

RICHARD NEWMAN, ESQ.
Nevada Bar No. 9943
NEWMAN LAW, LLC
7435 S. Eastern Ave., Suite 105-431
Las Vegas, Nevada 89123
Telephone: 917.543.2166
E-mail: rich@newmanlawlv.com

Electronically Filed
Jan 27 2020 09:38 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

*Attorneys for Third-Party Defendants/Appellants
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)

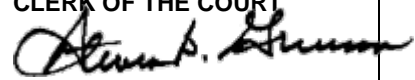
MASTER CHRONOLOGICAL INDEX

Exh No.	Description	Date	Vol. No.	Page/Bates No.
1	Verified Shareholder Derivative Complaint and Complaint	August 11, 2017	AA1	1
2	Defendant Full Color Games, Inc.'s Amended Answer, Counterclaims, And Third-Party Complaint	February 4, 2019	AA1	35
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
4	Third-Party Plaintiff's Opposition to Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. 41.650, <i>et seq.</i>	March 28, 2019	AA2	303
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
6	Order On Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. 41.650, <i>et seq.</i>	July 10, 2019	AA2	443
7	Notice of Appeal	August 8, 2019	AA2	448

MASTER ALPHABETICAL INDEX

Exh No.	Description	Date	Vol. No.	Page/Bates No.
2	Defendant Full Color Games, Inc.'s Amended Answer, Counterclaims, And Third-Party Complaint	February 4, 2019	AA1	35
7	Notice of Appeal	August 8, 2019	AA2	448
6	Order On Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. 41.650, <i>et seq.</i>	July 10, 2019	AA2	443
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
4	Third-Party Plaintiff's Opposition to Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. 41.650, <i>et seq.</i>	March 28, 2019	AA2	303
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 2 (AA2)



RICHARD NEWMAN, ESQ.
Nevada Bar No. 9943
NEWMAN LAW, LLC
7435 S. Eastern Ave., Suite105-431
Las Vegas, Nevada 89123
Telephone: 917.543.2166
E-mail: rich@newmanlawlv.com

*Attorneys for Third-Party Defendants.
Richard Newman; Newman Law, LLC;
and Cooper Blackstone, LLC*

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; G. BRADFORD SOLSO, an
individual; DAVID ECKLES, an individual;
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,

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,

Case No.: A-17-759862-B
Dept. No.: XIII

**THIRD-PARTY DEFENDANTS' SPECIAL
MOTION TO DISMISS ACTION
PRUSUSANT TO NEV. REV. STAT. ANN.
§ 41.650, et seq.**

Hearing Date:
Hearing Time:

1	Defendants.
2	
3	DAVID MAHON, an individual; GLEN
4	HOWARD, an individual; INTELLECTUAL
5	PROPERTY HOLDINGS, LLC, a Nevada
6	limited liability company; INTELLECTUAL
7	PROPERTY HOLDINGS, LTD, an Isle of Man
8	corporation; FULL COLOR GAMES, LLC; a
9	Nevada limited liability company; FULL
10	COLOR GAMES LTD., an Isle of Man
11	corporation; FULL COLOR GAMES N.A., INC.
12	a Nevada corporation; FULL COLOR GAMES
13	GROUP, INC., a Nevada corporation; JACKPOT
14	PRODUCTIONS, LLC, a Nevada limited
15	liability company; FULL COLOR GAMES,
16	INC.,
17	
18	Counter-claimants,
19	
20	vs.
21	
22	MARK MUNGER, an individual; DOES I
23	through V; and ROE CORPORATIONS I
24	through V,
25	
26	Counter-defendants.
27	
28	FULL COLOR GAMES, INC., a Nevada
29	corporation,
30	
31	Counter-claimant,
32	
33	vs.
34	
35	MARK MUNGER, an individual; DAVID'S
36	HARD WORK TRUST LTD. 3/26/2012, a
37	California Trust; MOORE FAMILY TRUST, a
38	California Trust; G. BRADFORD SOLSO, an
39	individual; DAVID ECKLES, an individual;
40	JEFFREY CASTALDO; an individual; MARA
41	H. BRAZER, as Trustee for the MARA H.
42	BRAZER TRUST UTA 2/12/2004; a California
43	Trust:
44	
45	Counter-defendants
46	
47	FULL COLOR GAMES, INC., a Nevada
48	corporation,
49	
50	Third-Party Claimant,
51	
52	vs.
53	
54	SEBASTION J. BASTIAN, an individual; DIRK
55	SIMMONS; an individual; MARTIN LINHAM;

an individual; PLAYTECH SYSTEMS LTD, a Bahamian limited company; ISANDLUCK.COM, a Bahamian subsidiary of PLAYTECH; DAVINCI TRADING GROUP, a Cayman Islands limited liability company; DAVINCI HOLDINGS LTD, an Isle of Man limited liability company; ILG SOFTWARE LTD, an Isle of Man limited liability company; VALCROS, LLC, a Nevada limited liability company; G. BRADFORD SOLSO, an individual; DAVID ECKLES, an individual; JEFFREY CASTALDO; an individual; MARA H. BRAZER, an individual; TERESA MOORE, an individual; LARRY MOORE, an individual; B.L. MOORE CONSTRUCTION INC., a California corporation; BRIAN MARCUS, an 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,

Third-Party Defendants.

