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Richard Newman; Newman Law, LLC;
and Cooper Blackstone, LLC*

IN THE SUPREME COURT OF THE STATE OF NEVADA

RICHARD H NEWMAN, AN
INDIVIDUAL; NEWMAN LAW, LLC,
A NEVADA LIMITED LIABILITY
COMPANY; AND COOPER
BLACKSTONE, LLC, A NEVADA
LIMITED LIABILITY COMPANY

Appellant,

vs.

FULL COLOR GAMES, INC., A
NEVADA CORPORATION

Appellee.

SUPREME COURT NO.: 79395

APPELLANTS APPENDICES (VOLUMES AA1 & AA2)

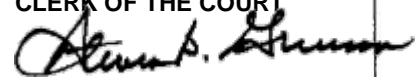
MASTER CHRONOLOGICAL INDEX

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3	Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. 41.650, <i>et seq.</i>	March 14, 2019	AA2	250
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5	Third-Party Defendants' Reply in Support of Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. 41.650, <i>et seq.</i>	April 20, 2019	AA2	429
1	Verified Shareholder Derivative Complaint and Complaint	August 11, 2017	AA1	1

APPENDIX VOLUME 1 (AA1)



COMPB

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*Attorneys for Plaintiffs Mark Munger,
David's Hard Work Trust Ltd 3/26/2012
and Moore Family Trust*

DISTRICT COURT

CLARK COUNTY, NEVADA

In re: FULL COLOR GAMES, INC.

MARK MUNGER, an individual; DAVID'S
HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; individually and as shareholders
of FULL COLOR GAMES, INC.; DOES 1
through 10; and ROE CORPORATIONS 1
through 10, inclusive,

Plaintiffs,

vs.

DAVID MAHON, an individual; GLEN
HOWARD, an individual; INTELLECTUAL
PROPERTY HOLDINGS, LLC, a Nevada limited
liability company; INTELLECTUAL
PROPERTY HOLDINGS, LTD, an Isle of Man
corporation; FULL COLOR GAMES, LLC; a
Nevada limited liability company; FULL COLOR
GAMES LTD., an Isle of Man corporation; FULL
COLOR GAMES N.A., INC. a Nevada
corporation; FULL COLOR GAMES GROUP,
INC., a Nevada corporation; JACKPOT
PRODUCTIONS, LLC, a Nevada limited liability
company; DOES I through X; and ROE
CORPORATIONS I through X, inclusive,

Defendants.

Case No.: A-17-759862-B

Dept. No.: Department 13

**VERIFIED SHAREHOLDER
DERIVATIVE COMPLAINT**

AND

COMPLAINT

DEMAND FOR JURY TRIAL

BUSINESS COURT REQUESTED

Arbitration Exemption:

1. **Damages in Excess of \$50,000**
2. **Action for Declaratory Relief**

1 Plaintiffs MARK MUNGER, MOORE FAMILY TRUST, DAVID'S HARD WORK TRUST
2 LTD. 3/26/2012, individually and as shareholders of FULL COLOR GAMES, INC. (collectively
3 "Plaintiffs"), by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES,
4 hereby demand a trial by jury and complain and allege against defendants as follows:

5 **GENERAL ALLEGATIONS**

6 1. Plaintiff MARK MUNGER, is, and at all times pertinent hereto was, a resident of San
7 Diego County, California.

8 2. Plaintiff DAVID'S HARD WORK TRUST LTD. 3/26/2012 is a California Trust
9 established under the laws of California.

10 3. Plaintiff MOORE FAMILY TRUST is a California Trust established under the laws
11 of California.

12 4. Plaintiffs MARK MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012 and
13 MOORE FAMILY TRUST are shareholders of FULL COLOR GAMES, INC.

14 5. Plaintiff FULL COLOR GAMES INC. is, and at all times pertinent hereto was, a
15 corporation licensed to do business in Clark County, Nevada.

16 6. The true names and capacities, whether individual, corporate, associate, partnership or
17 otherwise, of the plaintiffs herein designated as DOES 1 through 10 and ROE Corporations 1 through
18 10, inclusive, are unknown to plaintiffs, who therefore sue under such fictitious names. Plaintiffs will
19 seek leave of the Court to insert the true names and capacities of such plaintiffs when the same have
20 been ascertained and will further seek leave to join said plaintiffs in these proceedings.

21 7. Upon information and belief, defendant DAVID MAHON ("Mahon") is, and at all
22 times pertinent hereto was, a resident of Clark County, Nevada.

23 8. Upon information and belief, defendant GLEN HOWARD is, and at all times pertinent
24 hereto was, a resident of California.

25 9. Upon information and belief, defendant INTELLECTUAL PROPERTY HOLDINGS,
26 LLC, is, and at all times pertinent hereto was, a limited liability company doing business in Clark
27 County, Nevada.

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1 10. Upon information and belief, defendant INTELLECTUAL PROPERTY HOLDINGS,
2 LTD., is, and at all times pertinent hereto was, a corporation doing business in Isle of Man.

3 11. Upon information and belief, defendant FULL COLOR GAMES, LLC, is, and at all
4 times pertinent hereto was, a limited liability company licensed to do business in Clark County,
5 Nevada.

6 12. Upon information and belief, defendants FULL COLOR GAMES, LTD., is, and at all
7 times pertinent hereto was, a corporation doing business in Isle of Man.

8 13. Upon information and belief, defendant FULL COLOR GAMES GROUP, INC., is,
9 and at all times pertinent hereto was, a corporation licensed to do business in Clark County, Nevada.

10 14. Upon information and belief, defendants FULL COLOR GAMES N.A., INC., is and
11 at all times pertinent hereto was, a corporation licensed to do business in Clark County, Nevada.

12 15. Upon information and belief, defendant JACKPOT PRODUCTIONS, LLC, is, and at
13 all times pertinent hereto was, a limited liability company licensed to do business in Clark County,
14 Nevada.

15 16. The true names and capacities, whether individual, corporate, associate, partnership or
16 otherwise, of the defendants herein designated as DOES I through X and ROE CORPORATIONS I
17 through X, inclusive, are unknown to plaintiffs, who therefore sue said defendants by such fictitious
18 names. Plaintiffs will seek leave of the Court to insert the true names and capacities of such defendants
19 when the same have been ascertained and will further seek leave to join said defendants in these
20 proceedings.

21 **MAHON DEVELOPS THE "FULL COLOR SYSTEM"**

22 17. On or about March 21, 2005, nonparty corporation Jackpot Productions, Inc. ("Jackpot
23 Inc."), was created/organized by Mahon.

24 18. Upon information and belief, over a period of the next four years, as part of Jackpot
25 Inc., Mahon developed and filed United States patent applications disclosing the games "solitaire
26 bingo" and "bingo poker."

27 19. During this time, Mahon also further developed the underlying concepts relating to a
28 bingo and poker game that utilized customized playing cards. These concepts were later modified

1 and continually developed to create new decks of playing cards using colors and numbers on the cards
2 instead of ranks and suits (the "Full Color System") throughout the years of Mahon's formation and
3 direction of the entities named herein as defendants.

4 20. The Full Color System has therefore become a highly valuable aspect of the intellectual
5 property as it is an essential part of the games that have been subsequently developed and has great
6 potential to be used to develop more games and innovate the way traditional card games are played.

7 **MAHON ORGANIZES FULL COLOR GAMES LLC, PROMISING INVESTORS THAT THE FULL COLOR**
8 **SYSTEM WILL BE USED TO DEVELOP MARKETABLE PRODUCTS WHILE ENSURING THAT HE**
9 **PERSONALLY HOLDS THE RIGHTS TO THE FULL COLOR SYSTEM**

10 21. On or about September 22, 2010, Mahon created/organized defendant Full Color
11 Games, LLC ("Full LLC"), a Nevada limited liability company.

12 22. In order to create/organize Full LLC, Mahon solicited funds from multiple investors
13 who were under the understanding that Full LLC would use the Intellectual Property to develop and
14 commercialize products based on the Full Color System.

15 23. Concurrently, on or about September 22, 2010, Mahon also created defendant
16 Intellectual Properties Holding, LLC ("Intellectual LLC") and Jackpot Productions LLC ("Jackpot
17 LLC"), both of which are Nevada limited liability companies.

18 24. Upon information and belief, Mahon used funds from Full LLC to finance the
19 organization of Intellectual LLC and Jackpot LLC, though Mahon is the sole owner of Intellectual
20 LLC and Jackpot LLC.

21 25. Upon information and belief, Mahon created defendants Intellectual LLC and Jackpot
22 LLC to hold and license the rights to the Full Color System and associated games that Mahon
23 developed.

24 26. Currently, Intellectual LLC claims to hold the rights to all of the Intellectual Property,
25 including the Full Color System.

26 27. Intellectual LLC was named as a licensor in the licensing agreement between Full LLC
27 and Jackpot Productions LLC ("Jackpot LLC") that allowed Full LLC to use the games that had been
28 developed at that point from the Full Color system.

1 28. Upon information and belief, during this time Mahon created and developed the
2 additional games known as “Full Color Poker” and “Full Color Slots.” Both games were developed
3 from the Full Color System but neither were owned by Full LLC.

4 29. Upon information and belief, Mahon abandoned his plans to commercialize casino
5 games and instead used Full LLC funds to create a Full Color Solitaire game and mobile app based
6 on the Full Color System.

7 **MAHON ABANDONS HIS OBLIGATIONS TO PREVIOUS INVESTORS, WHILE LYING TO THE**
8 **INVESTORS OF HIS NEW CORPORATION, FULL COLOR GAMES INC.**

9 30. On or about March of 2012, Full LLC’s investors grew weary of Mahon’s multiple
10 delays in releasing a product and Mahon’s lack of transparency of how the investment funds were
11 being spent, and refused to continue to invest in Full LLC.

12 31. On March 12, 2012, Mahon wrote to Full LLC investors informing them of pending
13 license termination.

14 32. Without the support of investors, Mahon declared Full LLC insolvent and terminated
15 the license.

16 33. Mahon then did not dissolve Full LLC until 2016 and, upon information and belief,
17 did not follow standard business notification of the other owners.

18 34. A month later, on or about April 18, 2012, Mahon created defendant Full Color Games,
19 Inc. (“Full Inc.”), of which Mahon claims he is inventor and CEO.

20 35. Mahon financed the creation of Full Inc. with funds from investors that totaled
21 approximately two million dollars (\$2,000,000.00) over approximately four (4) years of fund raising.

22 36. In order to entice the aforementioned investments, Mahon intentionally misrepresented
23 to investors that Full Inc. owned copyrights, patents, and trademarks, or the “trifecta” of intellectual
24 property as Mahon referred to it when pitching to potential investors, for the Full Color System and
25 the games that had been developed up unto that point with the Full Color System: “Bingo Poker,”
26 “Full Color Poker,” and “Solitaire.”

27 37. Mahon promised investors that Full Inc. would further develop and expand upon the
28 aforementioned intellectual property and commercialize those products.

1 38. Investors in Full Inc. were promised information, including: financial projections, 12-
2 18 months plan, written marketing and financial updates. Investors never received the promised
3 information and only received insincere expressions of compliance with the promises.

4 39. Mahon then used the initial investments to both further develop the games that were
5 existing games at the time and to create new games "Full Color Baccarat" and "21 or Nothing," which
6 were both finished in 2015. Despite having further developed existing games and creating these new
7 games as the CEO and sole director of Full Inc., Mahon deliberately withheld ownership of these new
8 developments and games from Full Inc. Yet, after the development of these products, Mahon solicited
9 further investments with the same fraudulent claim that Full Inc. owned all the intellectual property
10 rights to the Full Color System and the games that had been developed from it. In total, all investments
11 were approximately two million dollars (\$2,000,000.00).

12 40. Upon information and belief, Mahon was aware that these representations were false,
13 as he himself had directed the structuring of the company so that the intellectual property and rights
14 to the Full Color System and all games developed from it were withheld from Full Inc. and actually
15 owned by either Mahon himself or one of Mahon's solely owned companies, Jackpot LLC or
16 Intellectual LLC, and could only be used by Full Inc. with an easily revocable license that did not
17 permit further expansion of the Full Color System or commercialization of marketable products using
18 the Full Color System as Mahon claimed to investors.

19 41. Mahon fraudulently misrepresented, and/or failed to disclose, the limited scope and
20 nature of the license as well as the fact that neither the Full Color System, nor the games Mahon
21 showed to potential investors, were actually owned by Full Inc. In fact, Mahon structured the
22 agreements such that Full Inc. had no rights to the new developments or games developed while CEO
23 and sole director of Full Inc. and using Full Inc. investor monies.

24 42. Mahon intentionally presented various games to investors in such a way that would
25 lead a reasonable person to believe that Full Inc. owned the rights to those games and the Full Color
26 System used to develop them. These actions by Mahon constitute fraudulent misrepresentation, or at
27 the very least, an omission of a material fact. Had investors known that Full Inc. only held a revocable
28 license to the Full Color System and games, they would not have invested in Full Inc.

1 43. Additionally, Mahon required shareholders to sign a voting trust agreement assigning
2 their votes to him personally. The shareholders complied, assuming that Mahon would act as their
3 fiduciary in all matters.

4 44. As CEO, sole director and 100% controller of Full Inc., Mahon owed a fiduciary duty,
5 duty of care, duty of loyalty, and duty of disclosure to the shareholders.

6 45. Mahon breached his duties, abused his position, and committed gross mismanagement
7 of the company by leading Full Inc. into unconscionable licensing agreements for the Full Color
8 System and games. These agreements greatly benefited Mahon personally to the detriment of the
9 shareholders to whom Mahon owed a duty to act within their best interests.

10 **MAHON BREACHES HIS CONTRACT WITH INVESTOR MARK MUNGER**

11 46. On or about July 2, 2012, the plaintiff Mark Munger loaned Mahon and Full Inc.
12 \$10,000.00 on an agreement that it be used to develop Full Color Games product and that it be paid
13 back in the future.

14 47. Munger and Mahon had a relationship where Munger had been informally advising
15 Mahon on gaming and software development of Full Color Solitaire and Bingo Poker for about a year.

16 48. In July 2012, Mahon discussed making Munger's loan an investment and presented a
17 Net Profits Assignment Agreement ("NPA Agreement") in Full Color Games, Inc. (called "FCGI" in
18 agreement), dated July 31, 2012, to Munger, along with his business partner, non-party Jeremiah
19 Rutherford, to review. Multiple payments are made to FCGI pursuant to the schedule in the NPA
20 Agreement. Munger's participation is \$35,000.00.

21 49. The NPA Agreement states "FCGI has obtained rights to the Licensed IP from its
22 affiliated licensor in perpetuity on a worldwide royalty-free basis, subject to satisfaction of its
23 conditions. FCGI has the exclusive right to develop, own, distribute and otherwise commercially
24 exploit Full Color® Solitaire pursuant to said license rights." Based on this, Munger was aware of a
25 license agreement that is royalty free and allows Full Inc. to own and distribute product.

26 50. The NPA Agreement also lists the Licensed IP to include Trademarks, Patent, and
27 Copyrights for FULL COLOR CARDS, FULL COLOR SOLITAIRE, ANY WHITE CARD and
28 GAMING ELEMENTS AND GAME PLAY METHODS.

1 51. Mr. Munger made his last additional \$2,500.00 investment into Full Inc. on or about
2 March 13, 2013.

3 52. In 2016, Mahon converted the value of Mr. Munger's loans into an investment in the
4 company of approximately 0.225% of stock. Mahon also provided Mr. Munger with approximately
5 0.5% in stock for continuing to advise Mahon and the company.

6 53. In 2016, Munger introduced Mahon to non-party Sebastian Bastian, an entrepreneur
7 and casino owner in the Bahamas who Mr. Munger had become associated with through a contract
8 position as Lead Technical Advisor for The Gaming Board for The Bahamas.

9 54. Munger had positioned Full Inc. as a possible investment for Bastian. When Bastian
10 agreed to invest in Full Color Games Ltd. ("Full Ltd.") through his company Davinci Holdings Ltd
11 ("Davinci"), Mr. Munger had to leave his position due to the conflict of interest having Bastian as a
12 business partner.

13 55. While holding his position at the gaming board, Mr. Munger made between twenty to
14 twenty-five thousand dollars (\$20,000.00 - \$25,000.00) per month

15 56. After leaving the board, Mr. Munger made only five thousand (\$5,000.00) per month
16 from Full Inc., however was also being paid by non-party Sebastian Bastian for work that benefited
17 both Full Inc. and Mr. Bastian's companies.

18 57. Mahon orally promised Mr. Munger that he would eventually be reimbursed for this
19 income discrepancy and be given 2.5% of the shares in Full Ltd. To date, Mr. Munger has not been
20 reimbursed nor received 2.5% of the shares

21 **MAHON RELEASES AND THEN ABANDONS FULL COLOR SOLITAIRE**

22 58. On or about November 7, 2011, Full Inc. releases its first commercial product "Full
23 Color Solitaire Version 1.0" into the Apple App store.

24 59. Full Inc. later released several subsequent versions of its Full Color Solitaire game into
25 the Apple App Store over the next few years.

26 60. Upon information and belief, on or about 2013, defendant Glen Howard ("Howard")
27 becomes involved in Full Inc.

28 ///

1 61. On or about January of 2014, a programmer accidentally deleted files off of Full Color
2 Solitaire's server. This caused the game to be offline for a few days and lose a large portion of players.

3 62. Mr. Munger met with Mahon and one of his hired programmers on or about March 4,
4 2014, to discuss building Solitaire and distributing it worldwide. No references to any other games
5 were discussed at this meeting.

6 63. Upon information and belief, Howard made his first investment in Full Inc. on or about
7 February of 2014 and later becomes President of Full Inc. on or about late 2014 to early 2015.

8 64. On or about May 1, 2014, the first convertible notes were issued for Full Inc. with
9 approximately eight (8) investors totaling \$425,000.00.

10 65. On or about May 12, 2014, an email mentioning Full Color Games' "21 or Nothing"
11 game was first mentioned by Mahon to the investors.

12 66. On or about May 27, 2014, a Patent Application was submitted for, upon information
13 and belief, "21 or Nothing."

14 67. On or about June of 2014, Mahon began to divert his time and attention away from
15 Full Color Solitaire to focus on new project games "21 or Nothing" and "Full Color Baccarat." Full
16 Inc. fully financed the development of these projects.

17 68. On or about August 11, 2014, the first draft of a table layout for "21 or Nothing" is
18 shown to the Board of Advisors of Full Inc.

19 69. On or about August 19, 2014, Mahon sent an email to investors regarding "21 or
20 Nothing" stating that Mahon was working tirelessly to perfect it as CEO and Inventor at Full Inc. No
21 other company is mentioned in the email.

22 **MAHON MISLEADS INVESTORS BY CLAIMING THAT FULL INC. OWNS THE INTELLECTUAL**
23 **PROPERTY RIGHTS TO THE FULL COLOR SYSTEM**

24 70. On or about September 23, 2014, Howard forwarded a questionnaire titled "FCG Seed
25 Note – Investor Information" to the trustees of plaintiff Moore Family Trust ("Moore"). The form
26 requested contact information and noted a May 7, 2014, closing date for the Convertible Note
27 Financing.

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1 71. On or about September 29, 2014, Moore sent the completed Investor Information form
2 to Howard, and indicated an interest to invest \$50,000.00 into Full Inc. At that time the investment
3 was to be made in the name of BL Moore Construction, Inc.

4 72. On or about September 29, 2014, Full Color Games holds an investor's dinner where
5 21 or Nothing and Baccarat are played with Full Color logos on the tables. No other parties or entities
6 are mentioned to potential investors.

7 73. On or about September 30, 2014, Mahon again represented to perspective shareholders
8 that Full Inc. had the "trifecta" (as Mahon stated it) of patents, trademarks and copyrights to its
9 products. However, Mahon knew that this representation was false at the time he made it as Mahon
10 himself had structured the licensing agreements in a manner which did not permit Full Inc. to
11 commercialize the aforementioned intellectual property and games shown to investors.

12 74. Further, Mahon attempted to define that all intellectual property and tangible property
13 developed or acquired with funds from investors would be owned by David Mahon, individually,
14 directly or indirectly through Jackpot LLC or Intellectual LLC or another nominee corporation, owned
15 or controlled by David Mahon.

16 75. Mahon also represented to investors that Full Inc. may distribute worldwide real
17 money games and other products based on the Full Color System despite the fact that Mahon knew
18 that he himself, and not Full Inc., possessed the rights to do so.

19 76. Mahon's representations to perspective shareholders were deliberately false.
20 Specifically, that Full Inc. did not have the intellectual property rights to the Full Color System or its
21 games as Mahon had claimed.

22 77. Trustees of Moore visited Full Inc.'s office on several occasions throughout 2014 and
23 2015, meeting with Mahon and Howard. At no point during these multiple meetings did defendants
24 Mahon or Howard ever mention the other defendant corporations or the Full Inc.'s licensing
25 agreement.

26 78. On or about October 12, 2014, the documents were signed and executed for Moore's
27 \$50,000.00 investment into Full Inc. in the name of BL Moore Construction, Inc., though these
28 documents are all dated for September 19, 2014. These investment documents do not mention a

1 license agreement, revenue share, or limit for the Full Color System or the games used to develop it.

2 79. On or about May 27, 2015, Mahon applied for a patent, upon information and belief,
3 for "21 or Nothing."

4 80. On or about June 15, 2015, Howard sends the Board of Advisor an update stating Full
5 Inc. was approved by nonparty Microgaming and had received license agreements from Microgaming
6 to review that allowed Full Inc. games to be released on their systems.

7 81. The update listed Mahon as CEO of Full Color Games and Inventor. The update also
8 stated that Full Color Games has an extensive intellectual property portfolio. No other entity is
9 mentioned in the update.

10 82. On or about June 17, 2015, Full Inc. hosted a casino night for perspective investors
11 pitching Full Color Games. During the event, Mahon again shows various games including 21 or
12 Nothing and Full Color Baccarat, and repeats his previous claims that Full Inc. has the "trifecta" of
13 IP, and thereby has the ability to develop and commercialize the Full Color System. No other entity
14 is mentioned at the event.

15 83. In or about June 2015, Mr. David Eckles invests \$110,000.00 in Full Inc. through his
16 trust, DAVID's HARD WORK TRUST Ltd. 3/26/2012 ("Eckles Trust").

17 84. In or about December 2015, Mr. David Eckles invests an additional \$50,000.00 in Full
18 Inc. through his trust, Eckles Trust.

19 85. On or about July 8, 2015, Full Inc. released Solitaire v2.0 into Apple App Store.

20 86. On or about January 25, 2016 a Patent Application is submitted for, upon information
21 and belief, "21 or Nothing."

22 87. On or about June 1, 2016, Mahon applied for a patent, upon information and belief, for
23 "21 or Nothing."

24 88. On or about June 30, 2016, an updated maturity date of the convertible seed notes is
25 released increasing the amount to be raised to two (2) million dollars.

26 89. In or about July 2016, non-party Richard Newman ("Mr. Newman"), an intellectual
27 property and patent attorney as well as shareholder in Full Inc., provided all patent and intellectual
28 property work for a five (5) percent revenue share of Intellectual LLC. Mahon and Mr. Newman then

converted the five (5) percent share to a five (5) percent share of stock in Full Inc. under Newman's company Cooper Blackstone, LLC.

MAHON EMBEZZLES COMPANY FUNDS FROM FULL INC. FOR HIS OWN PERSONAL USE

90. In early 2016, Mahon created a new, off-shore company in Isle of Man and moved all of the contracts, licensing and development into this new company, effectively closing down all operation of Full Inc. and demoting Full Inc. to a shareholding entity in the new Isle of Man company.

91. Mahon claimed, in writing and on investor phone calls after creating these entities, that he created the Isle of Man company upon business advice from KPMG and legal advice from DLA Piper.

92. It is believed that none of this advice is formally documented and that DLA Piper was never formally engaged through a letter of engagement or other client agreement. None of the advice that was given to Mahon could be relied on as it was not formal or client engaged advice.

93. Mahon intentionally mislead investors with his false statements about stated advice.

94. Mahon also mislead investors by falsely stating that Mr. Bastian would not invest in an USA based company, which Mr. Bastian has denied.

95. Mahon claimed in written communications and verbally that he took no salary or income from Full Inc., Full Ltd., or Full N.A.

96. Upon information and belief, Mahon had no other source of regular income and made regular statements that he had no money.

97. Despite claiming no salary or regular source of income, Mahon has managed to have money for personal use, including paying for, furnishing and refurbishing his condo in Las Vegas, as well as gambling, travel and living expenses, all of which are now believed to have been paid for as improper corporate expenses.

98. The extent of Mahon's use of corporate funds as his personal piggy bank remains unknown as Mahon is the sole person having access to Full Inc. and Full N.A. bank accounts and has refused to provide shareholders details of monies spent.

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1 99. It is believed that the only reason that Mahon did not have sole access to the off-shore
2 accounts for Full Ltd. in the Isle of Man was due to Isle of Man regulations not permitting sole access
3 to an off-shore account.

4 100. On or about September 15, 2015, a trustee of Moore wrote Howard about moving the
5 investment from BL Moore construction to Moore. Mahon consented to the transfer the next day.

6 101. In or about December 2015, Mahon flew to Vancouver, Canada, to spend the holidays
7 with his girlfriend, Victoria Cekan. Upon information and belief, Mahon payed for all of the expenses
8 for this trip using funds from Full Inc.

9 102. During and around this time, Mahon used funds from Full Inc. to pay the rent for an
10 apartment in Vancouver, Canada, in which Ms. Cekan resided.

11 103. Mahon also used Full Color Inc. funds to pay for attorney fees and deposits to help Ms.
12 Cekan obtain an education visa to enter the United States.

13 **MAHON AGAIN MISLEADS INVESTORS INTO BELIEVING THAT FULL INC. HOLDS THE**
14 **INTELLECTUAL PROPERTY RIGHTS TO THE FULL COLOR SYSTEM**

15 104. In or about February 2016, Full Color Games held an exhibit at ICE London conference
16 using all marketing material showing only Full Color Games logo and information.

17 105. On or about January 21, 2016, Full Ltd. is incorporated in the Isle of Man. No prior
18 notification was provided to the shareholders of Full Inc. of the new company or that their assets were
19 being moved out of the United States. The intellectual property was moved to the new entity as was
20 the software and other assets.

21 106. Mahon refused to transfer remaining cash assets of approximately \$300,000.00 that
22 was believed to have remained in Full Inc. against the direction of Full Ltd. Directors Martin Linham,
23 Lee Murphy and Newman, as Mahon did not agree that these cash funds should be transferred.

24 107. Mahon continued to use the funds of Full Inc. though the accumulated obligations had
25 been transferred to Full Ltd.

26 108. On or about March 10, 2016, Mahon applies for a patent application, upon information
27 and belief, for general concepts, including solitaire and poker.

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**MAHON BREACHED HIS FIDUCIARY DUTY TO INVESTORS
AND ENTERED INTO A SELF-SERVING LICENSING AGREEMENT**

109. On or about April 11, 2016, Full Ltd. and Intellectual Property Holdings Limited (“Intellectual Ltd.”) entered into a commercial license agreement entitling Intellectual Ltd. to 50% of the gross revenue received by Full Ltd. (“Commercial License Agreement”).

110. Mahon, as CEO and controlling the shareholder votes of Full Inc., approved the cancellation of the Commercial License Agreement between Intellectual LLC and Full Inc. Mahon then caused a new commercial license agreement (“New Commercial License Agreement”), more beneficial to Mahon, to be agreed to between Full Ltd. and Intellectual Ltd., an off-shore company Mahon formed for what is believed to be tax and control reasons.

111. As part of moving Full Inc.’s business to Full Ltd., Full Inc. was to be issued 100% of all outstanding ownership though Mahon structured this ownership as non-voting shares.

112. A large number of Full Ltd. shares were also issued to Intellectual Ltd., the result of which diluted Full Inc.’s ownership of Full Ltd. by 50%.

113. Almost concurrently, 100,000,000 Preference A (non-ownership, full voting) shares in Full Ltd. were issued to Intellectual Ltd. in further consideration of the Commercial License Agreement by Intellectual Ltd. to Full Ltd.

114. At the time of these actions, Mahon was in control of all companies, owning 100% of Intellectual Ltd., was the only voting shareholder in Full Ltd., and was the CEO, majority shareholder and possessed voting power over all shares of the common stock of Full Inc.

115. This Commercial License Agreement was not disclosed to investors nor shareholders of Full Inc. and benefited only Mahon, who approved it on both sides.

116. It was a non-arm’s length agreement and enriched Mahon personally with 50% of gross revenues received by Full Ltd., 50% direct ownership in Full Ltd. plus an additional 20% or more non-direct ownership through his majority ownership in Full Inc. and 100% control of Full Ltd., allowing him to undertake and force any and all corporate actions through Full Ltd., with the full force of appropriate corporate law.

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117. In or about April 2016, non-party Bastian was informed in an email that Full Inc. had been diluted to only 38.6% ownership in Full Ltd. due to the additional stock issued to Intellectual Ltd.

118. There was also a mention that NDA Ltd., had been given 2.5% share of Full Ltd., a company, upon information and belief, owned 100% by Mahon.

119. In or about May 2016, Full Ltd. opened a Nedbank account in Isle of Man that included prepaid credit cards for Mahon in both US Dollar and Sterling currencies. The initial and only funding of this account occurred through the non-party Bastian investments.

120. Funds were requested to be transferred from Full Inc. to Nedbank as part of an investment or stock exchange in Full Ltd. as detailed herein.

121. Mahon refused to transfer the funds, keeping the funds in a Full Inc. account with Mahon keeping sole access and signing authority to the Full Inc. banking account.

122. Mahon directed Full Ltd. to develop and pay for a Private Placement Memo to solicit thirty (30) to fifty (50) million pounds Sterling in investments from European sources.

123. Mahon then caused that aforementioned memo to be restricted from being shown to USA citizens, thereby ensuring no Full Inc. investor would become aware of the fact that Mahon was diluting their interests in, and profit from, Full Ltd.

MAHON AGAIN ABANDONED HIS DUTY TO INVESTORS, CREATED FULL COLOR GAMES, N.A., INC., AND CONTINUED TO EMBEZZLE FUNDS FROM FULL LTD.

124. On or about July 22, 2016, Mahon created Full Color Games, N.A., Inc. ("Full N.A."). Full N.A. opens a Wells Fargo account with only signatory being Mahon. Full Ltd. funds were then transferred into the Full N.A. account.

125. On or about August 1, 2016, Mahon directed Full Ltd. Isle of Man directors to transfer \$100,000.00 from Full Ltd.'s Nedbank account to Jackpot LLC with no stated purpose or reason and no director vote or minutes authorizing.

126. Mahon has also spent in excess of \$100,000.00 through the Nedbank credit card accounts for which no full accounting has been presented.

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1 127. On or about August 17, 2016, Full Ltd. files for and receives confirmation of
2 application from the United Kingdom Gambling Commission ("UKGC") for gaming licenses naming
3 Mahon, Mr. Linham, and Mr. Munger as individuals, who also apply for individual Personal
4 Management Licenses ("PML") with the UKGC.

5 128. On or about September 9, 2016, Mahon directs Full Ltd. Directors to transfer another
6 \$50,000.00 from Full Ltd. to Jackpot LLC with no stated purpose or reason and no director vote or
7 minutes authorizing.

8 129. Upon information and belief, in or about 2016, Jackpot Inc. receives \$110,000.00 from
9 Full Inc. or Full N.A. with no stated purpose or reason.

10 130. In or about February 2017, Mahon opens a Full N.A. account to replace the Wells
11 Fargo bank accounts that Wells Fargo closed due to a series of threatening interactions between
12 Mahon and a Wells Fargo representative.

13 131. Wells Fargo subsequently closed all accounts with which Mahon was associated
14 forcing all Full Color Games and Mahon associated accounts to be moved. To date, there has been
15 no explanation or mention by Mahon to the investors and shareholders of Full Inc. as to the black
16 listing of Mahon and Full Color Games by Well Fargo.

17 132. On or about February 7, 2017, Full Color Games exhibits at the International Casino
18 Expo ("ICE") in London with marketing materials referencing only Full Color Games. No other
19 entities are mentioned.

20 133. On or about August, 2016 Mahon had a dispute with Mr. Newman over Mahon's use
21 of corporate resources. Mahon immediately removed Mr. Newman as a Director in Full Ltd. and
22 released Mr. Newman from any related management activities. Because Mr. Newman was still a
23 shareholder in Full Inc., through Mr. Newman's company, Cooper Blackstone LLC, Mahon spent
24 considerable time and Full Ltd. funds attempting contrive a scenario that would permit Mahon to
25 revoke those shares owned by Cooper Blackstone, LLC, in carrying forth a personal vendetta against
26 Mr. Newman. Mahon claimed verbally and in writing to shareholders that this was a requirement to
27 obtain a UK Gambling Commission license, which was a complete fabrication and not true.

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1 134. On or about April, 2017, Full Ltd. paid the registered agent on the Isle of Man for
2 annual filing and administration fees for Full Ltd., and for Mahon's personal companies Intellectual
3 Ltd., and NDA Ltd.

4 135. On or about April 3, 2017, Mahon requested \$20,000.00, most of the remaining funds
5 of Full Ltd., be transferred to Full N.A., and about this same time, Full Ltd. Directors Linham and
6 Murphy received a copy of a notice Mahon sent to Full Ltd Shareholder Davinci claiming a violation
7 of the Commercial License Agreement. Davinci was the only Full Ltd shareholder to receive the
8 notice though Mahon wrote he was to send it to 40+ Full Inc. investors the next day. Full Inc. investors
9 have never been notified of the violation.

10 136. Based on unilateral actions by Mahon, the transfer request was refused and the
11 remaining Directors in Full Ltd. resigned immediately from all Full Ltd. and Mahon's personal
12 companies.

13 137. On or about June 29, 2017, Howard sent investors an update stating that Full Inc. was
14 filing for dissolution and that the investors would be receiving final tax notices.

15 138. The notice also stated, among other items, that Full Ltd. was in the business of real
16 money gaming and that Full Ltd. defaulted on its application for gaming license by not providing
17 requested information to the UKGC while Mahon was CEO and the sole director thereby preventing
18 Full Ltd. from doing business in one of the largest real money gaming jurisdictions in the world.

19 **MAHON BREACHED HIS CONTRACT WITH MR. MUNGER**

20 139. On or about February 2017, Mahon stopped paying Mr. Munger for the work he
21 performed for Full Inc., Full Ltd. and Full N.A. Mr. Munger continued to perform work for the
22 company through April of 2017, for which he has yet to be paid.

23 **COMPLIANCE WITH NRCP 23.1**

24 140. Plaintiffs have been unable to obtain the desired action from Mr. Mahon and/or Full
25 Color Games, Inc. Any attempt to obtain the action Plaintiffs desire would be futile.

26 141. Specifically, Plaintiffs requested an accounting from Mr. Mahon and/or Full Color
27 Games, Inc., as well as requested that Mr. Mahon address the claims herein. Plaintiffs have received
28 no affirmative action by Mr. Mahon and/or Full Color Games, Inc., indicating any intent to comply

1 with these basic requests.

2 142. Plaintiffs are now forced to bring this derivative action to redress the fiduciary breaches
3 by Mr. Mahon and Mr. Howard and to prevent them from causing further irreparable harm to Full
4 Color Games, Inc.

5 **FIRST CLAIM FOR RELIEF**

6 **(BREACH OF FIDUCIARY DUTY/GROSS MISMANAGEMENT AGAINST MAHON ON BEHALF OF FULL**
7 **COLOR GAMES, INC.)**

8 143. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
9 Complaint as though fully set forth herein and incorporates the same herein by reference.

10 144. Mahon owed a fiduciary duty to Plaintiffs as the CEO and director of the defendant
11 corporations.

12 145. Mahon breached said fiduciary duty through misrepresentations to Plaintiffs,
13 embezzlement, theft, illegal business and accounting practices, systematic misappropriation of
14 investment funds, and overall gross mismanagement of defendant corporations.

15 146. On multiple occasions, Mahon misrepresented to investors that they would be
16 investing in a company that owned the intellectual property rights, patents, copyrights, and
17 trademarks, to the Full Color System and the games developed from said system. However, Mahon
18 knew at the time that these statements were false, as he himself owned the aforementioned intellectual
19 property rights.

20 147. Mahon used his position as CEO, sole director, majority shareholder and 100%
21 controller to make self-serving licensing agreements to the detriment of the shareholders.

22 148. Mahon mismanaged Full Inc. by acting in his own self-interest rather than for the good
23 of the company by embezzling funds for personal use and engaging in other illegal activities to the
24 detriment of the shareholders in Full Inc. and the associated companies, Full Ltd. and Full N.A.

25 149. Mahon directed Full Ltd. to develop and pay for a Private Placement Memo to solicit
26 thirty (30) to fifty (50) million pound Sterling in investments from European sources. Mahon then
27 caused that aforementioned memo be restricted from being shown to USA citizens thereby ensuring
28 no Full Inc. Investors would become aware of the fact that Mahon was (a) diluting their interests, (b)

1 providing them with no voting rights, (c) restricting the flow of revenues to Full Ltd., and (d) directly
2 profiting from, Full Ltd.

3 150. As a direct and proximate result of the aforementioned actions and/or omissions of
4 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

5 151. Defendants' actions have required Plaintiffs to retain the services of an attorney to
6 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
7 reasonable attorneys' fees and costs incurred in this action

8 **SECOND CLAIM FOR RELIEF**

9 **(AIDING AND ABETTING BREACH OF FIDUCIARY DUTY AGAINST GLENN HOWARD, ON BEHALF OF**
10 **FULL COLOR GAMES, INC.)**

11 152. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
12 Complaint as though fully set forth herein and incorporates the same herein by reference.

13 153. Mahon owed a fiduciary duty to Plaintiffs.

14 154. Mahon breached said fiduciary duty through misrepresentations to Plaintiffs,
15 embezzlement, theft, illegal business and accounting practices, systematic misappropriation of
16 investment funds, and overall gross mismanagement of defendant corporations.

17 155. Howard, under title of Full Inc. President, was aware of Mahon's breaching actions
18 during the time he was an investor and/or executive in Full Inc. and condoned, supported, and aided
19 Mahon in said behavior.

20 156. As a direct and proximate result of the aforementioned actions and/or omissions of
21 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

22 157. Defendants' actions have required Plaintiffs to retain the services of an attorney to
23 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
24 reasonable attorneys' fees and costs incurred in this action.

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1 **THIRD CLAIM FOR RELIEF**

2 **(TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIP AGAINST**

3 **ALL DEFENDANTS, ON BEHALF OF FULL COLOR GAMES, INC.)**

4 158. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
5 Complaint as though fully set forth herein and incorporates the same herein by reference.

6 159. Plaintiff Shareholders had a valid and enforceable contractual relationship with Full
7 Inc.

8 160. Mahon and his related entities knew of this contractual relationship.

9 161. Mahon formed Full Ltd. knowing and intending that its creation and illegal
10 ascertainment of Full Inc.'s assets and intellectual property would disrupt the contractual relationship
11 between the shareholders and Full Inc.

12 162. Mahon utilized the formation of Full Ltd. to directly profit, and to ensure that there
13 would be no transparency to shareholders in Full Inc.

14 163. In order to form Full N.A., Mahon transferred funds and assets from Full Ltd., of which
15 Full Inc. was a shareholder, to Full N.A.

16 164. As a direct and proximate result of the aforementioned actions and/or omissions of
17 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

18 165. Defendants' actions have required Plaintiffs to retain the services of an attorney to
19 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
20 reasonable attorneys' fees and costs incurred in this action.

21 **FOURTH CLAIM FOR RELIEF**

22 **(FRAUDULENT MISREPRESENTATION AGAINST MAHON, ON BEHALF OF FULL COLOR GAMES,**
23 **INC. AND INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND**
24 **MOORE FAMILY TRUST)**

25 166. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
26 Complaint as though fully set forth herein and incorporates the same herein by reference.

27 167. Mahon made many and multiple misrepresentations to Plaintiffs regarding the
28 structure and management of defendant corporations as well as the ownership of the intellectual

1 property used to develop defendant corporation's products.

2 168. Mahon told or implied to potential investors, as well as plaintiff shareholders, that Full
3 Inc. owned the intellectual property rights to the Full Color System as well as the games that it was
4 used to develop on the following occasions: March or April of 2012; August 19, 2014, in an email to
5 investors and shareholders; September 29, 2014, at an investors' dinner; September 30 2014; June 15,
6 2015, in an email sent from Howard to investors and shareholders; June 17, 2015, at a casino night
7 for investors; February 2016, at an ICE exhibit in London; October 11, 2016, Investor Quarterly
8 Update; and February 7, 2017, at an ICE exhibit in London.

9 169. During the aforementioned occasions, Mahon either expressly told investors and
10 shareholders that Full Inc. owned the intellectual property rights to the Full Color System and
11 products, or implied the same by presenting the Full Color System and products in such a way that a
12 reasonable person would conclude that Full Color Inc. was the owner of the Full Color System and
13 products.

14 170. Mahon knew that these representations were false at the time they were made to
15 Plaintiffs.

16 171. Mahon made these misrepresentations with the intent to induce Plaintiffs into
17 investing, or continuing to invest, in defendant corporations.

18 172. Plaintiffs justifiably relied on these Mahon's representations as they reasonably
19 believed that he was acting in their best interests and lacked the means to independently verify
20 Mahon's claims.

21 173. Plaintiff shareholders would not have invested in Full Inc. had they known that Full
22 Inc. did not own the intellectual property rights to the Full Color System and resulting products
23 developed with investor monies, which is absolutely essential to Full Inc.'s existence and operation.
24 In fact, the only investor that Mahon told about the licensing agreement, non-party Bastian, forced
25 Mahon to provide Bastian a revenue share in the license holding company or Bastian would not invest
26 in Full Ltd.

27 174. It is further believed that Mahon was unsuccessful in soliciting investment from
28 European sources in Full Ltd. as the PPM disclosed that Full Ltd. did not directly own or control the

1 intellectual property. Mahon chose to provide European potential investors information he withheld
2 from Full Inc. investors.

3 175. As a direct and proximate result of the aforementioned actions and/or omissions of
4 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

5 176. Defendants' actions have required Plaintiffs to retain the services of an attorney to
6 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
7 reasonable attorneys' fees and costs incurred in this action.

8 **FIFTH CLAIM FOR RELIEF**

9 **(FRAUDULENT CONCEALMENT AGAINST MAHON, ON BEHALF OF FULL COLOR GAMES, INC. AND**
10 **INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND MOORE**
11 **FAMILY TRUST)**

12 177. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
13 Complaint as though fully set forth herein and incorporates the same herein by reference.

14 178. Mahon concealed from Plaintiffs that he himself owned the intellectual property being
15 used by Full Ltd., Full Inc., and Full N.A.

16 179. Mahon purposely withheld the true ownership of the Full Color System while speaking
17 to investors and shareholders on the following occasions: March or April of 2012; August 19, 2014,
18 in an email to investors and shareholders; September 29, 2014, at an investors' dinner; September 30
19 2014; June 15, 2015, in an email sent from Howard to investors and shareholders; June 17, 2015, at a
20 casino night for investors; February 2016, at an ICE exhibit in London; October 11, 2016, Investor
21 Quarterly Update; and February 7, 2017, at an ICE exhibit in London.

22 180. This fact was material in that Plaintiffs would not have invested in the defendant
23 corporations had they known that said corporations had no ownership interest in the intellectual
24 property that was critical to the products they developed.

25 181. Mahon had a duty to Plaintiffs to disclose this information before they invested in the
26 defendant corporations.

27 182. Mahon intentionally concealed this fact with the intent to induce Plaintiffs into
28 investing into the defendant corporations.

1 183. Mahon intentionally concealed the structure and dealings of Full Ltd. from the
2 Plaintiffs and provided no transparency of any dealings of Full Ltd. to either the plaintiffs or the
3 shareholders of Full Inc.

4 184. As a direct and proximate result of the aforementioned actions and/or omissions of
5 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

6 185. Defendants' actions have required Plaintiffs to retain the services of an attorney to
7 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
8 reasonable attorneys' fees and costs incurred in this action.

9 **SIXTH CLAIM FOR RELIEF**

10 **(DECEPTIVE TRADE PRACTICES UNDER NRS 598.0915 AGAINST MAHON, ON BEHALF OF FULL**
11 **COLOR GAMES, INC. AND INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD.**
12 **3/26/2012, AND MOORE FAMILY TRUST)**

13 186. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
14 Complaint as though fully set forth herein and incorporates the same herein by reference.

15 187. NRS 598.0915 prohibits any person from advertising goods or services with the intent
16 not to sell or lease them as advertised.

17 188. It is a violation of NRS 598.0915 to knowingly make a false representation as to the
18 source, sponsorship, approval or certification of goods or services for investment purposes.

19 189. Defendant Mahon advertised an investment opportunity to Plaintiffs to induce
20 Plaintiffs to buy, sell, lease, dispose of, and/or utilize in order to create any interest in the companies
21 by deceptively stating that the intellectual property of the Defendant Mahon was actually the property
22 of the Defendant entities.

23 190. As a direct and proximate result of the aforementioned actions and/or omissions of
24 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

25 191. Defendants' actions have required Plaintiffs to retain the services of an attorney to
26 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
27 reasonable attorneys' fees and costs incurred in this action.

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1 develop intellectual property that he refuses to release as product, declaring said company insolvent,
2 and then transferring the insolvent corporation's assets into a new company to begin the cycle anew.

3 201. Mahon wrongfully exerted dominion over Full Inc.'s assets, funds, and intellectual
4 property when he illegally transferred some of said property into Full Ltd. and his own personal use.
5 Certain cash assets were never transferred to Full Ltd. and remain at the personal control of Mahon.

6 202. Mahon directed Full Ltd. to develop and pay for a Private Placement Memo to solicit
7 thirty (30) to fifty (50) million pounds Sterling in investments from European sources. Mahon then
8 caused that aforementioned memo be restricted from being shown to USA citizens thereby ensuring
9 no Full Inc. investors would become aware of the fact that Mahon was diluting their interests in, and
10 profit from, Full Ltd.

11 203. This act effectively excluded or denied Plaintiffs and Full Inc. of their rights and
12 benefit of said property.

13 204. As a direct and proximate result of the aforementioned actions and/or omissions of
14 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

15 205. Defendants' actions have required Plaintiffs to retain the services of an attorney to
16 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
17 reasonable attorneys' fees and costs incurred in this action.

18 **NINTH CLAIM FOR RELIEF**

19 **(CIVIL CONSPIRACY AGAINST MAHON AND HOWARD, ON BEHALF OF FULL COLOR GAMES, INC.**

20 **AND INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND**

21 **MOORE FAMILY TRUST)**

22 206. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
23 Complaint as though fully set forth herein and incorporates the same herein by reference.

24 207. Mahon and Howard conspired, or acted in concert, with the intent to defraud and harm
25 plaintiffs in the manners previously alleged.

26 208. As a direct and proximate result of the aforementioned actions and/or omissions of
27 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

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1 209. Defendants' actions have required Plaintiffs to retain the services of an attorney to
2 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
3 reasonable attorneys' fees and costs incurred in this action.

4 **TENTH CLAIM FOR RELIEF**

5 **(ALTER EGO AGAINST MAHON, ON BEHALF OF FULL COLOR GAMES, INC. AND INDIVIDUAL**
6 **PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND MOORE FAMILY**
7 **TRUST)**

8 210. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
9 Complaint as though fully set forth herein and incorporates the same herein by reference.

10 211. Mahon is the owner and operator of the Defendant entities, and each of them.

11 212. Mahon operated the various Defendant entities, and each of them, as if they were his
12 own personal piggy bank and wallet.

13 213. The various Defendant entities, both domestic and foreign, and each of them, were and
14 are alter egos of defendant Mahon, in that they all lacked sufficient capitalization and were merely
15 shells by which their common principal, defendant Mahon, could attempt to avoid liability and
16 personal taxes.

17 214. The various Defendant entities, and each of them, were and are alter egos of defendant
18 Mahon, in that they have disregarded their respective corporate forms by, among other things, paying
19 or attempting to pay the debts of one another without consideration, not being properly licensed and
20 comingling and/or transferring funds and assets among them.

21 215. The various Defendant entities, and each of them, were and are alter egos of defendant
22 Mahon, in that there is a unity of interest and ownership, are inseparable from each other, and have
23 lost their individuality, thereby abrogating separate corporate protection.

24 216. The various Defendant entities, and each of them, were and are alter egos of defendant
25 Mahon, in that they failed to maintain functioning corporate officers and/or directors.

26 217. The various Defendant entities, and each of them, were and are alter egos of defendant
27 Mahon, in that the alter egos are being used as a "façade" for the personal dealings of defendant
28 Mahon.

1 218. The various Defendant entities, and each of them, were and are alter egos of defendant
2 Mahon, in that there is an absence and/or inaccuracy of corporate records for any of defendant
3 Mahon's alter egos, including the various Defendant entities, and each of them.

4 219. The various Defendant entities, and each of them, were and are alter egos of defendant
5 Mahon, in that defendant Mahon has failed to observe corporate formalities in terms of behavior and
6 documentation for any of defendant Mahon's alter egos, including the various Defendant entities, and
7 each of them.

8 220. The various Defendant entities, and each of them, were and are alter egos of defendant
9 Mahon, in that defendant Mahon has failed to maintain an arm's length relationship with any of his
10 alter egos, including the various Defendant entities, and each of them.

