC; MOTI PARTNERS 16, LLC;
TPOV ENTERPRISES, LLC; TPOV 16
ENTERPRISES, LLC; DNT
ACQUISITION, LLC, appearing
derivatively by one of its two members,
R Squared Global Solutions, LLC

Petitioners,

vs.

CLARK COUNTY DISTRICT
COURT, THE HONORABLE JOSEPH
HARDY, DEPARTMENT 15,

Respondent,

DESERT PALACE, INC.; PARIS LAS
VEGAS OPERATING COMPANY,
LLC; PHWL, LLC; and
BOARDWALK REGENCY
CORPORATION d/b/a CAESARS
ATLANTIC CITY,

Real Parties in Interest.

Case Number: 76118

Electronically Filed
Eighth Judicial District Court
Case No. A-17-76053-3
Sept. 21, 2018 10:45 a.m.
Dept. 15, Honorable Joseph Hardy
Elizabeth A. Brown
Clerk of Supreme Court

**REPLY IN SUPPORT OF MOTION
FOR STAY OF ALL DISTRICT
COURT PROCEEDINGS**

This Court should stay all district court proceedings for the following reasons:

A. *This Court Should Apply Mikohn Gaming.*

Real Parties claim *Mikohn Gaming* is limited to motions to compel arbitration. (Opp'n 6-7, n.4.) That assertion is incorrect, as evident from this Court's reliance on *Mikohn Gaming* in *State v. Robles-Nieves*, 129 Nev. 537, 306 P.3d 399 (2013). In that criminal case, the district court suppressed a confession, and the State filed an interlocutory appeal. *Id.* at 539-40, 401-402. The State filed an unsuccessful stay

motion with the district court and then renewed it with this Court. *Id.* After concluding NEV. R. APP. P. 8(c) applies to an interlocutory criminal appeal, this Court entered a stay. *Id.* Citing *Mikohn Gaming*, it said “the first and third factors take on added significance in our stay analysis.” *Id.* at 542, 403.

This Court should apply *Mikohn Gaming* because it is not limited to motions to compel arbitration and is highly analogous. (Mot. 5-6.) As in *Mikohn Gaming*, a stay is warranted here because (i) the primary objective of the Petition would be defeated without one; (ii) Real Parties would not be harmed; (iii) the Petition is not frivolous; and (iv) Petitioners are not seeking a stay for dilatory purposes.

B. The Primary Objective of the Petition Would Be Defeated Without a Stay.

The primary objective of the Petition is to have the claims at issue heard by other courts. (Mot. 2-3, 5-7.) That objective would be defeated if the district court were to hear the claims. In response, Real Parties claim Petitioners’ primary objective is to delay litigating the claims. (Opp’n 1.) That accusation is contradicted by the fact that for several years, Petitioners have been litigating the claims diligently before the federal courts. It also is contradicted by Real Parties’ admission that Petitioners have “submitted answers and counterclaims in the Nevada State Court Action” (Opp’n 2) and soon will be participating in a Rule 16 conference (Opp’n 6). The record clearly shows that as they wait for this Court to rule on their Petition and Motion for Stay, Petitioners have participated in the Nevada State Court Action in

good faith and are not seeking to cause any undue delay.

C. *The “Irreparable / Serious Harm” Analysis Favors Petitioners.*

The second and third factors under NEV. R. APP. P. 8(c) favor a stay because a stay would not harm Real Parties, whereas without one, Petitioners could lose the benefit of the federal courts’ analyses to date. (Mot. 7.) In response, Real Parties claim a stay would harm them because it would prevent the parties from moving forward with the Nevada State Court Action. (Mot. 7-8.) If a delay in the case were sufficient to satisfy the third factor in NEV. R. CIV. P. 8(c), then a stay motion would never be granted because every stay delays the case. Real Parties’ argument also is frivolous because even if this Court were to enter a stay, Real Parties could still litigate (or rather continue to litigate) their claims and theories at issue before the federal courts, neither of which has entered a stay. Real Parties therefore would not suffer any irreparable or serious harm from a stay.

D. *The Petition is Not Frivolous and, in Fact, Will Be Successful.*

Real Parties claim the district court correctly refused to enforce the forum selection clause based on public-interest factors. (Opp’n 8-9.) Public-interest factors “will rarely defeat a transfer motion,” and “forum-selection clauses should control except in unusual cases.” *Atl. Marine Constr. Co., Inc. v. U.S. Dis. Ct. for W. Dist. of Tex.*, 571 U.S. 49, 64 (2013). This is not the “rare” and “unusual” case in which public-interest factors warrant litigating in a nonchosen forum. (Pet. Reply 11-13

(explaining why the public-interest factors from *Provincial Gov't of Marinduque v. Placer Dome, Inc.*, 131 Nev. Adv. Op. 35, 350 P.3d 392 (2015) do not favor litigating the claims against FERG in Nevada).)

As for the first-to-file rule, Real Parties claim the district court did not abuse its discretion when it refused to dismiss under the rule. (Opp'n 9.) To the contrary, the three-part test for rule has been satisfied, and there are no applicable exceptions. (Pet. Reply 18-24.) The cases cited by Real Parties mostly concern abstention, not the first-to-file rule, and involve situations where the second action was filed days after the first action. (*Id.* 19-22.) Here, the second action was filed several years after the first action and after the federal courts made numerous rulings.

As for forum shopping, Real Parties claim “[i]t is simply not forum shopping to try to create a comprehensive forum” (Opp'n 10.) Real Parties' assertion that they filed the Nevada State Court Action to create a comprehensive forum is belied by their extreme delay in filing the action. (Pet. Reply 25-27.) For more than two years, Real Parties neither cared that the parties were litigating before multiple courts nor had any concerns about the federal courts deciding issues related to Nevada law. (*Id.*) Real Parties suddenly desired to create a comprehensive forum outside the federal judiciary right after the federal courts independently demonstrated a lack of receptiveness to their legal theories. (*Id.*) The district court clearly abused its discretion by failing to dismiss the Nevada State Court Action due to forum

shopping.

E. *Real Parties' Remaining Arguments Lack Merit.*

Real Parties ask this Court to disregard the forum selection clause because Petitioners allegedly “do not intend to enforce” it. (Opp’n 2.) Real Parties overlook the simple fact that if this Court were to direct the district court to dismiss the claims against FERG, then they, not Petitioners, would control where the claims against FERG are to be refiled. (Pet. Reply 17-18.) Real Parties also claim Petitioners have unduly delayed seeking a stay and “instead filed answers and counterclaims” rather than moving for a stay. (Opp’n 6.) That argument is inaccurate. (*See* Ex. A to Mot., Mot. for Stay, June 18, 2018; *compare to* Ex. E, FERG and LLTQ Ans. and Countercl., July 2, 2018.) Finally, Real Parties claim that “[a]s to FERG, Petitioners’ entire argument is premised on the notion the forum selection clause divested the Nevada District Court of subject matter jurisdiction.” (Opp’n 8.)¹ FERG’s “entire argument” is premised on the fact that under *Atlantic Marine*, the district court was obligated to enforce the valid, mandatory forum selection clause in the FERG Agreement. (Pet. 25-26; *see also* Pet. Reply 8-16.)

WHEREFORE, this Court should stay all district court proceedings.

¹ Real Parties ignore the plain and clear language of the forum selection clause, in which the parties agreed “to submit to the *exclusive jurisdiction* of any state or federal court within the Atlantic County, New Jersey” (FERG Agreement, § 14.10(c), Petitioners’ Appendix 1990 (emphasis added).)

DATED September 21, 2018.

MCNUTT LAW FIRM, P.C.

/s/ Dan McNutt

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CERTIFICATE OF SERVICE

Pursuant to NEV. R. APP. P. 25, I certify that I am an employee of MCNUTT LAW FIRM. On September 21, 2018, I electronically filed and served a copy of the **REPLY IN SUPPORT OF MOTION FOR STAY OF ALL DISTRICT COURT PROCEEDINGS** on the date to the addressee(s) shown below:

VIA HAND DELIVERY

Honorable Joseph Hardy
District Court Judge, Dept. 15
Regional Justice Center
200 Lewis Ave., Las Vegas, NV 89155
Respondent

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