11 221. The assets, liabilities and debts of the various Defendant entities, and each of them,
12 should thus be imputed to defendant Mahon individually as defendant Mahon's alter egos.

13 222. It would be manifestly unjust to recognize the corporate separateness of defendant
14 Mahon and the various Defendant entities, and each of them.

15 223. The Court should therefore pierce the corporate veil and recognize the various
16 Defendant entities, and each of them, as the alter ego of defendant Mahon.

17 224. As a direct and proximate result of the aforementioned actions and/or omissions of
18 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

19 225. Defendants' actions have required Plaintiffs to retain the services of an attorney to
20 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
21 reasonable attorneys' fees and costs incurred in this action.

22 **ELEVENTH CLAIM FOR RELIEF**

23 **(ACCOUNTING AGAINST ALL DEFENDANTS, ON BEHALF OF FULL COLOR GAMES, INC. AND**
24 **INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND MOORE**
25 **FAMILY TRUST)**

26 226. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
27 Complaint as though fully set forth herein and incorporates the same herein by reference.

28 227. Defendant has been moving money and other assets of the Defendant entities.

228. A fiduciary relationship exists between the Plaintiffs and Defendants.

229. The relationship between Plaintiffs and Defendants are founded in trust and confidence.

230. Defendants have a duty to render an accounting to Plaintiffs to determine damages resulting from any misallocation of funds.

231. Because officers and directors are fiduciaries of a corporation, the duties they owe with respect to the exercise of their legal power over corporate property supervene their legal rights.

232. The court should require an accounting of all of the Defendant entities to determine the extent of a misallocation of expenses and the damages resulting therefrom because of the fiduciary relationship between the parties.

233. As a direct and proximate result of the aforementioned actions and/or omissions of Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

234. Defendants' actions have required Plaintiffs to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of reasonable attorneys' fees and costs incurred in this action.

TWELFTH CLAIM FOR RELIEF

(APPOINTMENT OF SPECIAL MASTER, ON BEHALF OF FULL COLOR GAMES, INC. AND INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND MOORE FAMILY TRUST)

235. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the Complaint as though fully set forth herein and incorporates the same herein by reference.

236. The appointment of a receiver is governed by statute and is appropriate only under circumstances described in statute.

237. Any stockholder may apply if the corporation is insolvent.

238. Any holder of 1/10 of a corporation's issued and outstanding stock may apply for the appointment of a receiver when a corporation has been mismanaged.

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239. A holder of 1/10 of issued stock may apply for appointment of a receiver of a solvent corporation where the business is being conducted at a great loss, the operation is prejudicial to creditors or stockholders such that the business cannot be conducted with safety to the public.

240. A receiver may be appointed when a corporation is in imminent danger of insolvency.

241. Appointment of a receiver is appropriate when business property at issue is at risk of waste, loss of income, or is insufficient to secure a debt.

242. Mahon has removed the intellectual property and other assets of the companies in order to make the Defendant entities insolvent and has created other Defendant entities in order to prevent Plaintiffs and other investors from receiving a profit from their investments.

243. As a direct and proximate result of the aforementioned actions and/or omissions of Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

244. Defendants' actions have required Plaintiffs to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of reasonable attorneys' fees and costs incurred in this action.

THIRTEENTH CLAIM FOR RELIEF

(DECLARATORY RELIEF AGAINST ALL DEFENDANTS, ON BEHALF OF FULL COLOR GAMES, INC.)

AND INDIVIDUAL PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND

MOORE FAMILY TRUST)

245. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the Complaint as though fully set forth herein and incorporates the same herein by reference.

246. This claim is for declaratory relief under the Uniform Declaratory Judgments Act, NRS 30.010, et seq., and arises from an actual controversy between plaintiffs, on the one hand, and defendants, on the other hand, regarding whether the various Defendant entities, and each of them, are alter egos of defendant Mahon.

247. Defendant Mahon is the owner and operator of Defendant entities, and each of them.

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1 248. A justiciable controversy has arisen between the parties in that plaintiffs have been
2 harmed, and will continue to be harmed, in that the various Defendant entities, and each of them, are
3 merely shells by which their common principal, defendant Mahon, could attempt to avoid liability,
4 including to preclude recovery of damages against defendant Mahon by plaintiffs as injured parties.

5 249. Plaintiffs now contend that there is no basis in law or fact to recognize the corporate
6 separateness of defendant Mahon and the various Defendant entities, and each of them, under Nevada
7 law.

8 250. Plaintiffs are and will continue to be irreparably harmed unless this Court declares and
9 resolves the dispute under Nevada law regarding whether the various Defendant entities, and each of
10 them, are alter egos of defendant Mahon.

11 251. Plaintiffs seek and are entitled to a declaration from the Court stating that the subject
12 intellectual property is the exclusive property of Full Inc.

13 252. As a direct and proximate result of the aforementioned actions and/or omissions of
14 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

15 253. Defendants' actions have required Plaintiffs to retain the services of an attorney to
16 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
17 reasonable attorneys' fees and costs incurred in this action.

18 **FOURTEENTH CLAIM FOR RELIEF**

19 **(TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTION**
20 **AGAINST ALL DEFENDANTS, ON BEHALF OF FULL COLOR GAMES, INC. AND INDIVIDUAL**
21 **PLAINTIFFS MUNGER, DAVID'S HARD WORK TRUST LTD. 3/26/2012, AND MOORE FAMILY**
22 **TRUST)**

23 254. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
24 Complaint as though fully set forth herein and incorporates the same herein by reference.

25 255. Plaintiffs seek a temporary restraining order and/or preliminary/permanent injunction
26 to prevent defendant Mahon and the Defendant entities from transferring the assets and/or intellectual
27 property out of the Defendant entities to maintain the status quo until resolution of this lawsuit.

28 ///

256. As a direct and proximate result of the aforementioned actions and/or omissions of Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

257. Defendants' actions have required Plaintiffs to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of reasonable attorneys' fees and costs incurred in this action.

FIFTEENTH CLAIM FOR RELIEF

(BREACH OF CONTRACT AGAINST MAHON, ON BEHALF OF INDIVIDUAL PLAINTIFF MUNGER)

258. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the Complaint as though fully set forth herein and incorporates the same herein by reference.

259. Mr. Munger and Mahon entered into a series of valid and enforceable contracts concerning Mr. Munger's investments and involvement in the defendant corporations. Mahon promised Mr. Munger 2.5% stock in Full Ltd. in return for Mr. Munger's time, energy, and relationships and for being the only person who contributed to getting the product developed and into the market.

260. Mr. Munger fully performed all of his duties under the verbal agreement to Mahon by providing his funds for investment and devoting his time and efforts into the defendant corporations.

261. Mr. Munger worked, as needed, for Full Inc. from early 2015 to about January 2017, receiving paid expenses and a stipend for services.

262. Mahon has failed to pay Mr. Munger for his work from early 2015 to about January 2017, failed to provide Mr. Munger with the agreed upon compensation for his time and investments, and failed to award him 2.5% of company stock as promised.

263. As a direct and proximate result of the aforementioned actions and/or omissions of Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

264. Defendants' actions have required Plaintiffs to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of reasonable attorneys' fees and costs incurred in this action.

/ / /

/ / /

1 **SIXTEENTH CLAIM FOR RELIEF**

2 **(BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING AGAINST MAHON, ON**
3 **BEHALF OF INDIVIDUAL PLAINTIFF MUNGER)**

4 265. Plaintiffs repeat and re-allege the allegations of the preceding paragraphs of the
5 Complaint as though fully set forth herein and incorporates the same herein by reference.

6 266. Mr. Munger and Mahon entered into a series of valid and enforceable contracts
7 concerning Mr. Munger's investments and involvement in the defendant corporations creating a duty
8 of good faith that Mahon owed to Mr. Munger.

9 267. Mahon acted in a manner that was unfaithful to the purpose of the contract between
10 himself and shareholders by intentionally misleading them about the companies they were investing
11 in, and putting his own interests above those of the shareholders to their detriment.

12 268. Plaintiffs' just expectations for entering into a contract with Mahon were denied.
13 Plaintiffs reasonably expected that the defendant corporations owned the intellectual property to the
14 Full Color System that they were using to develop products, and that Mahon would act honestly,
15 reasonably, and legally in managing defendant companies.

16 269. As a direct and proximate result of the aforementioned actions and/or omissions of
17 Defendants, Plaintiffs have been damaged in an amount in excess of \$15,000.00.

18 270. Defendants' actions have required Plaintiffs to retain the services of an attorney to
19 prosecute this action and has thereby been damaged. Accordingly, Plaintiffs seek an award of
20 reasonable attorneys' fees and costs incurred in this action.

21 **PRAYER FOR RELIEF**

22 WHEREFORE, Plaintiffs pray for judgment against defendants, and each of them, as follows:

23 1. For a judgment in favor of plaintiffs and against defendants, and each of them, on the
24 complaint and all claims for relief asserted therein;

25 2. For a declaration and determination under Nevada law that the various Defendant
26 entities, and each of them, are alter egos of Defendant Mahon.

27 3. For a return of the intellectual property to Full Color Games, Inc.

28 4. For a temporary restraining order and/or preliminary/permanent injunction to maintain

1 the status quo.

2 5. For an award of compensatory, consequential, statutory, exemplary, and punitive
3 damages in an amount in excess of \$15,000.00, to be proven at trial;

4 6. For an award of reasonable attorney's fees and costs incurred in this action; and

5 7. For such other and further relief as the Court may deem proper.

6 DATED this 11th day of August, 2017.

7 Respectfully submitted,

8 **MAIER GUTIERREZ & ASSOCIATES**

9 

10 JOSEPH A. GUTIERREZ, ESQ.
11 Nevada Bar No. 9046
12 STEPHEN G. CLOUGH, ESQ.
13 Nevada Bar No. 10549
14 8816 Spanish Ridge Avenue
15 Las Vegas, Nevada 89148
16 *Attorneys for Plaintiffs*
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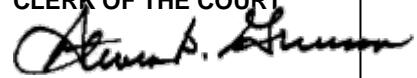
VERIFICATION

STATE OF NEVADA)
)ss:
COUNTY OF CLARK)

I, Mark Munger, declare:

I am the lead Plaintiff in this action. I am also a shareholder of Full Color Games, Inc. and have been during the relevant time period. I declare under penalty of perjury that I have read and reviewed the foregoing Verified Shareholder Derivative Complaint, and know the content thereof, and authorized its filing. Based upon my and my counsel's investigation, the contents of the Verified Shareholder Derivative Complaint are true to the best of my knowledge, information and belief.


MARK MUNGER



ANSW

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Todd W. Prall (9154)
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*Attorneys for Defendant, Counter-claimant, and Third-Party Plaintiff
Full Color Games Inc.*

**DISTRICT COURT
CLARK COUNTY, NEVADA**

In re: FULL COLOR GAMES, INC.

Case No. A-17-759862-B
Dept. No. 13

MARK MUNGER, an individual; DAVID'S
HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; MILLENIUM TRUST
COMPANY, LLC CUSTODIAN FBO GARY
SOLSO, IRA, a California Trust; JEFFREY
CASTALDO; an individual; MARA H.
BRAZER, as Trustee for the MARA H.
BRAZER TRUST UTA 2/12/2004, a California
Trust; individually and as shareholders of FULL
COLOR GAMES, INC.; DOES 1 through 10;
and ROE CORPORATIONS 1 through 10,
inclusive,

**DEFENDANT FULL COLOR
GAMES, INC.'S AMENDED
ANSWER, COUNTERCLAIMS, AND
THIRD-PARTY COMPLAINT**

Plaintiffs,

vs.

DAVID MAHON, an individual; GLEN
HOWARD, an individual; INTELLECTUAL
PROPERTIES HOLDING, LLC, a Nevada
limited liability company; INTELLECTUAL
PROPERTY HOLDINGS, LTD., an Isle of Man
corporation; FULL COLOR GAMES,
LLC, a Nevada limited liability company;
FULL COLOR GAMES, LTD., an Isle of Man
corporation; FULL COLOR GAMES, N.A.,
INC., a Nevada corporation; FULL COLOR
GAMES GROUP, INC., a Nevada corporation;
JACKPOT PRODUCTION, LLC, a Nevada
limited liability company; Nominal Defendant

FULL COLOR GAMES, INC., a Nevada corporation; DOES I through X; and ROE CORPORATIONS I through X,

Defendants.

DAVID MAHON, an individual; GLEN HOWARD, an individual; INTELLECTUAL PROPERTIES HOLDINGS, LLC, a Nevada limited liability company; FULL COLOR GAMES, N.A., INC., a Nevada corporation; FULL COLOR GAMES GROUP, INC., a Nevada corporation; JACKPOT PRODUCTIONS, LLC, a Nevada limited liability company, FULL COLOR GAMES, INC., a Nevada corporation,

Counter-claimants,

vs.

MARK MUNGER, an individual; DOES I through V; and ROE CORPORATIONS I through V,

Counter-defendants.

FULL COLOR GAMES, INC., a Nevada corporation,

Counter-claimant,

v.

MARK MUNGER, an individual; DAVID'S HARD WORK TRUST LTD. 3/26/2012, a California Trust; MOORE FAMILY TRUST, a California Trust; MILLENNIUM TRUST COMPANY, LLC, CUSTODIAN FBO GARY SOLSO, IRA, a California Trust; MARA H. BRAZER, as Trustee for the MARA H. BRAZER TRUST UTA 2/12/2004, a California Trust; JEFFREY CASTALDO; an individual;

Counter-defendants.

FULL COLOR GAMES, INC., a Nevada corporation,

Third-Party Plaintiff,

1 v.

2 SEBASTIAN J. BASTIAN, an individual; DIRK
3 SIMMONS, an individual; MARTIN LINHAM,
4 an individual; PLAYTECH SYSTEMS LTD, a
5 Bahamian limited company;
6 ISLANDLUCK.COM, a Bahamian subsidiary of
7 PLAYTECH; DAVINCI TRADING GROUP, a
8 Cayman Islands limited liability company;
9 DAVINCI HOLDINGS LTD, an Isle of Man
10 limited liability company; ILG SOFTWARE
11 LTD, an Isle of Man limited liability company;
12 VALCROS, LLC, a Nevada limited liability
13 company; G. BRADFORD SOLSO, an
14 individual; DAVID ECKLES, an individual;
15 MARA H. BRAZER, an individual; TERESA
16 MOORE, an individual; LARRY MOORE, an
17 individual; B.L. MOORE CONSTRUCTION
INC., a California corporation; BRIAN
MARCUS, and individual; JOHN BROCK III,
an individual;; JOHN BROCK IV an individual;
MUNGER & ASSOCIATES, INC., a Nevada
Corporation; MULTISLOT, LTD, an Isle of Man
Company; ERIC J. JUNGELS, an individual;
JEFF HORAN, an individual; SPIN GAMES,
LLC, a Nevada limited liability company; KENT
YOUNG, an individual; KUNAL MISHRA, an
individual; RICHARD NEWMAN, an
individual; NEWMAN LAW, LLC, a Nevada
limited liability company; Cooper Blackstone,
LLC, a Nevada limited liability company; DOES
I through X; and ROE CORPORATIONS I
through X,

18 Third-Party Defendants.

19
20 **AMENDED ANSWER**

21 Full Color Games, Inc. ("FCGI") submit the following answer to the Second

22 Amended Complaint:

23
24 **ANSWER TO ALLEGATIONS**

25 1. FCGI is informed and believes that the allegations set forth in Paragraph
26 1 of the Second Amended Complaint are true and therefore admit the same

27 2. FCGI is without sufficient information and knowledge to form a belief as
28

1 to the truth of the allegations set forth in Paragraph 2 of the Second Amended Complaint
2 and therefore deny them.

3 3. FCGI is without sufficient information and knowledge to form a belief as
4 to the truth of the allegations set forth in Paragraph 3 of the Second Amended Complaint
5 and therefore deny them. As a result, the Defendants, as Counter-claimants, are forced to
6 file counter-claims and bring racketeering and general claims against the Plaintiffs, as
7 Counter-defendants, in order to expose their wrongdoings, hold them accountable for
8 their unlawful acts in both civil and criminal complaints, exonerate the Defendants and
9 clear their good name, restore their free and clear property rights and finally obtain relief
10 from the Counter-defendants criminal racketeering enterprise and unlawful activity.
11

12 4. FCGI is without sufficient information and knowledge to form a belief as
13 to the truth of the allegations set forth in Paragraph 4 of the Second Amended Complaint
14 and therefore deny them.
15

16 5. FCGI is without sufficient information and knowledge to form a belief as
17 to the truth of the allegations set forth in Paragraph 5 of the Second Amended Complaint
18 and therefore deny them.
19

20 6. FCGI is without sufficient information and knowledge to form a belief as
21 to the truth of the allegations set forth in Paragraph 6 of the Second Amended Complaint
22 and therefore deny them.
23

24 7. FCGI denies the allegations set forth in Paragraph 7 of the Second
25 Amended Complaint.

26 8. FCGI is without sufficient information and knowledge to form a belief as
27 to the truth of the allegations set forth in Paragraph 8 of the Second Amended Complaint
28

1 and therefore deny them.

2 9. FCGI is without sufficient information and knowledge to form a belief as
3 to the truth of the allegations set forth in Paragraph 9 of the Second Amended Complaint
4 and therefore deny them.

5 10. FCGI admits the allegations set forth in Paragraph 10 of the Second
6 Amended Complaint.

7 11. FCGI is without sufficient information and knowledge to form a belief as
8 to the truth of the allegations set forth in Paragraph 11 of the Second Amended
9 Complaint and therefore deny them.

10 12. Answering Paragraph 12 of the Second Amended Complaint, FCGI
11 admits that Intellectual Properties Holdings, LLC is, and at all times pertinent times
12 hereto was, a limited liability company doing business in Clark County, Nevada. FCGI
13 denies all allegations set forth in Paragraph 12 of the Second Amended Complaint not
14 expressly admitted herein.

15 13. FCGI denies the allegations set forth in Paragraph 13 of the Second
16 Amended Complaint.

17 14. FCGI denies the allegations set forth in Paragraph 14 of the Second
18 Amended Complaint.

19 15. FCGI is without sufficient information and knowledge to form a belief as
20 to the truth of the allegations set forth in Paragraph 15 of the Second Amended
21 Complaint and therefore deny them.

22 16. FCGI is without sufficient information and knowledge to form a belief as
23 to the truth of the allegations set forth in Paragraph 16 of the Second Amended
24 Complaint and therefore deny them.

1 Complaint and therefore deny them.

2 17. FCGI is without sufficient information and knowledge to form a belief as
3 to the truth of the allegations set forth in Paragraph 17 of the Second Amended
4 Complaint and therefore deny them.

5 18. FCGI is without sufficient information and knowledge to form a belief as
6 to the truth of the allegations set forth in Paragraph 18 of the Second Amended
7 Complaint and therefore deny them.

8 19. FCGI is without sufficient information and knowledge to form a belief as
9 to the truth of the allegations set forth in Paragraph 19 of the Second Amended
10 Complaint and therefore deny them.

11 20. FCGI is without sufficient information and knowledge to form a belief as
12 to the truth of the allegations set forth in Paragraph 20 of the Second Amended
13 Complaint and therefore deny them.

14 21. FCGI denies the allegations set forth in Paragraph 21 of the Second
15 Amended Complaint.

16 22. FCGI is without sufficient information and knowledge to form a belief as
17 to the truth of the allegations set forth in Paragraph 22 of the Second Amended
18 Complaint and therefore deny them.

19 23. FCGI is without sufficient information and knowledge to form a belief as
20 to the truth of the allegations set forth in Paragraph 23 of the Second Amended
21 Complaint and therefore deny them.

22 24. FCGI denies the allegations set forth in Paragraph 24 of the Second
23 Amended Complaint.

1 25. FCGI denies the allegations set forth in Paragraph 25 of the Second
2 Amended Complaint.

3 26. FCGI denies the allegations set forth in Paragraph 26 of the Second
4 Amended Complaint

5 27. FCGI denies the allegations set forth in Paragraph 27 of the Second
6 Amended Complaint.
7

8 28. Answering Paragraph 28 of the Second Amended Complaint, FCGI
9 admits that Intellectual Properties Holdings, LLC does in fact hold licenses to the
10 intellectual property owned by David Mahon. FCGI denies all allegations set forth in
11 Paragraph 28 of the Second Amended Complaint not expressly admitted herein.
12

13 29. FCGI is without sufficient knowledge to form a belief as to the truth of
14 the allegations set forth in Paragraph 29 and therefore deny them.

15 30. FCGI is without sufficient knowledge to form a belief as to the truth of
16 the allegations set forth in Paragraph 30 and therefore deny them.
17

18 31. FCGI denies the allegations set forth in Paragraph 31 of the Second
19 Amended Complaint.

20 32. FCGI denies the allegations set forth in Paragraph 32 of the Second
21 Amended Complaint.

22 33. FCGI denies the allegations set forth in Paragraph 33 of the Amended
23 Complaint.
24

25 34. FCGI is without sufficient knowledge to form a belief as to the truth of
26 the allegations set forth in Paragraph 34 and therefore deny them.

27 35. FCGI is without sufficient knowledge to form a belief as to the truth of
28

1 the allegations set forth in Paragraph 35 and therefore deny them.

2 36. FCGI is without sufficient knowledge to form a belief as to the truth of
3 the allegations set forth in Paragraph 36 and therefore deny them.

4 37. Answering Paragraph 37 of the Second Amended Complaint, FCGI
5 admits that Full Color Games, Inc. was formed in Nevada on or about April 18, 2012.
6 FCGI denies all allegations set forth in Paragraph 37 of the Second Amended Complaint
7 not expressly admitted herein.
8

9 38. FCGI denies the allegations set forth in Paragraph 38 of the Second
10 Amended Complaint.

11 39. FCGI denies the allegations set forth in Paragraph 39 of the Second
12 Amended Complaint.
13

14 40. FCGI denies the allegations set forth in Paragraph 40 of the Second
15 Amended Complaint.

16 41. FCGI denies the allegations set forth in Paragraph 41 of the Second
17 Amended Complaint.
18

19 42. FCGI denies the allegations set forth in Paragraph 42 of the Second
20 Amended Complaint.

21 43. FCGI denies the allegations set forth in Paragraph 43 of the Second
22 Amended Complaint.
23

24 44. FCGI denies the allegations set forth in Paragraph 44 of the Second
25 Amended Complaint.

26 45. FCGI denies the allegations set forth in Paragraph 45 of the Second
27 Amended Complaint.
28

1 46. Answering Paragraph 46 of the Amended Complaint, FCGI admits that
2 all shareholders voluntarily executed a voting trust agreement that granted all of their
3 voting rights to David Mahon and or his assignee(s). FCGI denies all allegations set
4 forth in Paragraph 46 of the Second Amended Complaint not expressly admitted herein.

5 47. Answering Paragraph 47 of the Amended Complaint, FCGI states that the
6 allegations set forth therein are statements of law and therefore neither admit nor deny
7 the allegations set forth in Paragraph 47 of the Second Amended Complaint on that
8 basis.

9 48. FCGI denies the allegations set forth in Paragraph 48 of the Second
10 Amended Complaint.

11 49. FCGI denies the allegations set forth in Paragraph 49 of the Second
12 Amended Complaint.

13 50. FCGI denies the allegations set forth in Paragraph 50 of the Second
14 Amended Complaint.

15 51. Answering Paragraph 51 of the Second Amended Complaint, FCGI
16 admits Mark Munger gave David Mahon or Full Color Games, Inc. \$10,000.00, but
17 affirmatively alleges that it was the money was given without any terms or conditions
18 attached whatsoever based on his belief in David Mahon's inventions. FCGI further
19 affirmatively alleges that rather than simply accept the money offered by Mark Munger,
20 David Mahon prepared an agreement to document the payment of the \$10,000 as an
21 investment and presented the Assignment of Net Profits Interest ("ANPI") Agreement to
22 Mark Munger and, at Mark Munger's request, to his business partner, Jeremiah
23 Rutherford. FCGI further affirmatively alleges that Mark Munger only paid \$35,000.00
24
25
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27
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1 of the required \$50,000 pursuant to the ANPI. FCGI denies all allegations set forth in
2 Paragraph 51 of the Second Amended Complaint not expressly admitted herein.

3 52. Answering Paragraph 52 of the Second Amended Complaint, FCGI
4 admits that the ANPI Agreement speaks for itself. FCGI denies all allegations set forth
5 in Paragraph 52 of the Second Amended Complaint not expressly admitted herein, and
6 that are not consistent with the terms of the ANPI Agreement.
7

8 53. Answering Paragraph 53 of the Second Amended Complaint, FCGI
9 admits that the ANPI Agreement speaks for itself. FCGI denies all allegations set forth
10 in Paragraph 53 of the Second Amended Complaint not expressly admitted herein, and
11 that are not consistent with the terms of the ANPI Agreement.
12

13 54. Answering Paragraph 54 of the Second Amended Complaint, FCGI
14 admits that Mark Munger made no further contributions on or about March 13, 2013,
15 and affirmatively allege and admit that Mark Munger did not make the investments he
16 agreed to make under the ANPI Agreement. FCGI denies all allegations set forth in
17 Paragraph 54 of the Second Amended Complaint not expressly admitted herein.
18

19 55. Answering Paragraph 55 of the Second Amended Complaint, FCGI
20 admits that it issued out common stock in Full Color Games, Inc. to Mark Munger
21 pursuant to the Shareholder Issuance Agreement and Shareholder Repurchase
22 Agreement, and affirmatively alleges and admits that Full Color Games, Inc. did so
23 based on Mark Munger's agreement to contribute to the company by being appointed
24 both as a member of the Board of Advisors and as the company's Chief Technology
25 Officer ("CTO"). David Mahon affirmatively alleges and admits and that Mark Munger
26 has denied that he ever accepted the position of CTO and has claimed that the Board of
27
28

1 Advisor position did not require anything of him. FCGI denies that Mark Munger
2 should have ever received common stock in Full Color Games, Inc. because Mark
3 Munger denies the conditions upon which he was to receive the stock. FCGI denies all
4 allegations set forth in Paragraph 55 of the Second Amended Complaint not expressly
5 admitted herein.
6

7 56. Answering Paragraph 56 of the Second Amended Complaint, FCGI
8 admits that Mark Munger was involved in introducing Full Color Games, Inc. and David
9 Mahon to Sebastian Bastian. FCGI is without sufficient knowledge and information to
10 form a belief as to the remaining allegations set forth in Paragraph 56 of the Second
11 Amended Complaint and therefore deny them.
12

13 57. FCGI is without sufficient information and knowledge to form a belief as
14 to the truth of the allegations set forth in Paragraph 57 of the Second Amended
15 Complaint and therefore deny them.
16

17 58. FCGI is without sufficient information and knowledge to form a belief as
18 to the truth of the allegations set forth in Paragraph 58 of the Second Amended
19 Complaint and therefore deny them.
20

21 59. Answering Paragraph 59 of the Second Amended Complaint, FCGI is
22 informed and believe that Mark Munger was working for Full Color Games, Inc. and for
23 Sebastian Bastian's companies at the same time as alleged, and affirmatively allege that
24 Mark Munger's work created a conflict of interest and a breach of the Non-Disclosure,
25 Non-Compete and Non-interference Agreement between the FCGI and Mark Munger.
26 FCGI is without sufficient information and knowledge to form a belief as to the truth of
27 the remaining allegations set forth in Paragraph 59 of the Second Amended Complaint
28

1 and therefore deny them.

2 60. FCGI denies the allegations set forth in Paragraph 60 of the Second
3 Amended Complaint.

4 61. Answering Paragraph 61 of the Second Amended Complaint, FCGI
5 admits Full Color® Solitaire application was released onto the iTunes App Store. FCGI
6 denies all allegations set forth in Paragraph 61 of the Second Amended Complaint not
7 expressly admitted herein.
8

9 62. FCGI denies the allegations set forth in Paragraph 62 of the Second
10 Amended Complaint.

11 63. Answering Paragraph 63 of the Second Amended Complaint, FCGI
12 admits that Glen Howard became an investor in Full Color Games, Inc., on or about
13 February 14, 2014. FCGI denies all allegations set forth in Paragraph 63 of the Second
14 Amended Complaint not expressly admitted.
15

16 64. Answering Paragraph 64 of the Second Amended Complaint, FCGI
17 affirmatively alleges and admits that Mike Berman, doing business as Cactus Matrix, a
18 software subcontractor to Full Color Games, Inc., deleted the entire player website
19 databases, operating files and all recent backups for Full Color® Solitaire. FCGI denies
20 all allegations set forth in Paragraph 64 of the Second Amended Complaint not expressly
21 admitted herein.
22

23 65. FCGI denies the allegations set forth in Paragraph 65 of the Second
24 Amended Complaint.
25

26 66. Answering Paragraph 66 of the Second Amended Complaint, FCGI
27 admits that Glen Howard became a convertible note holder in Full Color Games, Inc., on
28

1 or about February 14, 2014 and the President of Full Color Games, Inc. on or about
2 January 1, 2015. FCGI denies all allegations set forth in Paragraph 66 of the Second
3 Amended Complaint not expressly admitted herein.

4 67. FCGI denies the allegations set forth in Paragraph 67 of the Second
5 Amended Complaint.

6 68. FCGI denies the allegations set forth in Paragraph 68 of the Second
7 Amended Complaint.

8 69. FCGI denies the allegations set forth in Paragraph 69 of the Second
9 Amended Complaint. .

10 70. FCGI denies the allegations set forth in Paragraph 70 of the Second
11 Amended Complaint.

12 71. FCGI denies the allegations set forth in Paragraph 71 of the Second
13 Amended Complaint.

14 72. FCGI denies the allegations set forth in Paragraph 72 of the Second
15 Amended Complaint.

16 73. Answering Paragraph 73 of the Second Amended Complaint, FCGI
17 admits that information was provided to Larry and Teresa Moore via an email, but deny
18 that any Defendants ever met with, pitched, solicited or spoke to Larry or Teresa Moore
19 prior to their investment into Full Color Games, Inc. The email and information
20 provided to Larry and Teresa Moore speak for themselves. FCGI denies all allegations
21 set forth in Paragraph 73 of the Second Amended Complaint not expressly admitted
22 herein.

23 74. Answering Paragraph 74 of the Second Amended Complaint, FCGI
24
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26
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1 admits that Teresa Moore emailed Glen Howard requesting wire transfer information to
2 complete her \$50,000 investment from “one of our corporations.” FCGI denies all
3 allegations set forth in Paragraph 74 of the Second Amended Complaint not expressly
4 admitted herein.

5 75. FCGI denies the allegations set forth in Paragraph 75 of the Second
6 Amended Complaint.
7

8 76. Answering Paragraph 76 of the Second Amended Complaint, FCGI
9 affirmatively alleges and admits the intellectual property concerning the Full Color®
10 Gaming System was owned by David Mahon and licensed to Intellectual Properties
11 Holdings, LLC and other companies via certain license agreements, including the
12 “License Agreement dated April 18, 2012” issued to Full Color Games, Inc., which
13 licensed the use of the intellectual property owned by David Mahon. FCGI further
14 affirmatively alleges and admits that FCGI in good faith relied upon Richard H.
15 Newman, Esq., attorney for Howard & Howard, LLP, Newman Law, LLC, general
16 counsel for Full Color Games, Inc., Chief Legal Officer of both Full Color Games, Inc.
17 and Full Color Games Ltd, a member of the Board of Advisors of Full Color Games,
18 Inc., a Director of Full Color Games Ltd and a Personal Management License applicant
19 for Full Color Games Ltd to the UK Gambling Commission remote software gaming
20 license application (hereinafter collectively “Newman”) who represented that the Full
21 Color® Gaming System intellectual property invented by and owned by David Mahon,
22 was properly protected by copyright, trademark, and patent law. FCGI further
23 affirmatively alleges and admits that to the extent FCGI discovered that the some of the
24 patent applications or copyright applications were not completed by Newman as
25
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1 represented, those applications were either corrected as much as possible and all
2 investors were informed of the issues. FCGI further affirmatively alleges and admits
3 that Newman was terminated from all of his legal representation and positions in
4 association with the FCGI as a result of the discovery and his inability to cure his
5 defects. FCGI denies all allegations set forth in Paragraph 76 of the Second Amended
6 Complaint not expressly admitted herein.
7

8 77. Answering Paragraph 77 of the Second Amended Complaint, FCGI
9 affirmatively alleges and admits that all investor documents, publications, applications
10 and all public records filings related to the Full Color® Gaming System, fully disclose
11 the facts that the Full Color® Gaming System was ©David W. Mahon, with “All Rights
12 Reserved” and the nature of their exclusive licensing speak for themselves. FCGI denies
13 all allegations set forth in Paragraph 76 of the Second Amended Complaint not expressly
14 admitted herein.
15

16 78. Answering Paragraph 78 of the Second Amended Complaint, FCGI
17 admits that all investor documents, publications, applications and all public records
18 filings related to the Full Color® Gaming System, fully disclose the facts that the Full
19 Color® Gaming System was ©David W. Mahon, with “All Rights Reserved” and the
20 nature of their exclusive licensing speak for themselves. FCGI denies all allegations set
21 forth in Paragraph 76 of the Second Amended Complaint not expressly admitted herein.
22

23 79. FCGI denies the allegations set forth in Paragraph 79 of the Second
24 Amended Complaint.
25

26 80. FCGI denies the allegations set forth in Paragraph 80 of the Second
27 Amended Complaint.
28

1 81. Answering Paragraph 81 of the Second Amended Complaint, FCGI
2 admits that documents were signed and executed by Larry and Teresa Moore and
3 affirmatively allege and admit that the email chains that forwarded the documents, the
4 wire transfer documents and the convertible note documents all speak for themselves.
5 FCGI denies the allegations set forth in Paragraph 81 of the Second Amended Complaint
6 not expressly admitted herein.
7

8 82. Answering Paragraph 82 of the Second Amended Complaint, FCGI
9 affirmatively alleges and admits that David Mahon hired Richard H. Newman, Esq. of
10 Howard & Howard, LLP who then transferred his practice to Newman Law, LLC, to
11 apply for trademarks, copyrights and patents for intellectual property protection on
12 behalf of the Full Color® Gaming System. FCGI denies the allegations set forth in
13 Paragraph 82 of the Second Amended Complaint not expressly admitted herein.
14

15 83. Answering Paragraph 82 of the Second Amended Complaint, FCGI
16 affirmatively alleges and admits that nonparty Oakwood Limited, doing business as
17 Microgaming, sought to license Full Color Games, Inc.'s real money gaming concepts
18 and prototypes and published promotional literature disclosing its exclusive license to
19 David Mahon's unique and proprietary Full Color® Gaming System to its Operators,
20 despite the games not being commercially available to release on their remote gaming
21 software application servers. FCGI denies the allegations set forth in Paragraph 83 of
22 the Second Amended Complaint not expressly admitted herein.
23
24

25 84. FCGI denies the allegations set forth in Paragraph 84 of the Second
26 Amended Complaint.

27 85. Answering Paragraph 85 of the Second Amended Complaint, FCGI
28

1 affirmatively alleges and admits that all Full Color® games product were pitched and
2 displayed to investors at different events. FCGI denies the allegations set forth in
3 Paragraph 85 of the Second Amended Complaint not expressly admitted herein.

4 86. FCGI denies the allegations set forth in Paragraph 86 of the Second
5 Amended Complaint.

6 87. FCGI denies the allegations set forth in Paragraph 87 of the Second
7 Amended Complaint.

8 88. FCGI admits the allegations set forth in Paragraph 88 of the Second
9 Amended Complaint.

10 89. Answering Paragraph 89 of the Second Amended Complaint, FCGI
11 affirmatively alleges and admits that David Mahon hired Richard H. Newman, Esq. of
12 Howard & Howard, LLP who then transferred his practice to Newman Law, LLC, to
13 apply for trademarks, copyrights and patents for intellectual property protection on
14 behalf of the Full Color® Gaming System. FCGI denies the allegations set forth in
15 Paragraph 89 of the Second Amended Complaint not expressly admitted herein.

16 90. Answering Paragraph 90 of the Second Amended Complaint, FCGI
17 affirmatively alleges and admits that David Mahon hired Richard H. Newman, Esq. of
18 Howard & Howard, LLP who then transferred his practice to Newman Law, LLC, to
19 apply for trademarks, copyrights and patents for intellectual property protection on
20 behalf of the Full Color® Gaming System. FCGI denies the allegations set forth in
21 Paragraph 90 of the Second Amended Complaint not expressly admitted herein.

22 91. FCGI denies the allegations set forth in Paragraph 91 of the Second
23 Amended Complaint.

1 92. FCGI denies the allegations set forth in Paragraph 92 of the Second
2 Amended Complaint.

3 93. FCGI denies the allegations set forth in Paragraph 93 of the Second
4 Amended Complaint.

5 94. FCGI denies the allegations set forth in Paragraph 94 of the Second
6 Amended Complaint.

7 95. FCGI denies the allegations set forth in Paragraph 95 of the Second
8 Amended Complaint.

9 96. FCGI denies the allegations set forth in Paragraph 96 of the Second
10 Amended Complaint.

11 97. FCGI denies the allegations set forth in Paragraph 97 of the Second
12 Amended Complaint.

13 98. FCGI denies the allegations set forth in Paragraph 98 of the Second
14 Amended Complaint.

15 99. FCGI denies the allegations set forth in Paragraph 99 of the Second
16 Amended Complaint.

17 100. FCGI denies the allegations set forth in Paragraph 100 of the Second
18 Amended Complaint.

19 101. FCGI denies the allegations set forth in Paragraph 101 of the Second
20 Amended Complaint.

21 102. FCGI denies the allegations set forth in Paragraph 102 of the Second
22 Amended Complaint.

23 103. Answering Paragraph 103 of the Second Amended Complaint, David
24

1 Mahon affirmatively alleges and admits that someone from BL Moore Construction, Inc.
2 sought to assign their investment in the Full Color Games, Inc. convertible note to a
3 family trust entitled Moore Family Trust u/d/t/ March 14, 2003 (“Moores”) and it was
4 approved and executed based on the representations made by the Moores as to their
5 status as a bonafide accredited investor. Full Color Games, Inc. further affirmatively
6 alleges and admits that on October 10, 2017, the Moore shares were canceled,
7 repurchased and terminated pursuant to the notice sent to Moores via USPS pursuant to
8 the terms and the conditions of Full Color Games, Inc. Amended and Restated Bylaws
9 dated August 1, 2015 that the Moores were bound by when they converted their security
10 interests in the “License dated April 18, 2012” into common stock shares certificate CS-
11 42 on or about April 11, 2016. FCGI denies the allegations set forth in Paragraph 103 of
12 the Second Amended Complaint not expressly admitted herein.
13
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15 104. FCGI denies the allegations set forth in Paragraph 104 of the Second
16 Amended Complaint.
17

18 105. FCGI denies the allegations set forth in Paragraph 105 of the Second
19 Amended Complaint.

20 106. FCGI denies the allegations set forth in Paragraph 106 of the Second
21 Amended Complaint.
22

23 107. Answering Paragraph 107 of the Second Amended Complaint, FCGI
24 admits Full Color Games, Inc., did exhibit at the ICE 2016 Totally Gaming Convention
25 in London, England. FCGI denies the allegations set forth in Paragraph 107 of the
26 Second Amended Complaint not expressly admitted herein.

27 108. Answering Paragraph 108 of the Second Amended Complaint, FCGI
28

1 affirmatively alleges and admits that Martin Linham, CFO of Full Color Games, Inc.,
2 had instructed Corporate Options (without any signed letter of authorization or executed
3 engagement letters from the Full Color Games, Inc.'s Board of Directors) to form Full
4 Color Games Ltd. in the Isle of Man prior to the ICE 2016 convention so he could begin
5 to pitch high net worth individuals, members of the royal families, members of the UK
6 parliament, casino gaming government regulators, accountants, lawyers, distributors,
7 operators, testing labs and institutional investors from the Isle of Man, the UK and
8 Europe. FCGI denies the allegations set forth in Paragraph 108 of the Second Amended
9 Complaint not expressly admitted herein.
10

11 109. FCGI denies the allegations set forth in Paragraph 109 of the Second
12 Amended Complaint.
13

14 110. FCGI denies the allegations set forth in Paragraph 110 of the Second
15 Amended Complaint.
16

17 111. Answering Paragraph 111 of the Second Amended Complaint, FCGI
18 affirmatively alleges and admits that Mahon hired Richard H. Newman, Esq. of Howard
19 & Howard, LLP who then transferred his practice to Newman Law, LLC, to apply for
20 trademarks, copyrights and patents for intellectual property protection on behalf of the
21 Full Color® Gaming System. FCGI denies the allegations set forth in Paragraph 111 of
22 the Second Amended Complaint not expressly admitted herein.
23

24 112. Answering Paragraph 112 of the Second Amended Complaint, FCGI
25 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
26 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
27 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
28

1 to convert their security interests into common stock shares of Full Color Games, Inc., in
2 advance of its maturity date. The majority of the Convertible Note Shareholders
3 approval of Amendment No. 2 triggered a series of expressly documented corporate
4 events. These corporate documents and agreements documenting the corporate event
5 speak for themselves. FCGI denies the allegations set forth in Paragraph 112 of the
6 Second Amended Complaint not expressly admitted herein.
7

8 113. Answering Paragraph 113 of the Second Amended Complaint, FCGI
9 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
10 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
11 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
12 to convert their security interests into common stock shares of Full Color Games, Inc., in
13 advance of its maturity date. The majority of the Convertible Note Shareholders
14 approval of Amendment No. 2 triggered a series of expressly documented corporate
15 events. These corporate documents and agreements documenting the corporate event
16 speak for themselves. FCGI denies the allegations set forth in Paragraph 113 of the
17 Second Amended Complaint not expressly admitted herein.
18

19 114. Answering Paragraph 114 of the Second Amended Complaint, FCGI
20 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
21 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
22 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
23 to convert their security interests into common stock shares of Full Color Games, Inc., in
24 advance of its maturity date. The majority of the Convertible Note Shareholders
25 approval of Amendment No. 2 triggered a series of expressly documented corporate
26
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28

1 events. These corporate documents and agreements documenting the corporate event
2 speak for themselves. FCGI denies the allegations set forth in Paragraph 114 of the
3 Second Amended Complaint not expressly admitted herein.

4 115. Answering Paragraph 115 of the Second Amended Complaint, FCGI
5 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
6 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
7 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
8 to convert their security interests into common stock shares of Full Color Games, Inc., in
9 advance of its maturity date. The majority of the Convertible Note Shareholders
10 approval of Amendment No. 2 triggered a series of expressly documented corporate
11 events. These corporate documents and agreements documenting the corporate event
12 speak for themselves. FCGI denies the allegations set forth in Paragraph 115 of the
13 Second Amended Complaint not expressly admitted herein.

14 116. Answering Paragraph 116 of the Second Amended Complaint, FCGI
15 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
16 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
17 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
18 to convert their security interests into common stock shares of Full Color Games, Inc., in
19 advance of its maturity date. The majority of the Convertible Note Shareholders
20 approval of Amendment No. 2 triggered a series of expressly documented corporate
21 events. These corporate documents and agreements documenting the corporate event
22 speak for themselves. FCGI denies the allegations set forth in Paragraph 116 of the
23 Second Amended Complaint not expressly admitted herein.

1 117. Answering Paragraph 117 of the Second Amended Complaint, FCGI
2 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
3 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
4 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
5 to convert their security interests into common stock shares of Full Color Games, Inc., in
6 advance of its maturity date. The majority of the Convertible Note Shareholders
7 approval of Amendment No. 2 triggered a series of expressly documented corporate
8 events. These corporate documents and agreements documenting the corporate event
9 speak for themselves. FCGI denies the allegations set forth in Paragraph 117 of the
10 Second Amended Complaint not expressly admitted herein.
11

12 118. Answering Paragraph 118 of the Second Amended Complaint, FCGI
13 affirmatively alleges and admits that 88.49% of the Convertible Note Shareholders of
14 Full Color Games, Inc., on or about April 11, 2016 approved Amendment No. 2 and as a
15 result, voted to voluntarily trigger a corporate event in the May 2014 Convertible Note
16 to convert their security interests into common stock shares of Full Color Games, Inc., in
17 advance of its maturity date. The majority of the Convertible Note Shareholders
18 approval of Amendment No. 2 triggered a series of expressly documented corporate
19 events. These corporate documents and agreements documenting the corporate event
20 speak for themselves. FCGI denies the allegations set forth in Paragraph 118 of the
21 Second Amended Complaint not expressly admitted herein.
22

23 119. Answering Paragraph 119 of the Second Amended Complaint, FCGI
24 denies the allegations set forth in Paragraph 119 of the Second Amended Complaint not
25 expressly admitted herein.
26
27
28

1 120. Answering Paragraph 120 of the Second Amended Complaint, FCGI
2 affirmatively alleges and admits that Bastian was not a shareholder of Full Color Games,
3 Inc., Full Color Games Ltd., Intellectual Properties Holdings, LLC, Intellectual
4 Properties Holdings, Ltd. or any company owned or affiliated by any of the Answering
5 Defendants. Notwithstanding the lack of relevance, the FCGI affirmatively alleges and
6 admits that 88.49% of the Convertible Note Shareholders of Full Color Games, Inc., on
7 or about April 11, 2016 approved Amendment No. 2 and as a result, voted to voluntarily
8 trigger a corporate event in the May 2014 Convertible Note to convert their security
9 interests into common stock shares of Full Color Games, Inc., in advance of its maturity
10 date. The majority of the Convertible Note Shareholders approval of Amendment No. 2
11 triggered a series of expressly documented corporate events. These corporate
12 documents and agreements documenting the corporate event speak for themselves.
13 FCGI denies the allegations set forth in Paragraph 120 of the Second Amended
14 Complaint not expressly admitted herein.

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17 121. FCGI denies the allegations set forth in Paragraph 121 of the Second
18 Amended Complaint.

19
20 122. FCGI denies the allegations set forth in Paragraph 122 of the Second
21 Amended Complaint.

22
23 123. FCGI denies the allegations set forth in Paragraph 123 of the Second
24 Amended Complaint.

25 124. FCGI denies the allegations set forth in Paragraph 124 of the Second
26 Amended Complaint.

27 125. FCGI denies the allegations set forth in Paragraph 125 of the Second
28

1 Amended Complaint.

2 126. FCGI denies the allegations set forth in Paragraph 126 of the Second
3 Amended Complaint.

4 127. Answering Paragraph 127 of the Second Amended Complaint, FCGI
5 affirmatively alleges and admits that Full Color Games Ltd. formed a wholly owned
6 subsidiary named Full Color Games, N.A., Inc. ("FCGNA") and FCGNA did in fact
7 open a bank account in the ordinary course of business. FCGNA further affirmatively
8 alleges and admits that the Board of Directors of Full Color Games Ltd. did in fact wire
9 minimal funds into FCGNA's bank account and mandated that FCGNA that would run
10 at a cost neutral basis to avoid transfer pricing and maintain Full Color Games Ltd.'s tax
11 free status in the Isle of Man. FCGI denies the allegations set forth in Paragraph 127 of
12 the Second Amended Complaint not expressly admitted herein.

15 128. FCGI denies the allegations set forth in Paragraph 128 of the Second
16 Amended Complaint.

17 129. FCGI denies the allegations set forth in Paragraph 129 of the Second
18 Amended Complaint.

20 130. Answering Paragraph 130 of the Second Amended Complaint, FCGI
21 affirmatively alleges and admits that they received confirmation that Full Color Games
22 Ltd. submitted a UKGC application and Personal Management License applications for
23 Martin Linham as CFO, Mark Munger as CTO, Lee Murphy as Director and David
24 Mahon as CEO. FCGI denies the allegations set forth in Paragraph 130 of the Second
25 Amended Complaint not expressly admitted herein.

27 131. FCGI denies the allegations set forth in Paragraph 131 of the Second
28

1 Amended Complaint.

2 132. FCGI denies the allegations set forth in Paragraph 133 of the Second
3 Amended Complaint.

4 133. FCGI denies the allegations set forth in Paragraph 133 of the Second
5 Amended Complaint.

6 134. Answering Paragraph 134 of the Second Amended Complaint, FCGI
7 affirmatively alleges and admits that after becoming an individual and a corporate victim
8 of the fraudulent banking accounting practices of Wells Fargo Bank that resulted in a
9 \$142 million dollar class action lawsuit settlement, he ended his 27 year relationship
10 with Wells Fargo due to their lack of ethical restraint and opened new bank accounts at a
11 competing firm with better service and more locations. FCGI denies the allegations set
12 forth in Paragraph 134 of the Second Amended Complaint not expressly admitted
13 herein.

14 135. Answering Paragraph 135 of the Second Amended Complaint, FCGI
15 admits Full Color Games, Inc., did exhibit at the ICE 2017 Totally Gaming Convention
16 in London, England. FCGI denies the allegations set forth in Paragraph 135 of the
17 Second Amended Complaint not expressly admitted herein.

18 136. FCGI denies the allegations set forth in Paragraph 136 of the Second
19 Amended Complaint.

20 137. FCGI denies the allegations set forth in Paragraph 135 of the Second
21 Amended Complaint.

22 138. FCGI denies the allegations set forth in Paragraph 138 of the Second
23 Amended Complaint.

1 139. FCGI denies the allegations set forth in Paragraph 139 of the Second
2 Amended Complaint.

3 140. Answering Paragraph 140 of the Second Amended Complaint, FCGI
4 admits that Full Color Games Inc. shareholders were sent an investor update on or about
5 June 29, 2017, and the investor update speaks for itself. FCGI denies the allegations set
6 forth in Paragraph 140 of the Second Amended Complaint not expressly admitted
7 herein.
8

9 141. Answering Paragraph 141 of the Second Amended Complaint, FCGI
10 admits that Full Color Games Inc. shareholders were sent and investor update on or
11 about June 29, 2017, and the investor update speaks for itself. FCGI denies the
12 allegations set forth in Paragraph 141 of the Second Amended Complaint not expressly
13 admitted herein.
14

15 142. FCGI denies the allegations set forth in Paragraph 142 of the Second
16 Amended Complaint.
17

18 143. FCGI denies the allegations set forth in Paragraph 143 of the Second
19 Amended Complaint.

20 144. FCGI denies the allegations set forth in Paragraph 144 of the Second
21 Amended Complaint.
22

23 145. FCGI denies the allegations set forth in Paragraph 145 of the Second
24 Amended Complaint.

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FIRST CLAIM FOR RELIEF
(Breach of Fiduciary Duty/Gross Mismanagement
against Mahon, on Behalf of Full Color Games, Inc.)

146. Answering Paragraph 146 of the Second Amended Complaint, FCGI incorporates its answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

147. FCGI denies the allegations set forth in Paragraph 147 of the Second Amended Complaint.

148. FCGI denies the allegations set forth in Paragraph 148 of the Second Amended Complaint.

149. FCGI denies the allegations set forth in Paragraph 149 of the Second Amended Complaint.

150. FCGI denies the allegations set forth in Paragraph 150 of the Second Amended Complaint.

151. FCGI denies the allegations set forth in Paragraph 151 of the Second Amended Complaint.

152. FCGI denies the allegations set forth in Paragraph 152 of the Second Amended Complaint.

153. FCGI denies the allegations set forth in Paragraph 153 of the Second Amended Complaint.

154. FCGI is without sufficient information and knowledge to form a belief as to the truth of the allegations set forth in Paragraph 154 of the Second Amended Complaint and therefore deny them.

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SECOND CLAIM FOR RELIEF
(Aiding and Abetting Breach of Fiduciary Duty
against Glen Howard, on Behalf of Full Color Games, Inc.)

155. Answering Paragraph 155 of the Second Amended Complaint, FCGI incorporates its answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

156. FCGI denies the allegations set forth in Paragraph 156 of the Second Amended Complaint.

157. FCGI denies the allegations set forth in Paragraph 157 of the Second Amended Complaint.

158. FCGI denies the allegations set forth in Paragraph 158 of the Second Amended Complaint.

159. FCGI denies the allegations set forth in Paragraph 159 of the Second Amended Complaint.

160. FCGI is without sufficient information and knowledge to form a belief as to the truth of the allegations set forth in Paragraph 160 of the Second Amended Complaint and therefore deny them.

THIRD CLAIM FOR RELIEF
(Tortious Interference with Business Relationship
against All Defendants, on Behalf of Full Color Games, Inc.)

161. Answering Paragraph 161 of the Second Amended Complaint, FCGI incorporates its answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

162. FCGI denies the allegations set forth in Paragraph 162 of the Second Amended Complaint.

1 163. FCGI denies the allegations set forth in Paragraph 163 of the Second
2 Amended Complaint.

3 164. FCGI denies the allegations set forth in Paragraph 164 of the Second
4 Amended Complaint.

5 165. FCGI denies the allegations set forth in Paragraph 165 of the Second
6 Amended Complaint.

7 166. FCGI denies the allegations set forth in Paragraph 166 of the Second
8 Amended Complaint.

9 167. FCGI denies the allegations set forth in Paragraph 167 of the Second
10 Amended Complaint.

11 168. FCGI is without sufficient information and knowledge to form a belief as
12 to the truth of the allegations set forth in Paragraph 168 of the Second Amended
13 Complaint and therefore deny them.

14
15 **FOURTH CLAIM FOR RELIEF**
16 **(Fraudulent Misrepresentation against Mahon,**
17 **on Behalf of Full Color Games, Inc. And Individual Plaintiffs**
18 **Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

19 169. - 179. Claim has been dismissed by the Court and no answer is required.

20
21 **FIFTH CLAIM FOR RELIEF**
22 **(Fraudulent Concealment against Mahon, on**
23 **Behalf of Full Color Games, Inc. And Individual Plaintiffs Munger,**
24 **David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

25 180. - 188. Claim has been dismissed by the Court and no answer is required.

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1 **SIXTH CLAIM FOR RELIEF**
2 **(Deceptive Trade Practices under NRS 598.015 against**
3 **Mahon, on behalf of Full Color Games, Inc. And Individual Plaintiffs**
4 **Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

5 189. - 194. Claim has been dismissed by the Court and no answer is required.

6 **SEVENTH CLAIM FOR RELIEF**
7 **(Unjust Enrichment against All Defendants, on Behalf of Full Color Games, Inc.)**

8 195. Answering Paragraph 195 of the Second Amended Complaint, FCGI
9 incorporates its answers to the preceding paragraphs of the Second Amended Complaint
10 as though fully set forth herein.

11 196. FCGI denies the allegations set forth in Paragraph 196 of the Second
12 Amended Complaint.

13 197. FCGI denies the allegations set forth in Paragraph 197 of the Second
14 Amended Complaint.

15 198. FCGI denies the allegations set forth in Paragraph 198 of the Second
16 Amended Complaint.

17 199. FCGI denies the allegations set forth in Paragraph 199 of the Second
18 Amended Complaint.

19 200. FCGI denies the allegations set forth in Paragraph 200 of the Second
20 Amended Complaint.

21 201. FCGI is without sufficient information and knowledge to form a belief as
22 to the truth of the allegations set forth in Paragraph 201 of the Second Amended
23 Complaint and therefore deny them.

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1 219. FCGI denies the allegations set forth in Paragraph 219 of the Second
2 Amended Complaint.

3 220. FCGI denies the allegations set forth in Paragraph 220 of the Second
4 Amended Complaint.

5 221. FCGI denies the allegations set forth in Paragraph 221 of the Second
6 Amended Complaint.

7 222. FCGI denies the allegations set forth in Paragraph 222 of the Second
8 Amended Complaint.

9 223. FCGI denies the allegations set forth in Paragraph 223 of the Second
10 Amended Complaint.

11 224. FCGI denies the allegations set forth in Paragraph 224 of the Second
12 Amended Complaint.

13 225. FCGI denies the allegations set forth in Paragraph 225 of the Second
14 Amended Complaint.

15 226. FCGI denies the allegations set forth in Paragraph 226 of the Second
16 Amended Complaint.

17 227. FCGI denies the allegations set forth in Paragraph 227 of the Second
18 Amended Complaint.

19 228. FCGI is without sufficient information and knowledge to form a belief as
20 to the truth of the allegations set forth in Paragraph 228 of the Second Amended
21 Complaint and therefore deny them.

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ELEVENTH CLAIM FOR RELIEF
(Accounting against All Defendants, on behalf of Full Color Games, Inc. And
Individual Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore
Family Trust)

229. Answering Paragraph 229 of the Second Amended Complaint, FCGI incorporates its answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

230. FCGI denies the allegations set forth in Paragraph 230 of the Second Amended Complaint.

231. FCGI denies the allegations set forth in Paragraph 231 of the Second Amended Complaint.

232. FCGI denies the allegations set forth in Paragraph 232 of the Second Amended Complaint.

233. FCGI denies the allegations set forth in Paragraph 233 of the Second Amended Complaint.

234. FCGI denies the allegations set forth in Paragraph 234 of the Second Amended Complaint.

235. FCGI denies the allegations set forth in Paragraph 235 of the Second Amended Complaint.

236. FCGI denies the allegations set forth in Paragraph 236 of the Second Amended Complaint.

237. FCGI is without sufficient information and knowledge to form a belief as to the truth of the allegations set forth in Paragraph 237 of the Second Amended Complaint and therefore deny them.

TWELFTH CLAIM FOR RELIEF
(Appointment of Special Master, on behalf of Full Color Games, Inc. And
Individual Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore
Family Trust)

238. Answering Paragraph 238 of the Second Amended Complaint, FCGI incorporates its answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

239. FCGI denies the allegations set forth in Paragraph 239 of the Second Amended Complaint.

240. FCGI denies the allegations set forth in Paragraph 240 of the Second Amended Complaint.

241. FCGI denies the allegations set forth in Paragraph 241 of the Second Amended Complaint.

242. FCGI denies the allegations set forth in Paragraph 242 of the Second Amended Complaint.

243. FCGI denies the allegations set forth in Paragraph 243 of the Second Amended Complaint.

244. FCGI denies the allegations set forth in Paragraph 244 of the Second Amended Complaint.

245. FCGI denies the allegations set forth in Paragraph 245 of the Second Amended Complaint.

246. FCGI denies the allegations set forth in Paragraph 246 of the Second Amended Complaint.

247. FCGI is without sufficient information and knowledge to form a belief as

1 to the truth of the allegations set forth in Paragraph 247 of the Second Amended
2 Complaint and therefore deny them.

3 **THIRTEENTH CLAIM FOR RELIEF**
4 **(Declaratory Relief, on behalf of Full Color Games, Inc. And Individual**
5 **Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family**
6 **Trust)**

7 248. Answering Paragraph 248 of the Second Amended Complaint, FCGI
8 incorporates its answers to the preceding paragraphs of the Second Amended Complaint
9 as though fully set forth herein.

10 249. FCGI denies the allegations set forth in Paragraph 249 of the Second
11 Amended Complaint.

12 250. FCGI denies the allegations set forth in Paragraph 250 of the Second
13 Amended Complaint.

14 251. FCGI denies the allegations set forth in Paragraph 251 of the Second
15 Amended Complaint.

16 252. FCGI denies the allegations set forth in Paragraph 252 of the Second
17 Amended Complaint.

18 253. FCGI denies the allegations set forth in Paragraph 253 of the Second
19 Amended Complaint.

20 254. FCGI denies the allegations set forth in Paragraph 254 of the Second
21 Amended Complaint.

22 255. FCGI denies the allegations set forth in Paragraph 255 of the Second
23 Amended Complaint.

24 256. FCGI is without sufficient information and knowledge to form a belief as
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1 to the truth of the allegations set forth in Paragraph 256 of the Second Amended
2 Complaint and therefore deny them.

3 **FOURTEENTH CLAIM FOR RELIEF**
4 **(Temporary Restraining Order, Preliminary and Permanent Injunction**
5 **against All Defendants, on behalf of Full Color Games, Inc. And Individual**
6 **Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family**
7 **Trust)**

8 257. Answering Paragraph 257 of the Second Amended Complaint, FCGI
9 incorporates its answers to the preceding paragraphs of the Second Amended Complaint
10 as though fully set forth herein.

11 258. FCGI denies the allegations set forth in Paragraph 258 of the Second
12 Amended Complaint.

13 259. FCGI denies the allegations set forth in Paragraph 259 of the Second
14 Amended Complaint.

15 260. FCGI is without sufficient information and knowledge to form a belief as
16 to the truth of the allegations set forth in Paragraph 260 of the Second Amended
17 Complaint and therefore deny them.

18 **FIFTEENTH CLAIM FOR RELIEF**
19 **(Breach of Contract against Mahon, on behalf of Individual Plaintiff Mark**
20 **Munger)**

21 261. Answering Paragraph 261 of the Second Amended Complaint, FCGI
22 incorporates its answers to the preceding paragraphs of the Second Amended Complaint
23 as though fully set forth herein.

24 262. FCGI denies the allegations set forth in Paragraph 262 of the Second
25 Amended Complaint.

26 263. FCGI denies the allegations set forth in Paragraph 263 of the Second
27
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1 Amended Complaint.

2 264. FCGI denies the allegations set forth in Paragraph 264 of the Second
3 Amended Complaint.

4 265. FCGI denies the allegations set forth in Paragraph 265 of the Second
5 Amended Complaint.

6 266. FCGI denies the allegations set forth in Paragraph 266 of the Second
7 Amended Complaint.

8 267. FCGI is without sufficient information and knowledge to form a belief as
9 to the truth of the allegations set forth in Paragraph 267 of the Second Amended
10 Complaint and therefore deny them.

11
12
13 **SIXTEENTH CLAIM FOR RELIEF**
14 **(Breach of Covenant of Good Faith and Fair Dealing**
15 **against Mahon, on behalf of Individual Plaintiff Mark Munger)**

16 268. Answering Paragraph 268 of the Second Amended Complaint, FCGI
17 incorporates its answers to the preceding paragraphs of the Second Amended Complaint
18 as though fully set forth herein.

19 269. FCGI denies the allegations set forth in Paragraph 269 of the Second
20 Amended Complaint.

21 270. FCGI denies the allegations set forth in Paragraph 270 of the Second
22 Amended Complaint.

23 271. FCGI denies the allegations set forth in Paragraph 271 of the Second
24 Amended Complaint.

25 272. FCGI denies the allegations set forth in Paragraph 272 of the Second
26 Amended Complaint.
27
28

1 273. FCGI is without sufficient information and knowledge to form a belief as
2 to the truth of the allegations set forth in Paragraph 273 of the Second Amended
3 Complaint and therefore deny them

4 **AFFIRMATIVE DEFENSES**

5 FCTI, without altering the burdens of proof the parties must bear, asserts the
6 following affirmative defenses to the Second Amended Complaint, and the claims
7 asserted therein, and FCGI specifically incorporates into the affirmative defenses their
8 answers to the preceding paragraphs of the Second Amended Complaint as if fully set
9 forth herein.
10

11 **FIRST AFFIRMATIVE DEFENSE**

12 The Second Amended Complaint fails to state facts sufficient to constitute a
13 CLAIM FOR RELIEF against Answering Defendants.
14

15 **SECOND AFFIRMATIVE DEFENSE**

16 FCGI is informed and believes, and thereon allege, that the Second Amended
17 Complaint, and each and every CLAIM FOR RELIEF set forth therein, is barred by the
18 applicable statute of limitations, including but not limited to, NRS Sections 11.190,
19 11.200, 11.202, 11.203, 11.204, 11.205 and 11.2055.
20

21 **THIRD AFFIRMATIVE DEFENSE**

22 FCGI is informed and believes, and thereon allege, that Plaintiffs' claims are
23 barred by the equitable doctrines of waiver, duress, release, laches, unclean hands,
24 limitations, and/or equitable estoppel.
25

26 ////

27 ////

1 **FOURTH AFFIRMATIVE DEFENSE**

2 FCGI is informed and believes, and thereon allege, that any injuries or claims of
3 damages suffered by Plaintiffs, if any, were directly and proximately caused by others
4 over which FCGI had no control.

5 **FIFTH AFFIRMATIVE DEFENSE**

6 Plaintiffs lack standing to bring derivative claims on behalf of FCGI under
7 NRCP 23.1 because Plaintiffs do not meet the ongoing and continuous share ownership
8 requirement.
9

10 **SIXTH AFFIRMATIVE DEFENSE**

11 Plaintiffs lack standing to bring derivative claims on behalf of FCGI because
12 Plaintiffs cannot fairly and adequately represent the company.
13

14 **SEVENTH AFFIRMATIVE DEFENSE**

15 FCGI is informed and believe, and thereon allege, that Answering Defendants'
16 acts and actions as alleged in the Second Amended Complaint are privileged and/or
17 otherwise shielded from liability by the business judgment rule.
18

19 **EIGHTH AFFIRMATIVE DEFENSE**

20 FCGI alleges that at the time and place alleged in the Second Amended
21 Complaint, all or some of Plaintiffs did not exercise ordinary care, caution or prudence
22 to avoid the damages alleged in the Second Amended Complaint and the resulting
23 damages and injury, if any, complained of were directly and proximately contributed to
24 and caused by the fault, carelessness and negligence of the one or all of the Plaintiffs,
25 and any judgment in favor of Plaintiffs and against this answering and against any of the
26 FCGI should be reduced in proportion to Plaintiffs' own fault.
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NINTH AFFIRMATIVE DEFENSE

The facts alleged by Plaintiff are insufficient to state a CLAIM FOR RELIEF for punitive damages.

TENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims for punitive damages are limited or prohibited by Nevada statute and by the Constitution of the United States.

ELEVENTH AFFIRMATIVE DEFENSE

Any damage claims by the Plaintiffs are speculative, are not supported by proof and are not compensable as a matter of law.

TWELFTH AFFIRMATIVE DEFENSE

FCGI did not violate any duty owed to Plaintiff under the common law, contract, or statute.

THIRTEENTH AFFIRMATIVE DEFENSE

The damages alleged in the Second Amended Complaint, if any, were caused and brought about solely by an intervening and superseding cause.

FOURTEENTH AFFIRMATIVE DEFENSE

Some or all of the contract claims brought by any Plaintiff fail for lack of consideration.

FIFTEENTH AFFIRMATIVE DEFENSE

Some or all of Plaintiffs’ claims fail to the extent any Plaintiff failed to mitigate their damages.

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1 **SIXTEENTH AFFIRMATIVE DEFENSE**

2 FCGI denies each and every allegation of the Second Amended Complaint not
3 specifically admitted or otherwise pled herein.

4 **SEVENTEENTH AFFIRMATIVE DEFENSE**

5 This Court lacks jurisdiction over some or all of Plaintiffs' claims to the extent
6 those claims require the joinder of parties over whom the Court does not have
7 jurisdiction.
8

9 **EIGHTEENTH AFFIRMATIVE DEFENSE**

10 FCGI were required to employ the services of attorneys to defend this action and
11 a reasonable sum should be allowed as and for attorney's fees, together with the costs
12 expended in this action.
13

14 **NINETEENTH AFFIRMATIVE DEFENSE**

15 FCGI hereby incorporate by reference those affirmative defenses enumerated in
16 Rule 8 of the Nevada Rules of Civil Procedure as if fully set forth herein. In the event
17 further investigation or discovery reveals the applicability of any such defenses,
18 Defendant reserves the right to seek leave of Court to amend their Answer to specifically
19 assert such additional defenses.
20

21 WHEREFORE, FCGI, with respect to Plaintiffs' claims, pray as follows:

- 22 1. That Plaintiffs take nothing by way of their Second Amended Complaint.
23 2. That Defendants be awarded their attorney's fees and costs for having to
24 defend this action.
25 3. For any other additional relief the Court may deem appropriate to award.
26
27
28

AMENDED COUNTERCLAIMS ANT THIRD-PARTY COMPLAINT

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(Breach of Fiduciary Duty)212

PRAYER FOR RELIEF 213

Counter-Claimant and Third-Party Plaintiff Full Color Games, Inc. (“FCGI”), by its undersigned counsel Hutchinson & Steffen, PLLC, alleges as follows against the Counter-Defendants and Third-Party Defendants as follows upon first-hand knowledge except where indicated to be upon information and belief:

NATURE OF AMENDED COUNTER-COMPLAINT
Summary Overview

1. All of the Parties in this action are in the casino gaming industry.
2. The casino gaming industry is a multi-trillion-dollar perennial business that nets over \$600 billion dollars in a year in annual profits in the regulated markets alone throughout hundreds of jurisdictions around the world in land based, online and social casinos through gambling with real and virtual money.
3. Defendant Counter-claimant David Mahon (“Mahon”) has invented an entirely new and proprietary class of casino gaming intellectual property, applied for and obtained certain federal registration protections through the United States Trademark and Patent Office (“USPTO”) and the United States Copyright Office (“USCO”), obtained independent math certifications for real money game play for over 450 casino gaming jurisdictions worldwide through BMM Testlabs (“BMM”) and Gaming Laboratories, Inc. (“GLI”), all of which are poised to disrupt the entire industry and shift billions of dollars of annual revenue and profits away from the oligarchs of the industry and into the coffers of MAHON, his Licensees and their investors.

1 4. Counter-Defendants and Third-Party Defendants have conspired with
2 each other to engage in a pattern of criminal racketeering activity that began with billing
3 fraud, wire fraud and money laundering for the purposes of tax evasion to conceal the
4 purchase of FCGI'S securities and culminating in a violation of the Hobbs Act (18
5 U.S.C. §1951) against FCGI and its principals in an attempt to wrongfully coerce Mahon
6 into giving up his property interests in his intellectual property.
7

8 5. Specifically, and as more specifically alleged herein, some or all of the
9 Counter-Defendants and Third-Party Defendants:
10

- 11 i. *installed themselves into the positions of trust and authority as the*
12 *Board of Advisors, directors, and officers, and obtained shares of*
13 *FCGI in order to sabotage his business interests, and take over*
 the business and licenses to intellectual property as their own;
- 14 ii. *sabotaged the commercial viability of FCGI and its ability to*
15 *commercialize the licenses Mahon had bestowed on FCGI for the*
16 *use of his inventions and bring his inventions to the market place*
 in the process;
- 17 iii. *wrongfully interfered, circumvented and competed against FCGI*
18 *in violation of their contracts and fiduciary duties;*
- 19 iv. *deleted and destroyed company assets, emails and digital files*
20 *that would reveal their wrongful activities;*
- 21 v. *deliberately framed Mahon as unsuitable to run his own company*
22 *to other investors and industry partners and vendors by falsely*
 claiming he embezzled money out of his own company;
- 23 vi. *engaged in a willful character assassination to destroy Mahon's*
24 *ability to be found suitable for casino gaming licensing in order to*
25 *render FCGI's attempted commercialization of the Full Color IP*
26 *worthless, and force Mahon to sell the intellectual property for*
27 *fractions of pennies on the dollar in order to ever see any profit*
 from it after being found unsuitable at the hands of the fraud of
 the Counter-defendants;

- vii. *engaged in a wrongful attempt to extort Mahon out of his own intellectual property and other ownerships in FCGI, or otherwise attempt via a veiled threat of ongoing, tortious, and frivolous litigation and ongoing character assassination;*
- viii. *disparaged Mahon to partners, vendors, suppliers and governmental regulatory agencies in further attempts to destroy his reputation and harm FCGI;*
- ix. *breached all of their own contracts as a result of their wrongful, tortious and racketeering activities;*
- x. *made false representations concerning services and accepted payment for services based on false pretenses.*
- xi. *collectively conspired to file false claims with the United States Securities Exchange Commission asserting all of the above in order to get the Defendants wrongfully indicted for the securities fraud.*

6. As more fully set forth herein, the Counter-claimants have been directly and irreparably harmed by the Counter-defendant's improper, wrongful, and unlawful conduct for which the Counter-claimants seeks:

- a. treble damages for all acts through which the Counter-defendants exploited the Counter-claimants for its own benefit and to the Counter-claimant's detriment (breach of contract, breach of fiduciary duties, torts of interference, fraud, misrepresentation, threats, extortion and coercing others to forgo legitimate business interests) and through which the Counter-defendants schemed to deprive MAHON and the other Counter-claimants' of their property rights;
- b. disgorgement of claims to all wrongfully obtained shares of FCGI's common stock and property rights;
- c. other equitable and legal remedies, including restitution; attorney's fees; compensatory and punitive damages for loss of

1 commercial revenue to the Counter-claimants for: (1) Counter-
2 defendants' securities fraud; (2) Counter-defendants' interference
3 with FCGI's legitimate business rights; (4) Counter-defendants'
4 usurpation of corporate opportunities.

5 6 **JURISDICTION AND VENUE**

7 7. This Court has jurisdiction over this matter pursuant to Section "964(c)
8 of the Racketeer Influenced and Corrupt Organizations Act ("Federal RICO Act") [18
9 U.S.C. § 1964(c)]; 28 U.S.C. § 1331; and 28 U.S.C. § 1367. Upon information and
10 belief, this Court also has jurisdiction over this matter pursuant to 28 U.S.C. § 1332,
11 because the amount in controversy, exclusive of interests and costs, exceeds \$75,000
12 and, on information and belief, the parties are citizens of different states.

13 8. The claims asserted herein arise under Section 1962 of the Federal RICO
14 Act [18 U.S.C. § 1962(a)-(c)]; Nevada Racketeer Influenced and Corrupt Organizations
15 Act ("Nevada RICO") [N.R.S. § 207.400 et seq.]; Nevada Uniform Securities Act
16 [N.R.S. § 90.570]; Nevada Uniform Partnership Act [N.R.S. § 87.190 et seq.]; Nevada
17 Uniform Limited Partnership Act [N.R.S. § 87.210]; and Nevada common law.

18 9. Venue is proper in this District pursuant to (i) 18 U.S.C. § 1965(a),
19 because this is a District in which the Defendants are found, have an agent, or transact
20 their affairs; and (ii) 28 U.S.C. § 1391(b)(2), because this is a District in which a
21 substantial part of the events or omissions giving rise to the claim occurred, or a
22 substantial part of the property that is subject of the action is situated.

23 **PARTIES**

24 10. Counter-claimant Full Color Games, Inc. ("FCGI") is a corporation
25 formed under the laws of the State of Nevada and is, or was at all relevant times, doing
26 business in Clark County, Nevada.
27
28

1 11. Upon information and belief Third-Party Defendant Sebastian J. Bastian
2 (“Bastian”) is an individual who resides in Nassau, New Providence, Bahamas and does
3 business in Clark County, Nevada.

4 12. Upon information and belief Third-Party Defendant Dirk Simmons
5 (“Simmons”) is an individual who resides in Nassau, New Providence, Bahamas and
6 does business in Clark County, Nevada.

7 13. Upon information and belief, Counter-Defendant Mark W. Munger
8 (“Munger”) is an individual who resides in and does business in Clark County, Nevada.

9 14. Upon information and belief, Third-Party Defendant Martin L. Linham
10 (“Linham”) is an individual who resides in Douglas, Isle of Man and does business in
11 Clark County, Nevada.

12 15. Upon information and belief, Third-Party Defendant Playtech Systems
13 Ltd (“Playtech”) is a limited company organized under the laws of the Bahamas owned
14 by Bastian, which is, or was at all relevant times, doing business in the Bahamas.

15 16. Upon information and belief, Third-Party Defendant IslandLuck.com
16 (“Island Luck”) is a subsidiary, fictitious business name and or an operating entity under
17 the control of Playtech owned by Bastian operating under the laws of the Bahamas.

18 17. Upon information and belief, Third-Party Defendant Davinci Trading
19 Group (“DTG”) is a corporation owned by Bastian, which is, or was at all relevant
20 times, doing business in the Cayman Islands.

21 18. Upon information and belief, Third-Party Defendant Davinci Holding
22 Ltd (“DHL”) is an Isle of Man company formed under the 2006 Companies Act owned
23 by Bastian, which is, or was at all relevant times, doing business in the Isle of Man or
24 does business in Clark County, Nevada.

25 19. Upon information and belief, Third-Party Defendant ILG Software
26 (“ILG”) is an Isle of Man company formed under the 2006 Companies Act owned by
27
28

1 Bastian, which is, or was at all relevant times, doing business in the Isle of Man,
2 Bahamas, Costa Rica or does business in Clark County, Nevada.

3 20. Upon information and belief, Third-Party Defendant Multislot, LTD
4 (“Multislot”) an Isle of Man Company owned by HORAN and JUNGELS formed under
5 the 2006 Companies Act, which is, or was at all relevant times, doing business in the Isle
6 of Man and Costa Rica.

7 21. Eric J. Jungels (“Jungels”) is an individual, an American citizen who
8 resides San Jose, Costa Rica and is a principal or owner of Multislot who does business
9 in Clark County, Nevada.

10 22. Jeff Horan (“Horan”) is an individual, an American citizen who resides
11 in San Jose Costa, Rica and is a principal or owner of Multislot and does business in
12 Clark County, Nevada.

13 23. Upon information and belief, Third-Party Defendant Munger &
14 Associates (“M&A”) is a Nevada corporation owned by Munger organized under the
15 laws of the State of Nevada.

16 24. Upon information and belief, Third-Party Defendant Valcros, LLC
17 (“Valcros”) is a Nevada limited liability company owned by Munger organized under
18 the laws of the State of Nevada.

19 25. Upon information and belief, Third-Party Defendant B.L. Moore
20 Construction, Inc. (“BLM”) is a California corporation owned by L-Moore and T-Moore
21 and doing business in Clark County, Nevada.

22 26. Upon information and belief, Third-Party Defendant Spin Games, LLC,
23 (“Spin”) is a Nevada limited liability company organized under the laws of the State of
24 Nevada.

25 27. Upon information and belief, Third-Party Defendant David Eckles
26 (“Eckles”) is an individual who resides in California or does business in Clark County,
27 Nevada.

1 28. Upon information and belief, Counter-defendant David's Hard Work
2 Trust LTD. 3/26/2012, a California Trust established under the laws of the State of
3 California ("DHWT"), which is, or was at all relevant times, doing business in Clark
4 County, Nevada.

5 29. Upon information and belief, Third-Party Defendant, G. Bradford Solso
6 ("Solso") is an individual who resides in California or does business in Clark County,
7 Nevada.

8 30. Upon information and belief, Counter-defendant Millennium Trust
9 Company, LLC, Custodian FBO Gary Solso, IRA, a California Trust established under
10 the laws of the State of California ("Millennium Trust"), which is, or was at all relevant
11 times, doing business in Clark County, Nevada.

12 31. Upon information and belief, Third-Party Defendant Mara H. Brazer
13 ("Brazer") is an individual who resides in California or does business in Clark County,
14 Nevada.

15 32. Upon information and belief, Counter-defendant Mara H. Brazer Trust
16 UTA 2/12/2004, ("Brazer Trust") a California Trust established under the laws of the
17 State of California, which is, or was at all relevant times, doing business in Clark
18 County, Nevada.

19 33. Upon information and belief, Third-Party Defendant Teresa Moore ("T
20 Moore") is an individual who resides in California or does business in Clark County,
21 Nevada.

22 34. Upon information and belief, Third-Party Defendant Larry Moore ("L
23 Moore") is an individual who resides in California or does business in Clark County,
24 Nevada.

25 35. Upon information and belief, Counter-Defendant Moore Family Trust
26 ("Moore Trust") a California Trust established under the laws of the State of California,
27 which is, or was at all relevant times, doing business in Clark County, Nevada.

1 36. Upon information and belief, Third-Party Defendant John Brock III
2 (“Brock Sr.”) is an individual who resides in Georgia or does business in Clark County,
3 Nevada.

4 37. Upon information and belief, Third-Party Defendant John Brock IV
5 (“Brock Jr.”) is an individual who resides in Georgia or does business in Clark County,
6 Nevada.

7 38. Upon information and belief, Counter-Defendant Jeffrey Castaldo
8 (“Castaldo”) is an individual who resides in California or does business in Clark County,
9 Nevada.

10 39. Upon information and belief, Third-Party Defendant Brian Marcus
11 (“Marcus”) is an individual who resides in California and who is doing business in Clark
12 County, Nevada.

13 40. Upon information and belief, Third-Party Defendant Richard H.
14 Newman (“Newman”) is an individual who resides in or does business in Clark County,
15 Nevada.

16 41. Upon information and belief, Third-Party Defendant Newman Law,
17 LLC (“Newman Law”) is a limited liability company organized under the laws of the
18 State of Nevada, which is, or was at all relevant times, doing business in Clark County,
19 Nevada.

20 42. Upon information and belief, Third-Party Defendant Cooper
21 Blackstone, LLC (“CBL”) is a limited liability company organized under the laws of the
22 State of Nevada, which is, or was at all relevant times, doing business in Clark County,
23 Nevada.

24 43. FCGI is informed and believes and alleges that the Third-Party
25 Defendants Bastian, Simmons, Munger, Jungels, Horan are the agents and/or
26 representatives of Playtech, Island Luck DTG, DHL, M&A, Valcros and Multislot, and
27 that Bastian, Simmons, Munger, Jungels, and Horan did not separate their various
28

1 corporate entities nor observe corporate formalities intended to differentiate among the
2 various entities, and that at all times relevant to this Counter-claim and Third-Party
3 Complaint each thus acted either for himself or itself or in his or its capacity as agent
4 and/or representative of the others. All corporate, partnership, and individual Counter-
5 Defendants named herein this paragraph will collectively be referred to as the “Bastian
6 Casino Gaming Enterprise.”

7 44. FCGI is informed and believes and alleges that Third-Party Defendants
8 Jungels and Horan are the agents and/or representatives of Multislot, and that Jungels
9 and Horan did not separate Multislot as a corporate entity nor observe corporate
10 formalities intended to differentiate among Jungels and Horan and Multislot, and that at
11 all times relevant to this Counter-claim and Third-Party Complaint each thus acted either
12 for himself or itself or in his or its capacity as agent and/or representative of the others.
13 All corporate, partnership, and individual Third-Party Defendants named in this
14 Paragraph, will collectively be referred to as “Multislot.”

15 45. FCGI is informed and believes and alleges that Third-Party Defendants
16 Young and Mishra are the agents and/or representatives of Spin, and that Young and
17 Mishra did not separate Spin as a corporate entity nor observe corporate formalities
18 intended to differentiate among Young, Mishra, and Spin, and that at all times relevant
19 to this Counter-claim and Third-Party Complaint each thus acted either for himself or
20 himself or in his or its capacity as agent and/or representative of the others. All corporate,
21 partnership, and individual Counter-Defendants named herein this paragraph will
22 collectively be referred to as the “Spin.”

23 46. FCGI is informed and believes and alleges that Counter-Defendant
24 Munger is the agent and/or representative of Third-Party Defendant M&A and Valcros,
25 that Munger did not separate himself or observe corporate formalities intended to
26 differentiate among himself and M&A and Valcros, and that at all times relevant to this
27 Counter-claim and Third-Party Complaint Munger has acted either for himself or in their
28

1 or his capacity as agent and/or representative of the M&A and Valcros. All corporate,
2 partnership, and individual Counter-defendants named herein this paragraph will
3 collectively be referred to as the “Munger Group.”

4 47. FCGI is informed and believes and alleges that Solso is the agent and/or
5 representative of Millennium Trust did not separate this entity nor observe corporate
6 formalities intended to differentiate among himself and the Millennium Trust, and that at
7 all times relevant to this Counter-Claim and Third-Party Complaint, each thus acted
8 either for himself or itself or in his or its capacity as agent and/or representative of the
9 others. All corporate, trust, partnership, and individual Counter-defendants named
10 herein this paragraph will collectively be referred to as “Solso Group.”

11 48. FCGI is informed and believes and alleges that Third-Party Defendants
12 L. Moore and T. Moore are the agent and/or representatives of the Moore Trust that L.
13 Moore and T. Moore did not separate themselves from their various corporate entities
14 and or trusts nor observe corporate formalities intended to differentiate between BLM,
15 L. Moore, T. Moore and the Moore Trust, and that at all times relevant to this Counter-
16 Claim and Third-Party Complaint each acted either for themselves or itself or in their or
17 its capacity as agent and/or representative of the others. All corporate, trusts,
18 partnership, and individual Counter-defendants named herein this paragraph will
19 collectively be referred to as the “Moore Group.”

20 49. The Counter-claimants are informed and believes and alleges that Third-
21 Party Defendant Newman is the agent and/or representatives of Newman Law and CBL,
22 and that Newman failed to observe the corporate formalities intended to differentiate
23 among the various Newman entities, and that at all times relevant to this Counter-Claim
24 and Third-Party Complaint, each acted either for himself or itself or in his or its capacity
25 as agent and/or representative of the others. All corporate, trusts, partnership, and
26 individual Counter-defendants named herein this paragraph will collectively be referred
27 to as the “Newman Group.”

FACTS COMMON TO ALL RACKETEERING & GENERAL CLAIMS

**I. COUNTER-DEFENDANTS & THIRD PARTY DEFENDANTS’
MOTIVE TO JOIN & ENGAGE IN RACKETEERING
ENTERPRISE**

50. The casino gaming industry a highly regulated and privileged industry. Every facet of the industry, from marketing, promotion, facilitation, collection and payout of a bet, is highly regulated. Be it performing as an affiliate marketer, game developer, equipment manufacturer to being the actual operator, all are required to obtain and maintain a license and or independent certifications in the regulated jurisdictions where they operate by being found “suitable” in one varying degree or another to transact business in the real money casino gaming industry.

51. Every applicant of a regulated real money casino gaming license has to undergo a rigid set of due diligence sets of background checks to determine their “suitability” order to ensure that the licensee’s character and history demonstrate integrity and ethical behavior. Moreover, each licensee must maintain that integrity of suitability in order to obtain and maintain the privilege of a license in the particular jurisdiction where the licensee engaged in casino gaming.

52. Barring the licensing requirements, theoretically, anyone can make, manufacture, publish, distribute and or sell a traditional deck of playing cards or make a traditional casino game, be it a game of poker, blackjack, or baccarat that all use a standard deck of playing cards or a standard pair of dice. Further, anyone can make a mechanical device such as a slot machine, a roulette wheel or ball blowing machine for a number matching game such as lottery, keno or a bingo draw, because all of these globally popular casino gaming means and methods are all in public domain and have been for centuries. As a result, there are generally very little if any protectable intellectual property rights that might yield royalties or require licenses or permission to use any format of these casino games that are all in public domain.

1 53. Arguably, the only real thing that really changes in the casino gaming
2 industry is the technology that facilitates and delivers each game format which is the
3 only way one company seems to differentiate and market itself from another, but even
4 that does not change the game, it only changes the execution or the experience of it.

5 54. A game of bingo on paper, with an ink dauber and a ball blower used to
6 select a number is still the exact same game if played electronically on an iPad using a
7 computer to randomly draw the balls, automatically mark the cards and allow a player to
8 play an infinite number of cards. No matter which way it is played, bingo is still a game
9 of bingo regardless of the archaic or technologically advanced medium it is played on,
10 whether a human being or a computer is facilitating the events or what the enhanced
11 experience a consumer may or may not have while engaging in it.

12 55. Technological advances happen on a nearly daily basis and as such
13 anyone can invent a new technology to deliver a formatted game after it has been
14 invented, but not anyone can invent a gaming format to be delivered through every new
15 technology.

16 56. As such, an invention of an entirely new proprietary gaming format,
17 much more, any new mathematical formula that could create a new class of gaming,
18 would not only create a tectonic shift in consumer behavior, it would disrupt the entire
19 gaming industry on the same global scale that Google did with information, Paypal did
20 with banking, Facebook did with media, Uber did with transportation and AirBnb did
21 with housing. All of these entrepreneurs and their inventions or evolutions changed
22 their respective industries yet no one has ever successfully disrupted and or reinvented
23 the entire casino gaming industry on a universal or global scale.

24 57. In November of 2008, David Mahon (“Mahon”) became that person
25 when he became the sole creator, inventor and owner of the world’s first and only
26 entirely new, unique and proprietary class of card and casino gaming ultimately called
27 the Full Color® Gaming System (“FCGS”).

1 58. What is most unique about Mahon's invention in the FCGS is that it is
2 not just a new format that Mahon created, it is a new mathematical paradigm that creates
3 the world's first alternative to every existing popular gaming format that already exists.

4 59. When Mahon first invented his deck of Full Color® Cards the first thing
5 he did was add a "5th suit" to a traditional deck of cards in order to add the -negative suit
6 value to his new paradigm in the FCGS.

7 60. Mahon originally copyrighted the "means" of his invention when he
8 personally filed them on January 23, 2010 with the US Copyright Office and obtained
9 federal registration number VA-1-704-252 for his deck he originally called the "Bingo-
10 Poker Cards." Mahon's "Bingo Poker" deck based off of a bingo board that had 25
11 spaces on it which created 5 suits with 25 cards or 125 cards in the deck. It had four
12 colored suits numbered 1 thru 25 to match to the 1 white suit numbered 1-25.

13 61. Over time and an incalculable number of attempts to invent other new
14 games like a new way to play 21, Mahon settled on 11 cards in a suit with 5 suits to
15 make a total of 55 cards in a deck, renamed and brand it as Full Color® Cards. Mahon
16 also personally filed for and obtained a federally registered US Copyright under
17 registration number VA-2-016-156 for his deck titled "Full Color Cards 3rd Edition"
18 along with the copyrighted "rules" as the methodologies his "means" could employ.

19 62. As a result of Mahon's inventions and mathematical evolution, the
20 FCGS consists of unique and proprietary intellectual property rights that consist of
21 copyrightable, trademarkable and patentable means and methods that are collectively
22 known as the Full Color® Games Intellectual Property ("Full Color-IP").

23 63. Such a valuable and unique invention would attract both honest
24 investors and other less savory minded individuals who would be inclined to do
25 whatever it took, to obtain the rights to Mahon's valuable creations, even if it meant
26 committing criminal or tortious acts. in order to completely disrupt and alter the multi-
27 trillion dollar worldwide gaming industry and profit off of it for themselves, all of which
28

1 set the motive and the stage for the Counter-Defendants and Third Party Defendants’
2 acts to occur and claims in this Counterclaim and Third-Party Complaint to be filed in
3 order to end and obtain relief from them.

4 64. At each stage of Mahon’s inventions and evolutions he immediately
5 began to seek and obtain copyright, trademark and patent protection on each element of
6 his Full Color IP through the Writer’s Guild of America (“WGA”), the United States
7 Copyright Office (“USCO”) and the United States Patent and Trademark Office
8 (“USPTO”).

9 65. All Full Color IP applications and registrations were applied for and
10 issued in Mahon’s name as the sole author, inventor and owner.

11 66. On September 23, 2010, Mahon formed Intellectual Properties Holding,
12 LLC (“IPH”) as a single member limited liability company that he wholly owned and
13 issued a master license of all of his ownership rights and interests to the Full Color IP to
14 IPH to act as its sole global licensor of the Full Color IP.

15 67. On April 18, 2012, Mahon formed FCGI and whereby FCGI received a
16 Limited License from IPH that included approximately \$1 million worth of software
17 development on the Full Color IP and \$40,000 in cash from IPH in exchange for 100%
18 of all of FCGI’S common stock.

19 68. IPH was the sole shareholder of FCGI until March 19, 2013 when it
20 started granting shares to unpaid members of a newly formed Board of Advisors.

21 69. On November 7, 2012, MAHON released Full Color® Solitaire on the
22 iTunes App Store. It has been downloaded in over 160 countries and played in over 60
23 languages. It reached #1 on over 40 different countries app store game charts and
24 proved that the entire world could and would adopt an entirely new and universal deck
25 of cards despite only be translated in 13 languages.

26 70. On April 27, 2014, MAHON invented 21 or Nothing® and Full
27 Color® Baccarat.

1 71. On September 29, 2014, BMM Testlabs certified 21 or Nothing® for
2 real money casino game play on the first submission without any modifications, changes
3 or alterations to Mahon’s original invention and design.

4 72. On September 30, 2014, FCGI exhibited 21 or Nothing® and Full
5 Color® Baccarat at the Global Gaming Expo (“G2E”) in Las Vegas, Nevada to over
6 25,000 attendees from over 110 countries, 54 states and US territories and handed out
7 25,000 decks of Full Color® Cards at the same time to an overwhelming success and
8 interest in the products whereby land based casinos said they would take the games as
9 soon as they were ready.

10 73. On January 22, 2015, BMM Testlabs certified Full Color® Baccarat for
11 real money casino game play on the first submission without any modifications, changes
12 or alterations to MAHON’S original inventions and design. It was further double
13 certified by GLI.

14 74. On February 3, 2015, MAHON and Glen Howard, the President of
15 FCGI (“Howard”) demonstrated at ICE Totally London 2015, to attendees from over
16 150 countries at the world’s largest online casino gaming convention whereby the
17 world’s largest online distributor, Microgaming Systems (“MGS”), and the world’s
18 largest online casino, Bet365 (and a plethora of others) each confirmed they would take
19 Mahon’s invented games as soon as they were ready.

20 75. Between March and October 2015 MGS began to assist FCGI in finding
21 a software developer they approved of to develop the applications and get the games
22 programmed so MGS could release them.

23 76. On October 1, 2015, MUNGER introduces MAHON to SEBAS.

24 ////

25 ////

26 ////

27 ////

1 **II. MUNGER GAINS TRUST OF FCGI AND MAHON AND EMBEDS**
2 **HIMSELF IN FCGI'S BUSINESS**

3 77. FCGI alleges that Munger, the purported primary derivative plaintiff in
4 this action has engaged in the 7 ½ year-long scheme of racketeering predicate acts
5 against FCGI in violation of 18 U.S.C. §1961 et seq. including misrepresenting his
6 knowledge and status as a potential investor in order to obtain an interest in and trust of
7 FCGI and its principals, sabotaging and interfering with FCGI's business interests,
8 aiding and abetting others to engage in mail and wire fraud, and money laundering
9 through FCGI and its affiliated entities, setting up a false narrative about Mahon's
10 business practices and failures, and spreading that narrative to FCGI investors to poison
11 them against Mahon, which has culminated extortionate threats against Mahon in order
12 to wrest him of his intellectual and corporate property rights and FCGI's ability to
13 continue business.
14

15 78. Munger's scheme and pattern took place in more than two states and
16 four different countries, and ultimately caused the loss of millions of dollars' worth of
17 Counter-claimant and FCGI's investments into the licensing and commercialization of
18 Mahon's Full Color IP that have taken over 10 years of Mahon's life to produce.
19

20 79. On July 8, 2011, Munger was introduced to Mahon through a mutual
21 acquaintance claiming to be an investor with money to invest.
22

23 80. On July 19, 2011, Munger first entered into a "Relationship" with
24 Counter-claimants by way of a Non-Disclosure, Non-Circumvent, Non-Compete &
25 Confidentiality Agreement Munger executed ("NDACA") with the Company's affiliate,
26 ultimate beneficial owner and majority in interest shareholder of the Company for the
27
28

1 benefit of the Full Color® Games Intellectual Property (“Full Color-IP”) all of which
2 continues to be in full force and effect.

3 81. On July 19, 2011, Mahon, after receiving the fully executed NDACA
4 from Munger, Munger began receiving confidentially disclosed information concerning
5 all of the Full Color IP, the FCGS including but not limited to trade secrets, formulas,
6 company business plans, know how in a comprehensive email that was sent directly
7 from Mahon’s casino gaming and intellectual property law firm of Howard & Howard,
8 PLLC (“H2”).

10 82. Some of the most coveted and confidential disclosures was the complete
11 list of all Full Color® Games copyright, trademark and patent applications that were to
12 be filed, filed, pending and or fully issued, including but not limited Mahon’s most
13 coveted trademark of “Full Color” that is not only the name, branding, image and
14 likeness of all of the Full Color IP and the FCGS that Mahon is also the namesake of
15 Mahon’s corporations he founded years before he even met Munger.

17 83. The NDACA expressly provided that Munger and any company,
18 affiliates, agents, and representatives would not:

20 directly or indirectly circumvent or create, work for or engaged in
21 any work for hire, consulting or employment in any businesses or
22 with any companies that competes, markets, sells, distributes,
23 publishes or licenses games that are similar or in any way shape
24 or form in likeness to any of the casino or non-casino style games
25 or intellectual property owned, controlled, licensed, developed,
26 published, distributed or licensed to or from FCG or any of its
27 affiliates, partners, contractors, distributors, publishers,
28 employees, agents, attorneys, clients, customers, licensees or
licensors or communicate, transact business or interfere with any
of its business relationships as related to any and all of its
enterprises and its confidential information related to the FCG’s
licenses or copyrights, trademarks, patents pending or any of its

1 derivatives, its software code, statistics or methodologies that it
2 owns or controls or has rights to during the term of this agreement
3 whereas such would be deemed a material breach of this
4 agreement.

5 84. Between July of 2011 and July 2012, Munger utilized the NDACA and
6 promises of funding Mahon's inventions in the Full Color IP to continue to gain
7 confidential information, business plans, relationships, trade secrets and the trust of
8 Mahon.

9 85. On July 2, 2012, a year later, Munger, deposited \$10,000 into the FCGI
10 bank account, without any written contract of any sort in pursuit of establishing a
11 financial relationship with Mahon and FCGI as a "gift" to Mahon as his quantifiable step
12 of deception and infiltration into Mahon's personal and corporate life in order to connect
13 himself to Mahon, obtain his trust and good will. There were no demands upon the use
14 of the money, obligations to repay it or anything. It was highly unusual. Mahon sought
15 to tie it to a financial instrument and emailed Munger a Promissory Note. Munger
16 ignored it "playing good Samaritan" stating he "didn't care if he ever saw the money
17 back, he just thought Mahon's inventions were genius and claimed he just wanted to see
18 it succeed." This was the modus operandi of Munger in order to gain the trust of Mahon
19 that he would employ over and over infiltrating and shadowing Mahon's operations.

20 86. Not more than a week after the \$10,000 deposit was made, Munger
21 chose to introduce Mahon to his business partner, Jeremiah Rutherford who, after seeing
22 a full demonstration of the Full Color IP and FCGS, was fascinated and intrigued with
23 the potential of Mahon's inventions whereby Rutherford said he'd like to invest into
24 Mahon's first commercial venture with the Full Color IP in the release of Full
25 Color® Solitaire and he and Munger could make an equal and joint investment of
26 \$100,000.

27 87. As a result of that offer, Munger sought to convert the \$10,000 "gift" as
28 capital contribution now towards that investment.

1 88. At their request, the Mahon caused an Assignment of Net Profits Interest
2 Agreement (the “ANPI Agreement”) to be drafted by FCGI’s SEC attorney, which
3 explicitly detailed their investment into FCGI’s Full Color IP license, the investment
4 details, terms, conditions and limitations, the agreed upon investment tranches and their
5 deadline dates for Munger and Rutherford’s \$100,000 investment.

6 89. Mahon had his SEC attorney and H2 email the ANPI to both Munger
7 and Rutherford and Rutherford wrote a \$20,000 check the very next day.

8 90. Munger never signed the ANPI Agreement, but kept promising he would
9 pay the agreed upon \$100,000.00 FCGI between himself and his alleged business
10 partners, Jeremiah Rutherford.

11 91. Between July 2, 2012 and March 13, 2013, Munger continued to string
12 FCGI out with broken promise after broken promise to complete the full investment, but
13 only ended up providing \$37,500 total of the promised \$100,000, and ultimately never
14 signed the ANPI Agreement.

15 92. Rutherford never signed the ANPI, never completed his investment on
16 time, never completed the \$50,000 investment in total.

17 93. Rutherford made his last investment on February 6, 2013, over six
18 months late falling short and ending at \$42,500 of the total \$50,000 per the ANPI.

19 94. Munger and Rutherford ultimately only invested \$80,000 engaging in a
20 material breach of the terms and conditions of the ANPI in both time and investment by
21 6 months and a shortfall of \$20,000 total.

22 95. After Mahon invented 21 or Nothing® and Full Color® Baccarat in
23 April of 2014, Munger became a non-stop fixture in Mahon’s life trying to learn
24 everything about Mahon’s secrets in how his formulas and methodologies worked.
25 Knowing that Mahon needed new capital to produce his product and launch it, Munger
26 made promises that he could raise additional money from other investors and claimed to
27 have a deep network of high net worth individuals through his “Gold membership” at
28

1 the Foundation Room in Las Vegas. Munger failed at every attempt until Munger talked
2 his sister, T. Moore and her husband L. Moore, who to invested \$50,000 in cash into a
3 convertible note through their construction company, BL Moore Construction, Inc.

4 96. After a hugely successful debut release of the Full Color IP at the Global
5 Gaming Expo ("G2E") convention in Vegas in the first week of October, Munger's
6 sister did in fact execute the convertible note and wire the funds.

7 97. On October 26, 2014 after the funds were received, Munger begged for
8 and ultimately received 171,041 shares of FCGI common stock issued in his name
9 through a stock vesting agreement for his agreement to work as an "acting CIO / CTO"
10 of FCGI and to serve as a fiduciary and member of FCGI'S Board of Advisors ("BOA
11 SHARES").

12 98. On January 1, 2015, MUNGER'S BOA Shares fully vested by contract.

13 99. Prior to Munger receiving any shares, on or about April 15, 2014,
14 Mahon requested in a text message that Munger affirm that he was an accredited
15 investor pursuant to the United States Securities Exchange Commission ("SEC") as
16 FCGI was exempt from registering its securities pursuant to Regulation D Rule 506
17 subsection 4(a)(2) and Munger affirmed back in text that he was an accredited investor.

18 100. FCGI and Mahon only agreed to distribute any shares to Munger based on
19 his representations, both in the written documents and verbally and in other writings,
20 that Munger was in fact an accredited investor.

21 101. On or about March 1, 2015, upon information and belief, Munger secretly
22 began to work for a casino gaming entity named Whitesand Gaming LLC
23 ("Whitesand").

24 102. Upon information and belief, Whitesand was hired by the Gaming Board
25 of Bahamas ("GBB") to implement a new set of casino gaming licensing regulations.

26 103. Upon information and belief, Munger began to work for the GBB in
27 Nassau, Bahamas all which allowed him to live and work in the Bahamas.

1 104. Upon information and belief, as part of his employment with Whitesand
2 and the GBB, Munger began to partake in the regulation of well over 100 GBB
3 individual and corporate casino gaming licensee applicants, which included Third-Party
4 Defendants Bastian, Playtech, Island Luck, ILG, Multislot, and Spin.

5 105. Upon information and belief, Munger began to obtain and control
6 confidential and privileged information about the GBB applicants, including but not
7 limited to Bastian, Playtech, Island Luck, Multislot and Spin.

8 106. Upon information and belief, Munger, while working at the GBB, knew
9 that Bastian had disclosed his unlawful activity to the GBB.

10 107. Upon information and belief, Munger, while working at the GBB, knew
11 that the GBB completely ignored Bastian's unlawful activity as it was allegedly barred
12 for disqualifications in suitability by the Bahamian GBB because Bastian and some or
13 all of the Bastian Casino Gaming Enterprise had purportedly bribed the Bahamian
14 parliament members to craft the GBB licensing rules before they were adopted and put
15 into law, to include a statute of limitations that limited the time period that the GBB
16 could look back for examination and consideration of suitability for a license.

17 108. Further, Munger also knew that FCGI, with its respective rights to the
18 Full Color IP as licensed from IPH sought to be licensed by the Nevada Gaming Control
19 Board ("NGCB"), the United Kingdom Gambling Commission ("UKGC") and hundreds
20 of other regulated jurisdictions over time.

21 109. Munger also knew any business relationship between FCGI and any
22 other party that could be viewed as unsuitable under any of the aforementioned
23 jurisdictions could cause the FCGI and its affiliates to be found unsuitable for gaming
24 licensing by mere association other businesses or individuals found to be unsuitable.

25 110. Munger also knew that unlike the GBB, the NGCB, the UKGC, and
26 other gold-standard regulated jurisdictions have no "statute of limitations" in the age of
27
28

1 their crimes by any applicant in their standards and requirements for finding
2 “suitability.”

3 111. As a result, Munger owed FCGI the fiduciary duty to disclose any
4 criminal past of Bastian.

5 112. In arguendo, if Munger was barred by some contract or Bahamian law
6 because of his work for the GBB from disclosing Bastian’s self-admitted criminal past
7 that he acquired while regulating Bastian at the GBB, Munger still owed FCGI the
8 ethical and fiduciary duty not to introduce Bastian to FCGI in the first place, much more,
9 not to aid and abet Bastian or the Bastian Casino Gaming Enterprise in their quest to
10 invest in and/or control FCGI’s business.

11 113. The Bastian and the Bastian Casino Gaming Enterprise, for their part,
12 owed all the shareholders of FCGI the duty to disclose any prior bad acts or activity that
13 might affect FCGI’s ability to obtain licensing in the aforementioned jurisdictions,
14 including any ties to racketeering enterprise of fraud, money laundering and theft of
15 services between 1999 and 2009.

16 114. Upon information and belief, the GBB does not adhere to the same level
17 of suitability standards as other jurisdictions like the NGCB or the UKGC.

18 115. Munger’s and Bastian’s failure to make these disclosures exposed FCGI
19 and Mahon to impermissible risks and liabilities and are a material breach of their
20 ethical and fiduciary duties to each. Of course, given their intent to engage many
21 predicate acts of racketeering in order to obtain control over and ultimately coercively
22 and illegally wrest control of FCGI or its affiliates and the Full Color IP, this is not
23 surprising.

24 116. On August 1, 2015, FCGI formally updated its corporate mandate and
25 adopted its Amended & Restated Bylaws dated August 1, 2015 and in so doing unified
26 all of its varied investments, contracts, net profit participation agreements, common
27 stock issuances, convertible notes and stock vesting plans including the \$37,500 of cash
28

1 that Munger had given FCGI between 2012 and 2013, despite Munger's failure to
2 complete his full investment in the ANPI, and the many obstacles that Mahon was
3 forced to overcome. Both Mahon and FCGI acted in good faith and upon reliance of the
4 same from Munger, converted Munger's loans to be converted in FCGI common shares
5 upon explicit share repurchase terms and conditions that are common in the real money
6 casino gaming industry of licensed and highly regulated business activities.

7 117. On August 1, 2015, as a result of the Amended & Restated Bylaws by
8 FCGI, Munger and FCGI entered into a Mutual Termination and Exchange Agreement
9 of the original grant of the 171,041 common stock shares and converted the \$37,500 of
10 cash from Munger into an additional 50,125 shares of common stock for a single share
11 Certificate CS-08 for 221,166 that FCGI issued in Munger's name.

12 118. Thereafter, Munger signed a Termination and Exchange Agreement,
13 a new 2015 Stock Incentive Plan ("SIP"), Share Repurchase Agreement ("SRA"), and a
14 Share Issuance Agreement ("SIA"). Munger then received certificates documenting the
15 shares he had obtained under these new agreements whereby Munger further asserted
16 and signed in writing that he was an accredited investor.

17 119. Thereafter, on September 22, 2015, at the request of Munger, the FCGI
18 Board of Directors and Board resolution, appointed Munger as the company's official
19 Chief Technical Officer ("CTO") and further added his name to the Company's business
20 plans, marketing materials, investor documents, and printed his FCGI business cards
21 reflecting the same.

22 120. Munger immediately changed his mark@fullcolorgames.com email
23 address footers to include his new title, legal position as an official Officer of FCGI in
24 addition to his previous and ongoing roll as member of the Board of Advisors of FCGI
25 for the world to see, know and believe.

26 121. FCGI is informed and believes that Munger representations about his
27 status as an accredited investor were false.

1 122. Moreover, Munger now asserts that he did not agree to serve as the CTO
2 in exchange for shares of FCGI, and further asserts that he had no duties or role as a
3 member of the Board of Advisors and further asserts the Board of Advisors had no
4 purpose, yet he participated in all of them and used the confidential information obtained
5 for his own purposes, and ultimately to sabotage FCGI's business and circumvent
6 FCGI's business opportunities in favor of his own interests.

7 **III. FCGI RAISES ADDITIONAL ACCREDITED INVESTOR FUNDS VIA**
8 **CONVERTIBLE NOTE NOT LEGALLY CONVERTED**

9 123. By early 2013, a few additional investors had expressed an interest in
10 FCGI.

11 124. Between March and May, 2013, these investors were initially provided
12 with a convertible note from FCGI that included a security agreement identifying the
13 security as FCGI's limited license from IPH as its primary asset.

14 125. In April of 2014, after Mahon invented 21 or Nothing® and Full
15 Color® Baccarat the investor interest in FCGI exploded and FCGI raised more money in
16 6 months than Mahon had raised in 6 years.

17 126. In or about May, 2014, as a result of the new investor interest and need
18 to continuously corporately evolve with SEC compliant documents for the new level of
19 highly sophisticated investors, Howard, the President of FCGI and further an accredited
20 investor with his own money invested into FCGI, pushed for the initial convertible note
21 to be re-structured to place all investors, other than a few early investors which included
22 Munger, into one uniform convertible note (hereinafter, the "C-Note").

23 127. The C-Note was secured by a security agreement executed by FCGI and
24 each accredited investor. This security agreement identified the collateral as "all right,
25 title, interest, claims and demands of the Company to: that certain License Agreement by
26 and between the Company and Intellectual Properties Holdings, LLC dated April 18,
27 2012."
28

1 128. The C-Note and related security agreement fully disclosed and identified
2 FCGI's assets as the limited license from IPH that granted FCGI permission to utilize the
3 Full Color IP and not ownership of the Full Color IP itself which belonged to
4 Mahon. The C-Note was later amended to allow for additional investment up to \$2
5 million.

6 129. The C-Note would trigger, which would either require FCGI to pay off
7 the C-Note or convert the C-Note holders interest to shareholders if a corporate event
8 occurred. Such a corporate event included any transaction whereby FCGI transferred all
9 or substantially all of its assets, including the assets secured by the C-Note, namely, the
10 Limited License issued by IPH.

11 130. Counter-Defendants Millennium Trust, Moore Trust, DHWT, Brazer
12 Trust, and Castaldo are all C-Note holders.

13 131. Between March and October 2015, unbeknownst to FCGI, upon
14 information and belief, Munger began have violations within the violations of breaching
15 the NDACA by developing and fully engaging a in a working/employment relationship
16 with the Bastian Casino Gaming Enterprise, while at the same time continuing to work
17 for Whitesand and the GBB (which violated all of their internal conflicts of interests as
18 clearly identified by Maureen Williamson, Esq. in her email to Munger at Munger's
19 secret mmunger@whitesandgaming.com email address that was previously unknown),
20 and working for FCGI, and began scheming for ways to increase his control over FCGI
21 through his undisclosed relationship with the Bastian Casino Gaming Enterprise.
22 Munger went even further and began to fraternize with Mahon's lawyer, Newman,
23 Newman Law whereby they both secretly started a new business called Gambling with
24 the Stars ("GWTS") to build a virtual and real money live dealer casino gaming studio in
25 Las Vegas that would completely conflict with the NDACA and further, directly
26 compete against FCGI. Munger and Newman's side venture self-centered agenda and
27 scheming showed complete and willful disregard of the NDACA, one of which Newman
28

1 even crafted while at H2, for their fiduciary duties to FCGI as an Officer, members of
2 the Board of Advisors on top of Newman's conflicts of interest as attorney thru Newman
3 Law and then in further violation by circumventing business opportunities of FCGI.

4 **IV. MUNGER INTRODUCES FCGI AND MAHON TO BASTIAN**

5
6 132. On October 1, 2015, Munger introduced Bastian to FCGI in an attempt
7 to get Bastian to invest money into FCGI and increase Munger's interest and control
8 over FCGI.

9 133. After Mahon's demonstration of the Full Color IP in FCGI's casino
10 gaming show room, Bastian immediately informed everyone present that he was
11 interested in investing in FCGI.

12 134. On or about October 7, 2015, Munger informed Mahon and others that
13 Bastian wished to invest up to \$1 million into FCGI, and signed a Mutual Non-
14 Disclosure, Confidentiality, Non-Circumvent & Non-Interference Agreement with
15 FCGI, and thereafter, on or about October 16, 2015, formally agreed to invest \$1 million
16 in cash into FCGI through his Cayman Island entity, DTG, and further agreed to launch
17 21 or Nothing® through his 62 IslandLuck.com casinos in the Bahamas, and thereafter
18 signed a formal term sheet agreeing to accept 7.65% of FCGI for the \$1 million
19 investment.

20 135. On November 16, 2015, Mahon and Munger traveled to the Bahamas
21 and meet with Bastian with plans to visit Costa Rica together to visit a live dealer studio
22 and meet with the owners and operators of Multislot, another company regulated by the
23 GBB, and a company that built games on Bastian's servers for IslandLuck.com

24 136. After Mahon presented Full Color® Gaming System represented by the
25 Full Color IP to Multislot, Bastian spontaneously announced that he was investing in
26 FCGI, was going to launch the Full Color IP on IslandLuck.com, roll the games out with
27 a live table event in his main casino web shop, market it across all 62 of his casino
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shops, and then to the rest of the world, and that he wanted Multislot to build the game on their servers so it can be delivered to the Bastian Group through his IslandLuck.com casinos and ultimately across all 62 of his casino shops.

137. On November 18, 2015, Bastian, Mahon and Munger were required to fly back to the Bahamas through Miami on a commercial flight because Bastian's private jet would not start. During the stop at the Miami International Airport, Bastian was detained by US Customs and Border Patrol ("USCBP") for 4 ½ hours.

138. After the detainment, Bastian informed Mahon and Munger that he no longer wanted to invest in a United States based company because the problems it brings him as a Bahamian citizen getting in and out of the United States. Bastian informed Mahon that he had previously been required to sell a previous business because of harassment by the USCBP, and the new detainment reminded him that he did not want to invest in a United States based company. However, FCGI has no way of confirming Bastian's claim concerning his reason for demanding that FCGI move outside the United States. On information and belief, Bastian had ulterior motives for seducing FCGI to move their operations outside of the United States in order to take control of the company.

139. Bastian suggested to Mahon that the Isle of Man would be the best online casino gaming jurisdiction and country to FCGI's operations to because it had no corporate taxes and he could easily move his money between the two countries. FCGI agreed to start the research on formally moving FCGI to the IOM as it was a natural evolution of business for online casino gaming and he was not fundamentally opposed to basing his company in the jurisdiction that housed some of the largest casino gaming distributors and many major operators.

140. After returning to the Bahamas, Bastian informed Mahon and Munger that he would have Multislot build 21 or Nothing® in Flash at no direct cost to FCGI

1 and deliver it direct to the Bastian Casino Gaming Enterprise's casinos as part of the
2 investment deal, as further incentive to move to the Isle of Man for guaranteed release.

3 141. Thereafter, Mahon travelled straight from the Bahamas to London to
4 meet with DLA Piper and Credit Suisse and then to Isle of Man to meet with KPMG and
5 Equiom and complete formal exploratory meetings about moving FCGI to the Isle of
6 Man in order to obtain investment and the guaranteed release of the Full Color IP from
7 Bastian. While there, FCGI's Chief Financial Officer ("CFO"), Martin Linham
8 ("Linham") assisted in setting up the meetings to further explore the move to Isle of
9 Man.

10 142. On December 6, 2015, Richard H. Newman, Esq., ("Newman") the
11 Chief Legal Officer ("CLO") of FCGI and Full Color IP legal counsel for Mahon and
12 IPH through Newman's own practice of Newman Law, LLC, began to put together the
13 new agreements to facilitate a transfer of FCGI's business to the Isle of Man at the
14 request of Bastian. In a nutshell, two new entities, Full Color Games, Ltd. ("FCGLTD")
15 and an entity owned by Mahon, Intellectual Properties Holding, Ltd. ("IPHLTD"),
16 would be established in the Isle of Man. IPH would issue a license to IPHLTD, and
17 IPHLTD would issue a new "Commercial License Agreement" ("CLA") to FCGLTD.
18 FCGI would release its limited license in exchange being issued 100% of the interest
19 initially in FCGLTD, and Bastian would invest directly in FCGLTD in exchange for
20 shares purchased from FCGI and a Registered Agent in the Isle of Man would act as the
21 escrow agent to facilitate the new corporation formations, contractual releases, IP
22 transfers and share issuances to effectuate all the terms and conditions of each parties
23 escrow instructions.

24 143. During a meeting where Bastian and Mahon were discussing the terms
25 of the new transaction on December 8, 2015, Bastian advised Mahon of the 12%
26 Bahamian Investment Tax ("BIT") that he would incur for sending money out of the
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1 Bahamas for an investment and further stated that because of the tax, FCG LTD would
2 only receive \$880,000 instead of \$1 million.

3 144. During the same meeting, on December 8, 2015, Simmons, Bastian's
4 right hand man and CFO for the Bastian Casino Gaming Enterprise, suggested that
5 FCGLTD or another entity in the Isle of Man issue IslandLuck.com what would amount
6 to a false commercial invoice for \$1 million dollars in computer equipment in order to
7 avoid the BIT and get the full \$1 million.

8 145. Mahon could not believe they suggested engaging in billing fraud, wire
9 fraud and money laundering and conceal the purchase of FCGI's securities in FCGLTD
10 for the purposes of avoiding the BIT.

11 146. Mahon, who had only met Bastian two other times before this meeting,
12 and had just met Simmons for the first time as he showed up about 15 minutes into the
13 meeting and introduced himself as Bastian's Chief Financial Officer. Simmons
14 corroborated that the fraudulent billing scheme would work with no problem as stating,
15 "that's how we do it all the time here in the Bahamas or we'd never be able to get any
16 money off the island." Mahon was dumbfounded and completely shocked that anyone
17 who is licensed casino gaming operator would be so stupid and so brazen to admit to
18 money laundering to someone they don't even know, and as such was completely
19 convinced that the only logical reason they were disclosing this criminally indicting
20 information was an "integrity test" to see how Mahon would react and further prove his
21 suitability for real money licensing before he could be trusted with \$1 million dollars in
22 cash of Bastian's money.

23 147. Mahon instantly declined the offer and said that would be illegal and he
24 could not jeopardize his licensing suitability in any way shape or form. Bastian and
25 Simmons withdrew the suggested BIT tax evasion scheme with no other discussion
26 about it whatsoever leading Mahon to believe it was indeed an "integrity test," that he
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1 clearly had passed (as they continued on for another 30 minutes and finalized the \$2
2 million investment terms and conditions afterwards without missing a beat).

3 148. Immediately thereafter, Bastian agreed to increase his investment by
4 investing \$1 million in cash into FCGLTD, and also affirmed the that he would also
5 invest an additional \$1 million in cash-in-kind to guarantee the marketing, promotion,
6 licensing, live dealer studio space and other expenses related to bringing the Full Color
7 IP to the market place which only further assured Mahon it was indeed “integrity test” or
8 Bastian never would have agreed to offer such other incredible guarantees. In exchange,
9 Mahon agreed, among other concessions, to grant a larger ownership interest to Bastian
10 in FCGLTD raising the interest from 7.65% to 15%.

11 149. In December, Mahon had agreed to retain the global firm of Equiom, the
12 most reputable Registered Agent in the Isle of Man to handle the escrow and corporation
13 transfers and they began to prepare for it by securing the corporate names with the Isle
14 of Man Companies Registry.

15 150. Mahon had decided to use Equiom that they had already reserved and
16 secured the names of FCGLTD and IPHLTD with the IOM Companies.

17 151. On January 21, 2016, Linham suddenly abandoned Equiom and
18 commissioned a completely unknown startup operation and Registered Agent named
19 Corporate Options Ltd and another entity owned by Murphy and his partner Paul Chase
20 (“Chase”), called Chase Nominees Ltd. (“Chase Nominees”) both of Isle of Man to file
21 and form FCGLTD and IPHLTD under the 2006 Companies Act of the Isle of Man and
22 appoint an independent Director of Lee Murphy (“Murphy”).

23 152. Mahon had never met Murphy, knew nothing of him, Chase, Corporate
24 Options nor Chase Nominees. Mahon wanted to use Equiom but Linham insisted on
25 using Murphy, Chase, Corporate Options and Chase Nominees (falsely) stating the costs
26 were day and night between a small operation and a global conglomerate of Equiom as
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1 how he began to manipulate, change and controlled everything related to the Isle of
2 Man.

3 153. Linham, Murphy, Chase, Corporate Options and Chase Nominees
4 somehow, transferred the FCGLTD and IPHLTD names out of Equiom's control and
5 carried out the formations without any written authorization to do either from Mahon.

6 154. Linham asserted to Mahon that the purpose of Corporate Options was to
7 provide a local a Registered Agent as required by the Isle of Man Companies Act of
8 2006 ("2006 Company") for any foreigner to form and maintain a "2006 Company" in
9 the Isle of Man.

10 155. Linham asserted to Mahon that the purpose of Chase Nominees was to
11 provide a local Director as required by the Isle of Man Companies Act of 2006 for any
12 foreigner to operate a "2006 Company."

13 156. In addition to these companies, on or about January 21, 2016, Linham
14 directed Corporate Options and Chase Nominees to form Bastian's new entity, Davinci
15 Holdings Ltd under the 2006 Companies Act of the Isle of Man (previously referred to
16 as "DHL") that Bastian would use to make his \$1 million dollar cash investment from
17 into FCGLTD and purchase the 15% interest in shares from FCGI.

18 157. On or about January 21, 2016, Linham directed Corporate Options and
19 Chase Nominees to form another new Bastian entity, ILG Software Ltd under the 2006
20 Companies Act of the Isle of Man ("ILG") that Bastian was setting up to move his
21 Bahamian remote gaming software server company, banking and revenue streams off
22 shore from the Bahamas to allow FCGLTD to integrate into the server and distribute the
23 Full Color IP through in the Bahamas and Jamaica as well as serve as other third party
24 casino games, that want to get into Bastian's Bahamian and Jamaican casino distribution
25 network.

26 158. Upon formation of FCGLTD and IPHLTD, all companies' initial sole
27 director was Lee Murphy ("Murphy") and Chase Nominees was the sole subscriber for
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1 both FCGLTD and IPHLTD. Murphy, Chase, Corporate Options and Chase Nominees
2 prepared board resolutions for Linham to be appointed as the CFO and Director, Mahon
3 to be appointed as the CEO and Director, Newman to be appointed as the CLO and
4 Director and Munger to be appointed as the CTO of FCGLTD.

5 159. Upon formation of DHL and ILG, both companies' initial sole director
6 was Murphy, and Chase Nominees was the sole subscriber for both DHL and ILG.
7 Upon information and belief, Bastian directed Murphy, Chase, Corporate Options and
8 Chase Nominees to add Bastian as the CEO and as a Director of DHL and ILG through
9 board resolutions and a Letter of Declaration of Share Ownership.

10 160. Between January 21 and February 2, 2016, Mahon and Linham drafted
11 Amended & Restated Memorandum of Articles to amend the share count, class of shares
12 to voting and non-voting and directed Murphy, Chase, Corporate Options and Chase
13 Nominees to file it with the Isle of Man Companies Registry to ensure that FCGI owned
14 100% of the shares of FCGLTD.

15 161. Between January 21 and February 2, 2016, Mahon drafted Amended &
16 Restated Memorandum of Articles for IPHLTD and directed Murphy, Chase, Corporate
17 Options and Chase Nominees to file it with the Isle of Man Companies Registry to
18 ensure that IPH owned 100% of the shares of IPHLTD.

19 162. On February 2, 2016, the first formal FCGLTD Board of Directors
20 ("BOD") meeting was held and dealt with the corporate structuring where it was
21 resolved, among other things, to appoint Newman, Mahon, Linham, and Murphy as the
22 bank signatories and Directors of FCGLTD.

23 163. The proposed transaction whereby FCGI moved its primary asset, the
24 limited license issued from IPH to the Isle of Man by releasing its limited license so that
25 IPHLTD could issue the full Commercial License Agreement ("CLA") to FCGLTD in
26 exchange for 100% of the shares in FCGLTD, which would be followed by Bastian's
27 purchase, through DHL, of shares in FCGLTD, could not occur without the majority
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1 consent of the C-Note holders, and the C-Note would have to be amended a second time
2 to allow the C-Note holders to convert to shareholders upon completion of the
3 transaction (hereinafter, "Amendment No. 2").

4 164. Between February and March, Howard obtained approval from every
5 FCGI C-Note holder who responded to Amendment No. 2 to the C-Note, which turned
6 out to be 89.49% of all C-Note holders. No one rejected the proposal.

7 165. Bastian leads everyone to believe that he will follow through with his
8 promises, his investments and the launch of the Full Color IP.

9 166. After a company-wide FCGI call with its shareholders and then C-Note
10 holders on April 11, 2016, the C-Note holders who were ultimately contacted,
11 constituting 84.49% of the C-Note holders all agreed to and executed Amendment No.2,
12 which allowed FCGI to relinquish the limited license from IPH in exchange for the
13 issuance of a new CLA to FCGLTD who would initially issue 100% of FCGLTD shares
14 to FCGI. FCGI would thereafter agree to issue portions of its shares in FCGLTD to
15 IPHLTD in exchange for the CLA, and Bastian in exchange for his \$2 million overall
16 investment.

17 167. On May 31, 2016, Bastian signed the documents between FCGLTD and
18 DHL for the overall \$2MM investment.

19 168. To legally effectuate all of the terms and conditions of Amendment No.
20 2 and voluntary trigger the C-Note, an actual legal transfer the shares of FCGLTD to
21 FCGI had to be fully effectuated by in the public record.

22 169. On April 11, 2016, Murphy, Chase, Corporate Options and Chase
23 Nominees were directed to file an Amended Articles with the Isle of Man Companies
24 Registry to ensure that FCGI owned 100% of the shares of FCGLTD as agreed to in
25 several related transactional documents that formed the basis for FCGI releasing the
26 limited license and IPHLTD issuing the CLA to FCGLTD as agreed to in the
27 Amendment No. 2 of the C-Note
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1 170. A review of public record of the Isle of Man Companies Registry
2 confirms, however, that the only Amended & Restated Articles was ever filed by
3 Murphy, Chase, Corporate Options and Chase Nominees was on February 24, 2016
4 proving that the April 11, 2016 Amended Memorandum & Articles of Association
5 (“AMAA”) was never filed as it affirms that only “One Ordinary Share” had ever been
6 issued and taken by Chase Nominees.

7 171. As such FCGI, neither FCGI, IPHLTD, nor anyone else other than
8 Chase Nominees ever owned any shares of FCGLTD because they were never issued.

9 172. Because the transaction whereby FCGI’s license and business would be
10 transferred to the Isle of Man was never completed, the C-Note never legally converted
11 into the issuance of any FCGI shares to the Plaintiffs of Eckles, Solso, Brazer, Castaldo,
12 and the Moores (“C-Note Plaintiffs”). As such, the C-Note Plaintiffs were never
13 shareholders of FCGI.

14 173. Notwithstanding all of the above, FCGI and its officers and directors,
15 including Mahon, acted in good faith in carrying out the transactions believing in the full
16 efficacy of the documents they signed and executed as if they did in fact occur, despite
17 the fact FCGLTD, through its sole shareholder, Chase Nominees, never issued any other
18 shares.

19 **V. BASTIAN, MUNGER, LINHAM, AND SIMMONS, ALONG WITH**
20 **THE RELATED ENTITIES ENGAGES IN ATTEMPTED WIRE**
21 **AND MAIL FRAUD AND MONEY LAUNDERING**

22 174. By June, 2016, FCGI had been funding the entire transaction to transfer
23 its business to the Isle of Man based on Bastian’s agreement and promises to invest in
24 FCG LTD for six months, and FCGI’s funding was nearly depleted. Bastian had
25 delayed executing the documents for his investment and delayed his funding for several
26 months thereby delaying FCGI’s efforts to get its product to market.

1 175. After Bastian finally executed the documents for his \$2 million
2 investment on May 31, 2016, Bastian promised to wire transfer the \$1 million in cash
3 upon his return to the Bahamas.

4 176. DHL and FCGLTD both had their bank accounts set up at Nedbank
5 Private Wealth, in Douglas, Isle of Man, and Mahon informed Linham to give notice to
6 Nedbank that a \$1 million dollar transfer should be occurring shortly once Bastian
7 returns to Bahamas the next day, however as of June 6, 2016, no wire transfer had been
8 received.

9 177. On June 7, 2016, FCGI is informed and believes that Simmons had a
10 skype conference with Linham to discuss Bastian's investment and discussed creating a
11 false invoice for Bastian's investment to avoid the BIT tax. Linham, however, never
12 informed Mahon concerning this discussion other than to say that he expected the wire
13 transfer for Bastian's investment to be coming soon.

14 178. Upon information and belief, when Simmons spoke to Linham on June
15 7, 2016, he directed Linham to create an invoice to IslandLuck.com on FCG LTD
16 letterhead for \$444,070.01 in computer equipment whereby Simmons would submit it to
17 the Bank of Bahamas as a way to for Simmons to transfer part of the money to FCG
18 LTD for the purchase of FCGI'S securities in FCGLTD in order to avoid paying the
19 12% BIT rather than complete the wire transfer of the full \$1 million investment to
20 Nedbank by way of DHL as agreed.

21 179. Upon information and belief, after the Skype call, Simmons informed
22 Linham to coordinate with Munger to obtain a list of equipment, put it on a FCGLTD
23 letter head and email it to him.

24 180. Upon information and believe, within minutes after getting off the Skype
25 call with Simmons, Linham communicated with Munger outside of the email chains on
26 the fullcolorgames.com servers to get information to put together an IslandLuck.com
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1 equipment invoice because Munger did in fact send an email with a prepared
2 IslandLuck.com list of equipment and a total cost of \$444,070.01 to Linham.

3 181. Within only a few minutes thereafter, Linham sent an email to Simmons
4 enclosing an invoice on FCGLTD letterhead with the exact same equipment list, product
5 descriptions and specifications and prices as the information Munger had earlier
6 provided to Simmons. The email from Linham to Munger stated: "Following our earlier
7 conversation, please find attached your invoice from Full Color Games Ltd. in respect to
8 the Online Casino Gaming Equipment. The remittance details are shown on the
9 invoice." Simmons affirmed receipt of the invoice.

10 182. FCGLTD does not make, distribute, or sell any online gaming
11 equipment of any sort or any kind making the invoice from FCGLTD and a demand to
12 pay it as fraud on its face and nothing more than a vehicle to engage in billing fraud,
13 wire fraud, money laundering and tax evasion.

14 183. On June 8, 2016, Mahon was still expecting the full \$1 million transfer
15 when Linham informs him in several emails that they are still obtaining approvals for
16 currency control.

17 184. On June 9, 2016, when the transfer still has not occurred, Mahon calls
18 Linham and learns for the first time of the invoice Linham created to receive only a
19 transfer of \$444,010.00 based on the invoice for computer equipment.

20 185. Upon learning of a potential fraudulent invoice, Mahon immediately
21 informed Linham such a transaction, such an invoice and such a transfer would be
22 fraudulent, an act of money laundering, get FCGLTD disqualified for any casino gaming
23 licensing, and that Linham would be terminated if the invoice did in fact exist and such a
24 transfer was completed in this manner.

25 186. On June 9, 2016, at 6:57pm, after the call with Mahon, Linham made
26 several attempts to contact Simmons via Skype where he informs Simmons that FCG
27 LTD's "audit standards" will not allow them to complete the transfer of funds via the
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1 invoice previously sent and insisted on completing the transfer in a way that would
2 “stand up to regulatory scrutiny.” Linham has since admitted that he and Munger
3 constructed the invoice and sent it to Bastian’s CFO in the Bahamas.

4 187. Mahon and FCGI had previously granted Bastian additional concessions
5 and ownership interest because Bastian would be responsible for the 12% BIT tax upon
6 an investment in FCGLTD.

7 188. Upon information and belief, Bastian and Simmons and conspired with
8 Munger and Linham to create the fraudulent invoice in order to assist Bastian in
9 avoiding the BIT tax that he would and should be responsible for and agreed to be
10 responsible for and thereby place FCGI, FCGLTD and their future suitability for gaming
11 licensing in jeopardy.

12 189. On June 13, 2016, Munger, who neither Mahon nor FCGI knew was
13 involved in creating the fraudulent invoice emailed Linham from his private email
14 address at mmunger@markmunger.com and this time, copied Mahon on the email
15 notifying them that he had fixed the situation in Bahamas and that Bastian will be wiring
16 the \$500,000 out of his Wells Fargo Bank Account in Miami. Mahon was not aware of
17 the full extent of Munger’s involvement with Bastian, but Munger’s response here gives
18 a subtle indication of how close they were.

19 190. As a result of Bastian, Simmons, Linham, and Munger conspired to
20 commit money laundering through fraud by wire, each are guilty of violating 18 U.S.C
21 §1962(d) through the two predicate acts of 18 U.S.C. §1956 and §1343 in violation of 18
22 U.S.C. §1962(b) had they succeeded.

23 191. On April 5, 2017, Linham resigned as the CFO and Director from
24 FCGLTD without any warning and without any notice to Mahon and Mahon thereafter
25 took over his email and other accounts administrated by Google.com only to discover
26 that Linham had intentionally and permanently deleted all of the emails in his account.

1 192. Now, it is clear that Linham deleted all his emails to keep Mahon from
2 discovering how involved he and Munger were in conspiring with Bastian, Simmons,
3 and others to harm and destroy FCGLTD and FCGI's business efforts as is set forth in
4 more detail herein.

5 193. When submitting this false declaration, Linham believed he had
6 destroyed the evidence that proved that Mahon had no knowledge of Bastian's efforts to
7 commit wire, mail, and tax fraud via a fraudulent money laundering scheme. Linham,
8 Munger, and others utilized their failed attempt at money laundering to falsely accuse
9 and prosecute Mahon but Google tech support resurrected the Linham's "permanently
10 deleted emails".

11 194. By June 21, 2016, Bastian has still failed to wire transfer the \$1MM
12 from DHL to FCGLTD.

13 195. On June 22, 2016, Bastian again engages in money laundering of
14 \$500,000 of funds in a wire transfer through a false "Purpose of Funds" statement to
15 Wells Fargo Bank, N.A. for the fraudulent claim of an "Investment for Davinci
16 Trading," a Cayman Islands company that Bastian owns as the beneficiary of Full Color
17 Games Ltd through interstate and foreign commerce.

18 196. FCGLTD has no contract for the sale of securities to "Davinci Trading,"
19 which is Davinci Trading Group or "DTG", in Cayman Islands.

20 197. Upon information and belief, the true "Purpose of Funds" is tax evasion
21 to avoid application of the BIT by using his Cayman Islands entity of DTG to conceal
22 his purchase of FCGI's ownership shares of FCGLTD's stock and further to avoid
23 reporting it to the Bahamian Government as required by the Exchange Control
24 Reporting if the money had come out of the Bahamas.

25 198. This purchase of securities is a false statement by Bastian to induce
26 WFB to wire the funds as falsely state "Purpose of Funds" is for "Investment for
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1 Davinci Trading” with the beneficiary being “Full Color Games Ltd,” which is money
2 laundering through wire fraud and further a criminal act of securities fraud.

3 199. The true source of these funds is unknown, more importantly how
4 Bastian, who owns no businesses in the United States, has no employment in the United
5 States, reports no income in the United States, was able to get \$500,000 into a USA bank
6 account, much more for the benefit of Davinci Trading, a Cayman Island company, as
7 the “Purpose of Funds” states.

8 200. On June 23, 2016, at 1:54am PST, Kim Quirk at Nedbank emailed
9 LINHAM and confirmed that FCGLTD did in fact receive the \$500,000 into its
10 Nedbank account in Isle of Man, meaning DGT and Bastian obtained their interest in
11 FCGLTD through fraud by wire violating 18 U.S.C §1962(b), (c) and (d) through the
12 two predicate acts of 18 U.S.C. §1956 and §1343.

13 201. On September 20, 2016, at the Shirley Street Branch of the Bank of
14 Bahamas (“BOB”), Bastian, by signature, directed the BOB to make an “External
15 Payment Request” (“EPR”) in the form of a bank wire transfer in the amount of
16 \$500,000 payable to Full Color Games Ltd in the Isle of Man. It was stamped by BOB
17 as received on September 22, 2015.

18 202. The EPR makes clear Bastian’s false declarations to BOB, that the
19 transaction was CAT Code 2084 (Commission, Advert. Subscript., Prof Service, Misc.,
20 e.g. visas, pay Bahamians abroad) all of which was indisputably false and in fact, was
21 truly for the purposes of ECR CAT Code 5010 (Share Purchase).

22 203. FCGLTD did not charge Bastian, Simmons, Playtech or Island Luck any
23 “commission,” did not buy any “advertising subscription, purchase any “professional
24 service,” or any other “miscellaneous items, e.g., visa or pay any Bahamian abroad.”

25 204. Upon information and belief, the false ECR CAT CODE declaration as
26 stated in the BOB ETR is for the purpose for tax evasion of the BIT in order to conceal
27 DHL’s purchase of FCGI’s ownership shares of FCGLTD’s stock.

1 205. This purchase of securities is a false statement by Bastian and Simmons
2 to induce BOB to wire the funds as falsely state ECR CAT CODE.

3 206. On October 3, 2016, at 8:53am PST, Linham confirmed that FCGLTD
4 did in fact receive the \$500,000 into its Nedbank account in Isle of Man validating the
5 act of racketeering of money laundering through fraud by wire violating 18 U.S.C
6 §1962(b), (c) and (d) through the two predicate acts of 18 U.S.C. §1956 and §1343.

7 **VI. MULTISLOT’S FIRST ACT OF RACKETEERING**
8 **(BASTIAN’ FOURTH ACT)**

9 207. Per Bastian’s prior instructions that Multislot would complete the real
10 money version of 21 or Nothing® (“FC21”) for release through the Bastian Casino
11 Gaming Enterprise in the Bahamas with Multislot’s existing Real Gaming Server
12 (“RGS”) that was integrated into global distributors including but not limited to Every
13 Matrix, BetConstruct and Videoslots, Mahon supplied Multislot with all the game assets,
14 rule sets, game logic, and math certifications necessary to complete FC21 in 2016.

15 208. A Tier 1 online developer, distributor and or operator is considered to be
16 one that is licensed by the Gibraltar Regulatory Authority (“GRA”) where their
17 operations are required to be based in Gibraltar and their servers are required to be
18 located, literally, deep inside the tunnels of the world famous Rock of Gibraltar where
19 they safely feed the world with the best gaming content there is.

20 209. There are, according to CasinoCity.com, 4,434 online casinos in the
21 world that they track on a daily basis. In contrast to the world, there are only 33
22 Gibraltar Licensees and of them, less than 20 of them are operators. It is well published
23 fact that those 20 Licensees account for well over 80% of all regulated online casino
24 gaming revenue, and as such, doing business with a Tier 1 Licensee is beyond coveted
25 and being sheltered under one of their licenses as a supplier is getting to serve your
26 content from the Holy Grail itself.

1 210. From September of 2014 through November 2015, before Mahon even
2 met Bastian, he had already met with over half of the Gibraltar Licensees each of whom
3 agreed to move forward with commercials in releasing the Full Color IP as soon as it
4 was ready.

5 211. Multislot is not licensed in Gibraltar and is not a Tier 1 developer,
6 distributor or operator. Multislot is a Tier 2/Tier 3 casino gaming developer. The
7 company makes low budget online casino games with average graphics and average
8 functionality.

9 212. Multislot is a small company of approximately 8-10 people that is based
10 in a non-regulated jurisdiction of Costa Rica and was formed years ago to make games
11 to supply to the underground and non-regulated world. This is why the Bastian Casino
12 Gaming Enterprise, which started in the unregulated Bahamas utilized Multislot and, in
13 fact was their largest customers by monthly revenue.

14 213. Indeed, in a non-regulated closed market with little or no competition, like
15 the Bahamas, the Tier 1 operators did not compete because there was not sufficient
16 volume, giving a Tier 2 / Tier 3 game developer or distributor such as Multislot a
17 marketplace to profit in. Lower costs with lower volume could still make a profit.

18 214. On average, Multislot as a Tier 2/Tier 3 game developer would spend a
19 maximum of about \$50,000-\$100,000 to produce an in-house generic online real money
20 casino game for desktop only and a limited set of languages and currencies whereas a
21 Tier 1 game developer and Gibraltar Licensee like Microgaming (Oakwood Ltd) would
22 spend well over \$1 million to produce a super high quality game with world class
23 graphics and another \$1 million to license a brand that works all computer, mobile and
24 tablet devices in all languages and in all currencies.

25 215. When the Full Color IP came onto the scene, every operator and every
26 distributor in every level of Tier 1, 2 or 3 has wanted the Full Color IP content as soon
27 as it was ready and as proof of how bad they want it, they have been willing put it at the
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1 front of the line in integrations that are backed up 18-24 months on average by all others
2 proving that it is an anomaly and stood an incredible chance of unlimited success upon
3 release.

4 216. Microgaming wanted the Full Color IP so bad, in a seemingly
5 unprecedented move, even began to publish the availability of it in their sales literature
6 before a contract was even signed.

7 217. When Multislot was presented with the opportunity to be involved
8 because of its relationship with Bastian, Multislot was willing to go to extreme measures
9 to get it first and its willingness to develop FC21 with no upfront fees or costs because
10 Multislot knew it could not afford to buy the Full Color IP or even pay its licensing fees,
11 but that if it were to develop the game on its RGS system first, the Tier 1 distributors
12 who wanted the Full Color content would be forced to integrate Multislot's RGS onto
13 their platforms, which is something a Tier one distributor would not normally do for Tier
14 2/3 content, but would likely do to obtain Full Color's content.

15 218. Multislot had other limitations beyond its Tier 2/3 status. Multislot was
16 limited geographically as they are based in Costa Rica. The geography and culture
17 simply creates a lack of human resources skilled in the relevant art of online casino
18 gaming industry by its geography and educational institutions, and thirdly by economic
19 conditions that exist to import them. Collectively it creates the inability to obtain and
20 maintain the world class rockstar talent necessary to create a Tier 1 game, much more
21 so. ...invent Tier 1 content on their own and break out of that cycle.

22 219. Multislot was also limited by its technology and its employees in
23 producing an online game is code programmed. Multislot's primary language of their
24 games is produced using "Flash" by Adobe which was first released in 2000 as the
25 internet began to truly grow by leaps and bounds. Multislot chooses Flash because it is
26 cheap and easy and the learning curve is so low, making it easier to obtain human
27 resources in a geography that is already scarce as it could be by default.

1 220. However, since 2000, Flash has lost most of its appeal because it cannot
2 be run on the mobile phones and tablets dominating the world today as neither iOS
3 (Apple iPhone) or (Google) Android will run it. All universal content today is coded
4 natively or universally using WebGL and HTML5.

5 221. As a result of MULTISLOT’S own limitations, MULTISLOT only
6 offered to produce the Full Color IP in “Flash”, a dying language on desktops and a dead
7 language on mobile and tablet.

8 222. Multislot was just barely getting into HTML5 and mobile technology
9 being forced to convert all of their existing Flash content in order to stay relevant and
10 provide games to even the existing Tier 2 / Tier 3 distributors and operators as they too
11 were forced to upgrade by consumer behavior and demand in order to compete with the
12 billions of new phones and tablets that were killing the desktop market.

13 223. Multislot wanted to avoid the initial costs of building FC21 and other
14 Full Color IP games by building the games initially in Flash to be released with Bastian,
15 Multislot wanted its “cake and eat it too” with Full Color. Multislot wanted the content
16 but didn’t want to build it at Tier 1 level, nor did they want to build it on HTML 5 as a
17 build once and deploy everywhere model. Multislot wanted to mitigate their costs using
18 skill sets they had and a rapid development time and code the Full Color IP in the
19 dying/dead Flash format.

20 224. Unbeknownst to Mahon and FCGI, Multislot was completely subject to
21 its largest customer by volume and revenue, Bastian and was really part of the Bastian
22 Casino Gaming Enterprise. Ultimately, Multislot was at the mercy of the Bastian.

23 225. Because Bastian was investing in FCGI, Mahon and FCGI believed that
24 this would be to their advantage. It was not until much later that they came to learn that
25 Bastian and Munger had different plans sabotage FCGI through both Multislot and later
26 Spin, and attempt to take over the Full Color IP from Mahon.

1 226. Multislot’s low-cost choice to develop in Flash inherently conflicted
2 with the Tier 1 demand to code in HTML5 and further created quite a source for
3 conflicts of frustration between the FCGLTD and FCGI and Multislot with them
4 wanting to just “throw the game out and release it” and MAHON demanding that it meet
5 the quality control, user interface (“UI”) and the user experience (“UX”) that the Tier 1
6 distributors and operators echoed in demands in order to get top priority. Unbeknownst
7 to FCGI at the time, this conflict appeared concocted and planned by Bastian and
8 Munger to FCGI’s detriment.

9 227. Beginning in February of 2016 when the Full Color IP was exhibited at
10 the ICE 2017 Totally Gaming Convention in London, Multislot began to arrange for its
11 Flash based distributors and operators to introduce the Full Color IP to them.

12 228. During the same time in 2016, Mahon had also met with a plethora of
13 online Tier 1 casinos and distributors out of Gibraltar that had seen the Full Color IP and
14 wanted it as soon as it was ready but they all demanded it be fully developed in HTML5
15 for a simultaneous release on both mobile and desktop or no release at all.

16 229. Multislot’s inexplicable decision to build the Full Color IP on a desktop
17 only in Flash would prevent them from going beyond Multislot’s existing Tier 2 / Tier 3
18 integrations but worse, preventing them from being able to even get Multislot’s RGS
19 integrated into the Tier 1 distributors and operators.

20 230. Despite FCGI offering additional money and even meeting with
21 Multislot and other related vendors, Multislot ultimately refused to devote full resources
22 to fully develop the Full Color IP games on HTML5 at a Tier 1 quality level until after it
23 had developed and distributed the games via its Tier 2/3 Flash network. Specifically,
24 Multislot confirmed it wanted to release FC21 on Flash through their existing
25 distributors and operators and through the Bastian Casino Gaming Enterprise only and
26 then, and only then, if FC21 was a success they would move resources for HTML5.

231. Ultimately, Multislot agreed that FCGLTD and FCGI could find another developer and FCGLTD and FCGI could use their \$100,000 in funds to pay others to code the Full Color IP in HTML5 on a platform that was integrated into existing Gibraltar Licensee(s) and Multislot would simply only deliver their versions of the Full Color IP through their existing Tier 2 / Tier 3 integrations as Multislot didn't truly believe Mahon could get Tier 1 distributors and operators to release the unproven product of the Full Color IP, no matter how disruptive it appeared to be to them.

232. As a result, the Counter-claimants contracted with Spin to provide the HTML5 content with the promises and assurance they were integrated into Nektan and NYX in Gibraltar and could release to Bet365, WilliamHill, BetVictor, Ladrokes, Gala, Coral, Rank and all the other GRA Tier 1 distributors and operators that wanted the Full Color IP.

233. On October 17, 2016, Multislot emailed the Full Color IP assets in its possession to the team at SPIN in order for SPIN to build the HTML5 games for the Tier 1 releases so they would maintain the same UI/UX design and functionality across both the desktop, tablet and mobile platforms not that multiple companies would be tasked to produce the same product, yet under a completely different codebase of language instructions to match each other as closely as possible in order to maintain global uniformity upon release regardless of where the games were being distributed to Tier 1, Tier 2 or Tier 3 operators.

234. Between August 18, 2016 and about December, 2016, FCGI and FCG LTD worked with Multislot to ensure that the games being built were fully certified so that they could be distributed to Tier 2/3 distributors throughout Europe and in the Bahamas, among other locations and to be integrated via Multislot's RGS.

235. On December 19, 2016, Mahon approves and signs Multislot's distribution contract to go live worldwide through the Bastian Casino Gaming Enterprise

1 through Island Luck, Videoslots, Every Matrix, Betconstuct and others, to which
2 Multislot responds that it will sign once it completes a final legal review.

3 236. The parties' intention was to have FC21 live through the above networks
4 on Multislot's RGS before the ICE Totally Gaming London casino gaming convention
5 in the first week of February, 2017, and the parties were working to finish the last issues,
6 including language translations and other issues ahead of the convention.

7 237. Suddenly, and without warning, on January 31, 2017 Multislot, through
8 its principals, sends a text to Mahon stating that if FCG LTD and FCGI is not going to
9 use Multislot's claim for Tier 1 distribution, then Multislot will not distribute the game
10 as promised, but deliver it directly to Bastian for Island Luck exclusively. Multislot
11 made this last minute extortionate demand despite already agreeing to the proposed
12 contract and despite having months earlier acknowledged that FCGI was going to
13 contract with Spin for HTML5 Tier 1 release.

14 238. On January 31, 2017, Mahon contacted Bastian and Munger concerning
15 Multislot's last minute threats keep the business from obtaining revenue streams.
16 Bastian stated that he would contact Multislot and would work it out.

17 239. On January 31, 2017, upon information and belief, Bastian spoke with
18 Multislot and its principals, but did not inform FCGI or Mahon about the full context of
19 their conversation.

20 240. On information and belief, Bastian did nothing to dissuade Multislot
21 from continuing to extort concessions from Mahon and FCGI by threatening to not
22 distribute the games to its Tier 2/3 distributors and thus continuing its conspiracy to gain
23 control over FCGI and the Full Color IP

24 241. Thereafter, Multislot continued to refuse to countersign the fully
25 executed contract and further, refused to distribute the game asserting that it had done
26 everything it was supposed to do and even misrepresenting that it had completed a
27 commercially releasable Tier 1 build of FC21 on HTML5, which it had never done.

1 242. As a result, Multislot and Bastian wrongfully induced FCGI Mahon to
2 expend its time, money, energy and efforts for over a year only to end up being
3 threatened and coerced into giving up their property rights in order to fulfill Multislot's
4 and Bastian's hidden agenda

5 243. Multislot failed to distribute FC21 live anywhere.

6 244. Even though Multislot ceased and desisted all work on the Full Color IP
7 of 21 or Nothing®, Bastian, Munger, and the Bastian Casino Gaming Enterprises
8 continued to work with Multislot, putting their separate relationship with Multislot
9 ahead of Mahon and FCGI, despite their contractual and each party's relevant fiduciary
10 duties to FCGI.

11 245. Despite having the FC21 game delivered to Island Luck, Multislot
12 deliberately failed to release FC21 through the Bastian Casino Gaming Enterprise even
13 though it was 100% fully certified and ready for release.

14 246. Despite DHL having executed and agreed to complete the \$1 million in
15 cash-in-kind element of the original DHL and FCGLTD contract, yet they fail to market,
16 promote or launch FC21 through Multislot or any other vendor.

17 247. Multislot did in fact, block the release of FC21 which was slated to go
18 live at ICE Totally Gaming 2017 in London, UK to over 30,000 attendees from 150
19 different countries. FCGI and FCG LTD had invested around \$100,000 in the booth,
20 shipping all of the product to the UK from Las Vegas, hiring dealers, booth staff,
21 marketing, promotion and release material. The failure to go live did extraordinary
22 reputational and existential damage to the Full Color® Games brand and again delayed
23 FCGI's efforts obtain revenue streams.

24 248. The fact that Bastian did not exert his influence on Multislot to release
25 FC21 through Videoslots.com made absolutely no sense. It was Bastian's money that
26 has just been wasted to be at ICE 2017 convention that was now mostly lost. Bastian
27 knew that if FC21 was not released the company was likely to run out of money and his
28

1 investment would be lost. Bastian had the ability to instantly release FC21 on his 62
2 casinos in the Bahamas but said he was too busy with opening his 200 Jamaican casino
3 webshops.

4 249. Despite the fact that Bastian's investment would be lost unless FCGI
5 was able to obtain a revenue stream from the release of FC21, Bastian confirmed that
6 Multislot was not going to release the game at all, to Videoslot.com or even to
7 IslandLuck.com unless FCGI gave up its Tier 1 rights, and that Bastian could do nothing
8 to get Multislot to release the games even though it was Bastian who had directed them
9 to build the games in the first place.

10 **VII. SPIN FIRST ACT OF RACKETEERING (BASTIAN'S FIFTH**
11 **ACT)**

12 250. On May 31, 2016, after the formal signing with Bastian and the
13 confirmation of the \$2 million investment, the Counter-claimants believed that they
14 were finally in a position to truly obtain some quantifiable financial and relational
15 control over their own destiny and obtain control of their own branded Full Color RGS
16 to deliver their own Live Dealer and RNG product through a certified RGS that they
17 could fully control.

18 251. After it was becoming more and more clear in the beginning of June that
19 Multislot was not likely to develop the Full Color IP in HTML5 for Tier 1 distribution, it
20 became necessary to start finding an alternative solution.

21 252. At that time, Mahon learned that previously, on April 25, 2016, FCGI
22 and Spin signed a Non-Disclosure, Non-Circumvent, Non-Compete & Confidentiality
23 Agreement ("NDA") with Howard as the signatory for FCGI. This relationship was
24 created unbeknownst to Mahon as other business developers for FCGI had begun to
25 develop the potential relationship, but could now be utilized potentially to develop Full
26 Color games on HTML5

253. As detailed above, it was determined that Multislot would not be doing the HTML5 coding for Tier 1 Operators until after releasing the games on the Flash Tier 2/3 network, forcing FCGI to locate other development partners that had a Tier 1 RGS that was integrated into Tier 1 Operators in Gibraltar.

254. On June 13, 2016, in a meeting between Spin’s CEO Ken Young (“Young”) and Mahon in Las Vegas, Nevada and in follow up emails, Young certified to Mahon and FCGI that they had the HTML5 Tier 1 solution for the Full Color IP, and that Spin was integrated into NYX and Nektan, both GRA Licensees, among others. Further, Young assured Mahon that SPIN would license them a copy of their RGS, called the ROC, which could be integrated into a master RGS in addition to running Full Color IP directly through their existing distribution and operator platforms allowing Full Color to develop its own RGS to deliver games, but it would require licensing from the UKGC in order to shelter under NYX or Nektan and any of the other GRA operators to deliver the Full Color IP.

255. In late June, 2016, Munger and Mahon met with a new company named Virtuasoft to discuss obtaining licensing of its global Live Dealer and RNG Content Delivery Network Platform (“CDN”) through Virtuasoft’s proprietary RGS and wallet system called “Kingfisher.” Virtuasoft offered to grant a license to Kingfisher with absolutely no upfront costs whatsoever for it except for a backend revenue share agreement upon release of the Full Color IP. Based on this offer, FCGI planned to create a master stand-alone solution to deliver both Live Dealer and RNG games to the world.

256. More importantly, the Kingfisher CDN, relationship and license would allow FCGI and its affiliates to obtain their own copy of the Kingfisher platform, rebrand it as the Full Color RGS and allow them to take other 3rd Party content and deliver other product through their own RGS as a way to obtain additional revenue.

1 257. From the day Mahon met Bastian, Bastian wanted a Live Dealer solution
2 to deliver through his own software platform in the Bahamas that he called RSL (that
3 Bastian converted and turned into ILG).

4 258. Once web shops were legalized in Bahamas, Bastian and the Bastian
5 Casino Gaming Enterprise was prevented from delivering a Live Dealer solution
6 because of new laws and regulations that required any Live Dealer solution to have its
7 live studios, servers and platform physically located in the Bahamas. No one in
8 Bahamas could afford a Live Dealer solution based on the need for the economy of scale
9 and costs to setup. Not even Bastian, who controlled 75% of the market, could afford to
10 buy the stand alone software solution just for himself or the RSL platform just for Live
11 Dealer to deliver to the limited market in the Bahamas.

12 259. In fact the Bastian Casino Gaming Enterprise wanted a Live Dealer
13 solution so bad, he had already entered into a contract with Evolution Gaming, the
14 world's largest provider of Live Dealer software and a Tier One provider, he had already
15 completed a full integration but was forced to terminate it once the GBB was actually
16 formed and prohibited him from going live with it until he built his on in the Bahamas.
17 FCGI and its affiliates provided the perfect conduit to make that happen.

18 260. Upon information and belief, RSL, which stands for "remote software
19 license" platform is a platform that Bastian and his Bastian Casino Gaming Enterprise
20 had developed for use throughout the entire web shop casino gambling industry in the
21 Bahamas, and had essentially forced his competitors throughout the Bahamas to agree
22 that Bastian and his Bastian Casino Gaming Enterprise would be the "sole provider" of
23 100% of every casino game in the Bahamas through his RSL (ILG) platform. As a
24 result, RSL was the company that all operators would get their casino gaming software
25 feeds from.

26 261. With FCG and its affiliates being able to develop its own Full Color
27 RGS version of Kingfisher, and his ownership interests FCGI's affiliated enterprises that
28

1 obtained it, he could then, afford to get a sub-licensed copy of it for the mere cost of a
2 revenue share and use it in the Bahamas to feed his Bastian Casino Gaming Enterprise
3 and would profit at incredibly low amortized costs.

4 262. Based in part on the representations from Spin about the necessity of
5 having a UKCG license to be integrated with Tier I operators, on August 17, 2016,
6 FCGLTD paid for and filed Linham, Mahon, Murphy, Munger, and Bastian for certified
7 Personal Management License (“PML”) Applications with UKGC with FCGLTD
8 Remote Software Application for a casino gaming license. A pre-condition to being
9 able to run games through any shelter under any GRA Licensee (Tier I operators) was to
10 first be licensed by the UKGC and as a result, the Counter-claimants went to great
11 lengths to get their licensing applications together and submitted as they had been
12 preparing ever since August 1, 2015 when FCGI Amended & Restated its Bylaws to
13 prepare for becoming a highly regulated real money casino gaming enterprise.

14 263. Mahon obtained a license contract with Virtuasoft so FCGLTD could
15 have their own customized RGS branded as the FULL COLOR KINGFISHER RGS that
16 would allow the Full Color IP to deliver both Live Dealer and RNG games through it but
17 also serve as the central distribution point where all FCGLTD could finally be in
18 complete control of its own distribution network of Full Color IP as well as serve as a
19 third party distribution platform where FCGLTD could serve other company’s games
20 and charge a platform fee as well. As a result, Mahon and FCGLTD also finalized a
21 proposal for Spin to develop the RNG versions of FC21, Full Color Baccarat (“FCB”),
22 and Full Color Poker (“FCP”) so they can be integrated into Tier 1 operators around the
23 world what would also Spin to deliver their games through the FULL COLOR
24 KINGFISHER RGS into operators FCGLTD would integrate into as much as Full Color
25 IP to to deliver into Spin operators they were integrated into through a bi-directional
26 integration. Based on the initial proposal, Bastian and the other investors approved of
27 the basic arrangement which would allow both Bastian Casino Gaming Enterprise and
28

1 FCGI and its affiliates to utilize Kingfisher to distribute its content and the content of
2 third parties as well as any Bastian Casino Gaming Enterprise owned or developed
3 content could also deliver worldwide. The FULL COLOR KINGFISHER RGS would
4 unlock FCGLTD's full financial revenue making power with the Full Color IP as the
5 driver to get integrated to high end and Tier 1 distribution platforms and operators where
6 others who all deliver the same public domain driven formatted content could not.

7 264. By mid-October, Bastian had approved the contract with Spin and
8 Mahon was directed by Bastian to move forward and executed it. Multislot was
9 notified of the contract with SPIN and that SPIN would produce the HTML5 version of
10 FC21, FCB and FCP for release on their ROC servers and to integrate the stand-alone
11 Full Color IP ROC 3 server into the forthcoming Full Color branded RGS of
12 KINGFISHER. Multislot agreed to give FCGI full consent and free use of their own
13 table background graphic and other table assets at no cost or expense, and sent out all of
14 the files directly to Spin and consenting to their use to allow the Full Color IP to have
15 global uniformity within all of FCG's table games.

16 265. On October 26, 2016, Spin sent out Invoice #295001 in the amount of
17 \$54,000.00 to pay on the **Proposal v1.4** along with the SPIN W-9 IRS form. On
18 October 27, 2018, Spin received the wire of \$54,000.00 for the full proposal to be
19 completed.

20 266. In October and November, 2016, Mahon confirmed that several Tier 1
21 Gibraltar Distributors & Operators will take Full Color RGS once it was fully integrated
22 and ready, including WilliamHill.com, BetVictor.com, Rank.com, and BetFred.com,
23 Nektan, and several others. However, upon Mahon's due diligence, Mahon began to
24 discover that many of the Tier I operators could not verify that Spin was actually
25 integrated in NYX or any other system in Gibraltar despite Spin's contractual
26 affirmations that they were.

1 267. On November 7, 2016, Munger, as the CTO, was tasked head up and
2 coordinate the Spin to Kingfisher RGS integration, which was promised to take only
3 about 3-4 weeks max. All the emails, in person meetings and calls ultimately revealed
4 that Spin and its management had no understanding as to what he was doing or even
5 selling because Spin did not even know what systems it had already integrated with.
6 Spin's **Proposal v1.4** is fraudulent, a complete misrepresentation and conceals the entire
7 facts behind the ROC SERVER v1.0, v2.0 and v3.0. Spin's proposals and contracts are
8 designed to dupe people into believing that Spin has the capabilities and capacities that
9 do not yet exist, are misleading and inaccurate as to what he is really integrated into for
10 the Full Color IP integrations and release purposes in order to get companies like FCGI
11 and their affiliates under a contract and tie up their IP and their funds.

12 268. Through December, 2016 and most of January, 2017, Munger and Spin
13 did not even start the integration process. Instead, Munger's emails and other
14 information indicate that Munger was working on other projects for Bastian and
15 IslandLuck.com, Multislot, and even other projects with Spin, but had not engaged to get
16 the FULL COLOR KINGFISHER RGS integrations completed. As of January, 17,
17 2017, there were still emails between Munger and Spin indicating Spin was still waiting
18 for calendar invites for coordination meetings. The integration should have commenced
19 in November, 2016, and was still not commenced in late January.

20 269. Indeed, it is not until late January, that Munger informs Mahon of some
21 changes in the integration process to a "bi-directional" integration between Spin ROC
22 RGS and Full Color RGS Kingfisher, which would require a change in the contract and
23 an additional \$20,000, which is paid via wire transfer on January 23, 2017.

24 270. On January 27, 2017, Spin revealed its schedule changed the completion
25 of the integration until March 31, 2017.

26 271. In early December, 2016, amidst the issues and delay with Spin, Mahon
27 and Linham met with Gameiom, the Tier 1 distributor personally recommended to them
28

1 by WilliamHill.com for a direct integration to release the Full Color IP. Gameiom
2 instantly said they would take the entire suite of Full Color IP and do a direct integration
3 of the FULL COLOR KINGFISHER RGS and could also distribute to BetVictor, Gala,
4 Coral and Ladbrokes that was already integrated and a plethora of other Tier 1 operators
5 they had in the queue for integrations of their own since their GBR license had just been
6 issued.

7 272. On January 27, 2017, Gameiom emails Mahon the specifics of the
8 confirmation of the deal to move forward with the FULL COLOR KINGFISHER RGS
9 direct integration and release into all the Tier 1 Operators through their GRA License.
10 This would be a Spin build of the Full Color IP in HTML5 through their ROC RGS
11 directly integrated into the FULL COLOR KINGFISHER RGS directly integrated into
12 Gameiom's fully licensed GRA Tier I servers that were directly intergrated into
13 WilliamHill, BetVictor, Gala and Coral's Tier I servers all in Gibraltar with Spin's
14 servers being sheltered under Nektan or NYX per and FCGI and their affiliates servers
15 sheltered under Gameiom.

16 273. As noted above, on January 31, 2017, as previously stated in the above,
17 Multislot began their extortion plot once they discovered through Munger that Full
18 Color IP was going to release worldwide in HTML5 through Gameiom, one of
19 Mutlislot's competitors, through UKGC and Gibraltar to all the major Tier 1 Operators
20 and that Multislot would not get any revenue from Tier 1 operators because Multislot
21 had only coded for FLASH and turned down the first right to get to all of the Tier 1
22 Operators. Multislot refused to release any of the games and, as noted above, Bastian
23 did nothing to get Multislot's cooperation.

24 274. In February, 2017, during the ICE Totally Game 2017 convention in
25 London, after Multislot had refused to release FC21 embarrassing the Full Color Brand
26 Mahon had a conversation with Bastian about looking for new ways to get to revenue.

1 275. Mahon asked Bastian why he could not just immediately integrate the
2 FULL COLOR KINGFISHER RGS into his RSL and take the Spin built games and
3 deliver them in HTML5 since Spin was one of the very few content providers in the
4 Bahamas that had applied for and was expected to be granted a permanent supplier
5 license. Bastian reiterated that his own developers were too busy with a launch of
6 casinos in Jamaica, but also explained that Spin has long been on Bastian's "shit list"
7 because when Spin had applied for licensing in the Bahamas after the GBB was
8 established, Spin jumped into the market without acknowledging Bastian's role in the
9 Bahamas market and began offering games to Bastian's competitors without
10 approaching or going through him, the way that Multislot and other game distributors
11 did.

12 276. Bastian informed Mahon that he had previously turned Spin's services
13 down because Spin already had agreements with his competitors and would not ensure
14 that Bastian would get all new content ahead of his competitors. Spin had basically
15 ignored Bastian's position and power in the Bahamas and had paid dearly for it.

16 277. Mahon saw an opportunity and was able to convince Bastian to allow
17 Spin to integrate onto his Bahama RSL platform with the Full Color games and the
18 Kingfisher RGS because the integration would allow Bastian to not only gain increased
19 revenue from the Full Color IP, but also increase additional the number of Tier 1 games
20 that Spin had developed that would be available for all of Bastian's casinos, and would
21 make even more revenue when they went live in Jamaica. Bastian had never had any
22 Tier 1 slot machine content and he would be able to finally get some of it through Spin.

23 278. That same day, February 7, 2017, Bastian, on behalf of Island Luck and
24 other members of the Bastian Casino Gaming Enterprise, Mahon on behalf of FCGI,
25 FCGLTD and its affiliated entities, and Kent Young, on behalf of Spin agreed to have
26 Spin integrate the FULL COLOR KINGFISHER RGS onto Bastian's RSL(ILG)
27 platform to deliver both the Full Color IP games and Spin games to IslandLuck.com that
28

Spin had not been able to get on its own. Spin would pay royalties for use of Kingfisher RGS integrations, and FCGI and its affiliates would pay Spin for delivering Full Color IP content to its integrated operators.

279. Although the future prospects for business at the ICE 2017 convention were unlimited the funding to get there was not and nothing changed the fact the FCGI and FCGLTD were relying entirely on the release of product, the press coming from the convention, the real numbers, analytics, and revenue streams.

280. On February 22, 2017, NYX confirmed that Spin was not integrated on NYX Gibraltar, but was only integrated with NYX New Jersey, finally confirming Spins fraudulent claims, misrepresentation and concealment of the fact that they are not in fact integrated into NYX Gibraltar. Because Spin was not already integrated as they claimed, the integration process to get on NYX Gibraltar would take nothing less than 12-18 months to complete due to relying on Spin to also get licensed by the UKGC, certifications and then into NYX'S integration queues.

281. Spin had also represented that it was already integrated with another Tier 1 operator on Gibraltar called Nektan. This turned out to be only partially true. Spin had been integrated on a Nektan server with their ROC 1.0 software, but it had never been certified and deployed. More importantly, Spin had built Full Color games on ROC 3.0, which had never been integrated into any of the operators in Gibraltar, including Nektan.

282. Even without these delays, Spin had repeatedly pushed back deadlines for completing the integration work on the specific Full Color games.

283. In addition, Spin also claimed that that it is not required by its prior proposal, **Proposal v1.4** contract to provide the games in any language but English and that any additional language would be at an additional cost. However, **Proposal v1.4** identified the 24 languages FC21 was being translated into for delivery was included in the previous price.

1 284. Further, SPIN failed to tell FCGLTD that their ROC RGS did not
2 include what every other real money gaming RGS in the world includes and that is the
3 ability to support all major languages and currencies required for global real money
4 gaming.

5 285. On March 9, 2017, Mahon sent an email to Spin notifying Spin he had
6 paid the Spin Invoice #295002 \$10,000 for the KINGFISHER integration, and also
7 noted in the same email that they were interested in exploring delivering Full Color
8 Games to all of Bastian's casinos in the Bahamas through this RLS platform already in
9 existence.

10 286. Later on March 9, 2017, Munger confirms in an email the interest in
11 getting Full Color games integrated and released on the Island Luck and specifically get
12 Spin integrated with the Island Luck and other Bastian casinos, and Young, Spin's CEO
13 immediately scheduled phone conference to discuss Spin finally getting on Bastian's
14 RSL platform in the Bahamas. Mahon, however, was missing from both Munger's
15 email and the phone conference notification.

16 287. On March 14, 2017, Mahon emails Spin, including Young, Mishra, and
17 others at Spin and formally confronts Spin about the misrepresentations concerning
18 Spin's lack of integration with Gibraltar operators such as Nektan and NYX, and the
19 ongoing delays and problems with the constant delays and failure to start the Kingfisher
20 integration and their inability to release in Europe despite the contract's requirements.

21 288. On the same day Linham and Munger begin to secretly communicate
22 with Spin and Young without Mahon. First, Linham notifies Munger secretly of
23 Mahon's email concerning his fury about Spin's fraud and delays.

24 289. On information and belief, the next day, on March 15, 2017, Young,
25 Mishra, and others at Spin have a secret call where Munger secretly negotiates a deal
26 concerning Mahon's complaints concerning the language translations, and ongoing
27 delays. The negotiation further delays Spin's timing and fails to even mention the
28

1 ongoing need to complete the Kingfisher integration. The negotiations also result in
2 Spin charging \$18,000 more to get the Full Color IP live to the Tier 1 operators, forcing
3 the payment for an “upgrade” the ROC RGS in order to deliver their games which again
4 alters the contract, but this time without Mahon’s knowledge.

5 290. On March 15, 2017, Mahon emails Young and other Spin employees,
6 along with Bastian, Munger, and Linham notifying them of the ongoing damages
7 incurred every month that the games are not released and the product fails to generate
8 revenue. Mahon also reconfirms that Bastian will integrate ROC SERVER into
9 KINGFISHER into ILG /RSL so Spin can release their games in addition to FCG-IP
10 running through it. Finally, Mahon also notes the benefits all parties will obtain if the
11 integrations are completed and both the Full Color games and Spin’s other games can be
12 released via Bastian Casino Gaming Enterprise is a result of Mahon’s efforts and the
13 Full Color IP. Thereafter, Mahon continues to request information on when Spin’s work
14 will be completed in multiple emails.

15 291. During this same time period, Spin, through Young and others,
16 continued secret communications with Munger, which Munger forwarded to Bastian for
17 secretly for discussion. Among other things, Spin informs Munger that the games are
18 completed and not signed off on by Mahon.

19 292. On March 28, 2017, Spin informed Mahon that the games were
20 completed and requested sign-off: Mahon, however, responded setting forth a whole
21 host of problems that still needed to be completed and addressed.

22 293. On March 31, 2017, Spin’s Staff Accountant emails another invoice,
23 Invoice #295-03, in the amount of \$10,000 to be paid for the FULL COLOR
24 KINGFISHER RGS integration.

25 294. By the end of March, 2017, Spin was still not completing the integration
26 work and the games produced had many problems. Spin was also refusing to complete
27 all of the tasks required for a commercial release and unilaterally changing the work
28

1 they would complete and disrupt FCGI and FCGLTD's business and marketing plans.
2 However, Spin was not really communicating with Mahon, but instead was secretly
3 communicating with Munger and others. It appears that once Spin realized they were
4 going to be able to integrate with Bastian's casinos in the Bahamas, they were focused
5 only on getting that accomplished.

6 295. On April 7, 2017, Spin finally released the full integration schedule
7 entitled "Integrations 4.6.17.xlsx" listing of all SPIN Games ROC RGS integrations
8 revealing, for the first time ever, the ROC2 vs ROC3 distribution plans details detailing
9 why FCGLTD could not go live because FC21 was built on ROC3 vs. ROC 2. Among
10 the integrations that were scheduled, Spin revealed that during the last several months,
11 while it repeatedly blamed others for its delay in completing Full Color work, Spin had
12 already secretly completed a direct integration between Spin and Bastian's RSL (ILG)
13 platform, completely bypassing Full Color's Kingfisher RGS, which was still in a long
14 queue for integration.

15 296. On information and belief, Spin and Bastian had conspired to
16 circumvent Mahon and FCGI with Munger's assistance via secret emails and meetings
17 in March and April, 2017, including a meeting that Mahon later discovered that took
18 place on April 26, 2017, at the Aria Hotel in Las Vegas, Nevada. Despite not speaking
19 to Mahon for 23 days, Bastian flew all the way from the Bahamas for the secret meeting.

20 297. Spin never completed the integration of Kingfisher RGS as promised nor
21 did they complete the bidirectional integration under the FCGI and FCGLTD contracts.
22 Once they had circumvented Full Color and directly integrated into Bastian's RSL (ILG)
23 in the Bahamas, they seemed to lack any motivation to complete their contracts.

24 298. In addition to Munger's secret meetings with Spin and Bastian to
25 circumvent the Counter-claimants, Munger began secretly sending Linham, FCGI's
26 CFO, versions of a "burn down" budget from his private personal email.

1 299. On April 2, 2017, Munger had more secret email discussions with
2 Linham.

3 300. On April 2, 2017, at 11:02am PST, Munger begins to start secretly
4 sending Linham versions of a “burn down” budget from his private personal email and
5 Linham secretly responded back with his own thoughts and comments.

6 301. On information and belief, Munger also sent this budget to Bastian. In
7 February, 2017, Bastian had agreed to put additional money into FCGLTD, but had still
8 not done so, and Mahon was in the Bahamas for a meeting with Bastian to discuss the
9 budget and his additional investment to maintain the company’s cash flow until they can
10 realize additional revenue streams.

11 302. On April 3, 2017, Mahon discovered that Munger had engaged in
12 unauthorized budget discussions with Bastian and shared the “burn down” budget with
13 him and sent him an email notifying him that this was not proper. Mahon had been in
14 the Bahamas for twelve days waiting complete the additional funding by Bastian.

15 303. By April 4, 2017, Bastian had still not shown up for their final funding
16 meeting. Mahon was perplexed and began to do a comprehensive review the budget
17 Munger had wrongfully sent to Bastian. Immediately Mahon discovered that Munger’s
18 unapproved budget had significant and obvious errors that caused the budget to show
19 negative cash flow and misrepresented the actual status of the company. Munger failed
20 to add the “revenue” to the “bank balance” after the “expenses.” Based on this
21 information, it appears that Munger had given this false information to Bastian, and as a
22 result Mahon was left to draw the conclusion that Bastian failed to appear for his
23 meetings with Mahon as a result of Munger’s incompetence or deliberate sabotage of
24 FCGLTD’S budget..

25 304. Based on Bastian’s failure to put in the additional capital he had
26 promised earlier in the year, Mahon turned to report the issues he was now having to
27 FCGI investors.

1 305. On April 17, 2017, all FCGI investors including Munger was notified of
2 a company investor call for FCGI to deal with the financial crisis of FCGLTD as
3 outlined in the email.

4 306. On April 19, 2017, Mahon had a company-wide call with FCGI
5 investors and outlined the progressive complications and epic failures detailed in above.
6 Mahon advises that the company file lawsuits against Linham, Newman, Multislot,
7 Bastian and Spin and lays out the explicit details to the claims and their merits that were
8 ultimately filed herein and in the Mahon et. al. vs. Newman et a. lawsuit filed on August
9 17, 2018, in the Eighth Judicial District Court for the State of Nevada.

10 307. Before the call, Mahon and Howard, did not know that Munger, Bastian,
11 and Linham had all been contacting FCGI investors and business partners, including
12 Spin, behind the scenes in secret calls and meetings planting the false narrative that
13 Mahon had embezzled hundreds of thousands of dollars out of FCGLTD as the reason
14 why the company had run out of money, and that Mahon was the reason that FCGI and
15 FCGLTD were failing. On information and belief, Munger and Linham began to spread
16 the story that Mahon, as the CEO was the cause of FCGI and FCGLTD's failures, and
17 began sharing strategies that could be utilized to attempt to render Mahon unsuitable for
18 casino gaming licenses by character assassination and thereby wrongfully remove
19 Mahon from FCGI via frivolous lawsuit and coerces threats as set forth in more detail
20 below.

21 **VII. NEWMAN'S RACKETEERING SCHEME**

22
23 308. Between November of 2008 and March of 2010, Mahon had met many
24 potential investors who had seen his inventions in the Full Color IP and the FCGS.
25 Everyone that would see his inventions would become mesmerized with its potential and
26 attempt to promise him money, relationship, and launch plans to make billions off of his
27 inventions if they could only get a piece of the pie.

1 309. During that time Mahon began to file for copyright, trademark and
2 patent applications in his name as the sole inventor in order to protect his inventions,
3 proprietary and ownership rights.

4 310. On or about March 17, 2010, a few months after Mahon had moved to
5 Las Vegas, Nevada, still grappling with the debt and concerns about losing the IPR with
6 the USPTO patent filings knowing that if he didn't get his three non-provisional patents
7 filed by May 7, 2010. When Mahon was no longer able to afford his original intellectual
8 property attorney to complete these tasks, he was referred to Newman as a local
9 Practitioner that could file them.

10 311. At all times between March of 2010 and ending on or about October 21,
11 2014, Newman was employed as an attorney for Howard & Howard Attorneys ("H2")

12 312. H2's website advertised Newman as an attorney licensed to practice in
13 New York (2000), Connecticut (2000), Nevada (2008), and licensed to practice before
14 the USPTO (1997).

15 313. "has over 10 years of experience working with clients of all types (such
16 as large corporate entities, start-ups, emerging and established businesses as well as
17 investors) to develop, acquire and enforce worldwide patent, trademark, copyright and
18 trade secret rights, negotiating collaborations and transactions involving intellectual
19 property, preparing patentability, invalidity, clearance and non-infringement opinions,
20 evaluating patent portfolios, providing design-alternative advisement, and performing
21 due diligence for mergers and acquisitions. Mr. Newman draws on his considerable
22 experience to provide the guidance and protection plans that will best address the client's
23 particular situation and needs." It went on further to state that "[p]rior to joining Howard
24 & Howard, Mr. Newman was in-house counsel for a major gaming product supplier in
25 Las Vegas where he was involved in handling worldwide intellectual property matters.
26 Mr. Newman also optimized and administered an invention submission program,
27 worked with product developers, engineers and business managers to develop a strategic
28

1 portfolio of worldwide patents, trained and supervised a patent agent team, conducted
2 intellectual property due diligence, advised company executives on potential mergers
3 and acquisitions, and obtained worldwide trademark protection for the company's
4 marks.”

5 314. On or about March 16, 2010, Mahon met Newman at H2’s Wells Fargo
6 Tower offices where Mahon presented Newman his entire suite of unique and
7 proprietary intellectual property and inventions in Full Color IP, the FCGS and his
8 Multi-Play™ Bingo game (collectively “IPR”) for 4 ½ hours.

9 315. Mahon also advised Newman that he could not currently afford to pay
10 any legal fees and explained his entire story of his financial struggles caused by the
11 initial investors, and that his patents pending were about to expire and the most he could
12 afford to pay for the foreseeable future was the hard costs of the USPTO fees to convert
13 his provisional patents into non-provisional applications.

14 316. Newman informed Mahon that he had never worked on a sweat equity
15 deal for legal services for any else before but that he would be interested in working for
16 a sweat equity deal in the IPR. Newman told Mahon that he would be willing to do all
17 of his USPTO and USCO work at no upfront legal cost to Mahon if Mahon was willing
18 to pay the “hard costs” in filing fees with the governmental agencies, the Copyright
19 Office and the USPTO in exchange for 5% interest in the net profits from the IPR.

20 317. On March 24, 2010, Mahon sent Newman a draft copy of an Assignment
21 of Gross Revenue Interests (“AGRI”) agreement to Newman’s
22 rnewman@howardandhoward.com email address at H2.

23 318. Although the AGRI speaks for itself, the agreement ensures H2 and
24 Newman will perform all necessary legal representation to obtain, prosecute, execute
25 and defend the IPR that includes but is not limited to the copyright, trademark and patent
26 work in perpetuity in order for the 5% assignment of gross revenue interests and tag-a-
27 long rights to the IPR.

1 319. On or about April 1, 2010, Newman and Mahon fully executed the
2 AGRI.

3 320. Beginning on May 5, 2010 and through October 28, 2014, Newman and
4 H2, through over 40 of their employees, used the United States Postal Service (“USPS”)
5 to mail bills for the hard costs of their work to Mahon, Intellectual Properties Holdings,
6 LLC (“IPH”), FCGI, and other affiliated entities with 65 unique invoices with internal
7 billing ID numbers starting at 348498 and ending in 462111 using the Client ID numbers
8 060857-00001 and ending in 060857-00999 for approximately 24 different client
9 matters.

10 321. The total billing amounts ranged from as small as \$35.00 to as large as
11 \$5,345.00.

12 322. These invoices sent through the USPS by Newman and H2 totaled
13 \$21,956.00 paid and these were directly or indirectly paid by Mahon, IPH, and/or FCGI.

14 323. On or about October 20, 2014, Newman notices Mahon, completely out
15 of the blue, that he has terminated his working relationship with H2 and that Mahon
16 must transfer all of his legal representation over to his new company, Newman Law.

17 324. Despite the fact that Newman had no offices, no employees, no support
18 staff of any kind, no infrastructure, no planning of any kind or any sort, Newman
19 aggressively reassured Mahon that everything would be fine. Mahon’s patent portfolio
20 was then over 6 years old and not a single patent has been issued. Mahon wanted to stay
21 with H2 because he wanted the protection of what he believed was a major law firm
22 with a full support staff but has absolutely no choice in the matter but to agree to
23 discharge H2 and ask to transfer all of his files due to the AGRI agreement.

24 Unbeknownst to Mahon or any of his entities, both H2 and Newman had already caused
25 grave and irreparable harm to his inventions and businesses due to the abandonments of
26 his IPR that had already occurred to date.

1 325. On or about August 1, 2015, all necessary documents included but not
2 limited to the Amended and Restated Bylaws of August 1, 2015 whereby FCGI
3 implemented the new Share Repurchase Agreement (“SRA”) that was an attachment and
4 condition to any and all Share Issuance Agreements (“SIA”) were executed by all
5 common stock shareholders of FCGI.

6 326. On or about August 1, 2015, as part of the evolution, Mahon, in good
7 faith, believing that Newman’s professional legal representation on all of his m IPR was
8 in fact fully protected as represented and as such Newman would have in fact rightfully
9 earned the shares Mahon was about to grant him thru the conversion and make him a
10 shareholder with rights in FCGI, agreed to voluntarily terminate the AGRI agreement
11 with Newman and did in fact exchange it with 5% equivalent of IPH’S original 20
12 million shares in FCGI which equaled a distribution to Newman of 1,000,000 shares of
13 FCGI and was documented in a new fully executed SIA and SRA with Newman, which
14 also included a new Mutual Non-Disclosure Agreement (“MNDA”) and a Voting Trust
15 Agreement (“VTA”) assigning 100% of Newman’s voting rights in the new SIA to
16 Mahon. In addition to these documents, however, Newman agreed to continue to do all
17 the legal work and protect all the FCG-IP like he had promised to do in the original
18 AGRI as detailed in Recital A to the SIA, or there would have been no purpose in
19 terminating the AGRI as not a single patent had been issued in 5 years.

20 327. On or about August 1, 2015, NEWMAN further wanted his FCGI shares
21 to be issued in the name of his alter ego, “Cooper Blackstone, LLC” (“CBL”) and they
22 were in fact issued to CBL.

23 328. On or about August 1, 2015, Newman further entered into an additional
24 Non-Disclosure and Confidentiality Agreement with FCGI of the same date of August 1,
25 2015.

26 329. As a further result of owning the FCGI shares, Newman obtained a
27 shareholder interest in FCGI that would exceed 3% and any application on any UKGC
28

1 casino gaming license application would force NEWMAN to obtain a Personal
2 Management Application (“PML”) and be deeply investigated through background
3 checks and due diligence in order to be found suitable in order for Mahon or any of the
4 relevant Counter-claimants to also further be found suitable as an entity due to a single
5 party having more than 3% of the company.

6 330. On or about August 17, 2016, , FCGLTD submitted RSGL Application
7 #3949 to the UKGC with Mahon, Linham, Newman, Munger and Murphy’s attached
8 PML. These applications included Newman as a Director and an Officer of FCGLTD
9 and a shareholder of FCGI.

10 331. After the UKGC applications were submitted, Linham contacted Mahon
11 and began pressing him extremely hard on what the status of the Full Color IP was as it
12 was needed for due diligence matters for the PPM and major investors that were
13 interested in engaging in a Series A investment that were requesting it.

14 332. On August 18, 2016, when Newman and Newman Law failed to deliver
15 any of the contract work by its deadline date, three weeks after he had been paid
16 \$10,000, he was confronted by LINHAM who put him on notice over his failures.

17 333. On August 19, 2016, a day later, Newman responded to Linham with an
18 additional demand of \$10,000 on the first of every month. Considering that Newman
19 had been paid \$10,000 on July 29, 2016 not even 21 days before his email, Newman’s
20 unexpected response forced Mahon to look more closely at Newman’s activities for the
21 last 6 years.

22 334. On August 19, 2016, as a result of Newman’s defiant and extortionate
23 stance, Mahon began an audit on his FCG-IP protection work. By the end of the night,
24 MAHON had taught himself how to work through the USPTO TESS and PAIR search
25 engines in the USPTO and discovered the abandonment of 5 patent applications
26 (12/776,273, 12/776,336, 12/776,342, 13/083,408 and 13/747,727), the end of 2 PCT
27 applications (PCT/US11/31836 and PCT/US11/31826), the abandonment of two
28

1 trademark applications (85503833 and 86258846) and the inexplicable suspension of
2 86258846. A public search of the USCO also revealed failures equally as bad as H2 and
3 Newman had further failed to obtain a single copyright on any of the 12 Full
4 Color® Cards applications, setting off an intellectual property crisis of unparalleled
5 proportions for Mahon and his entities.

6 335. On August 25, 2016, Mahon, Linham and Murphy, after a series of
7 emergency FCGLTD BOD meetings, concluded that they must immediately terminate
8 Newman in every capacity he had with FCGLTD, the Full Color IP and the UKGC
9 license application. FCGI did the same.

10 336. On August 25, 2016, Mahon emailed Newman a termination letter
11 notifying Newman that he was terminated from all of his roles and duties at FCGLTD.
12 A specific demand was made upon Newman to turn over all the Full Color IP files.

13 337. On August 25, 2016, Newman emailed the entire FCGLTD BOD with
14 delusional, exorbitant, and unsupported demands for monetary payments he claimed
15 were owed.

16 338. On August 26, 2016, Mahon sent Newman a second notice and demand
17 to turn over all of the H2 files and all of his Newman Law FCG-IP property as time is of
18 the essence to attempt to discover the full extent of, address and fix the copyright,
19 trademark and patent failures Newman had created.

20 339. On August 27, 2016, Newman sent a 2-page email that demanded a cash
21 payment in order for Mahon to get his intellectual property files used for the copyright,
22 trademark and patent filings.

23 340. Newman's email demanded immediate cash payment or he threatened to
24 "lien" Mahon's Full Color IP assets. Given the nature of the relationship, the
25 indisputable history and inescapable facts, the FCGI and Mahon believed the threat to
26 lien Mahon's Full Color IP was an act of extortion considering that Newman had
27 received 1,000,000 shares of stock, a full 5% of FCGI as consideration for his work, and
28

1 had failed to obtain a single patent or a single registered copyright and at best, only two
2 trademarks registered.

3 341. Newman knew that he could exploit the Mahon, FCGI, and other
4 affiliated entities if they did not settle with him and knew that he could hold up
5 FCGLTD'S licensing application and injure the Counter-claimants for years on end with
6 disputes and attempted to extort the Counter-claimants and their investors with his
7 tactics.

8 342. Newman's unreasonable demand for settlement and release and related
9 extortion was successful in putting FCGI, FCGLTD, IPHLTD and other affiliated
10 entities out of business causing investor losses of well over \$3,000,000 in cash and
11 causing over \$1,000,000 in subcontractor debts to go unpaid.

12 343. On August 27, 2016, Mahon asked Newman to send him a copy of the
13 "employment contract" he was claiming he is owed money on, one of which he knows
14 does not exist.

15 344. On August 27, 2016, at 5:52pm PST, Newman continues his attempted
16 extortion of money from FCTLD by claiming he is an employee by way of his self-
17 written, self-signed employment contract that he claims is "ratified by the PPM."

18 345. On August 27, 2016, Mahon emails Newman asking him to send him a
19 copy of the "retainer agreements" that show the "engagements terms and conditions for
20 all of the entities Newman and Newman Law had done legal work for. Newman failed
21 to produce any such documents. This is because there are no such contracts or
22 documents. Newman has concocted them to further extort money from FCGI or
23 FCGLTD.

24 346. On August 30, 2016, Linham emailed the UGKC and notifies them of
25 the fact that Newman has been removed from PML and the RSGL applications.

1 347. In order to mitigate his damages, on September 6, 2016 MAHON, on his
2 own, obtained a full registration of Full Color® Cards in VA 2-016-156 from the US
3 Copyright Office, a mere 7 days after he filed his application.

4 348. On or about October 10, 2017, the UKGC acknowledges the full
5 disclosure that Newman had been terminated from his roles and his share allotment in
6 FCGLTD terminated but required more disclosures and proof as quoted.

7 349. The UKGC contacted Newman directly. Although it is unknown what
8 assertions Newman made, it is clear that he caused the license issuance to be delayed as
9 a result of his actions.

10 350. Pursuant to the SRA, FCGI had the right to trigger the cancellation,
11 repurchase and termination of his shares for engaging in a multitude of “non-compliance
12 events,” but FCGI could not do so as FCGI did not have the funds to buy them back
13 based on the current share value. Further, even if it did, Newman had threatened to lien
14 the Full Color IP which would have ensured litigation which would be a non-compliance
15 event within a “non-compliance event” causing even greater damage. Newman was
16 fully aware of the conundrum he had created for Mahon and FCGI used this to leverage
17 extortionate demands.

18 351. As a result, Mahon received extraordinary pressure from Bastian and
19 other shareholders in FCGI to find a way to settle with Newman.

20 352. On or about November 17, 2016, Linham, as a Director of FCGLTD
21 sent a formal written notice from Isle of Man to the investors in the United States at
22 FCGI and warned FCGI to remove Newman as an individual shareholder or be removed
23 as a whole entity for failing to remove their bad actor and wrongfully causing the delay
24 of FCGLTD’S licensing application.

25 353. On November 17, 2016, Mahon learned or new conditions for
26 settlement, including threats of liens and litigation, and other demands. Newman’s
27 demands demonstrated that he knew he could hold Mahon and FCGI hostage with his
28

1 threats. Mahon could not and would not agree to Newman's conditions for settlement
2 because he was still evaluating the damage caused by Newman's failures and, a result
3 Newman's FCGI shares issued to CBL remained in limbo. Newman was in violation of
4 the SRA he executed because of non-compliance events, but FCGI did not have the
5 funds to purchase CBL's shares on one hand and on the other hand CBL wrongfully
6 obtained the shares in the first place which wouldn't necessitate a repurchase in the first
7 place, but the UKGC required a disposition, one way or the other, a matter that Newman
8 complicated all the more with his extortionate threats and ransom demands.

9 354. On or about November 30, 2016, Linham, on behalf of FCGLTD
10 responded to the UKGC letter by seeking an extension of time to resolve the disposition
11 of Newman's shares.

12 355. By the end of February 2017, Newman's affiliation with FCGI through
13 CBL's shares was still not resolved. FCGLTD was running out of money as a result of
14 the crisis that Newman had created with his extortionate demands and adding yet
15 another level of progressive complications to the overall challenge of trying to obtain
16 proper licensing and release product, Bastian wanted resolution to the matters while at
17 the same time not fully supporting or funding the release of FCG-IP product as he had
18 agreed.

19 356. On February 21, 2017 in the afternoon, Bastian demanded that Mahon
20 resolve and settle the dispute with Newman. Mahon noted that FCGI did not have the
21 funds to reach a settlement or even attempt to purchase Newman's shares. Bastian
22 offered \$35,000 to \$50,000 to settle with Newman. Mahon did not want to settle with
23 Newman by paying anything, but the business was now experiencing impossible
24 demands on all fronts and it was clear Mahon and FCGI were being victimized from
25 every side. It was not until later that Mahon recognized that he was being exploited
26 from within the company, especially via Munger, Bastian, and Linham.

1 357. On February 21, 2017, Newman sent Mahon an email with his \$50,000
2 settlement demand terms and conditions, including requiring Mahon to forego all of his
3 rights against Newman. Mahon forwarded the settlement demand to Bastian.

4 358. Bastian had discussed a new agreement to fund the company with an
5 additional \$500,000.00 that would result in a “fire sale” additional ownership interest to
6 Bastian. On February 23, 2017, Mahon sent Bastian the full proposal of their newly
7 agreed “fire sale” of additional FCGLTD stock to raise additional capital from Bastian to
8 pay off Newman, avoid litigation, and provide additional funds to keep the company a
9 float until more revenue streams are developed.

10 359. Between February and March, 2017, Bastian, Munger, and other
11 investors have pushed Mahon to attempt a settlement resolution with Newman while
12 Newman increases his demand and continuously harasses Mahon. Newman would
13 explode in yelling expletives at Mahon on the phone and, when Mahon refused to speak
14 to him, he would send him strings of harassing emails. Mahon ultimately left the
15 settlement discussions to Bastian. Although Bastian agreed to \$50,000 at one point to
16 resolve matters, they were never resolved because Bastian ultimately refused to put more
17 money into the company, making it impossible to settle and impossible to resolve
18 Newman’s shares in a way that would satisfy the UKCG.

19 **IX. LINHAM RACKETEERING SCHEME**

20
21 360. On April 3, 2017, Mahon sent an official notice to Bastian and Simmons
22 stating that FCG LTD was in breach of the CLA with IPH LTD.

23 361. On April 4, 2017, after Bastian made no attempt to meet with Mahon to
24 resolve the issue of the company’s cash flow for nearly 20 days, Mahon flew back to Las
25 Vegas, and made plans with Howard to address the issues with FCGI investors in the
26 concerning the crisis the next day in a FCGI company-wide call to address how FCGI
27 could mitigate the current crisis by either (1) investing more money on their own to cure
28

1 the inevitable insolvency, (2) taking legal action against Newman, Mutlislot, Bastian,
2 Spin and potentially others; or (3) face the consequences of the loss of the CLA.

3 362. On April 5, 2017, Linham emailed Mahon and formally noticed him that
4 he had resigned as the Director and the CFO of FCGLTD. In his resignation, he noted
5 he had been made aware that Mahon, as the principle of IPH or IPHLTD had sent out
6 notice of a breach of the CLA which, if true, would but FCGLTD into insolvency.
7 Linham, therefore was resigning his position.

8 363. As noted above, Linham had “permanently deleted” as well as his entire
9 Google Cloud account files. Mahon’s recovery of these documents revealed that
10 Linham had regularly and secretly communicated with Munger concerning the company.
11 This was just the beginning of the discovery of Linham’s fraud, his money laundering,
12 his drug problems, and his conspiracy with Munger and Bastian to benefit himself and
13 Munger rather than the company.

14 364. In addition to his resignation on April 4, 2017, Linham fraudulently, and
15 without authorization cancelled FCGLTD D&O Policy. Although Linham had earlier
16 notified the D&O agent FCGLTD’s intent to renew the policy and pay the \$21,000
17 premium --- and had even informed Mahon in writing that the \$21,000 invoice for the
18 premium on the 2017 D&O policy had been paid --- the insurance agent’s office had put
19 Linham on notice that the premium had not been paid in February and March, 2017. In
20 April, 2017, instead of ensuring that the D&O policy was renewed, Linham cancelled it
21 without any authorization as one of his final acts before resignation.

22 **X. MUNGER’S RACKETEERING SCHEME (SEBAS’ SIXTH ACT)**

23
24 365. Because of Linham’s resignation, on April 7, 2017, Mahon took over the
25 UKGC license applications where Linham had previously been the sole point of contact
26 and representative, and was able to get in contact with the UKGC contact overseeing
27 FCGLTD’s applications and explained that, as they had previously informed the UKGC
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1 that the company was still in the process of utilizing the share buy-back provisions in the
2 SRA to divest Newman/CBL of the shares they fraudulently obtained in FCGI. In this
3 scenario, however, the option of divesting Newman/CBL of the shares issued in their
4 name required his voluntary surrender, the filing of this lawsuit or utilizing the share
5 repurchase options. Since Newman was extorting Mahon and FCGI, the latter two
6 options could take years and as such, kill FCGI and FCGLTD by delaying the issuance
7 of the UKGC licensed application. It was clear that reaching a settlement with Newman,
8 was impossible because neither FCGI nor FCGLTD had the funds to pay Newman's
9 ransom demands and further, it would require the waiver of the rights to seek relief
10 against Newman for the damage he had done to the Full Color IP with his patent Ponzi
11 scheme as detailed in this Nevada Nevada District Court Case #A-18-779686-C.

12 366. Bastian wanted to force Mahon, FCGI, and other affiliated companies
13 into a settlement with Newman and had agreed to put up some money to reach a
14 settlement, which would wrongfully force Mahon into granting Newman a full and final
15 release of his malpractice and malfeasance in failing to adequately pursue and maintain
16 the IPR with the UPSTO and other applicable agencies. However, Bastian had not, as of
17 April, actually put in any additional money \$500,000 into FCGLTD he had agreed to in
18 February 2017 so that a settlement could even be negotiated or agreed to or that any of
19 the new money could be used for a Newman settlement even if Counter-claimants had
20 agreed to forgo seeking the relief they ultimately claim in Nevada District Court Case
21 #A-18-779686-C.

22 367. Without additional funding to resolve the disposition of Newman's CBL
23 shares via (1) settlement, (2) share repurchase, or (3) summarily revocation under the
24 promise of litigation in order to satisfy the UKGC that his ownership shares had been
25 disposed of, long before even attempting to preserve any rights that FCGI, Mahon, and
26 other affiliated entities might have against Newman because FCGTLD was inevitably
27
28

1 going to run out of money without the UKGC license or any other available revenue
2 streams that Munger, Bastian, Multislot and Spin had prevented from occurring.

3 368. The UKGC licensing requirements, FCGLTD's inability to reach any
4 revenue stream, caused in part by the conspiracy between Munger, Bastian, Spin and
5 others to circumvent FCGI and FCGLTD in their integrations, and FCGLTD's inability
6 to obtain additional investment dollars from Bastian, also caused in part by Munger
7 activities, set the stage for Munger and Bastian to turn other FCGI investors against
8 Mahon to defame and blame Mahon for the collapse of the company and coerce Mahon
9 into giving up property rights or face a barrage of false attacks on his character and
10 reputation, and unending frivolous litigation.

11 369. Because of the precarious situation they were in, Mahon and Howard
12 immediately began to prepare a report to all FCGI investors and advise them of the
13 complete situation as they understood it, and discuss what relief could be sought against
14 the bad actors that Mahon and Howard were currently aware of who had created and
15 progressed the situation in the first place.

16 370. On April 19, 2017, FCGI held an emergency conference call that was set
17 two days earlier at which Mahon and Howard addressed the crisis the company's stock
18 value was facing and attempt to find a solution and a path forward, if any, while
19 confronting the possibility of losing their entire investment because of the actions of
20 Bastian, Spin, Multislot, and others.

21 371. At the time, Mahon was not fully aware of Munger's involvement in all
22 of these issues, but Munger was on the call and received a full disclosure of the plans to
23 file suit against all of his racketeering partners in the Bastian Casino Gaming Enterprise.
24 Neither Mahon nor Howard was aware of the extent of Munger's malfeasance in the
25 case. It was this phone call that forced Munger to reveal his long planned schemes.
26 Mahon and Howard knew that Spin had circumvented FCGI and FCGLTD's FULL
27 COLOR KINGFISHER RGS integration when Spin revealed these facts in the email of
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1 their full integration schedule on April 7, 2017 where it showed that IslandLuck.com
2 Spin RGS integration into RSL / ILG had already occurred, which happened somewhere
3 after ICE London 2017 between middle of February and April 7, 2017. It was clear that
4 Munger, Bastian, Young and Mishral had circumvented FCGI and FCGLTD and the
5 only person common between it all was Munger. Upon information and belief, Howard
6 and Mahon had the facts now from Spin that proved Munger was the bad actor and the
7 mole inside FCGI that was creating all of the delays, sabotaging the company and acting
8 on behalf of Bastian and his racketeering enterprise and the only way Mahon could truly
9 prove it was to expose these truths on the company wide call and that is exactly what
10 happened. What Mahon and Howard did not expect or account for was for Munger to
11 actively begin to recruit other good actors of FCGI investors.

12 372. Upon information and belief, Linham, Munger, and Bastian, among
13 others, knew that their racketeering activities were going to get exposed, and, in
14 anticipation of the call, had already begun to recruit the existing FCGI investors to join
15 an “investor revolt” by planting the false narrative that FCGLTD was running out of
16 money because Mahon had embezzled money and was shutting down the company to
17 run off with their money and the Full Color IP, and if they didn’t join together to stop
18 Mahon, remove him from corporate power, and take over the Full Color IP they would
19 never see their money back. And that is exactly what they did.

20 373. On April 17, 2017, ahead of the conference call, Solso emailed Howard
21 with a list of documents he would like to have, which included corporate documents,
22 agreements, with vendors, and an income statement balance sheet for FCGLTD and each
23 of its subsidiaries, among other things. In preparation for the call, Mahon did, in good
24 faith prepare all of the documents and put them in a Corporate Google Drive folder to be
25 released to all FCGI Investors.

26 374. On April 19, 2017, as Mahon began to lead a call on FCGI’s conference
27 line to address the progressive complications as already detailed herein and the urgent
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1 need to deal with FCGLTD's inability to comply with the outstanding compliance issues
2 for the UKGC RSLA, he was verbally attacked by Solso.

3 375. Even before Mahon had completed the disclosures of the facts, Solso
4 was already on the offensive and viscously verbally attacked and berated Mahon, so
5 much so that another shareholder, who was not in the collusion with Munger, demanded
6 that Solso stop his verbal attacks or get off the call. Despite the attack, Mahon set forth
7 the full details of what had taken place to date, including the wrongful activities of
8 Newman, Multislot, Bastian, and Spin, in their failure to launch and release FC21, and to
9 let them know if FCGI's intent to root out the wrongdoers and seek relief against them.

10 376. While still on the call, Mahon also released all of the documents and
11 information Solso was requesting for the FCGI investors to review.

12 377. Between April 19, 2017 and April 24, 2017, Solso and Eckles engaged
13 in series of acrimonious and caustic emails with Mahon, insuring that all the investors
14 were copied on each email to make sure that all of the false and misleading accusations
15 were panned before every other investor to convince them that Mahon needed to be
16 removed and replaced, and determine ways to obtain control of not only FCGI, but the
17 Full Color IP. The instant flaw in their conspiracy was and still is the fact that Mahon
18 invented the Full Color IP, Mahon owned the Full Color IP, and any attempt to obtain
19 ownership of the Full Color IP, whether by legal process or other means, would be
20 wrongful taking of his property.

21 378. On information and belief, Munger and Linham (who had already
22 resigned by then) was poisoning the well, and Solso and Eckles were not only taking the
23 bait, but fully participating in the conspiracy to remove Mahon and extort him out of his
24 property rights. Munger, at that time, had dropped out of any open discussions.

25 379. Over the next few days, Howard had a flurry of calls, emails and
26 communications with FCGI investors including Munger, Solso, Eckles, Brock, Sr., and
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1 Brock, Jr., and each of them heavily recruited Howard to join them in seeking to oust
2 Mahon.

3 380. On April 20, 2017, Mahon made one last attempt to get Bastian to take
4 action on his prior (now failed) commitments to invest an additional \$500,000 and
5 advised him of the consequences of no action. Mahon never received a response.

6 381. On April 21, 2017, FCGLTD received correspondence from UKGC
7 putting it on final notice that failure to respond with full compliance of the RSLA
8 application by April 28, 2017 from the October 10, 2016 notice, would result in an
9 automatic refusal and permanent denial of the application.

10 382. This information was forwarded on to everyone, including Bastian in
11 order to ensure that everyone knew the seriousness of the situation and the irreversible
12 damage a refusal would cause that would cause the CLA to be terminated.

13 383. Some of the FCGI investors, including Solso responded to the final
14 notice from the UKCG in a nonchalant manor, indicating their lack of understanding.

15 384. On April 22, 2017, Mahon responded to the investors making it clear
16 that FCGI needed to remove Newman as a shareholder and provide evidence of financial
17 sustainability in order to fully respond to the UKGC, and inquired as to whether anyone
18 was willing to contribute funds to resolve Newman's claims and complete the UKCG
19 application or the company would have to cease operations.

20 385. Not a single investor responded to this email or took any action. Instead
21 the group of investors joined Bastian and Munger's criminal enterprise seeking to coerce
22 Mahon out via illegal and extortionate threats.

23 386. Starting on April 21 and going through April 23, Brock Jr. and Brock Sr.
24 reach out to Howard privately seeking a solution to the dispute with the shareholders.
25 They have a phone conference with Howard and later send an initial draft of some
26 proposals for reaching a resolution. Brock Sr. was the CEO and Chairman of Coca-Cola
27 Worldwide Enterprises and although Mahon had never met him, Mahon was over the
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1 moon when Brock Sr. became a significant shareholder as he was famous for having
2 more intellectual property licensing experience than anyone Mahon had ever met and
3 more importantly, over the #1 single most licensed brand on the planet, Coca-Cola and
4 there was no one in the company that Mahon trusted more than Brock Sr. to be the voice
5 of reason in how licensing works and the pitfalls people face when they do wrongful acts
6 that could subject a license to be terminated which was the case in FCGI and FCGLTD
7 in the egregious attempted coup that was going on by Solso and Eckles (being driven by
8 Munger and Bastian).

9 387. On April 23, 2017, Brock Jr. emails Howard an “updated draft” with a
10 new attachment entitled “**FCG plan v1.2.docx**,” which outlines the basics of potential
11 proposals for resolving the parties’ differences.

12 388. The “**FCG plan v1.2.docx**” is visual organogram that acknowledges
13 Mahon’s ownership of the Full Color-IP and that it is licensed to FCGLTD from
14 Mahon’s holding company IPH. The organogram also acknowledges the current
15 structure where IPH or IPHLTD has a 50% revenue share with FCGLTD, and further
16 acknowledges that IPH owns 68% of FCGI with 51 other investors, including
17 themselves own the other 32% affirming that they had no legal standing to effectuate
18 any of their plans to get Mahon to surrender any of his rights with or without coercion,
19 but still outlining the threats against him if he did not cooperate with extortionate threats
20 and demands.

21 389. The organogram makes several suggestions about restructuring the
22 business which would require Mahon to give up his ownership interest in FCGI, but
23 maintain ownership of the Full Color IP and IPH, but issues a perpetual license to FCGI
24 with a revenue share. However, the organogram suggests that Mahon give up his 68%
25 ownership in FCGI and 100% of his ownership interests in FCGLTD despite having to
26 issue a CLA for all knowns and unknown Full Color-IP for no upfront licensing fees and
27 no future rights.

1 390. The organogram further attempted to place fear in Mahon by setting
2 forth the potential consequences. It specifically noted several “Reasons for D[avid]
3 M[ahon] to settle,” which included statements that the potential litigation would “cost
4 him years of revenue” and “cost him his career.” The Brocks also noted the potential
5 types of lawsuits including a potential claim to ownership of the Full Color IP, but
6 admitted that Mahon would “likely” win such a suit. Such statements implicitly seek to
7 strike fear in to Mahon.

8 391. On April 24, 2017, Brock Sr. emails Brock Jr. and Howard and this time
9 they include Solso on the email to set up a phone conference, which is held later that day
10 set up a call on Brock’s Coca Cola Worldwide Enterprises recorded teleconference line
11 using his Coca-Cola email address no less.

12 392. Immediately after the conference, Howard contacted Mahon with Brock
13 Sr.’s request to speak with him and Mahon agreed. Thereafter, Brock Sr. sent an
14 introductory email to Mahon requesting a phone conference.

15 393. On April 25, 2017, Mahon spoke with Brock Sr. on the phone. During
16 the phone call, Brock Sr. acknowledged that there will ultimately be a lawsuit by the
17 FCGI investor against Mahon if he doesn’t come to any terms with them without stating
18 his legal basis for the lawsuit. Mahon asked for Brock to put all of his conditions in
19 writing and send it to him. Brock Sr. and Brock Jr. said they did not have anything
20 writing yet, which turned out to be untrue. They said they would like to revert back and
21 have additional conversations. Mahon agreed to take additional calls when they were
22 ready but gave told them they were running out of time with the UKGC.

23 394. Brock Sr. spoke with Howard to see which side he was on. Howard
24 indicated he was an aggrieved investor because he and his family stood to lose nearly
25 \$500,000 if FCGI failed. This led the Brocks and all others to believe that Howard
26 would join them.

1 395. On information and belief Brocks then circled back with Solso, Eckles,
2 Munger, Linham and others and reported the details of their call with Mahon.

3 396. On information and belief, between April 25, 2017 and April 26, 2017,
4 Brock Sr. and Brock Jr., Solso, Munger, and others continued to hold conference calls
5 and develop the demands that Brock Sr. had initially brought to Mahon including both
6 Brock's written plan as set forth in FCG plan v1.2.docx and an additional prepared
7 documents including the "Recapitalization" plan that Brock Sr. read from and revisions
8 thereto were developed during the calls.

9 397. On information and belief, On April 26, 2017, Solso took everything
10 that Brock Sr. and Brock Jr. had concocted in **FCG plan v1.2.docx** and explicitly
11 memorialized all of their calls, plots, plans and racketeering schemes over the previous
12 two days, and indisputably put the summation of it all in writing that was called
13 **Principles_2017 04 26 v 2.pdf.**" This document included all of Brocks' original
14 scheme and demands already outlined above while and adding a host of new demands,
15 and identified most of them as "non-negotiable."

16 398. Solso began circulating **Principles_2017 04 26 v 2.pdf** amongst Brock
17 Sr. Brock Jr. Eckles, Solso, Linham, Bastian, and Howard, believing that Howard was
18 supporting them in their efforts to wrongfully remove Mahon and take his property.

19 399. Upon information and belief, the indication of "v2" on the updated
20 version of the new racketeering scheme being co-authored by Solso and others,
21 including Brock Sr., Brock Jr., and Munger, and had been secretly circulating between
22 all of these individuals.

23 400. The primary two points, both of which were non-negotiable and from
24 which the other points extended were (1) that Mahon give up all rights and title to the
25 Full Color UP and (2) that Mahon resign his position as officer and give up all shares in
26 the company.

1 401. During email exchanges concerning the document, Munger actually adds
2 suggested conditions to the **Principles_2017 04 26 v 2.pdf** plan by noting additional
3 information that he is aware that Mahon has that would need to be turned over, including
4 confidential and top secret mathematical gaming “reports” as certified real money casino
5 game play by BMM & GLI Independent test labs. Munger’s suggestions in this manner
6 are breaches of several confidentiality agreements and his fiduciary duties to the
7 company.

8 402. Munger’s additional conditions is a tacit admission that they could not
9 succeed without Mahon’s involuntary submission, involuntary servitude and his brain
10 power to continue inventing new unique and proprietary intellectual property so they
11 could exploit it to their benefit and to his detriment and effectively place him into forced
12 labor.

13 403. Essentially, the demands that Solso, Munger, and others are pushing on
14 Mahon through Brock Sr. is that he is to give up completely the Full Color IP, his life’s
15 work, and property that he owned before any of the investors were a part of any
16 company, in order for Mahon to avoid years of frivolous litigation that would tie up the
17 Full Color IP and potentially ruin his chances for obtaining gaming licenses. Further, at
18 the time, Mahon believed that the CLA to FCGLTD was still effective and did not yet
19 have any basis for unilaterally terminating any of the licenses already issued only to
20 comply with the extortionate threats of Brock Sr., Brock Jr., Eckles, Munger, Bastian or
21 anyone for that matter.

22 404. Similarly, the demand that Mahon give up his shares in every company
23 he owns on top of that was also not something that the parties could accomplish in
24 litigation, or any other method unless the shares were purchased for value neither Mahon
25 nor any of the named can be forced to give up tens of thousands of hours of work they
26 produced over 10 years to he avoid the threat of frivolous and unending litigation that
27 would not result in Mahon losing his shares. Such threats are extortion. During this
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1 same time period, also on April 26, 2017, Munger set up a secret meeting where he
2 involved Spin and Bastian and their principles to meet. On information and belief, this
3 meeting was not only to consider the best way to extort concession from Mahon, but was
4 also to discuss Spin's and Bastian's desire to get Spin's ROC 3 server with the Full
5 Color IP integrated on Bastian's RSL / ILG RGS so they could exploit it once they
6 extorted it out of Mahon.

7 405. On April 26, 2017, one hour after Munger's secret meeting, and after
8 receiving the updated **Principles_2017 04 26 v 2.pdf**, Brock Sr. and Brock Jr. sought
9 to have another follow-up conversation with Mahon.

10 406. Brock Sr. and Brock Jr. in their new call, reasserted just how amazing
11 the Full Color IP was in an attempt to "prime" Mahon with who and why he should go
12 along with their (unconscionable and extortion) plans. Brock Jr. went on and on about
13 "just how much money could be made" if Mahon would agree to their new plans (as if
14 Mahon wasn't aware of the value of his own inventions). Brock Sr. then made it
15 unequivocally clear just how bad it would be for Mahon if he didn't and was sued and
16 Mahon he should listen to their plan and consider agreeing to it.

17 407. Brock Sr. goes through a list of conditions that go even beyond the prior
18 conditions set forth in the FCG plan v1.2.docx that are identical to those in the
19 **Principles_2017 04 26 v 2.pdf** plan despite the fact that Brock continued to assert in the
20 phone call that he did not have anything writing.

21 408. Not only does Brock Sr. verbally request Mahon resign from his
22 positions with FCGI and FCGLTD, Brock Sr. tells Mahon to grant FCGI all title, rights
23 and ownership in the Full Color IP and relinquish his shares in FCGI in exchange for a
24 smaller revenue share than he already has.

25 409. Above all else, the proposal demanded that Mahon give up his property
26 rights, including both his intellectual property rights and his ownership rights in the
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1 company, which he held long before any investor put money into FCGI, or endure
2 endless litigation tying up his property rights that they admit Mahon would likely win.

3 410. Brock Sr. was suggesting that Mahon give up valuable property rights at
4 the threat of litigation that would likely not succeed, and could not result in Mahon
5 losing the very property rights that Brock Sr. was asking him to concede.

6 411. On April 27, 2017 at 9:15am PST, Brock Sr. set up another call on
7 Brock's Coca Cola Worldwide Enterprises recorded teleconference line number at 888-
8 296-2049 with Code 5350695319 (that he set up using his john.brock@ccep.com Coca-
9 Cola email address no less) and Mahon called into it in response to their request from
10 the day before. Although they never sent Mahon a copy of the written out
11 "Principles 2017 04 26 v 2.pdf" and its amendments by Munger, Brock Sr. clearly read
12 off every demand and condition in a near word for word replica affirming that this were
13 there (wrongful) demands. Mahon knew he was being extorted and was beyond shocked
14 that Brock Sr. stupid enough to not only threaten Mahon with such unlawful demands
15 that, but that he would do it on a recorded teleconference line of Coca-Cola making
16 them an accessory to his crimes using their emails and telephone lines and further, that
17 all of Brock Sr.'s investment docs used the same plus their address as the official
18 address of his investment trust.

19 412. In email to Mahon after the last call, Brock Sr. kept reiterating how
20 litigation was not a good course and that Mahon should "avoid imminent litigation."
21 This endless cycle of what had to be done to avoid litigation was his suave way of
22 indisputably engaging in the extortion. Brock Sr. made it unequivocally clear that the
23 "investor group" wasn't offering Mahon an opportunity to negotiate. His message was
24 these were the terms, or "this is the way it's going to be" if you wish to "avoid the
25 litigation." Mahon ends the call by requesting the proposal in writing.

1 413. On April 28, 2017, Brock Sr. continued to email Mahon and requests
2 another phone call continue the conversations with the hope that “we can find some kind
3 of solution to our issues with FCG.”

4 414. On April 28, 2017, Mahon responds to Brock Sr. that he wanted their
5 plans that they had repeated during their phone call in writing and further explained that
6 the companies are officially beginning to shut down and cancel contracts since there is
7 no funding and FCGLTD cannot pursue the UKGC license.

8 415. On April 29, 2017, Brock Sr. responds in an email and again (falsely)
9 reiterates that there is nothing writing yet and that Mahon’s not agreeing to the requests
10 coming from the investors leads "down a tortuous path that will likely result in FCG
11 shutting down and then imminent litigation” solidifying the threat that if Mahon refuses
12 the terms and conditions already proposed, tortuous and frivolous litigation will ensue.

13 416. The communications engendered by Solso, Brock Sr., Brock Jr., Munger
14 and others were an attempt to coerce Mahon into giving up property rights that they
15 could not succeed in obtaining in litigation with the threat of frivolous and unending
16 litigation that, although it could never achieve what was demanded, would tie up
17 Mahon’s property rights for years to come and potentially destroy his career. Such a
18 threat can only be designed to instill fear in Mahon and coerce his cooperation in
19 wrongfully obtaining Mahon’s property rights, and the rights if FCGI and its other
20 shareholders who were not aligned with Munger. Mahon could not be voted out of
21 office as he had the voting shares and owned a majority interest. Yet Brock Sr., Brock
22 Jr., Solso, Eckles, Castaldo, Brazer, Moores, Munger, and others demands on Mahon
23 were designed to wrongfully obtain property rights that they could not legally obtain via
24 any litigation, with the threat of endless, frivolous, career-ending litigation.

1 **XI. MUNGER & LINHAM CONSPIRE TO DEFRAUD INVESTORS**
2 **FOR \$320,000 IN FALSE “BACK SALARY” EMPLOYMENT**
3 **CLAIMS**

4 417. Munger filed individual claims, verifying four different times in the
5 verified pleadings submitted to the Court in this litigation claims he is owed back pay
6 between 2015 and 2017 for alleged work for FCGI.

7 418. Munger was paid in full from both FCGI and FCGNA, that Munger was
8 loaned \$5,225.00 from FCGNA as an emergency loan to pay his property taxes in
9 December of 2015 that he failed to ever pay back.

10 419. Munger and Linham conspired to claim Munger was an employee
11 accruing \$20,000 a month in “Back Salary” through a fraudulent billing scheme starting
12 on January 1, 2016 as detailed in full below.

13 420. On November 23, 2016, Munger and Linham conspired to defraud FCGI
14 and future investors by claiming that Munger was accruing 80% a month of unpaid
15 salary with the (fraudulent) intent to collect it upon a successful closing of FCGLTD’S
16 Series A funding round as witnessed in a letter that Linham, signed, and sent to Munger,
17 requesting that Munger keep the letter between Linham and Munger.

18 421. The fraudulent letter attached to the email created and signed by the two
19 both Linham and Munger which suggested that Munger’s current remuneration was a
20 reduced rate and was only 20% of his appropriate salary. Since Munger was receiving
21 \$5,000 a month for his services, this letter suggested that Munger should actually be
22 receiving \$25,000 a month.

23 **XII. MARCUS SUPPORTS BASTIAN CASINO GAMING**
24 **RACKETEERING ENTERPRISES & PERJURES HIMSELF IN**
25 **SWORN DECLARATION**

26 422. Marcus is a licensed attorney by the State Bar of California and before
27 the USPTO. Marcus is further a self-certified accredited investor. Marcus is beyond
28 skilled in the relevant art of copyright, trademark and patent law with regards to

1 intellectual property and the licensing of it. Marcus invested into the CNOTES of FCGI,
2 three different times on April 3, 2015, June 12, 2015 and again on November 9, 2015.

3 423. On November 23, 2017, Marcus makes three perjurious statements in a
4 sworn Declaration before this Court in ¶7 and ¶9, specifically, “...*I had no knowledge*
5 *that the company I was investing in merely had a revocable license, and did not own, the*
6 *intellectual property or assets I was investing to develop and market*” furthered with
7 “*The first I learned of the existence of the license agreement, defining the ownership of*
8 *the assets I invested to develop and market, was on June 29, 2017.*”

9 424. Marcus’ sworn declaration has provided a supporting role to the
10 racketeering activities of Munger, Bastian and the rest of the Bastian Casino Gaming
11 Enterprise and continues to tortiously interfere with the Counter-claimants’ rights.

12 425. Between November 23, 2017 and January 10, 2018, the ARCC Report
13 of Brian Marcus dated January 10, 2018 was produced, certified and approved by the
14 Board of Directors of FCGI detailing all of the non-compliance events resulting from
15 Brian Marcus’ as alleged herein and in the ARCC Report.

16 426. On January 12, 2018, Marcus was notified on his wrong doings and sent
17 a Notice of Non-Compliance Events, and thereafter provided with access to the full 305
18 page ARCC Report. Marcus never responded after that.

19 427. Marcus’ sworn Declarations claims in the derivative lawsuit echo all of
20 the other Plaintiff’s false and frivolous claims.

21 **FEDERAL RACKETEERING CLAIMS**
22 **(VIOLATIONS OF FEDERAL RACKETEERING STATUTE)**
23 **(18 U.S.C. § 1961 et seq.)**

24 **Allegations Common to First, Second, Third,**
25 **Fourth, Fifth and Sixth Claims for Relief**

26 428. “Racketeering activity” for purposes of the RICO Act means any act
27 “chargeable” under several generically described state criminal laws, any act
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1 “indictable” under numerous specific federal criminal provisions, including wire fraud
2 and money laundering. The RICO Act specifically states at 18 U.S.C 1961(b):

3 It shall be unlawful for any person through a pattern of racketeering
4 activity or through collection of an unlawful debt to acquire or
5 maintain, directly or indirectly, any interest in or control of any
6 enterprise which is engaged in, or the activities of which affect,
interstate or foreign commerce.

7 429. The RICO Act specifically defines a “pattern of racketeering” at 18
8 U.S.C: 1961(5):

9 “pattern of racketeering activity” for purposes of the RICO Act
10 means requires at least two acts of racketeering activity, one of
11 which occurred after the effective date of this chapter and the last of
12 which occurred within ten years (excluding any period of
imprisonment) after the commission of a prior act of racketeering
13 activity.

14 430. A claim under 18 U.S.C. §1962(b), (c) and (d), re:

- 15 (1) Counter-claimants must prove that Counter-defendants engaged in a
16 **“pattern of racketeering activity”**.
17 (2) Counter-claimants must prove that through the pattern of racketeering
18 activity, Counter-defendants acquired or maintained, directly or
19 indirectly, an interest in or control of an enterprise.
20 (3) Third, Counter-claimants must prove that the Counter-claimant’s
21 enterprise engaged in, or had some effect on, interstate or foreign
22 commerce.

23 431. To establish a pattern of racketeering activity as defined in 18 U.S.C.
24 §1961(1) and succeed on these claims under 18 U.S.C. §1961(5), the Counter-Claimants
25 must prove each of the following by a preponderance of the evidence:

- 26 (1) at least **“two predicate acts”** of racketeering were committed;
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1 (2) the predicate acts of racketeering had a relationship to each other which
2 posed a threat of continued criminal activity; and

3 (3) the predicate acts of racketeering embraced the same or similar purposes,
4 results, participants, victims, or methods of commission, or were
5 otherwise interrelated by distinguishing characteristics.

6 **A. The Federal RICO Enterprise**

7
8 432. Counter-Defendants and Third-Party Defendants are each involved in an
9 “enterprise” as defined in 18 U.S.C. §1961 (4).

10 433. With respect to all allegations common to the First, Second, Third and
11 Fourth Claims of violations of sections 18 U.S.C. §§ 1962(b), (c) and (d), Counter-
12 Defendants’ and Third-Party Defendants’ “enterprise” includes Bastian, Simmons,
13 Munger, Linham, Playtech, Island Luck, DTG, DHL, ILG, M&A, Valcros, Jungels,
14 Horan and Multislot, collectively known as the “Bastian Gaming and Casino
15 Enterprise.”

16 434. With respect to all allegations common to Fifth and Sixth Claims of
17 violations of sections 18 U.S.C. §§ 1962(b), (c) and (d) Counter-Defendants’ and Third-
18 Party Defendants’ “enterprise” includes Munger , M&A, Valcros, Eckles, DHWT,
19 Solso, Millennium Trust, Brazer, Brazer Trust, BLM, T Moore, L Moore, Moore Family
20 Trust, Brock Sr., Brock Jr., Castaldo, and Marcus, known as the “Investor Enterprise.”

21 435. With respect to all allegations common to the Fifth Claim in the
22 violations of sections 18 U.S.C. §§ 1962(b), (c) and (d), Counter-defendant’s
23 “enterprise” includes the Bastian Casino Gaming Enterprise, and the Investor Enterprise.

24 436. With respect to all allegations common to the Sixth Claim in the
25 violations of sections 18 U.S.C. §§ 1962(b), Counter-defendant’s “enterprise” includes
26 H2, Newman, Newman Law, and CBL, collectively hereinafter known as the “Newman
27 Law Group.”
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1 437. Counter-Defendants or Third-Party Defendants Bastian, Simmons,
2 Munger, M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles,
3 DHWT, Solso, 958 Partners, Millennium Trust, Brazer, Brazer Trust, BLM, T Moore, L
4 Moore, Moore Family Trust, Brock Sr., Brock Jr., Castaldo, Marcus, Newman, Newman
5 Law and CBL are "persons" within the meaning of 18 U.S.C. § 1961(3).

6 438. Counter-Defendants and/or Third-party Defendants Bastian, Simmons,
7 Munger, M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles,
8 DHWT, Solso, , Millennium Trust, Brazer, Brazer Trust, BLM, T Moore, L Moore,
9 Moore Family Trust, Brock Sr., Brock Jr., Castaldo Marcus, Newman, Newman Law,
10 CBL, and Bastian Casino Gaming Enterprise are each an "enterprise that affects
11 interstate commerce" pursuant to 18 U.S.C. § 1961(4) and §1962(b), (c) and (d).

12 439. Each of the Counter-Defendants and Third-Party Defendants are
13 associated with or are in fact members of the Bastian Casino Gaming Enterprise that
14 engages in legitimate and illegitimate activities, including the racketeering activities
15 herein alleged and pursuant to 18 U.S.C. § 1961 et. seq.

16 440. Bastian is the head of the Bastian Casino Gaming Enterprise, and adds
17 the following paragraphs and facts in how the Counter-Defendants and Third-Party
18 Complaint have engaged in violating the federal RICO Acts of 18 U.S.C. §§1961 (b), (c)
19 and (d) and have engaged in a continuing and concerted course of conduct involving
20 with the purpose and effect of willfully causing injury to the FCGI and interfering with
21 their interstate and foreign commerce as set forth here above and further here below.

22 441. At all times relevant to this Counter-Claim and Third-Party Complaint,
23 the Bastian Casino Gaming Enterprise and other parties, including Counter-Defendants
24 and/or Third-party Defendants Bastian, Simmons, Munger, M&A, Valcros, Linham,
25 Playtech, Island Luck, DTG, DHL, Multislot, Eckles, DHWT, Solso, Millennium Trust,
26 Brazer, Brazer Trust, T Moore, L Moore, Moore Family Trust, Brock Sr., Brock Jr.,
27 Castaldo, Marcus, Newman, Newman Law, and CBL, with the approval and/or
28

1 acquiescence of Bastian, exercised authority over the conduct and activities, both
2 legitimate and illegitimate.

3 **B. Federal RICO Predicate Acts**

4
5 442. The predicate acts forming the pattern of racketeering and the specific
6 statutes common to the First, Second, Third Claims, Fourth, Fifth, Sixth and Seventh
7 Claims include:

- 8 a. Definition of “scheme or artifice to defraud (18 U.S. Code § 1346)”

9
10 443. The predicate acts forming the pattern of racketeering and the specific
11 statutes common to the First, Second, Third, Fourth, Fifth, Sixth and Seventh Claims
12 include:

- 13 a. Fraud by wire (18 U.S.C. §1343, §1346);

14
15 444. The predicate acts forming the pattern of racketeering and the specific
16 statutes common to the First, Second and Third Claims include:

- 17 a. Laundering of Monetary Instruments (money laundering) (18 U.S.C.
18 § 1956, §1346);

19
20 445. The predicate acts forming the pattern of racketeering and the specific
21 statutes common to the Fourth, Fifth, Sixth and Seventh Claims include:

- 22 a. Interference with commerce by threats or violence (18 U.S.C § 1951)

23
24 446. The predicate acts forming the pattern of racketeering and the specific
25 statutes common to the Fifth Claims include:

- 26 a. Theft of trade secrets (18 U.S.C § 1832)
27 b. Forced labor (18 U.S.C § 1589)
28

1 447. The predicate acts forming the pattern of racketeering and the specific
2 statutes common to the Sixth Claims include:

3 a. Frauds and Swindles (18 U.S.C § 1341)

4 **C. Scheme or Artifices**

5
6 448. The Counter-defendants have engaged in scheme or artifices that have
7 violated the Federal RICO statute 18 U.S.C. § 1346, which states in pertinent part:

8 For the purposes of this chapter, the term “scheme or artifice to
9 defraud” includes a scheme or artifice to deprive another of the
10 intangible right of honest services.

11 **(1) 18 U.S. Code § 1346 -- Frauds by wire**

12 Scheme or Artifice

13 449. The Counter-defendants have violated the Federal RICO statute 18
14 U.S.C. §§ 1341, 1346, which states in pertinent part:

15 Whoever, having devised or intending to devise any scheme or
16 artifice to defraud, or for obtaining money or property by means of
17 false or fraudulent pretenses, representations, or promises, transmits
18 or causes to be transmitted by means of wire, radio, or television
19 communication in interstate or foreign commerce, any writings,
20 signs, signals, pictures, or sounds for the purpose of executing such
21 scheme or artifice, shall be fined under this title or imprisoned not
22 more than 20 years, or both.

23 **(2) 18 U.S. Code § 1956 – Laundering of Monetary Instruments (money**
24 **laundering)**

25 Scheme or Artifice

26 450. The Counter-defendants have violated the Federal RICO statute 18
27 U.S.C. § 1956, which states in pertinent part:

28 (1) Whoever, knowing that the property involved in a financial
transaction represents the proceeds of some form of unlawful

activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—

(A)

(i) with the intent to promote the carrying on of specified unlawful activity; or

(ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or

(B) knowing that the transaction is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

(ii) to avoid a transaction reporting requirement under State or Federal law,

shall be sentenced to a fine of not more than \$500,000 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than twenty years, or both. For purposes of this paragraph, a financial transaction shall be considered to be one involving the proceeds of specified unlawful activity if it is part of a set of parallel or dependent transactions, any one of which involves the proceeds of specified unlawful activity, and all of which are part of a single plan or arrangement.

(3) 18 U.S. Code § 1951 – Interference with commerce by threats or violence

451. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. § 1951, which states in pertinent part:

(a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by robbery or extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be fined under this title or imprisoned not more than twenty years, or both.

(b) As used in this section—

1 (2) The term “extortion” means the obtaining of property from
2 another, with his consent, induced by wrongful use of actual or
threatened force, violence, or fear, or under color of official right.

3 (3) The term “commerce” means commerce within the District of
4 Columbia, or any Territory or Possession of the United States; all
5 commerce between any point in a State, Territory, Possession, or
6 the District of Columbia and any point outside thereof; all
7 commerce between points within the same State through any
place outside such State; and all other commerce over which the
United States has jurisdiction.

8 **(4) 18 U.S. Code § 1832 – Theft of trade secrets**

9 452. The Counter-defendants have violated the Federal RICO statute 18
10 U.S.C. § 1832, which states in pertinent part:

11 (a) Whoever, with intent to convert a trade secret, that is related to a
12 product or service used in or intended for use in interstate or foreign
13 commerce, to the economic benefit of anyone other than the owner
14 thereof, and intending or knowing that the offense will, injure any
owner of that trade secret, knowingly—

15 (1) steals, or without authorization appropriates, takes, carries
16 away, or conceals, or by fraud, artifice, or deception obtains
such information;

17 (2) without authorization copies, duplicates, sketches, draws,
18 photographs, downloads, uploads, alters, destroys, photocopies,
19 replicates, transmits, delivers, sends, mails, communicates, or
conveys such information;

20 (3) receives, buys, or possesses such information, knowing the
21 same to have been stolen or appropriated, obtained, or converted
22 without authorization;

23 (4) attempts to commit any offense described in paragraphs (1)
through (3); or

24 (5) conspires with one or more other persons to commit any offense
25 described in paragraphs (1) through (3), and one or more of such
26 persons do any act to effect the object of the, shall, except as
27 provided in subsection (b), be fined under this title or
28 imprisoned more than 10 years, or both.

1 (b) Any organization that commits any offense described in subsection
2 (a) shall be fined not more than the greater of \$5,000,000 or 3 times
3 the value of the stolen trade secret to the organization, including
4 expenses for research and design and other costs of reproducing the
5 trade secret that the organization has thereby avoided.

6 **(5) 18 U.S. Code § 1341 – Frauds and swindles**

7 453. The Counter-defendants have violated the Federal RICO statute 18
8 U.S.C. § 1341, which states in pertinent part:

9 Whoever, having devised or intending to devise any scheme or
10 artifice to defraud, or for obtaining money or property by means of
11 false or fraudulent pretenses, representations, or promises, or to sell,
12 dispose of, loan, exchange, alter, give away, distribute, supply, or
13 furnish or procure for unlawful use any counterfeit or spurious coin,
14 obligation, security, or other article, or anything represented to be or
15 intimated or held out to be such counterfeit or spurious article, for
16 the purpose of executing such scheme or artifice or attempting so to
17 do, places in any post office or authorized depository for mail matter,
18 any matter or thing whatever to be sent or delivered by the Postal
19 Service, or deposits or causes to be deposited any matter or thing
20 whatever to be sent or delivered by any private or commercial
21 interstate carrier, or takes or receives therefrom, any such matter or
22 thing, or knowingly causes to be delivered by mail or such carrier
23 according to the direction thereon, or at the place at which it is
24 directed to be delivered by the person to whom it is addressed, any
25 such matter or thing, shall be fined under this title or imprisoned not
26 more than 20 years, or both.

27 **C. Federal Pattern of Racketeering**

28 454. The predicate acts form a pattern of racketeering activity in that:

- 29 (i) they were all done by the members Counter-Defendants and
30 Third-Party Defendants at the direction of Bastian on behalf of the
31 Bastian Casino Gaming Enterprise for their individual and
32 collective benefit;
- 33 (ii) they all included individual Counter-Defendants and Third-Party
34 Defendants as directed by Bastian, with the approval/and or
35 acquiescence of Bastian and/or Simmons

- 1 (iii) they were all performed by each individual Counter-defendants
2 outside of the scope of the legitimate authority of their office or
3 employment and/or for their personal and / or to the benefit of
4 their individual entity or entities;
- 5 (iv) they were all performed by such corporations in a manner that
6 favored their individual, corporate, partnership, trust, enterprising
7 or collective benefit to the disadvantage of the FCGI and its non-
8 party shareholders;
- 9 (v) they were all directed to operate in such a manner that they each
10 knew that their actions, if discovered, would cause the FCGI
11 ultimate harm or injury;
- 12 (vi) they all related to each other as part of a common course of
13 conduct, plan, and objective to engage in a continued and
14 concerted course of conduct with the purpose and effect of
15 defrauding the FCGI;
- 16 (vii) they all included acts of concealment, conversion, and/or
17 coercion, the illegitimate economic effect of which was the act of
18 acquiring, maintaining and controlling security interests and
19 income from Mahon's Full Color IP, as well as from FCGI and
20 FCGLTD upon the successful completion of their criminal
21 racketeering activities
- 22 (viii) they had sufficient continuity, repetition and duration in that they
23 occurred at least since 2015 up to and including 2019, and
- 24 (ix) they each posed a threat of continued repetition against the FCGI
25 and did indeed do so as set forth further here below in the other
26 Claims of racketeering.

27 **D. Federal RICO Injury**

28 455. FCGI has been injured by the actions of the Bastian Casino Gaming
Enterprise and the individual members of the enterprise and the individual members of
the Investor Enterprise, both as a direct result of the individual predicate acts committed
by the Counter-Defendants and Third-Party Defendants individually and acting
collectively in the Bastian Casino Gaming Enterprise or the Investor Enterprise whereby

1 FCGI has sustained losses as direct result of the individual predicate acts and the
2 racketeering activity, in an amount to be determined at trial as:

- 3 (a) intentionally and willfully depriving Mahon, FCGI and other FCGI
4 affiliates from the ability to be found suitable for licensing before
5 any regulated casino gaming control board with the UKGC (and
6 others) by causing them to reluctantly and against their will become
7 a part of Bastian's and the Bastian Casino Gaming Enterprise's
8 criminal activities by aiding and abetting them in billing fraud, wire
9 fraud and money laundering for the purpose of tax evasion through
10 the wrongful purchase of securities;
- 11 (d) Causing the loss of FCGI'S property rights interests in the profits of
12 their investments into the Full Color IP due to the failure of
13 FCGLTD causing its stock value to plummet to \$0.00 and the loss of
14 over \$2 million dollars in investor cash and other incalculable
15 investments made by FCGI;
- 16 (e) Damage to the FCGI and its affiliated entities good name, brand,
17 reputation, stature and likeness;

18
19 **Conspiracy to Engage in Federal Racketeering**

20 456. The RICO Act specifically states at 18 U.S.C 1961(d): "It shall be
21 unlawful for any person to conspire to violate any of the provisions of subsection (a),
22 (b), or (c) of this section."

23 457. Generally, a RICO "conspiracy" is an agreement by two or more people
24 to commit an unlawful act. Put an-other way, it's a kind of partnership for illegal
25 purposes. Every member of the conspiracy becomes the agent or partner of every other
26 member. Counter-claimants don't have to prove that all the people named in the
27 complaint were members of the conspiracy—or that those who were members made any
28 kind of formal agreement. The heart of the conspiracy is the making of the unlawful plan
itself. And the Counter-claimants don't have to prove that the conspirators were
successful in carrying out the plan.

1 458. A conspiracy is a kind of criminal partnership – an agreement of two or
2 more persons to commit one or more crimes. The crime of conspiracy is the agreement
3 to do something unlawful; it does not matter whether the crime agreed upon was
4 committed.

5 459. For a conspiracy to have existed, it is not necessary that the conspirators
6 made a formal agreement or that they agreed on every detail of the conspiracy. It is not
7 enough, however, that the Counter-defendants simply met, discussed matters of common
8 interest, acted in similar ways, or perhaps helped one another. The Counter-claimants
9 must prove that there was a plan to commit at least one of the crimes alleged in the
10 indictment as an object of the conspiracy with all of the Counter-defendants agreeing as
11 to the particular crime which the conspirators agreed to commit.

12 460. One becomes a member of a conspiracy by willfully participating in the
13 unlawful plan with the intent to advance or further some object or purpose of the
14 conspiracy, even though the person does not have full knowledge of all the details of the
15 conspiracy.

16 461. Furthermore, one who willfully joins an existing conspiracy is as
17 responsible for it as the originators.

18
19 **FIRST CLAIM FOR RELIEF (Money**
20 **Laundering & Securities Fraud)**

21 **VIOLATION OF FEDERAL RACKETEERING STATUTE (18 U.S.C.**
22 **1962(d))**

23 **(As to Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech,**
24 **Island Luck, DHL, DTG Multislot, Horan, and Jungels)**

25 462. FCGI repeats and re-alleges and incorporates by reference the
26 allegations set forth in paragraphs herein with specificity and particularity as though set
27 forth fully herein.

1 463. Section 1962(d) of the Racketeer Influenced and Corrupt Organizations
2 Act (“RICO”), 18 U.S.C. § 1961 et seq., in its pertinent part states:

3 “It shall be unlawful for any person to conspire to violate any of the
4 provisions of subsection (a), (b), or (c) of this section”

5 464. The below named Counter-Defendants and Third-Party Defendants have
6 conspired to violate 18 U.S.C. §1962(b) which is a violation of 18 U.S.C. § 1962(d) as
7 set forth fully herein.

8 465. The predicate acts alleged above constituted substantial acts of money
9 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356,
10 laundering of monetary instruments (money laundering).

11 466. Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL, DTG
12 are “persons” within the meaning of 18 U.S.C. § 1961(3).

13 467. Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros,
14 Playtech, Island Luck, DHL, DTL, Multislot, Horan, and Jungels are an “enterprise”
15 within the meaning of 18 U.S.C. § 1961(4) and §1962(a).

16 **-Conspiracy to violate 18 U.S.C. §1962(b)**

17
18 468. Counter-Defendants and Third-Party Defendants have conspired to
19 violate the 18 U.S.C. §1962(b) and in order to succeed on this claim under 18 U.S.C.
20 §1962(d) the Counter-claimants hereby prove each of the following three facts by a
21 preponderance of the evidence and is hereby detailed with specificity and particularity
22 already fully set forth herein:

23 (1) Counter-Defendants and Third-Party Defendants engaged in a pattern
24 of racketeering activity beginning:

25 a. On October 1, 2015 when Munger introduced Bastian to the FCGO
26 and Mahon in complete conflict of his NDACA and his fiduciary
27 duties to FCGI
28

- 1 b. November 11, 2015 the Counter-defendants racketeering activity
2 began with the signed contract to invest \$1 million into FCGI and
3 then canceling the investment under the guise and scheme of tax
4 evasion;
- 5 c. On November 17, 2015 when Bastian directed Multislot to produce
6 the Full Color IP on their RGS to the benefit of the Bastian Casino
7 Gaming Enterprise at no cost to FCGI or its affiliates as part of his
8 scheme to begin to control and influence FCGI;
- 9 d. On November 18, 2015 when SEBAS demanded that FCGI change its
10 entire corporate structure and move its assets and operations to a
11 foreign country that would ultimately facilitate the Bastian's tax
12 evasion scheme;
- 13 e. On December 8, 2015 when Counter-defendants Bastian, Simmons,
14 Playtech, and Island Luck, first attempted to get Mahon to conspire
15 with them to avoid \$120,000 in BIT in order to conceal the purchase
16 of their securities in FCGI and gain rights to the Full Color IP;
- 17 f. On June 7, 2016 when Bastian, Simmons, and Munger seduced,
18 corrupted and conspired with Linham, CFO of FCGI and FCGLTD,
19 to engage in a scheme of creating a fraudulent billing invoice for the
20 sale of computer equipment that none neither FCGI nor FCGLTD
21 owned, would sell nor ship to the Bastian Casino Gaming Enterprise,
22 nor would they receive so the Bastian Casino Gaming Enterprise
23 could submit the fraudulent commercial invoice to the Bank of
24 Bahamas and get the funds fraudulently wire transferred to
25 FCGLTD'S bank account in the IOM, concealing the purchase of
26 BASTIAN'S casino gaming enterprise purchase of 15% of FCGI'S
27 securities interest in FCGLTD and avoiding the \$120,000 in BIT.
28

- 1 g. On June 7, 2016 when Bastian, Simmons, and Munger, the CTO of
2 FCGI and FCGLTD conspired to aid and abet Linham in taking an
3 Island Luck quote in the amount of \$444,770.01 and assist him in
4 creating the false billing invoice;
- 5 h. On June 7, 2016 when Linham did in fact produce the fraudulent
6 invoice in the amount of \$444,770.00 and did in fact email it back to
7 Simmons and the Bastian Casino Gaming Enterprise;
- 8 i. Bastian and his entire Bastian Casino Gaming Enterprise owed FCGI
9 and FCGLTD the duty to lawfully execute the terms and conditions of
10 the DHL SIA he signed on May 31, 2016 and legally and lawfully
11 transferring the \$1 million dollars of cash into DHL in the Isle of Man
12 through Nedbank and cause DHL in the Ilse of man to simply do an
13 interbank transfer into the bank account of FCGLTD.

14 (2) Counter-defendants acquired or maintained, directly or indirectly, an
15 interest in or control of an enterprise.

16 FCGI re-alleges and incorporates ¶468(1) and its sub-references herein
17 and indisputably prove that Bastian and his Bastian Casino Gaming
18 Enterprise attempted to wrongfully conspire to acquire the ownership
19 interests of FCGI's ownership interests in FCGLTD;

20 (3) Counter-claimant's enterprise engaged in, or had some effect on,
21 interstate or foreign commerce.

- 22 a. FCGI re-alleges and incorporates ¶4768(1) and (2) and their sub-
23 references herein allege that Bastian and his Bastian Casino Gaming
24 Enterprise attempted to wrongfully conspire to acquire the Counter-
25 claimants' ownership interests of FCGI'S ownership interests in
26 FCGLTD;
27
28

1 b. The conspired transactions include using the internet to communicate,
2 send copies of the Island Luck quote, the false FCGLTD invoice, the
3 coordination of the scheme, the cancelation of it and the affirmation
4 of it all that consisted between FCGI a USA entity, the Bahamian
5 Bastian Casino Gaming Enterprise and the Isle of Man FCGLTD
6 proving beyond the shadow of any doubt the engagement of interstate
7 and foreign commerce.

8 469. As a collective result, the Counter-Defendants are guilty of violating the
9 federal RICO Acts of 18 U.S.C. §§1961(b) whereby they conspired to:

10 acquire or maintain, directly or indirectly, any interest in or control
11 of any enterprise which is engaged in, or the activities of which
12 affect, interstate or foreign commerce.

13 470. Counter-Defendants and Third-Party Defendants willfully conspired to
14 and did in fact engage in a continuing and concerted course of conduct involving with
15 the purpose and effect of intentionally, whose actions, had they completed would have
16 caused irreparable and incalculable harm to the FCGI knowingly depriving them from
17 being found suitable for licensing before the UKGC and all the other 450+ jurisdictions
18 around the world that the FCGI and its affiliates could seek, and their investors
19 investments relied upon prior to making their investments to FCGI.

20 471. FCGI's business and property interests have suffered and continue to
21 suffer injury as a direct, proximate, and foreseeable result of the Counter-Defendants'
22 and Third-Party Defendants' individual predicate acts as well as the racketeering activity
23 alleged herein. Accordingly, FCGI seeks an award of treble damages from the
24 racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as
25 provided by 18 U.S.C. 1964(d).

**SECOND CLAIM FOR RELIEF (Wells Fargo
Money Laundering)**

**VIOLATION OF FEDERAL RACKETEERING STATUTE (18 U.S.C.
1962(b))**

**(As to Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech,
Island Luck, DHL, DTG Multislot, Horan, and Jungels)**

472. FCGI repeats and re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

473. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

"It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain, directly or indirectly, any interest in or control of any enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce."

474. The above named Counter-defendants have conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

475. The predicate acts alleged above constituted substantial acts of money laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of monetary instruments (money laundering).

476. Defendants Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL, and DTG are "persons" within the meaning of 18 U.S.C. § 1961(3).

477. Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG, Multislot, Horan, and Jungels are an "enterprise" within the meaning of 18 U.S.C. § 1961(4) and §1962(a).

478. At all times relevant to this Counter-Claim and Third-Party Complaint, Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL, and DTG were associated with, and participated in the

1 affairs of the Bastian Casino Gaming Enterprise through a pattern of racketeering
2 activity.

3 479. FCGI does business in interstate and foreign commerce.

4 480. FCGI has already alleged Counter-Defendants and Third-Party Plaintiffs
5 have violated the Federal RICO Act of 18 U.S.C. §1962(b) in order to succeed in proving
6 all elements necessary to succeed on this claim under 18 U.S.C. §1962(d). Here, FCGI,
7 further alleges that Counter-Defendants and Third-Party Defendants continued their
8 scheme to engage in wire fraud and money laundering in an ongoing racketeering
9 pattern except this time the conspiracy actually successfully completed their
10 racketeering acts.

11 481. As such, Counter-claimants, in order to succeed on this claim under 18
12 U.S.C. §1962(b) the Counter-claimants re-alleges and incorporates by reference the
13 allegations set forth in paragraphs herein with specificity and particularity as though set
14 forth fully herein and allege as follows:

15 (1) Counter-Defendants and Third-Party Defendants engaged in a
16 “pattern of racketeering activity” whereby:

- 17 a. On June 22, 2016, Counter-defendant, a Bahamian citizen, who
18 self admittedly refuses to do business in the United States for the
19 purpose of avoiding paying United States taxes, surprisingly not
20 only has a United States bank account, but has over \$500,000
21 United States dollars in the account.
- 22 b. On June 22, 2016, Bastian ordered Wells Fargo Bank, N.A.,
23 through a “Wire Transfer Service – Outgoing Wire Transfer
24 Request,” through bank account number 1010173095067, in the
25 account holder’s name of Sebastian Bastian, made a fraudulent
26 wire transfer to the Beneficiary of FCGLTD in the Isle of Man to
27 their Nedbank account 2260060590 for the fraudulently stated
28

1 “Purpose of Funds” as “INVESTMENT FOR DAVINCI
2 TRADING” in the amount of \$500,000 for the purposes of
3 avoiding paying the \$120,000 in BIT taxes and more importantly
4 the concealment of the DHL’S purchase of 15% FCGI’S
5 securities interest in FCGLTD.

- 6 c. It is indisputable that Davinci Trading, already established as
7 DTG, is Bastian’s Grand Cayman Island entity as detailed here
8 above.
- 9 d. DTG has no contact or dealings with FCGLTD.
- 10 e. The statement of the “purpose of funds” by Bastian is fraudulent.
- 11 f. On June 23, 2016, FCGLTD did in fact receive a \$500,000 USD
12 incoming wire transfer from Bastian’s United States Wells Fargo
13 Account.
- 14 g. It is indisputable that Bastian fraudulently used the US Federal
15 Reserve banking system to perpetuate his wire fraud and engaged
16 in money laundering rather than having DHL make a single \$1
17 million wire transfer from DHL’S Isle of Man bank account to
18 FCGLTD’S Isle of Man bank account as contemplated by the
19 agreement between the parties.

20 (2) Through the pattern of racketeering activity, Counter-Defendants and
21 Third-Party Defendants acquired or maintained, directly or indirectly,
22 an interest in or control of an enterprise whereby.

23 FCGI re-alleges and incorporates ¶481(1) and its sub-references
24 herein that Bastian and his Bastian Casino Gaming Enterprise
25 attempted to engaged in Claim One and now, repeating to a full
26 fruition in Claim Two, the Counter-Defendants and Third-Party
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Defendants have indeed began to acquire FCGI’S ownership interests in FCGLTD;

(3) FCGI’s enterprise engaged in, or had some effect on, interstate or foreign commerce.

Bastian’s Wells Fargo Outgoing Wire Transaction includes using the internet and telecommunications systems in order to complete the fraudulent wire transfer, further to communicate with others, to send copies of the wire transfer details, to coordinate the scheme, consisted between the United States entity in Wells Fargo Bank, FCGI a USA entity, the Bahamian Bastian Casino Gaming Enterprise and the Isle of Man FCG LTD demonstrating the engagement of interstate and foreign commerce.

482. As a result, Counter-Defendants and Third-Party Defendants set forth herein are guilty of 18 U.S.C. §1962(b) herein this Second Claim.

483. FCGI’s business and property interests have suffered and continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-Defendants and Third-Party Defendants individual predicate acts as well as the racketeering activity alleged herein. Accordingly, FCGI seeks an award of treble damages from the racketeering activity, costs of this litigation, and further, reasonable attorneys’ fees as provided by 18 U.S.C. 1964(d).

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**THIRD CLAIM FOR RELIEF (Bank of
Bahamas Money Laundering)**

**VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C.
1962(b))**

**(As to Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech,
Island Luck, DHL, DTG Multislot, Horan, and Jungels)**

484. FCGI repeats and re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

485. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

"It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain, directly or indirectly, any interest in or control of any enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce."

486. The above named Counter-defendants have conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

487. The predicate acts alleged above constituted substantial acts of money laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of monetary instruments (money laundering).

488. Defendants Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL, and DTG are "persons" within the meaning of 18 U.S.C. § 1961(3).

489. Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG, Multislot, Horan, and Jungels are an "enterprise" within the meaning of 18 U.S.C. § 1961(4) and §1962(b).

490. FCGI, in order to succeed on this claim under 18 U.S.C. §1962(b), re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein, hereby allege each of the

1 following three facts with new and additional specificity and particularity already fully
2 set forth herein:

3 (1) Counter-Defendants and Third-Party Defendants continued to
4 engaged in a continued “pattern of racketeering activity” whereby:

- 5 a. Nearly 9 months after the formation of DHL in the Isle of Man,
6 Bastian still had failed to apparently put his own investment funds
7 into DHL in order to make a direct bank to bank transfer from
8 DHL to FCGLTD in their Nedbank accounts in IOM.
- 9 b. On or about September 20, 2016, Bastian ordered the Bank of
10 Bahamas, through the Shirley Street branch in Nassau, New
11 Providence, Bahamas, to engage in an “External Payment
12 Request” (“EPR”), through bank account number 3310002822, in
13 the Applicant’s name of Sebastian Bastian and made a fraudulent
14 bank wire transfer request to beneficiary of FCGLTD in the Isle
15 of Man to their Nedbank account 2260060590.
- 16 c. On September 22, 2015, the EPR was stamped by BOB as
17 received, whereby the “Signature of the Applicant” line includes
18 one known signature of Bastian, whereby the signatures directed
19 the BOB to make an EPR in the form of a bank wire transfer in
20 the amount of \$500,000 payable to Full Color Games Ltd in the
21 Isle of Man.
- 22 d. The EPR makes clear false declarations to BOB, who is regulated
23 by the Central Bank of Bahamas (“CBB”), in the CBB’S
24 Exchange Control Reporting (“ECR”) section of the EPR as CAT
25 Code 2084 (Commission, Advert. Subscript., Prof Service, Misc.,
26 e.g. visas, pay Bahamians abroad) all of which was indisputably
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1 false and in fact, was truly for the purposes of ECR CAT Code
2 5010 (Share Purchase).

- 3 e. FCGLTD did not charge Bastian or any party in the Bastian
4 Casino Gaming Enterprise any “commission,” did not buy any
5 “advertising subscription, purchase any “professional service”, or
6 any other “miscellaneous items, e.g., visa or pay any Bahamian
7 abroad.”
- 8 f. The false ECR CAT CODE declaration as stated in the BOB EPR
9 is for the purpose for tax evasion of the BIT by Bastian, Simmons,
10 Playtech, and/or Island Luck in order to conceal DHL’S purchase
11 of FCGI’S ownership shares of FCGLTD’S stock and further to
12 avoid reporting it to the Bahamian Government as required by the
13 ECR which in that controls the “Outward Direct Investments” in
14 purchases of securities as further detailed in the Bahamas
15 Exchange Control Reporting Act of 1952.
- 16 g. This purchase of securities is a false statement by Bastian and the
17 second signatory in order to induce BOB to wire the funds as a
18 falsely stated ECR CAT CODE.
- 19 h. On October 3, 2016, Linham confirmed that FCGLTD did in fact
20 receive the \$500,000 into its Nedbank account in Isle of Man
21 validating the act of racketeering of money laundering through
22 fraud by wire violating 18 U.S.C §1962(b) through the two
23 predicate acts of 18 U.S.C.§1956 and §1343.
- 24 i. It is indisputable that Bastian fraudulently used BOB who then
25 used the Central Bank of the Bahamas (“CBOC”) who then used
26 the US Federal Reserve banking system to perpetuate the wire
27 fraud and engaged in money laundering rather than having DHL
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1 make a proper wire transfer from DHL'S Isle of man bank
2 account to FCGLTD'S Isle of Man bank account.

- 3 j. FCGLTD did not engage in any business with Bastian or the
4 Bastian Casino Gaming enterprise pursuant to their declaration
5 under ECR CAT CODE 2084.
- 6 k. The statement of the "purpose of funds" by Bastian is fraudulent.
- 7 l. This BOB EPR in the amount of \$500,000 was for the continued
8 and ongoing pattern of racketeering activities for the purposes of
9 avoiding paying the \$120,000 in BIT taxes and more importantly
10 the concealment of the DHL'S purchase of 15% of FCGI'S
11 securities interest in FCGLTD.

12 (2) Through the pattern of racketeering activity, Counter-Defendants and
13 Third-Party Plaintiffs acquired or maintained, directly or indirectly,
14 an interest in or control of an enterprise whereby.

15 The Counter-claimants re-alleges and incorporates ¶490(1) and its
16 sub-references herein and indisputably prove that Bastian and his
17 Bastian Casino Gaming Enterprise attempted to engaged in Claim
18 One, Claim Two now, repeating to a full fruition in Claim Three, the
19 Counter-Defendants and Third-Party Defendants have indeed
20 continued to wrongfully acquire more of the FCGI'S ownership
21 interests in FCGLTD;

22 (3) FCGI's enterprise engaged in, or had some effect on, interstate or
23 foreign commerce:

- 24 a. The Counter-claimants re-alleges and incorporates ¶490(1) and
25 (2) and their sub-references herein and indisputably prove that
26 Bastian and his Bastian Casino Gaming Enterprise attempted to
27 engage in Claim One, Claim Two and now, repeating to a full
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1 fruition in Claim Three, the Counter-defendants have indeed
2 continued to wrongfully acquire the Counter-claimants ownership
3 interests of FCGI'S ownership interests in FCGLTD;
4 b. Bastian's Bank of Bahamas Outgoing Wire Transaction includes
5 using the internet and telecommunications systems in order to
6 complete the fraudulent wire transfer, further to communicate
7 with others, to send copies of the wire transfer details, to
8 coordinate the scheme, consisted between the Bahamian bank of
9 BOB, the USA Federal Reserved banking system to facilitate the
10 wire, FCGI a USA entity, the Bahamian BASTIAN casino
11 gaming enterprises and the Isle of Man FCGLTD demonstrating
12 the engagement of interstate and foreign commerce.

13 491. As a result, FCGO has alleged with specificity and particularity that the
14 Counter-Defendants and Third-Party Defendants are guilty of 18 U.S.C. §1962(b) herein
15 this Third Claim.

16 492. FCGI's business and property interests have suffered and continue to
17 suffer injury as a direct, proximate, and foreseeable result of the Counter-defendant's
18 individual predicate acts as well as the racketeering activity alleged herein. Accordingly,
19 FCGI seeks an award of treble damages from the racketeering activity, costs of this
20 litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

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(Counter-defendants Bastian, Simmons, Munger, Linham, Playtech, Island Luck, DTG, DHL, Horan, Jungels, Multislot, M&A, Valcros)

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- 1 a. On January 31, 2017, as fully detailed in ¶237 Multislot, engaged
2 in extortion when they attempted to wrongfully extort the FCGI
3 and its affiliates out of their HTML5 property rights to the Full
4 Color IP and prevent them from globally releasing FCG21
5 through Videoslots et al. as expected if the FCGI and its affiliates
6 did not comply with Multislot demands, ultimately depriving the
7 FCGI and its affiliates of all income.
- 8 b. By contract, Multislot attempted to acquire or maintain, directly
9 and indirectly, an interest in and control of the Full Color IP,
10 specifically FC21 which is the property of Mahon and licensed to
11 FCGI and its affiliates, all of whom have their own beneficial
12 property rights in the Full Color IP.
- 13 c. The Full Color IP could not be released on its own without the
14 GBB or UKGC license of Multislot while on their RGS that they
15 controlled and in so doing, controlled the FCGI and its affiliates.
- 16 d. The FCGI and its affiliates and their property rights in the Full
17 Color IP, which is engaged in, or the activities of which affect,
18 interstate or foreign commerce would generate revenue that
19 Multislot controlled through their contracts with Videoslots.com,
20 BetConstruct, EveryMatrix, et al., who would then charge a fee
21 for their control and pay the FCGI and its affiliates. Multislot was,
22 therefore,, in every step of the commerce, in control and
23 attempted to wrongfully extort FCGI and its affiliates out of their
24 free rights to give certain revenue streams property rights of the
25 Full Color IP commerce, specifically, the HTML5 rights to the
26 Tier 1 operators, which constitute approximately 80% of all future
27 revenues in which Multislot had no rightful claim to.
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1 (2) Through the pattern of racketeering activity, Counter-defendants and
2 Third-Party Defendants acquired or maintained, directly or indirectly,
3 an interest in or control of an enterprise whereby.

4 a. The Counter-claimants re-alleges and incorporates ¶497(1) and its
5 sub-references herein and indisputably prove that Multislot not
6 only threatened to pull the release of the Full Color IP to
7 Videoslots, BetConstruct, EveryMatrix et al. as a result of failing
8 to comply with the Multislots' demands, but they repeated it by
9 failing to release it on BetConstruct, EveryMatrix et al. and even
10 failed to ever release it on Bastian's IslandLuck.com despite
11 saying they would.

12 b. Despite the fact that FCGI and its affiliates had paid to have the
13 games fully certified for release through BMM and translated into
14 24 languages, over \$110,000, and 15 months of direct
15 development time invested into the build and release, Multislot
16 deliberately never released the product at all, proving that their
17 pattern is going on indefinitely by wrongfully owning and
18 controlling the interests and property rights of FCGI and its
19 affiliates and their lawful enterprises.

20 (3) FCGI's enterprise engaged in, or had some effect on, interstate or
21 foreign commerce:

22 FCGI re-alleges and incorporates ¶497(1) and (2) and their sub-
23 references herein and indisputably prove that the failure to globally
24 release the Full Color IP of FC21 on Videoslots.com, BetConstruct,
25 EveryMatrix, IslandLuck.com or anywhere, ever, even to this day, is
26 proof on its face that the Counter-defendants have interfered with
27 interstate and foreign commerce.
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1 498. FCGI further alleges that Multislot violated 18 U.S.C. §1951 through
2 interference with commerce by threats or violence or better known as the “Hobbs Act
3 extortion by the wrongful use of actual or threatened force, violence, or fear.”

4 499. More, specifically, Multislot wrongfully demanded that Counter-
5 claimants give up all HTML5 property rights they had already assigned to another party.

6 500. Multislot demanded that Counter-claimants in control of the Full Color
7 IP give up the HTML5 Tier 1 rights or they would pull the product releases to all other
8 operators which would cause great economic harm to the Counter-claimants if they
9 refused to do so.

10 501. Multislot not only wrongfully obstructed the release of the Counter-
11 claimants Full Color IP that they spent approximately \$110,000 in corporate funds, over
12 15 months of time developing in good faith, but they permanently delayed the release of
13 all Full Color IP not just through the Island Luck platform, but to all other interstate and
14 foreign commerce through Videoslots, Betconstruct, EveryMatrix and Pinnacle after
15 getting the games fully certified and translated for global release because FCGI and its
16 affiliates would not give in to the extortion demands. Multislot knew that the FCGI and
17 its affiliates would fail to reach revenue as a result, would run out of money and go out
18 of business within months and as a result believed that FCGI and its affiliates would
19 succumb to their wrongful demands as the only alternative to save themselves. FCGI
20 and its affiliates did not give into the wrongful demands and subsequently did in fact go
21 out of business and experience a total loss of all of its investments that exceeded \$3
22 million cash and nearly 10 years of business development as a result.

23 502. Multislot’s actions and threats were wrongful because Multislot had no
24 lawful claim to the property. Multislot had no lawful claim to the property rights of the
25 HTML5 rights in either oral or written contract. In fact Multislot turned down the
26 opportunity when it had it in July, 2016 and knew that others, specifically Spin, had the
27 HTML5 rights to the Tier 1 product. Multislot retained all other distributors and
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1 operators that only wanted FLASH developed Full Color IP product and those that were
2 already integrated into the MULTISLOT RGS. Only Mahon and his licensees owned all
3 all rights to its revenue streams from the Full Color IP pursuant to their respective
4 licensing agreements with Mahon.

5 503. As a result, FCGI alleges with specificity and particularity, alleged the
6 Counter-claimants are guilty of violations of 18 U.S.C. §1962(b) herein this Fourth
7 Claim.

8 504. FCGI's business and property interests have suffered and continue to
9 suffer injury as a direct, proximate, and foreseeable result of the Counter-defendant's
10 individual predicate acts as well as the racketeering activity alleged herein. Accordingly,
11 FCGI seeks an award of treble damages from the racketeering activity, costs of this
12 litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

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14 **FIFTH CLAIM FOR RELIEF (Munger,**
15 **Bastian, Brock Sr., Brock Jr., Eckles & Solso.**
16 **Extortion)**

17 **VIOLATION OF FEDERAL RACKETEERING STATUTE**
18 **18 U.S.C. 1962(b))**

19 **(All Counter-Defendants and Third-Party Defendants)**

20 505. FCGI repeats and re-alleges and incorporates by reference the
21 allegations set forth in paragraphs herein with specificity and particularity as though set
22 forth fully herein.

23 506. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations
24 Act ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

25 "It shall be unlawful for any person through a pattern of racketeering
26 activity or through collection of an unlawful debt to acquire or
27 maintain, directly or indirectly, any interest in or control of any
28 enterprise which is engaged in, or the activities of which affect,
interstate or foreign commerce."

1 507. The above named Counter-Defendants and Third-Party Defendants have
2 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

3 508. The predicate acts alleged above constituted substantial acts of extortion
4 in violation of the Hobbs Act in violations of 18 U.S.C. § 1346, frauds by wire; 18
5 U.S.C. § 1951, interference with commerce by threats or violence; 18 U.S.C. § 1832,
6 theft of trade secrets; 18 U.S.C. § 1589, forced labor.

7 509. FCGI, in order to succeed on this claim under 18 U.S.C. §1962(b), re-
8 alleges and incorporates by reference the allegations set forth in paragraphs herein with
9 specificity and particularity as though set forth fully herein with new and additional
10 specificity and particularity already fully set forth herein:

11 (1) Counter-defendants and Third-Party Defendants continued to engaged
12 in a continued “pattern of racketeering activity” whereby:

13 a. Beginning on or about April 19, 2017, in here above, Counter-
14 Defendants and Third-Party Defendants, and each of them,
15 engaged in frauds by wire, attempted extortion with the
16 wrongful taking of FCGI’s and its affiliates property rights
17 and interests in the IPR and Full Color IP in order to acquire
18 and maintain an interest in it in order to wrongfully profit off
19 of it through interstate and foreign commerce as detailed in
20 their racketeering activities in written documents “**FCG**
21 **plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v**
22 **2.pdf**” and furthered by verbal assertion and reaffirmation of
23 it by Brock Jr. and then furthered by the Investor Enterprise
24 by the promise of Munger to engage in the theft of Mahon’s
25 trade secrets furthered by the Investor Enterprise in order for
26 the Counter-Defendants and Third-Party Defendants to
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1 maintain their extorted interests to continue their racketeering
2 activity in perpetuity.

3 b. The Counter-Defendants and Third-Party Defendants further
4 attempted to extort Mahon out of his rightful property rights
5 of his stock ownership in the FCGI and affiliated entities in
6 order to obtain the voting shares and majority interest in order
7 to wrongfully force Mahon to unlawfully relinquish his
8 employment, directorships and positions with FCGI and
9 affiliated entities that he spent a lifetime building in order to
10 lawfully obtain and maintain.

11 c. The Counter-Defendants and Third-Party Defendants
12 conspired to extort Mahon out of his Full Color IP, other
13 intellectual property rights and stock ownership property and
14 FCGI and its affiliates relevant revenue and licensing rights
15 thereto by acting on their threats to engage in tortuous
16 litigation for the sole intent of depriving MAHON and the
17 Counter-claimants of their property rights and revenue streams
18 by filing a baseless, meritless, frivolous and wrongful lawsuit
19 as conceived in and detailed in no less than four different
20 schemes as detailed in **FCG plan.docx**, **FCG plan v1.2.docx**,
21 **Principles_2017 04 26 v 2.pdf** and over a long period of time
22 showing an ongoing pattern in their racketeering activity.

23 d. FCGI and its affiliates, with respect to their property interest
24 and rights in the IPR, are engaged in, or the activities of which
25 affect, interstate or foreign commerce would generate revenue
26 that the Counter-Defendants and Third-Party Defendants
27 controlled through their contracts with Multislot, Spin,
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Videoslots.com, BetConstruct, Every Matrix, et al., who would then charge a fee for their control and pay FCGI and its affiliates proving that Counter-Defendants and Third-Party Defendants in acquiring rights and interests in the IPR and stock securities in FCGI and its affiliates, in every step of the commerce, was in control and attempted to wrongfully extort the FCGI and its affiliates out of their free rights to give certain revenue streams property rights of the IPR in commerce and the rightful ownership of the property FCGI and its affiliates that the Counter-Defendants and Third-party Defendants racketeering activity sought to, has and continues to deprive the FCGI and its affiliates of, all of which was explicitly detailed in FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf.

- (2) Through the pattern of racketeering activity, Counter-Defendants and Third-Party Defendants acquired or maintained, directly or indirectly, an interest in or control of an enterprise whereby.

FCGI re-alleges and incorporates ¶509(1) and its sub-references herein and indisputably prove that the Counter-Defendants and Third-Party Defendants have wrongfully engaged in racketeering activity to acquire and maintain, both directly and indirectly an interest in and control of the IPR property and stock in its enterprises.

- (3) Counter-claimants have proven that the Counter-claimant's enterprise engaged in, or had some effect on, interstate or foreign commerce:

FCGI re-alleges and incorporates ¶509(1) and (2) and their sub-references herein and indisputably prove that their plans were well known and admitted to in advance as explicitly detailed in FCG

1 plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf and it
2 would affect and or deprive the FCGI and its affiliates of their rights
3 of income through interstate and foreign commerce proof on its face
4 that the Counter-defendants have interfered with interstate and
5 foreign commerce and equally as damaging designed to ensure that
6 their racketeering activities *“will cost him [MAHON] years of*
7 *revenue and ... cost him his career”*.

8 510. FCGI further alleges that Multislot violated 18 U.S.C. §1951 through
9 interference with commerce by threats or violence or better known as the “Hobbs Act
10 extortion by the wrongful use of actual or threatened force, violence, or fear.”

11 511. The Counter-Defendants and Third-Party Defendants as explicitly
12 demanded in their “non-negotiable” demands **FCG plan.docx, FCG plan v1.2.docx,**
13 **Principles_2017 04 26 v 2.pdf** have wrongfully demanded that Mahon give up his
14 property rights and further FCGI’s and its affiliates’ rights to revenues and their licenses
15 related thereto that the Counter-Defendants and Third-Party Defendants did not have any
16 lawful rights to beyond their already explicitly agreed to terms and conditions of their
17 stock ownership rights in any of the named entities but sought to obtain 100% ownership
18 Mahon’s IPR and Mahon’s (majority in interest) stock ownership in FCGI , his 100%
19 voting control in FCGI not only without paying for it but under the threat of extortion if
20 they did not give into the Counter-Defendants’ and Third-Party Defendants’ demands
21 and were threatened with the damage that would ensure in a tortuous lawsuit that would
22 follow if they did not comply with their demands.

23 512. The Counter-claimants re-alleges all paragraphs herein as indisputable
24 proof that the Counter-defendants, through their explicitly detailed plans in **FCG**
25 **plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf**, their threats to cause
26 Mahon harm was designed to and did obstruct, delay and affect interstate and foreign
27 commerce in quantifiable means that caused the FCGI’s business entities to have casino
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1 gaming license applications refused, licenses to be terminated, products fail to launch
2 and businesses to fail in their entirety causing the loss of millions of dollars of real
3 money by the FCGI and its affiliates.

4 513. The Counter-defendants' and Third-Party Defendants' actions of threats
5 were wrongful. The Counter-Defendants and Third-Party Defendants had no lawful
6 claim to the property rights to the demands that they explicitly made in **FCG plan.docx,**
7 **FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf.** Only Mahon owned all Full
8 Color IP property and had owned all this property for years upon years as further
9 evidenced in licensing contracts, on public record, in product manufactured, published
10 and distributed in over 160 countries in over 13 languages and through public recordings
11 of perfected securities interests in UCC-1 filings with the Nevada Secretary of State and
12 all rights to its revenue streams were the property of the FCGI and its affiliates, pursuant
13 to their respective Licensing agreements with Mahon as the master licensor. The
14 Counter-defendants' and Third-Party Defendants' actions therefor had no lawful claim
15 to Mahan's property much more to FCGI's licensing and stock ownership rights to the
16 property rights afforded to them in the relevant licensing agreements.

17 514. As a result, FCGI alleges, with specificity and particularity, that the
18 Counter-Defendants and Third-Party Defendants are guilty of 18 U.S.C. §1962(b) herein
19 this Fifth Claim.

20 515. FCGI's business and property interests have suffered and continue to
21 suffer injury as a direct, proximate, and foreseeable result of the Counter-defendant's
22 individual predicate acts as well as the racketeering activity alleged herein. Accordingly,
23 FCGI seeks an award of treble damages from the racketeering activity, costs of this
24 litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

**SIXTH CLAIM FOR RELIEF (Newman
Securities Extortion)**

**VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C.
1962(b))**

(Counter-defendants Newman, Newman Law, CBL and H2)

516. FCGI repeats and re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

517. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

"It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain, directly or indirectly, any interest in or control of any enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce."

518. The above named Counter-Defendants and Third-Party Defendants have conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

519. The predicate acts alleged above constituted substantial acts of extortion in violation of the Hobbs Act and through fraud in violations of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1951, interference with commerce by threats or violence; 18 U.S.C. § 1341, frauds and swindles.

520. FCGI, in order to succeed on this claim under 18 U.S.C. §1962(b), re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein, hereby allege following three elements with new and additional specificity and particularity already fully set forth herein:

(1) Third-Party Defendants continued to engaged in a continued "pattern of racketeering activity" whereby:

1 a. Beginning on or about March 17, 2010, the Third-Party
2 Defendants and each of them engaged in frauds by swindle, frauds
3 by wire and attempted extortion with the wrongful taking of
4 Mahon's property in the IPR that H2 and Newman were hired to
5 protect and used the AGRI as the means and methods for
6 Newman to obtain FCGI and, purportedly, FCG LTD corporate
7 stock interests. Had Newman truly done the work, he would have
8 been entitled to the shares, but instead he engaged in a patent
9 Ponzi scheme that allowed him to get shareholder rights in FCGI
10 and its affiliates. When his failures were discovered and the
11 Newman Group was terminated, the Newman Group made
12 unlawful and wrongful threats in order to wrongfully exert control
13 over FCGI and its affiliates and wrongfully profit therefrom
14 through interstate and foreign commerce as detailed in the
15 Newman Group's extortionate demands for money on the threat
16 of liening and/or destroying FCGI's and its affiliates' IPR and
17 profits derived therefrom. The extortionate threats include the
18 following communications by Newman as set forth below:

19 (1) On August 27, 2016 at 4:04pm PST, in a document entitled

20 **"Settlement Agreement.pdf"**;

21 (2) On November 17, 2016 at 5:50pm PST after Newman's phone
22 call with Linham and Howard memorialized in the emailed
23 document entitled

24 **"2016 11 17 Rich Newman Settlement Proposal.docx"**;

25 (3) On February 21, 2017, Newman emailed document titled

26 **"Mutual Termination and Release-2-21-2017.docx"**;
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1 (4) On March 8, 2017 at 1:41am PST, in an email from Newman
2 to Mahon changing his terms back to a new demand of \$50K
3 to \$75K.

4 b. The Newman Group, with its extortionate demands, held FCGI
5 and its affiliates property rights and corporate stock ransom in
6 order to prevent the FCGI and its affiliates from being able to
7 obtain a UKGC casino gaming license and prevent them from
8 obtaining revenue streams through interstate and foreign
9 commerce.

10 (2) Through the pattern of racketeering activity, Third-Party Defendants
11 acquired or maintained, directly or indirectly, an interest in or control
12 of an enterprise whereby.

13 FCGI re-alleges and incorporates ¶520(1) and its sub-references
14 herein allege Third-Party Defendants have wrongfully engaged in
15 racketeering activity to acquire and maintain, both directly and
16 indirectly an interest in and control of the FCGI and its affiliates and
17 its property rights and they would not return the fraudulently obtained
18 stock until FCGI paid them a ransom in order to deprive the FCGI
19 and its affiliates the right to obtain a UKGC casino gaming license,
20 release the Full Color IP and obtain revenue in interstate and foreign
21 commerce.

22 (3) FCGI's enterprise engaged in, or had some effect on, interstate or
23 foreign commerce:

24 FCGI re-alleges and incorporates ¶520(1) and (2) and their sub-
25 references herein and alleges that their plans were well known and
26 admitted to in advance as explicitly detailed Newman's repetitive
27 pattern of ever changing extortion demands as witnessed in his
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1 emails, settlement proposals seeking to interfere with and/or destroy
2 FCGI's and its affiliates rights of income through interstate and
3 foreign commerce.

4 521. Third-Party Defendants have a violated of 18 U.S.C. §1951 through
5 interference with commerce by threats or violence or better known as the "Hobbs Act
6 extortion by the wrongful use of actual or threatened force, violence, or fear."

7 522. Third-Party Defendants, as explicitly demanded in their "non-
8 negotiable" demands in the emails and wires communications explicitly detailed in the
9 "Settlement Agreement.pdf", "2016_11_17_Rich_Newman_Settlement_Proposal.docx",
10 and "Mutual Termination and Release-2-21-2017.docx" have wrongfully demanded that
11 FCGI and its affiliates give up their property rights as defined in the related licenses to
12 the IPR and the shares that Newman Group wrongfully obtained and was holding
13 hostage that Third-Party Defendants did not have any lawful right to as he knowingly
14 obtained the shares by fraud and/or failed to meet the conditions for stock ownership,
15 and sought to wrongfully assert influence over FCGI and its affiliates by making
16 extortionate threats against the IPR and FCGI's business if they did not comply with
17 their demands.

18 523. FCGI re-alleges all paragraphs that the Third-Party Defendants not only
19 intended to inflict fear and cause economic harm in perpetuity, but intended to cause the
20 fear of the loss of the protection of his inventions due to Newman Group's fraud and
21 they inflicted economic damages on Mahon and FCGI and its other affiliates, which
22 inhibited FCGI and its affiliates from obtaining the UKGC license and wrongfully
23 deprives Mahon and FCGI of revenue streams.

24 524. FCGI re-alleges all paragraphs herein that the Counter-Defendants, their
25 threats, coercion and attempted extortion did in fact obstruct, delay and affect interstate
26 and foreign commerce in quantifiable means that caused the Counter-claimants business
27 entities to have casino gaming license applications refused, licenses to be terminated,
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1 products fail to launch and businesses to fail in their entirety causing the loss of millions
2 of dollars of real money by the Counter-claimants entities individually and as investing
3 shareholders.

4 525. Third-Party Defendants' actions of threats were wrongful because Third-
5 Party Defendants have no lawful claim to the property rights to the demands because
6 Newman fraudulently obtained the money and shares from the Counter-claimants and as
7 such had no legal right to the shares. It is indisputable that only the Mahon invented all
8 Full Color IP property and had owned all this property for years upon years before even
9 meeting Newman as further evidenced in the original copyright, trademark and patent
10 filings by Mahon that are all on public record. The Counter-defendants' actions therefor
11 had no lawful claim to FCGI's property much more to Third-Party Defendants licensing
12 income and stock ownership rights to the property rights afforded to them in the relevant
13 licensing agreements.

14 526. FCGI's business and property interests have suffered and continue to
15 suffer injury as a direct, proximate, and foreseeable result of Third-Party Defendants
16 individual predicate acts as well as the racketeering activity alleged herein. Accordingly,
17 FCGI seeks an award of treble damages from the racketeering activity, costs of this
18 litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

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21 ////

22 **NEVADA RACKETEERING CLAIMS**

23 **(VIOLATIONS OF NEVADA RACKETEERING STATUTE)**
24 **(N.R.S. § 207.400, et seq.)**

**Allegations Common to Seventh, Eighth,
Ninth, Tenth, Eleventh and Twelfth Causes of
Action**

527. Racketeering in Nevada pursuant to N.R.S. § 207.400 is defined as quoted in pertinent part below:

1. It is unlawful for a person:
 - (b) Through racketeering activity to acquire or maintain, directly or indirectly, any interest in or control of any enterprise.
 - (c) Who is employed by or associated with any enterprise to conduct or participate, directly or indirectly, in:
 - (i) The affairs of the enterprise through racketeering activity; or
 - (ii) Racketeering activity through the affairs of the enterprise.
 - (d) Intentionally to organize, manage, direct, supervise or finance a criminal syndicate.
 - (e) Knowingly to incite or induce others to engage in violence or intimidation to promote or further the criminal objectives of the criminal syndicate.
 - (f) To furnish advice, assistance or direction in the conduct, financing or management of the affairs of the criminal syndicate with the intent to promote or further the criminal objectives of the syndicate.
 - (j) To conspire to violate any of the provisions of this section. The RICO Act specifically states at 18 U.S.C 1961(b):

528. “Racketeering activity” in Nevada pursuant to N.R.S. § 207.390 is defined as quoted in full here below:

“Racketeering activity” means engaging in at least two crimes related to racketeering that have the same or similar pattern, intents, results, accomplices, victims or methods of commission, or are otherwise interrelated by distinguishing characteristics and are not isolated incidents, if at least one of the incidents occurred after July 1, 1983, and the last of the incidents occurred within 5 years after a prior commission of a crime related to racketeering.

A. The Nevada RICO Enterprise

529. To establish evidence of a racketeering enterprise exists and succeed on these claims under N.R.S. § 207.400 et seq., FCGI must facts that the Counter-

Defendants and Third-Party Defendants have operated as an enterprise as defined in N.R.S. § 207.380 whereby “Enterprise” defined

Enterprise” includes:

(1) Any natural person, sole proprietorship, partnership, corporation, business trust or other legal entity; and

(2) Any union, association or other group of persons associated in fact although not a legal entity.

—> The term includes illicit as well as licit enterprises and governmental as well as other entities.

530. With respect to all allegations common to the Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Claims of violations of sections N.R.S. § 207.400. et sq. all Counter-Defendants' and Third-Party Defendants’ “enterprise” includes all named Counter-Defendants and Third-Party Defendants, and named or identified in each relevant section here above and here below as appropriate or relevant to each Claim

B. Nevada RICO Predicate Acts

531. To succeed on claims under state racketeering laws, FCGI must allege two or more predicate acts that have the same or similar pattern, intent, results, accomplices, victims and or methods of commission as has clearly been set forth herein.

532. Unlike the Federal RICO Act that requires a “pattern of racketeering” at 18 U.S.C: 1961(5), there is no pattern/continuity requirement as is required under federal law.

533. The predicate acts of racketeering and the specific Nevada statutes involved those crimes are set forth herein pursuant to N.R.S. §207.360 whereby “Crime related to racketeering” means the commission of, attempt to commit or conspiracy to commit any of the following crimes sections:

(9) Taking property from another under circumstances not amounting to robbery, including theft and larceny (N.R.S. § 205.380);

a. Obtaining possession of money or property by means of false pretenses (N.R.S. § 205.380);

(10) Extortion (N.R.S. § 205.320);

- 1 (25) Embezzlement (N.R.S. § 205.300)
2 a. State securities fraud (N.R.S. § 90.570); and
3 b. Commercial bribery (N.R.S. § 207.295).
4 (34) Involuntary servitude (N.R.S. § 200.463)
5 (35) Multiple transactions involving fraud or deceit in course of
6 enterprise or occupation (N.R.S. § 205.377);

7 **(6) Taking Property from Another under Circumstances Not Amounting to**
8 **Robbery, including Theft and Larceny**

9 534. The Omnibus Theft Crime statute, N.R.S. § 205.0832 et. seq., which
10 states in part:

11 a person commits theft if, without lawful authority, he knowingly

- 12 (a) Controls any property of another person with the intent to deprive
13 that person of the property.
14 (b) Converts, makes an unauthorized transfer of an interest in, or
15 without authorization controls any property of another person, or
16 uses the services or property of another person entrusted to him or
17 placed in his possession for a limited use.
18 (c) Obtains real, personal or intangible property or the services of
19 another person by a material misrepresentation with intent to deprive
20 that person of the property or services.

21 **(7) Extortion**

22 535. The Nevada's extortion statute, N.R.S. § 205.320, which states in
23 pertinent part:

24 A person who, with the intent to extort or gain any money or other
25 property ... , or to do or abet ... any illegal or wrongful act, whether
26 or not the purpose is accomplished, threatens directly or indirectly
27 ...to injure a person or property ...is guilty of a category B felony ...

28 **(8) Obtaining Possession of Money or Property by Means of False Pretenses**

536. The Nevada N.R.S. § 205.380, which states in part:

A person who knowingly and designedly by any false pretense
obtains from any other person any chose in action, money, goods,
wares, chattels, effects or other valuable thing ...with the intent to

1 cheat or defraud the other person, is a cheat, and, unless otherwise
2 prescribed by law, shall be punished ...

3 **(9) Grand Larceny**

4 537. The Nevada's grand larceny statute, N.R.S. § 205.220, which states the:
5 following in pertinent part:

6 Except as otherwise provided in NRS 205.226 and 205.228, a person
7 commits grand larceny if the person:

8 1. Intentionally steals, takes and carries away, leads away or drives
9 away:

10 (a) Personal goods or property, with a value of \$650 or more, owned
11 by another person;

12 (c) Real property, with a value of \$650 or more, that the person has
13 converted into personal property by severing it from real
14 property owned by another person.

15 **(10) Embezzlement**

16 538. The Nevada's embezzlement statute, N.R.S. § 205.300, which states the:
17 following in pertinent part:

18 Any bailee of any money, goods or property, who converts it to his
19 or her own use, with the intent to steal it or to defraud the owner or
20 owners thereof and any agent, manager or clerk of any person,
21 corporation, association or partnership, or any person with whom
22 any money, property or effects have been deposited or entrusted,
23 who uses or appropriates the money, property or effects or any part
24 thereof in any manner or for any other purpose than that for which
25 they were deposited or entrusted, is guilty of embezzlement...

26 **(11) State Securities Fraud**

27 539. The foregoing acts of state securities fraud constitute a violation of
28 N.R.S. § 90.570 and thereby constitute a predicate act under Nevada RICO Statute,
N.R.S. § 207.360(32), which states in pertinent part:

1 In connection with the offer to sell, sale, offer to purchase or
2 purchase of a security, a person shall not, directly or indirectly:

- 3 1. Employ any device, scheme or artifice to defraud;
- 4 3. Engage in an act, practice or course of business which operates
5 or would operate as a fraud or deceit upon a person.

6 **(12) Statement made in declaration under penalty of perjury.**

7 540. The foregoing acts of perjury constitute a violation of N.R.S. § 199.145
8 and thereby constitute a predicate act under Nevada RICO Statute, N.R.S. § 207.360(19)
9 which states in pertinent part: "Makes a willful and false statement in a matter material
10 to the issue or point in question."

11 **(13) Involuntary servitude; penalties.**

12 541. The Nevada's embezzlement statute, N.R.S. § 200.463, which states the:
13 following in pertinent part:

- 14 (1) A person who knowingly subjects, or attempts to subject, another
15 person to forced labor or services by
 - 16 (a) Causing or threatening to cause physical harm to any person;
 - 17 (b) Physically restraining or threatening to physically restrain any
18 person;
 - 19 (c) Abusing or threatening to abuse the law or legal process;
 - 20 (d) Knowingly destroying, concealing, removing, confiscating or
21 possessing any actual or purported passport or other
22 immigration document, or any other actual or purported
23 government identification document, of the person;
 - 24 (e) Extortion; or
 - 25 (f) Causing or threatening to cause financial harm to any person,

26 **(14) Multiple transactions involving fraud or deceit in course of**
27 **enterprise or occupation; penalty.**

28 542. The Nevada's fraud statute, N.R.S. § 200.377, which states the:
following in pertinent part:

- (1) A person shall not, in the course of an enterprise or occupation,
knowingly and with the intent to defraud, engage in an act, practice
or course of business or employ a device, scheme or artifice which

operates or would operate as a fraud or deceit upon a person by means of a false representation or omission of a material fact that:

- (a) The person knows to be false or omitted;
- (b) The person intends another to rely on; and
- (c) Results in a loss to any person who relied on the false representation or omission

(2) Each act which violates subsection 1 constitutes a separate offense.

(3) A person who violates subsection 1 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$10,000.

(4) In addition to any other penalty, the court shall order a person who violates subsection 1 to pay restitution.

(5) A violation of this section constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

(6) As used in this section, "enterprise" has the meaning ascribed to it in NRS 207.380.

(15) Theft of trade secrets prohibited; criminal penalties

543. The Nevada's fraud statute, N.R.S. § 600A.035, which states the:
following in pertinent part:

A person who, with intent to injure an owner of a trade secret or with reason to believe that his or her actions will injure an owner of a trade secret, without limitation:

- (1) Steals, misappropriates, takes or conceals a trade secret or obtains a trade secret through fraud, artifice or deception;
- (2) Wrongfully copies, duplicates, sketches, draws, photographs, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates or conveys a trade secret;
- (3) Receives, buys or possesses a trade secret with knowledge or reason to know that the trade secret was obtained as described in subsection 1 or 2;
- (4) Attempts to commit an offense described in subsection 1, 2 or 3;
- (5) Solicits another person to commit an offense described in subsection 1, 2 or 3; or
- (6) Conspires to commit an offense described in subsection 1, 2 or 3, and one of the conspirators performs an act to further the conspiracy,

1 **C. Nevada RICO Injury**

2 544. FCGI has been injured by the Counter-defendants and Third-Party
3 Defendants both as a direct result of the individual predicate acts committed by the
4 racketeering activity in which they engaged. FCGI has sustained substantial monetary
5 losses; as a direct result of the individual predicate acts and the racketeering activities in
6 an amount in excess of \$15,000 be determined at trial.

7
8 **SEVENTH CLAIM FOR RELIEF (Spin**
9 **Racketeering Fraud)**

10 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §**
11 **207.400(1)(c))**

12 **(As to Counter-Defendants Young, Mishra & Spin)**

13 545. FGGI repeats and re-alleges and incorporates by reference the
14 allegations set forth in paragraphs herein with specificity and particularity as though set
15 forth fully herein.

16 546. Starting in May 2016 and continuing through May, 2017, Spin through
17 their actions and in their conduct engaged in by the Third-Party Defendants Young and
18 Mishra and Spin have conspired to violate N.R.S. § 207.400(1)(b) as set forth in
19 pertinent part herein: "Through racketeering activity to acquire or maintain, directly or
20 indirectly, any interest in or control of any enterprise."

21 547. The predicate acts alleged above constituted substantial acts of fraud,
22 misrepresentation, concealment and embezzlement of funds that include:

- 23 (1) N.R.S. § 205.380 - Taking property from another under
24 circumstances not amounting to robbery, including theft and larceny
25 specifically, "Obtaining possession of money or property by means
26 of false pretenses"
27 (2) N.R.S. § 205.300 - Embezzlement
28 (3) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in
course of enterprise or occupation ;

1 548. Beginning on October 10, 2016, the Third-Party Defendants sent the
2 FCGI and its affiliates a **Proposal v1.4**.

3 549. Spin lived up to their name and spun a web of lies and defrauded the
4 FCGI and its affiliates in the actual amount of \$74,000 in cash paid to the Spin with the
5 promise to develop the Full Color IP on their ROC RGS for distribution to real money
6 and virtual money gaming operators worldwide that was allegedly integrated into NYX,
7 GVC and NEKTAN (amongst many others) and ready for real money release upon the
8 completion of the software development of FC21.

9 550. Spin represented to FCGI and its affiliates to believe that their RGS was
10 integrated into a total of 15 global distribution interactive gaming systems (IGS) that
11 would allow FCGLTD to immediately monetize thru hundreds of real and virtual money
12 casino gaming operators around the world as explicitly detailed in the **Proposal v1.4**.

13 551. Spin represented to the FCGI and its affiliates that it would complete all
14 24 language translations that were fully disclosed to them in person on October 10, 2016
15 as part of the price for the **Proposal v1.4**

16 552. Each of these representations made by Spin were false.

17 553. Spine either knew that each of these representations were false or made
18 the representations with reckless disregard for the truth or falsity of the representations.

19 554. Spine made each of the misrepresentations with the intent to induce
20 FCGI and its affiliates to act in reliance of the misrepresentations.

21 555. FCGI and its affiliates did in fact rely upon Spin's misrepresentations set
22 forth herein.

23 556. FCGI and its affiliates incurred damages as a result of relying upon
24 Spin's misrepresentations.

25 557. Between October 2016 and April of 2017, MAHON caused SPIN to be
26 paid \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the
27 misrepresentations of Spin.

1 558. As such, FCGI alleges that Spin, Young, and Mishra in their
2 racketeering activity and the schemes they employed are in violation of N.R.S. §
3 205.377 by engaging in multiple transactions involving fraud or deceit in course of
4 enterprise.

5 559. Third-Party Defendants Young, Mishra, and Spin have conspired to
6 violate N.R.S. § 207.400(1)(c) as set forth fully herein.

7 560. Third-Party Defendants Young and Mishra are employed by Spin have
8 each engaged in racketeering activity for the benefit of their income and revenue sharing
9 interests and controlled the affairs of their enterprise.

10 561. Third-Party Defendants Young, Mishra, and Spin have conspired to
11 violate N.R.S. § 207.400(1)(d) as set forth fully herein.

12 562. Third-Party Defendants Young and Mishra are employed by Spin and
13 have each intentionally organized, managed, directed, supervised each other and other
14 members of their enterprise to engage in racketeering activity for the benefit of their
15 income and revenue sharing interests and controlled the affairs of their enterprise.

16 563. In violation of N.R.S. § 205.0832(c), Young, Mishra, and Spin have
17 obtained money or property from FCGI and its affiliates by making material
18 misrepresentations concerning Spin's services as more fully alleged herein.

19 564. Third-Party Defendants Young, Mishra, and Spin have engaged multiple
20 acts in acts in violation of NRS § 205.380 obtaining money or property by false
21 pretenses, which is a predicate act under the Nevada RICO Statute, N.R.S. §207.360(9).

22 565. FCGI's business and property interests have suffered and continue to
23 suffer injury as a direct, proximate, and foreseeable result of individual predicate acts
24 and racketeering activity conducted through the affairs of the Spin. Accordingly, the
25 FCGI seeks treble damages in such amount as may be determined at trial, recovery of
26 the costs of this litigation, and an award of reasonable attorneys' fees as provided under
27 N.R.S. § 207.470.

**EIGHTH CLAIM FOR RELIEF (Intentional
Recruitment of Racketeering)**

**VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §
207.400(d))**

(As to Counter-defendants Munger, M&A, Valcros, Linham, Brock Sr., Brock Jr., Solso, Eckles, Bastian, Playtech, DTG, DHL, Island Luck, Multislot, L Moore, T Moore, Castaldo, Marcus, Brazer, Spin, Young, Mishra, DHWT, Millennium Trust, Moore Trust and the Brazer Trust)

566. FCGI are re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

567. Starting around October 2015 and continuing through to this date in time, with specificity and particularity herein, Counter-defendants through their actions and in their conduct engaged to violate N.R.S. § 207.400(d) in pertinent part:

“Intentionally to organize, manage, direct, supervise or finance a criminal syndicate.”

568. The predicate acts alleged above constituted substantial and intentional acts of fraud, theft, misrepresentation, extortion and indentured servitude to coerce Mahon, FCGI, and its affiliates in order to force Mahon to relinquish his corporate positions and power as CEO and Director, surrender his majority in interest stockholder, surrender all of his stock ownership in all of his entities, engage in the wrongful taking of the Counter-claimants’ property, theft of the Full Color IP trade secrets for their benefit in order to ensure the racketeering enterprise can profit off of their wrongful taking of Mahon’s property and their unlawful activity in perpetuity as follows:

- (1) N.R.S. § 205.380 – Taking property from another under circumstances not amounting to robbery, including theft and larceny specifically, “Obtaining possession of money or property by means of false pretenses”
- (2) N.R.S. § 205.320 – Extortion
- (3) N.R.S. § 600A.035 – Theft of Trade Secrets
- (4) N.R.S. § 205.463 – Indentured Servitude;

1 569. Beginning on June 7, 2016 until this filing date, Bastian and Simmons
2 organized, managed, directed, supervised and financed Playtech, Island Luck, DHL,
3 DTG and Multislot that recruited Munger and Linham who further organized, managed,
4 directed and recruited Spin, Mishra, Young, Brock Sr., Brock Jr., Solso, and Eckles,
5 who then organized, managed, directed and supervised L Moore and T Moore who then
6 organized, managed, directed, supervised, recruited and financed Castaldo, Brazer (and
7 all of their relevant entities in DHWT, Millennium Trust, Moore Trust and the Brazer
8 Trust) to become a criminal syndicate in order to violate N.R.S. § 207.400(1)(d). Each
9 of them then continued to individually and collectively attempt to recruit, cross-recruit,
10 harass, stalk, badger, intimidate and coerce over 40 other FCGI investors through
11 hundreds of phone calls, emails, text messages and communications over a period of one
12 year between April of 2017 and 2018 creating an incalculable number of violations of
13 this statute upon which only a full discovery process and criminal indictments will ever
14 truly reveal the true magnitude of.

15 570. Each person, entity and or party of the Counter-defendants and Third-
16 Party Defendants acted on their own free will, knowingly and intentionally to organize,
17 meet, manage, direct, concoct, conspire, collude and scheme together to find a way to
18 extort and wrongfully remove Mahon from power as the Director and CEO of FCGI and
19 take over his majority in interest stock ownership FCGI and other affiliated entities, steal
20 his trade secrets and force him into indentured servitude and forced labor in perpetuity in
21 order to carry out their racketeering activities.

22 571. Each person, entity and or party of the Counter-defendants and Third-
23 Party Defendants, acted on their own free will, knowingly and intentionally, to organize,
24 meet, manage, direct, concoct, conspire, collude and scheme together to find a way to
25 wrongfully deprive Mahon of his ownership in the Full Color IP and his majority in
26 interest stock ownership in his entities and FCGI's ownership rights to revenue derived
27 from Mahon's property and then, once acquired, force Mahon into indentured servitude
28

1 in order to exploit Mahon's Full Color IP as they could not do so without Mahon's
2 intellectual prowess and skill sets. Munger made it clear in his emails that he would
3 reveal all of Mahon's trade secrets in the Full Color IP as he had confidential copies of it
4 in the event that Mahon refused.

5 572. As a direct result of the racketeering activity the Counter-defendants
6 Third-Party Defendants intentionally engaged in and acted on, the criminal syndicate
7 became an ongoing and ever growing criminal enterprise at each stage of the new
8 recruitments. Counter-defendants and Third-Party Defendants intentionally concocted a
9 scheme and managed, directed, supervised and financed that scheme while continually
10 acting to further that scheme to intentionally engage in the wrongful taking of Mahon's
11 and FCGI's property through extortion as explicitly detailed in the **FCG plan.docx**,
12 **FCG plan v1.2.docx** and the **Principles 2017 04 26 v 2.pdf** effectuated by the threat of
13 a tortuous litigation, loss of revenue and end of Mahon's career if he and FCGI did not
14 succumb to the Counter-Defendants and Third-Party Defendants wrongful demands.

15 573. Upon information and belief, Bastian, through his Bastian Casino
16 Gaming Enterprise laundered their money to finance the current "Derivative Lawsuit."

17 574. Upon information and belief, Bastian laundered their money through the
18 appearance of a legitimate "employment" of Munger, who would sent fraudulent
19 invoices to Playtech, Island Luck DTC, DHL, and others, who then wired those funds
20 through the MUNGER GROUP'S bank accounts beginning with M&A and Valcros.

21 575. On January 18, 2018, upon information and belief, Munger formed a
22 new and separate entity in Valcros for the Bastian Casino Gaming Enterprise to launder
23 their money in wire transfers into Valcros for the purposes of funding the litigation,
24 making the payment of money appear to be for legitimate purposes.

25 576. FCGI's business and property interests have suffered and continue to
26 suffer injury as a direct, proximate, and foreseeable result of individual predicate acts
27 and racketeering activity conducted through the affairs of the Spin. Accordingly, the
28

1 FCGI seeks treble damages in such amount as may be determined at trial, recovery of
2 the costs of this litigation, and an award of reasonable attorneys' fees as provided under
3 N.R.S. § 207.470.

4
5 **NINTH CAUSE OF ACTION (Embezzlement**
6 **& Grand Larceny)**

7 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §**
8 **207.400(c)(1))**

9 **(As to Counter-Defendant Munger)**

10 577. FCGI repeats and re-alleges and incorporates by reference the
11 allegations set forth in paragraphs herein with specificity and particularity as though set
12 forth fully herein.

13 578. Starting in January 2017 and continuing through May of 2017, with
14 specificity and explicit particularity herein, Munger through his actions and in his
15 conduct engaged to violate N.R.S. § 207.400(c)(2) in pertinent part:

16 (c) Who is employed by or associated with any enterprise to conduct or
17 participate, directly or indirectly, in:

18 (2) Racketeering activity through the affairs of the enterprise.

19 579. The predicate acts alleged above constituted substantial acts of grand
20 larceny and embezzlement in the racketeering activity through the affairs of their
21 enterprise

22 (7) N.R.S. § 205.220 – Grand Larceny

23 (8) N.R.S. § 205.206 – Burglary

24 (9) N.R.S. § 205.300 – Embezzlement

25 580. Beginning on or about January 1, 2017 through May of 2017 Munger
26 engaged in a racketeering scheme that led to the embezzlement of \$1,350 of funds,
27 burglary of the Counter-claimant's office space at 3773 Howard Hughes Parkway, Las
28 Vegas, NV 89169 and the grand larceny of three (3) Macbook Pro computers whose

1 serial number and information and event details are on file in the Las Vegas
2 Metropolitan Police Report Case #LLV180119003003.

3 581. As a result of the racketeering activity by Munger, he either directly or
4 indirectly induced, through information, directives and organization two other
5 individuals that were deprived of funds they were rightfully due by FCGI or its affiliates
6 for work as independent contractors, to wrongfully file “labor board” claims against
7 FCGI and claim they were employees in order to create more progressive complications
8 and injury to FCGI and its affiliates..

9 582. The racketeering activity by Munger was part of the grander scheme of
10 Munger through his continued recruitment of others to induce them to knowingly engage
11 in unlawful acts as they continued to organize, manage, direct, supervise and finance
12 their criminal syndicate with FCGI and its affiliates funds and property as fully detailed
13 in the detailed in the 156 page FCGI ARCC Reported entitled “Embezzlement, Grand
14 Larceny and Attempted Fraud report dated December 30, 2017.”

15 583. This racketeering activity violates Nevada RICO Statute, N.R.S. §
16 207.400(c)(2), which makes it unlawful for a person, through racketeering activity to
17 knowingly incite or induce others to engage in intimidation to promote or further the
18 criminal objectives of the criminal syndicate.

19 584. FCGI have suffered and continue to suffer injury to their business or
20 property as a direct, proximate, and foreseeable result of the foregoing acts.
21 Accordingly, Counter-claimants seek an award of treble damages, costs of this litigation,
22 and reasonable attorneys' fees as provided by N.R.S. § 207.470.

23 **TENTH CLAIM FOR RELIEF**
24 **(Embezzlement & Wire Fraud)**

25 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §**
26 **207.400(b)**

27 **(As to Counter-defendants Newman, Newman Law and CBL)**
28

1 585. FCGI re re-alleges and incorporates by reference the allegations set forth
2 in paragraphs herein with specificity and particularity as though set forth fully herein.

3 586. Counter-defendants through their actions and in their conduct engaged to
4 violate N.R.S. § 207.400(a)(1) in pertinent part:

5 (b) Through racketeering activity to acquire or maintain, directly or
6 indirectly, any interest in or control of any enterprise.

7 587. The predicate acts alleged herein detail the Counter-defendants
8 substantial acts of acquiring, maintaining and directly obtaining an interest in and
9 control of the Counter-claimants lawful enterprises through racketeering activity
10 whereby Newman fraudulently acquired and maintained possession of FCGI corporate
11 shares, positions of power and title of authority in order to exploit them for his own
12 personal and corporate benefit in the Newman Group by engaging in multiple
13 transactions involving fraud throughout the course of Newman's and the Newman
14 Group's racketeering activity.

15 588. Once discovered, Newman and Newman Law's positions of power and
16 title of authority, along with his FCGI corporate shares were canceled, terminated and
17 repurchased but not before Newman Group engaged in an ongoing scheme of extortion
18 for nearly 9 months after the discovery and confrontation to the point it caused
19 FCGLTD, IPHTLD and FCGI to go out of business as a result of his racketeering when
20 Mahon, FCGI, and its affiliates would not give in to the Newman Group's ransom
21 demands to receive their FCGI shares back with free and clear title all of which
22 constitutes the racketeering activity through the affairs of their enterprise based on the
23 following predicate acts:

- 24 (1) N.R.S. § 205.380 - Taking property from another under
25 circumstances not amounting to robbery, including theft and larceny
26 specifically, "Obtaining possession of money or property by means
27 of false pretenses"
28 (2) N.R.S. § 205.300 - Embezzlement

1 (3) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in
2 course of enterprise or occupation;

3 (4) N.R.S. § 205.320 – Extortion

4 589. Starting in March 2010 and continuing through May of 2017, as alleged
5 with specificity and explicit particularity herein Newman, Newman Law and CBL,
6 engaged in a racketeering scheme that led to the embezzlement of \$3,000 in FCGI'S
7 corporate funds that were set aside for the purposes of expediting Full Color IP patent
8 filings with the USPTO. Newman failed to ever file this expedited patent and absconded
9 with the funds. Newman obtained his shares issuance under the false pretenses he would
10 apply for, prosecute, obtain and maintain intellectual property protections on behalf of
11 Mahon, FCGI, and their rights to the IPR but instead, obtained in a patent Ponzi scheme
12 along with a plethora of other wrongdoings explicitly detailed in the Nevada District
Court Case #A-18-779686-C.

13 590. This racketeering activity violates Nevada RICO Statute, N.R.S. §
14 207.400(b) which makes it unlawful for a person, through racketeering activity to
15 acquire or maintain, directly or indirectly, any interest in or control of any enterprise.

16 591. FCGI has suffered and continue to suffer injury to their business or
17 property as a direct, proximate, and foreseeable result of the foregoing acts.
18 Accordingly, Counter-claimants seek an award of treble damages, costs of this litigation,
19 and reasonable attorneys' fees as provided by N.R.S. § 207.470.

20 **ELEVENTH CLAIM FOR RELIEF**
21 **(Securities Fraud & Perjury)**

22 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §**
23 **90.570)**

24 **(As to Counter-defendants Sebas, Simmons, Munger, Linham,**
25 **Playtech, Island Luck, DTG, DHL, ILG, M&A, Valcros, and**
26 **Marcus)**

1 592. FCGI re-alleges and incorporates by reference the allegations set forth in
2 paragraphs herein with specificity and particularity as though set forth fully herein.

3 593. Starting in October 2015 and continuing through to this date in time,
4 with specificity and explicit particularity herein, the Counter-Defendants and Third-
5 Party Defendants through their actions knowingly, willingly and fraudulently engaged in
6 billing fraud, wire fraud for the purposes of tax evasion in order to conceal the purchase
7 of FCGI securities in four different acts of money laundering, then destroyed the
8 evidence of it and engaged in making false statements made in sworn declarations under
9 the penalty of perjury and in their conduct engaged in violation of N.R.S. §
10 207.400(1)(b) as set forth in pertinent part herein:

11 “Through racketeering activity to acquire or maintain, directly or
12 indirectly, any interest in or control of any enterprise.”

13 594. The predicate acts alleged above constituted substantial acts of fraud,
14 misrepresentation, concealment and embezzlement of funds that include:

- 15 (1) N.R.S. § 90.570 -- Offer, sale and purchase (State Securities Fraud)
16 (2) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in
17 course of enterprise or occupation;
18 (3) N.R.S. § 197.030 –Asking or receiving bribe by public officer or
19 employee
20 (4) N.R.S. § 199.145 –Statement made in declaration under penalty of
perjury

21 595. As alleged herein, in violation of N.R.S. § 90.570, Bastian and Simmons
22 employed devices, schemes, and artifices to defraud FCGI four different times beginning
23 on June 7, 2016 that it was the intention of Bastian and Simmons at all times to carry out
the money laundering scheme for the purchase of FCGI’S securities four different times.

- 24 (1) First in person directly to Mahon who believed it was an integrity
25 test to determine Mahon’s “suitability” for licensing in their first
26 business transaction together, when in fact, time and evidence
27 proved it was a real and quantifiable solicitation to Mahon to
participate, but Mahon refused as alleged herein;

1 (2) Second with Munger and Linham who did carry out the scheme
2 to produce the false billing invoice and wire fraud scheme to
3 effectuate the transfer, but it was withdrawn before it was fully
4 carried out after Mahon learned of the attempt;

5 (3) Third with Munger who assisted in facilitating the Wells Fargo
6 fraudulently stated purpose of the \$500,000 wire fraud that
7 resulted in money laundering;

8 (4) Fourth with Bastian and an unidentified second signatory who
9 engaged in the Bank of Bahamas fraudulently stated purpose of a
10 \$500,000 wire fraud that resulted in money laundering.

11 596. On April 4, 2017, right before Linham abruptly resigned from FCGI he
12 permanently destroyed over 3,000 of his corporate emails which made up his entire
13 account, along with the destruction of 100% of his digital Google Drive cloud account --
14 - files that were subsequently restored by Google G-Suite Superadmins on June 5, 2017
15 when Munger was terminated from FCGI --- in order to cover up the entire history of his
16 money laundering and racketeering activities.

17 597. On November 24, 2017, Linham in the sworn Declarations made under
18 the penalty of perjury before the court, ¶¶61-63 LINHAM admitted to the money
19 laundering followed by the preposterous and false claims that Mahon made him do it,
20 despite the clear evidence in the email and Skype messages to Simmons, and other
21 documents refuting the assertion.

22 598. The Counter-defendants' and Third-Party Defendants' violations of the
23 four predicate acts listed here above in N.R.S. § 90.570, N.R.S. § 205.377, N.R.S. §
24 197.030 and N.R.S. § 199.145, have caused the Counter-claimants immediate and
25 quantifiable injury, including, but not limited to loss of commercial revenue, loss of a
26 casino gaming license application, injury to their reputation, name, brand, likeness,
27 career, millions of dollars in shareholder investments and years of development work in
28 the loss of relationships, market timing, position and business opportunities.

599. This racketeering activity violates Nevada RICO Statute, N.R.S. §

1 207.400(b) which makes it unlawful for a person, through racketeering activity to
2 acquire or maintain, directly or indirectly, any interest in or control of any enterprise.

3 600. FCGI has suffered and continues to suffer injury to its business or
4 property as a direct, proximate, and foreseeable result of the foregoing acts.

5 Accordingly, FCGI seeks an award of treble damages, costs of this litigation, and
6 reasonable attorneys' fees as provided by N.R.S. § 207.470.

7
8 **Other General Claims**

9 **TWELFTH CLAIM FOR RELIEF**

10 **(Inducing lawsuit pursuant to N.R.S. § 199.320)**

11 **(As to Counter-Defendants and Third-Party Defendants Munger, Linham, Brock**
12 **Sr., Brock Jr., Solso, Eckles, Sebas, L-Moore, T-Moore, Castaldo, Brazer, and**
13 **Marcus)**

14 601. FCGI repeats, re-alleges and incorporates by reference the allegations set
15 forth in paragraphs herein with specificity and particularity as though set forth fully
16 herein.

17 602. Starting around April 19, 2017 and continuing through to this date, with
18 specificity and explicit particularity herein, Counter-defendants through their actions and
19 in their conduct engaged to violate N.R.S. § 199.320 in pertinent part:

20 “Every person who shall on his or her behalf bring or instigate, incite
21 or encourage another to bring, any false suit at law or in equity, in
22 any court of this State, with intent thereby to distress or harass a
defendant therein, shall be guilty of a misdemeanor.”

23 603. The Counter-defendants, and each of them, beginning with the evidence
24 seen in **FCG plan.docx, FCG plan v1.2.docx** and the **Principles 2017 04 26 v 2.pdf,**
25 on their own behalf, have instigated, incited and encouraged each other to bring a false
26 lawsuit and further, an inequitable one, as tool, means and method carry out their
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28

1 extortion in an wrongful taking of the Mahon's and FCGI's property admittedly by the
2 documents alone, have indisputably acted with the willful intent to cause distress and
3 harass Mahon and FCGI and other affiliates to a point that was beyond just causing the
4 fear, intimidation and loss of revenue and profits for years and the intent to kill Mahon's
5 career. Further, the non-party to the derivative suit, who upon information and belief
6 has made clear to others throughout the casino gaming industry that they are
7 (wrongfully) funding the derivative lawsuit for mere "blood sport."

8 604. The Counter-defendants and Third-Party Defendants have succeeded in
9 preventing the Mahon's and FCGI's property rights from the Full Color IP from being
10 released and reaching revenue as threatened and promised with the filing of this
11 derivative lawsuit the intent of destroying Mahon's character by falsely accusing him of
12 fraud, misrepresentation and concealment as the Fourth, Fifth and Sixth Claims state.

13 605. The Counter-defendants have all violated Nevada RICO Statute, N.R.S.
14 §199.320 which makes it unlawful for a person to engage in wrongfully inducing a
15 lawsuit.

16 606. FCGI has suffered and continues to suffer injury to their business or
17 property as a direct, proximate, and foreseeable result of the foregoing acts.
18 Accordingly, FCGI seeks an award of treble damages, costs of this litigation, and
19 reasonable attorneys' fees as provided by N.R.S. 18.005 and § NRS 18.020.

20 **THIRTEENTH CLAIM FOR RELIEF**

21 **(Abuse of Process)**

22
23 **(As to Counter-defendants Munger, Linham, Brock Sr., Brock Jr., Solso, Eckles,**
24 **Sebas, L-Moore, T-Moore, Castaldo, Brazer, and Marcus)**

25 607. The Counter-claimants repeats and re-alleges and incorporates by
26 reference the allegations set forth in paragraphs herein with specificity and particularity
27 as though set forth fully herein.

1 608. Starting around April 19, 2017 and continuing through to this date, with
2 specificity and explicit particularity herein, Counter-defendants through their actions and
3 in their conduct engaged to engage in an abuse of process.

4 609. The Counter-Defendants and Third-Party Defendants, and each of them,
5 beginning with the evidence seen in **FCG plan.docx, FCG plan v1.2.docx** and the
6 **Principles 2017 04 26 v 2.pdf.**, on their own behalf, have made it unequivocally clear
7 that their purpose was to extort MAHON and the Counter-claimants out of their property
8 rights in forcing him to step down as the CEO and sole Director of FCGI, give 100% of
9 his stock to the Counter-Defendants, turn over all of his trade secrets and be forced into
10 indentured servitude or face a tortuous litigation if Mahon did not comply.

11 610. Several of the claims in the Derivative Lawsuit have already been
12 dismissed as basically frivolous. The Thirteenth and Fourteenth Claims in to get the
13 Court to award ownership to Mahon's Full Color IP, but are frivolous as they provide no
14 legal or factual basis for recovering the Full Color IP.

15 611. Counter-Defendants have, however, succeeded in preventing the FCGI
16 and its affiliates from utilizing its property rights and preventing the Full Color IP from
17 being released and reaching revenue as threatened and promised with the filing of this
18 derivative lawsuit with the intent of destroying Mahon's character by falsely accusing
19 him of fraud, misrepresentation and concealment as the Fourth, Fifth and Sixth Claims,
20 which have already been dismissed.

21 612. The Counter-Defendants have all engaged in an abuse of process.

22 613. FCGI has suffered and continue to suffer injury to their business or
23 property as a direct, proximate, and foreseeable result of the foregoing acts.
24 Accordingly, FCGI seeks an award of treble damages, costs of this litigation, and
25 reasonable attorneys' fees as provided by N.R.S. 18.005 and § NRS 18.020.

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FIFTEENTH CLAIM FOR RELIEF

(Breach of Contract)

**(As to Counter-Defendants and Third-Party Defendants Munger,
Bastian, and Spin)**

621. FCGI re re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

622. On October 15, 2015, FCGI and Bastian entered into the MNDA.

623. On April 29, 2016, FCGI and Spin entered into the MNDA.

624. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

625. Each of the agreements, the MNDAs and the NDADA are binding and enforceable agreements.

626. On October 20, 2016, the Counter-claimants and Spin entered into a contract to provide game development and a mutual bi-directional RGS server game distribution agreement that explicitly laid out the terms of a "Monthly Net Gaming Revenue in Section 2.2.

627. On January 23, 2017, Spin was paid the first half of the bi-directional RGS integration fees.

628. On February 7, 2017, Mahon personally introduced Young of Spin to Bastian to discuss the SPIN ROC RGS integration into the FULL COLOR KINGFISHER RGS integration into the ILG / RSL RGS to deliver the full suite of Full Color IP on Bastian's platform

629. Spin would pay FCGI and its affiliates a distribution fee for Spin's games to be delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL throughout Bastian's gaming network in the Bahamas and elsewhere on the exact same basis as the FCGI and its affiliates would pay Spin a distribution fee for the Full Color

1 IP to be distributed through Spin's integrations to others like NYX, RSI, NEKTAN and
2 others

3 630. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
4 conspired with each other to circumvent the contracts and distribution revenues in direct
5 violation of the individual MNDA's between FCGI and SPIN and further FCGI and
6 SEBAS specifically including but not limited to Section 2.5 "Non-circumvention, non-
7 interference and secrecy" terms as quoted in full.

8 **¶2.5Non-Circumvention, Non-Interference and Secrecy.**

9 *During the term of this Agreement and for a period of five years from the date*
10 *first above written, the Receiving Party covenants not to (a) directly or*
11 *indirectly circumvent FCGI with respect to its business relationships to compete*
12 *or facilitate competition with the Disclosing Party, or (b) communicate, transact*
13 *business or interfere with any of FCGI's business relationships or its*
14 *enterprises, or with its confidential information used or included in FCGI's*
15 *business, licenses or copyrights, trademarks, patents pending or any of its*
16 *derivatives, its software code, statistics or methodologies that it and its affiliates*
17 *own, license or control or have rights to do so.*

18 631. The circumvention as also a violation of the NDACA with Munger.

19 632. FCGI was damaged by Spin's, Munger's, and Bastian's breach of their
20 respective contracts in an amount in excess of \$15,000 to be determined at trial.

21 633. As a direct result of all of the foregoing, Munger's actions have required
22 FCGI to retain the services of an attorney to prosecute this action and has thereby been
23 damaged. Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs
24 incurred in this action.

25 **SIXTEENTH CLAIM FOR RELIEF**

26 **(Breach of Covenant of Good Faith and Fair Dealing)**

27 **(As to Counter-Defendants and Third-Party Defendants Munger,**
28 **Bastian, and Spin)**

634. FCGI realleges and incorporates by reference the allegations set forth in
paragraphs herein with specificity and particularity as though set forth fully herein.

1 635. On October 15, 2015, FCGI and Bastian entered into the MNDA.
2 636. On April 29, 2016, FCGI and Spin entered into the MNDA.
3 637. July 19, 2011, Munger entered into the NDACA with FCGI's
4 predecessor.
5 638. Each of the agreements, the MNDAs and the NDADA are binding and
6 enforceable agreements.
7 639. On October 20, 2016, the Counter-claimants and Spin entered into a
8 contract to provide game development and a mutual bi-directional RGS server game
9 distribution agreement that explicitly laid out the terms of a "Monthly Net Gaming
10 Revenue in Section 2.2.
11 640. On January 23, 2017, Spin was paid the first half of the bi-directional
12 RGS integration fees.
13 641. On February 7, 2017, Mahon personally introduced Young of Spin to
14 Bastian to discuss the SPIN ROC RGS integration into the FULL COLOR
15 KINGFISHER RGS integration into the ILG / RSL RGS to deliver the full suite of Full
16 Color IP on Bastian's platform
17 642. Spin would pay FCGI and its affiliates a distribution fee for Spin's
18 games to be delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL
19 throughout Bastian's gaming network in the Bahamas and elsewhere on the exact same
20 basis as the FCGI and its affiliates would pay Spin a distribution fee for the Full Color
21 IP to be distributed through Spin's integrations to others like NYX, RSI, BWIN,
22 NEKTAN and others.
23 643. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
24 conspired with each other to circumvent the contracts and distribution revenues in direct
25 violation of the individual MNDA's between FCGI and SPIN and further FCGI and
26 SEBAS specifically including but not limited to Section 2.5 "Non-circumvention, non-
27 interference and secrecy" terms as quoted in full.
28

644. To the extent Spin's, Munger's, and Bastian's circumvention of FCGI and its affiliates was not a technical breach of the MNDAs or the NDACA, the actions denied FCGI its justified and reasonable expectations under the terms of the MDNAs and NDACA.

645. FCGI was damaged by Spin's, Munger's, and Bastian's actions which denied FCGI's reasonable and justified expectations under the contracts in an amount in excess of \$15,000 to be determined at trial.

646. As a direct result of all of the foregoing, Munger's actions have required FCGI to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs incurred in this action.

SEVENTEENTH CLAIM FOR RELIEF

(Civil Conspiracy)

(As to Counter-Defendants and Third-Party Defendants Munger, Bastian, Spin, Young, Mishra, M&A and Valcros)

647. FCGI re re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

648. On October 15, 2015, FCGI and Bastian entered into the MNDA.

649. On April 29, 2016, FCGI and Spin entered into the MNDA.

650. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

651. Each of the agreements, the MNDAs and the NDADA are binding and enforceable agreements.

652. On October 20, 2016, the Counter-claimants and Spin entered into a contract to provide game development and a mutual bi-directional RGS server game

1 distribution agreement that explicitly laid out the terms of a “Monthly Net Gaming
2 Revenue in Section 2.2.

3 653. On January 23, 2017, Spin was paid the first half of the bi-directional
4 RGS integration fees.

5 654. On February 7, 2017, Mahon personally introduced Young of Spin to
6 Bastian to discuss the SPIN ROC RGS integration into the FULL COLOR
7 KINGFISHER RGS integration into the ILG / RSL RGS to deliver the full suite of Full
8 Color IP on Bastian’s platform

9 655. Spin would pay FCGI and its affiliates a distribution fee for Spin’s
10 games to be delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL
11 throughout Bastian’s gaming network in the Bahamas and elsewhere on the exact same
12 basis as the FCGI and its affiliates would pay Spin a distribution fee for the Full Color
13 IP to be distributed through Spin’s integrations to others like NYX, RSI, BWIN,
14 NEKTAN and others.

15 656. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
16 conspired with each other to circumvent the contracts and distribution revenues in direct
17 violation of the individual MNDA’s between FCGI and SPIN and further FCGI and
18 SEBAS specifically including but not limited to Section 2.5 “Non-circumvention, non-
19 interference and secrecy” terms as quoted in full.

20 **¶2.5Non-Circumvention, Non-Interference and Secrecy.**

21 *During the term of this Agreement and for a period of five years from the date*
22 *first above written, the Receiving Party covenants not to (a) directly or*
23 *indirectly circumvent FCGI with respect to its business relationships to compete*
24 *or facilitate competition with the Disclosing Party, or (b) communicate, transact*
25 *business or interfere with any of FCGI's business relationships or its*
26 *enterprises, or with its confidential information used or included in FCGI's*
27 *business, licenses or copyrights, trademarks, patents pending or any of its*
28 *derivatives, its software code, statistics or methodologies that it and its affiliates*
own, license or control or have rights to do so..

657. The Spin Group, Munger, and Bastian through his Bastian Casino Gaming Enterprises knowingly, willingly and deliberately, through their agents and through conspired

658. This direct circumvention stood to prevent the Counter-claimants from generating approximately \$150,000 a month in revenue or \$1.8 million in revenue per year in the Bahamas and the same amount in Jamaica.

659. As a result of the civil conspiracy between Spin, Young, Mishra, Bastian, the Bastian Casino Gaming Enterprise, and Munger, FCGI has incurred damages in excess of \$15,000 to be determined at trial.

660. The actions of Spin, Young, Mishra, Bastian, the Bastian Casino Gaming Enterprise, and Munger as alleged herein were malicious, fraudulent, or oppressive and warrant an award of punitive damages.

661. As a direct result of all of the foregoing, Counter-defendant's actions have required Counter-claimants to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Counter-claimants seek an award of reasonable attorneys' fees and costs incurred in this action.

EIGHTEENTH CLAIM FOR RELIEF

(Intentional Interference with Prospective Economic Advantage)

(As to Counter-defendants Munger, M&A, Valcros, Sebas, Simmons, Playtech, DTG, DHL, ILG, Island Luck, Spin, Young, and Mishra)

662. All Counter-claimants re re-alleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

663. As alleged herein, the Counter-Defendants and Third-Party Defendants the Munger Group, Bastian, and the Bastian Casino Gaming Enterprise, and the Spin Group were all separately in multiple contracts with FCGI and its affiliated entities.

1 664. As alleged herein, Munger Group and the Bastian Casino Gaming
2 Enterprise had knowledge of the separate contractual relationship between each Spin,
3 Bastian, and Munger.

4 665. The Munger Group, Bastian, the Bastian Casino Gaming Enterprise
5 engaged in wrongful conduct as alleged in herein with the purpose and effect of
6 preventing the integration of the bi-directional RGS to RGS integration between the
7 SPIN ROC RGS and the FULL COLOR KINGFISHER RGS in order to specifically
8 avoid the Spin Group from paying FCGS and its affiliates their revenue streams and
9 relationship interfere with the business relationships and investments between the
10 Bastian Casino Gaming Enterprise and the FCGI.

11 666. The Spin Group was without any privilege or legal justification for
12 interfering with the contractual relationship between Bastian Casino Gaming Enterprise
13 and the Counter-claimants, but acted upon the unlawful, improper, unfair, and
14 unreasonable motivation of usurping the FCGI's business relationships and revenue
15 streams.

16 667. In interfering with the Counter-claimant's prospective economic
17 advantage, the SPIN GROUP, along with their co-conspiring enabler of the Munger
18 Group, Bastian, and Bastian Casino Gaming Enterprise employed means that were
19 unlawful, improper, unfair, and unreasonable; namely interfered with

20 668. The Counter-defendants, and each of them in their commission of these
21 wrongful acts directly and immediately the Full Color IP and the Counter-claimants
22 investments and assets of the FULL COLOR KINGFISHER GRS from being launched
23 and generating and put them out of business as a result. Consequently, The Counter-
24 claimants have all sustained substantial monetary damages in excess of \$15,000 as a
25 result of its inability to perform and profit under their contracts in an amount to be
26 determined at trial.

669. The actions of Spin, Young, Mishra, Bastian, the Bastian Casino Gaming Enterprise, and Munger as alleged herein were malicious, fraudulent, or oppressive and warrant the award of punitive damages.

670. As a direct result of all of the foregoing, the Counter-Defendants and Third-Party Defendants have required FCGI to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs incurred in this action.

NINETEENTH CLAIM FOR RELIEF

(Unjust Enrichment)

(As to Counter-defendants Munger, M&A, Valcros, Bastian, Simmons, Playtech, DTG, DHL, ILG, Island Luck, Spin, Young, amd Mishra)

671. All Counter-claimants realleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

672. As alleged herein, the Counter-defendants MUNGER GROUP, the BASTIAN CASINO GAMING ENTERPRISE and the SPIN group have been unjustly enriched by virtue of the following:

a. circumventing the rightful relationship of the Counter-claimants contractual relationships in order to avoid paying their proper rev-share of the “Monthly Gaming Revenue” through the bi-directional integration of the SPIN ROC RGS into the FULL COLOR KINGFISHER RGS to deliver SPIN’S content they owned and from their third party suppliers into the ILG / RSL RGS to deliver to the BASTIAN CASINO GAMING ENTERPRISE in the BAHAMAS, JAMAICA and beyond;

1 678. Based on information provided through this lawsuit and other
2 allegations, FCGI is informed and believe that Munger is actively utilizing confidential
3 information in order to compete with and/or interfere with Mahon and his affiliated
4 companies including, but not limited to IPH, FCG LLC, FCGNA, FCGI, and other
5 companies.

6 679. Based on the facts alleged herein, Munger, Spin and Bastian are also in
7 breach of their respective NDAS and the NDACA because Munger, Spin and Bastian
8 have circumvented FCGI and its affiliates opportunities for revenues streams by
9 integrating Spin into Bastian's RSL platform on the Bahamas without integrating the
10 Full Color RGS and thereby usurping the corporate opportunities of FCGI and its
11 affiliates.

12 680. As a result of Munger's past breaches of the NDACA, FCGI as an
13 affiliate with Mahon and FCG LLC, and others have been damaged in an amount in
14 excess of \$15,000.00.

15 681. As a result of Spin's and Bastian's past breaches of their respective
16 NDA's, FCGI has been damaged in an amount in excess of \$15,000 to be proven at trial.

17 682. Munger's continued breaches of the NDACA have and will continue to
18 cause irreparable harm to Mahon, FCGI, and other affiliated companies including IPH
19 and FCG LLC.

20 683. Bastian's and Spin's continued breaches of the NDA have and will
21 continue to cause irreparable harm to Mahon, FCGI, and other affiliated companies
22 including IPH and FCG LLC.

23 684. FCGI is entitled to temporary, preliminary, and permanent injunctive
24 relief enjoining Munger, Bastian and Spin from continuing to possess and utilize
25 confidential information disclosed to him under the NDACA and from competing or
26 interfering with Mahon, FCG LLC, FCGI, IPH, or any other affiliated entities business
27 interests in the use and commercialization of the Full Color IP.

1 685. FCGI is entitled to temporary, preliminary, and permanent injunctive
2 relief enjoining Munger, Bastian, and Spin for continuing to utilize Spin's integration
3 onto Bastian's RSL platform without including the Full Color content and from
4 interfering with Mahon, FCGI, and other affiliated entities business interests in the use
5 and commercialization of the Full Color IP.

6 686. As a direct result of all of the foregoing, Counter-claimants have been
7 caused to retain the services of an attorney to prosecute this claim breach of the NDA
8 and injunctive relief and therefore are entitled to reasonable attorney's fees and costs.

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10 **TWENTY-FIRST CLAIM FOR RELIEF**

11 **(Declaratory Relief re: Counter-Defendant status as shareholders)**

12 687. FCGI repeats, re-alleges, and incorporates by this reference, the
13 allegations contained in each and every preceding paragraph as though set forth fully
14 herein.

15 688. An actual existing controversy has arisen and now exists between FCGI
16 and Counter-Defendants concerning each of their ongoing ownership of shares in FCGI.
17 FCGI therefore seek an order from the Court declaring that, based on the facts set forth
18 herein, Counter-Defendants either never were or are no longer a shareholder(s) of FCGI,
19 or that Counter-Defendants' shares should be rescinded because he obtained the shares
20 via fraud.

21 689. As a direct result of all of the foregoing, Counter-claimants have been
22 caused to retain the services of an attorney to prosecute this claim for declaratory relief
23 and therefore are entitled to reasonable attorney's fees and costs.

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TWENTY-SECOND CLAIM FOR RELIEF

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(Breach Of the Of The Covenant Of Good Faith And Fair Dealing)

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(As to Mutlislol)

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690. All Counter-claimants realleges and incorporates by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

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691. Counter-defendants and each of them entered a development agreement to produce 21 or Nothing® on the MULTISLOT RGS for delivery in the Bahamas, Jamaica through the Bastian Casino Gaming Enterprise and through Multislol's existing integrations that included but were not limited to Videoslots.com, BetConstruct, EveryMatrix.com, Pinnacle.com.

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692. Multislol, Bastian, and the Bastian Casino Gaming Enterprise and each of induced FCGI and its affiliates to spend over 14 months in development and expend over \$100,000 in its assets to produce the product for release.

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693. FCGI and its affiliates succeeded in getting the games fully developed, translated and approved for real money release by BMM.

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694. Multislol failed to sign the contract and release the product by attempting to extort the FCGI and its affiliates out of their rightful ownership of their HTML5 distribution rights.

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695. Once Multislol refused to surrender their rights that were already legally contracted to others, and refused to sign the contract to even deliver them through and release them in the Flash version that it was fully developed and approved for release in.

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696. As a result of Multislol's actions, FCGI's and its affiliates' justified expectations under the agreements with Multislol were denied.

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1 697. As a result of Multislot's, Bastian's, and the Bastian Casino Gaming
2 Enterprise's breaches of the implied covenant of good faith and fair dealing, FCGI and
3 its affiliates have been damaged in an amount in excess \$15,000.00 to be proven at trial.

4 698. As a direct result of all of the foregoing, Counter-defendant's actions
5 have required Counter-claimants to retain the services of an attorney to prosecute this
6 action and has thereby been damaged. Accordingly, FCGI seeks an award of reasonable
7 attorneys' fees and costs incurred in this action.

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9 **TWENTY-THIRD CLAIM FOR RELIEF**

10 **(Negligent Misrepresentation)**

11 **(As to Spin, Young and Mishra)**

12 699. FCGI realleges and incorporates by reference the allegations set forth in
13 paragraphs herein with specificity and particularity as though set forth fully herein.

14 700. Spin represented to FCGI and its affiliates to believe that their RGS was
15 integrated into a total of 15 global distribution interactive gaming systems (IGS) that
16 would allow FCGLTD to immediately monetize thru hundreds of real and virtual money
17 casino gaming operators around the world as explicitly detailed in the **Proposal v1.4**.

18 701. Spin represented to the FCGI and its affiliates that it would complete all
19 24 language translations that were fully disclosed to them in person on October 10, 2016
20 as part of the price for the **Proposal v1.4**

21 702. Each of these representations made by Spin were false.

22 703. Spine either knew that each of these representations were false or made
23 the representations with reckless disregard for the truth or falsity of the representations.

24 704. Spine made each of the misrepresentations with the intent to induce
25 FCGI and its affiliates to act in reliance of the misrepresentations.

26 705. FCGI and its affiliates did in fact rely upon Spin's misrepresentations set
27 forth herein.

706. FCGI and its affiliates incurred damages as a result of relying upon Spin's misrepresentations.

707. Between October 2016 and April of 2017, MAHON caused SPIN to be paid \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the misrepresentations of Spin.

708. In fact, the subject representations were negligently made and were untrue. Based on information and belief, inter alia, the true material facts, if known to the Counter-claimants, would not have entered into the contract with the Counter-claimants, much more paid them \$74,000 on top of that.

709. As a result of the materially false and misleading information, the Counter-claimants entered into the Proposal v1.4 contract, caused them to be paid \$74,000 in cash and introduced them to their confidential relationships Bastian and the Bastian Casino Gaming Enterprise.

710. As a result of Counter-defendants' negligent misrepresentations, Counter-claimants have been damaged in an amount in excess \$15,000.00 to be proven at trial.

711. The actions of Spin, Young, and Mishra as alleged herein were malicious, fraudulent, or oppressive and warrant the award of punitive damages.

712. As a direct result of all of the foregoing, Counter-defendant's actions have required Counter-claimants to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Counter-claimants seek an award of reasonable attorneys' fees and costs incurred in this action.

TWENTY-FOURTH CLAIM FOR RELIEF

(Intentional Misrepresentation)

(As to Spin, Young, and Mishra)

1 713. All Counter-claimants realleges and incorporates by reference the
2 allegations set forth in paragraphs herein with specificity and particularity as though set
3 forth fully herein.

4 714. Spin represented to FCGI and its affiliates to believe that their RGS was
5 integrated into a total of 15 global distribution interactive gaming systems (IGS) that
6 would allow FCGLTD to immediately monetize thru hundreds of real and virtual money
7 casino gaming operators around the world as explicitly detailed in the **Proposal v1.4**.

8 715. Spin represented to the FCGI and its affiliates that it would complete all
9 24 language translations that were fully disclosed to them in person on October 10, 2016
10 as part of the price for the **Proposal v1.4**

11 716. Each of these representations made by Spin was false.

12 717. Spine either knew that each of these representations were false or made
13 the representations with reckless disregard for the truth or falsity of the representations.

14 718. Spine made each of the misrepresentations with the intent to induce
15 FCGI and its affiliates to act in reliance of the misrepresentations.

16 719. FCGI and its affiliates did in fact rely upon Spin's misrepresentations set
17 forth herein.

18 720. FCGI and its affiliates incurred damages as a result of relying upon
19 Spin's misrepresentations.

20 721. Between October 2016 and April of 2017, MAHON caused SPIN to be
21 paid \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the
22 misrepresentations of Spin.

23 722. In fact, the subject representations were fraudulently concealed so they
24 would not be discovered in order to induce Mahon, FCGI, and its affiliates entering into
25 a licensing contract with the FCGI or its affiliates in order to have his Full Color IP on
26 their ROC RGS in order to further aid and abet them in gaining integrations elsewhere
27 that they could not get on their own. Based on information and belief, inter alia, the true
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1 material facts, if known and not misrepresented to the FCGI and its affiliates, would not
2 have entered into the contract with the Counter-claimants, much more paid them
3 \$74,000 on top of that.

4 723. As a result of material misrepresentations, the FCGI or its affiliates
5 entered into the Proposal v1.4 contract, caused them to be paid \$74,000 in cash and
6 introduced them to their confidential relationships with Bastian and the Bastian Casino
7 Gaming Enterprise.

8 724. As a result of Counter-defendants' intentional misrepresentations, FCGI
9 has been damaged in an amount in excess \$15,000.00 to be proven at trial.

10 725. Spin's, Young's, and Mishra's actions were malicious, fraudulent, or
11 oppressive warranting an award of punitive damages.

12 726. As a direct result of all of the foregoing, Counter-defendant's actions
13 have required Counter-claimants to retain the services of an attorney to prosecute this
14 action and has thereby been damaged. Accordingly, Counter-claimants seek an award of
15 reasonable attorneys' fees and costs incurred in this action.

16 **TWENTY-FIFTH CLAIM FOR RELIEF**

17 **(Fraudulent Concealment)**

18 **(As to Spin, Young, and Mishra)**

19
20 727. FCGI repeats, re-alleges and incorporates by reference the allegations set
21 forth in paragraphs herein with specificity and particularity as though set forth fully
22 herein

23 728. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
24 concealed facts from FCGI and its affiliates concerning Spin's inability to release the
25 Full Color IP for real money gaming in Europe and the rest of the world outside of the
26 USA through NYX, Nektan, Amaya, BWIN as agreed and defined in Section 1.0 in
27 Spin's Proposal v1.4.
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1 729. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
2 concealed the fact that they knew that their ROC RGS was not capable of language
3 translations and they would have to build a separate module for it in order to provide it.

4 730. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
5 concealed the fact that they knew that their ROC RGS was not capable of providing
6 multiple currencies and they would have to build a separate module for it in order to
7 provide it.

8 731. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
9 concealed the fact that they knew that their ROC RGS was not capable of providing for
10 a common wallet system in a bi-directional format and they would have to build it for
11 the integration into the FULL COLOR KINGFISHER RGS, and, because of this, their
12 ROC RGS was not capable of completing the ROC RGS bi-directional integration to the
13 FULL COLOR KINGFISHER RGS by March 31, 2017 per as they represented in the
14 schedule they published to the Counter-claimants on January 27, 2017.

15 732. At all relevant times, the Counter-defendants and each of them
16 fraudulently concealed their intent circumvent the FULL COLOR KINGFISHER RGS
17 integration and wrongfully exploit the FCGI's relationship with the Bastian Casino
18 Gaming Enterprise in order to exploit and monetize their own and third party games
19 without completing the integration for FCGI and its affiliates.

20 733. Had Mahon, FCGI, and its affiliates known of Spin's true intent as set
21 forth above, they not have entered into the contract or maintained their contract and
22 would not have any moneys to Spin for the work Spin had fraudulently represented it
23 would complete.

24 734. As a result of concealing the materially false and misleading
25 information, the Counter-claimants entered into the Proposal v1.4 contract, caused them
26 to be paid cash payments at different times, and introduced them to their confidential
27 relationships with Bastian and the Bastian Casino Gaming Enterprise.

1 735. As a result of Spin's, Young's, and Mishra's fraudulent concealment,
2 FCGI has been damaged in an amount in excess \$15,000.00 to be proven at trial.

3 736. The actions of Spin, Young, and Mishra alleged herein were malicious,
4 oppressive or fraudulent and warrant an award of punitive damages.

5 737. As a direct result of all of the foregoing, FCGI has been required to
6 retain the services of an attorney to prosecute this action and has thereby been damaged.
7 Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs incurred in
8 this action.

9
10 **TWENTY-SIXTH CLAIM FOR RELIEF**

11 **(Breach of Fiduciary Duty)**

12 **(As to Munger, Linham, and Newman)**

13 738. FCGI repeats, re-alleges and incorporates by reference the allegations set
14 forth in paragraphs herein with specificity and particularity as though set forth fully
15 herein.

16 739. At all times relevant herein, Munger, Linham, and Newman served as
17 officers of FCGI and some other related affiliated companies until they resigned and/or
18 were removed in or about April or May, 2017, and owe fiduciary duties to FCGI in their
19 capacity as officers.

20 740. By committing the acts alleged herein, including usurping corporate or
21 business opportunities, putting their own work and business interests ahead of the
22 interests of FCGI, interfering with FCGI's contractual relationships, money laundering,
23 wire and mail fraud, and other activities, Munger and Linham have breached their
24 fiduciary duties to FCGI.

25 741. As a result of Munger's and Linham's breach of their fiduciary duties,
26 FCGI has been damaged in an amount in excess \$15,000.00 to be proven at trial.
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1 742. The actions of Munger and Linham as alleged herein were malicious,
2 oppressive or fraudulent and warrant the award of punitive damages.

3 743. As a direct result of all of the foregoing, FCGI has been required to
4 retain the services of an attorney to prosecute this action and has thereby been damaged.
5 Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs incurred in
6 this action.

7
8 **PRAYER FOR RELIEF**

9 WHEREFORE, the FCGI respectfully demands that judgment be entered in its
10 favor and against Counter-Defendants and Third-Party Defendants as follows:

- 11 1. For a declaration that the Counter-Defendants either were never
12 shareholders of FCGI or are no longer shareholders of FCGI.
- 13 2. For compensatory damages in an amount in excess of \$15,000 to be
14 determined at trial on each breach of contract claim;
- 15 3. For general, special, and compensatory damages in excess of \$15,000 to
16 be determined at trial, jointly and severally, against each Counter-
17 Defendant and Third-Party Defendant on all tort claims.
- 18 4. For general, special, and compensatory damages in excess of \$15,000 to
19 be determined at trial, jointly and severally, against each Counter-
20 Defendant and Third-Party Defendant found liable for each Federal RICO
21 claim and Nevada RICO claim.
- 22 5. For exemplary and punitive damages in an amount to be determined at
23 trial on all applicable claims;
- 24 6. For treble damages on all applicable claims.
- 25 7. Preliminary and Permanent Injunctive Relief enjoining Munger, Bastian
26 and Spin from continuing to possess and utilize confidential information
27 disclosed to them under their respective agreements and from competing
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1 or interfering with Mahon, FCG LLC, FCGI, IPH, or any other affiliated
2 entities business interests in the use and commercialization of the Full
3 Color IP.

4 8. Disgorgement of profits against Munger, Bastian, and Spin for violations
5 of their respective agreements.

6 9. For reasonable attorneys' fees; and

7 10. For such other and further relief as the Court may deem just and proper.

8 DATED this 4th day of February, 2019.

9 HUTCHISON & STEFFEN, PLLC

10 /s/ Todd W. Prall

11 Mark A. Hutchison (4639)

12 Todd W. Prall (9154)

13 *Attorneys for Defendant/Counterclaimant*
14 *Full Color Games, Inc.*

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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Hutchison & Steffen, PLLC and that on this 4th day February, 2019, I caused the above and foregoing document entitled **DEFENDANT FULL COLOR GAMES, INC.’S AMENDED ANSWER, COUNTERCLAIMS, AND THIRD-PARTY COMPLAINT** to be served as follows:

- ☐ by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Las Vegas, Nevada; and/or
- ☐ to be served via facsimile; and/or
- ☒ pursuant to EDCR 8.05(a) and 8.05(f), to be electronically served through the Eighth Judicial District Court’s electronic filing system, with the date and time of the electronic service substituted for the date and place of deposit in the mail; and/or
- ☐ to be hand-delivered;

to the attorneys and/or parties listed below at the address and/or facsimile number indicated below:

Joseph A. Gutierrez
Stephen G. Clough
Maier Gutierrez & Associates
8816 Spanish Ridge Avenue
Las Vegas, NV 89148

Attorneys for Plaintiffs

/s/ Madelyn B. Carnate-Peralta
An employee of Hutchison & Steffen, PLLC