COMES NOW, Third-Party Defendants, RICHARD NEWMAN, NEWMAN LAW, LLC AND COOPER BLACKSTONE, LLC (collectively referred to as “Defendants”), by and through their attorneys of record, the law firm Newman Law, LLC, hereby move this Court for an order striking and dismissing with prejudice the following claims of Third-Party Claimant, FULL COLOR GAMES, INC., (“FCGI” or “Plaintiff”) pursuant to Nevada’s Anti-SLAPP Statute, codified at *Nev. Rev. Stat. Ann. § 41.650*: (1) Racketeering under 18 USC 1962(b); (2) Extortion under 18 USC 1962(b); (3) Embezzlement and Wire Fraud Racketeering under NRS 207.400; (4) Breach of Fiduciary Duty; (5) Declaratory Relief; and (6) Punitive Damages, as set forth in Plaintiffs Amended Counterclaims And Third-Party Complaint dated February 4, 2019 (the “Third-Party Complaint”).

This Motion is made on the ground that FCGI’s Third-Party Complaint brought in the existing litigation involving shareholders of FCGI suing its CEO, David Mahon, among others, is a “strategic

lawsuit against public participation” or “SLAPP” and, consequently, must be dismissed because FCGI cannot demonstrate a reasonable probability of prevailing on its claims against any of the Defendants.

PLEASE TAKE FURTHER NOTICE that Defendants will be entitled to recover the reasonable attorneys’ fees and costs incurred herein pursuant to *Nev. Rev. Stat. Ann. § 41.670* should the court grant this Motion.

The Motion is based on this Notice of Motion, the Memorandum of Points and Authorities, supporting exhibits, the pleadings and records on file herein, and upon such other oral and documentary evidence as may be presented to the court at the hearing on this motion.

DATED this 13th day of March, 2019.

Respectfully submitted,

NEWMAN LAW LLC



RICHARD NEWMAN, ESQ.
Nevada Bar No. 9943
7435 S. Eastern Ave., Suite 105-431
Las Vegas, Nevada 89123
*Attorneys for Third-Party Defendants
Richard Newman; Newman Law, LLC; and
Cooper Blackstone, LLC*

1 **NOTICE OF MOTION**

2 TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

3 PLEASE TAKE NOTICE that the undersigned will bring the foregoing **THIRD-PARTY**
4 **DEFENDANTS' SPECIAL MOTION TO DISMISS ACTION PRUSUSANT TO NEV. REV.**
5 **STAT. ANN. § 41.650, et seq.** on for hearing on the _____ day of _____,
6 2019, at the hour of _____ .m., or as soon thereafter as counsel may be heard in Department
7 XIII in the above referenced Court.

8 DATED this 13th day of March, 2019.

9 Respectfully submitted,

10 **NEWMAN LAW LLC**

11 

12

RICHARD NEWMAN, ESQ.
13 Nevada Bar No. 9943
14 7435 S. Eastern Ave., Suite105-431
15 Las Vegas, Nevada 89123
16 *Attorneys for Third-Party Defendants*
Richard Newman; Newman Law, LLC; and
Cooper Blackstone, LLC

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

FCGI has brought the instant lawsuit against Richard Newman, his solely owned entity, Newman Law, LLC, which he operates as a law firm in Nevada, and Cooper Blackstone, LLC, a Nevada limited liability company formed by Richard Newman to hold shares in FCGI which were issued to him as a minority partner in the company (“Defendants”), alleging numerous federal and state-law claims for racketeering and extortion predicated directly upon Defendant Richard Newman’s communications comprising: (i) a prelitigation demand sent to FCGI’s CEO David Mahon, which was contemplated in good faith and under serious consideration of litigation, to seek redress from FCGI, David Mahon and/or Full Color Games, Limited, an Isle of Man company, for damages resulting from a breach of contract, among other things; and (ii) a response to a request for information received from the United Kingdom Gaming Commission, an executive non-departmental agency of the Government of the United Kingdom responsible for regulated gambling and supervising gaming law in Great Britain (the “UKGC”) as part of the UKGC’s processing of an application for licensure submitted on behalf of Full Color Games Limited.

Plaintiff now alleges to the Court in its Third-Party Complaint that these communications constitute extortion and racketeering by Defendants. In response, Defendants contend these communications are clearly privileged communications, and further that Plaintiffs have named Newman Law, LLC and Cooper Blackstone, LLC, despite neither entity having any nexus to any of the aforementioned communications upon which the allegations of extortion and racketeering are based. Thus, Defendants move this Court for an order striking and dismissing with prejudice each of Plaintiff’s claims against Defendants pursuant to *Nevada’s* Anti-SLAPP Statute, codified at *Nev. Rev. Stat. Ann. § 41.650, et seq.*

II. STATEMENT OF FACTS

Background

Defendant Richard Newman partnered with David Mahon in 2010 on a business venture intended to commercialize various live wagering games at regulated casinos which relied on non-standard playing cards and table layouts. It became clear that there was little interest in placing the games in casino pits so the focus of the business venture shifted to creating online social games. Defendant Richard Newman

1 continued to work with Mahon as a minority partner handling various business and legal matters along
2 with another attorney partner.

3 Mahon had many quirks. He was often overly intense and egotistical. He tended to go on long
4 rants and make wild claims in business meetings to try to impress. Perhaps most troubling about Mahon's
5 "quirks" was his demonstrated penchant for creating and escalating crises and conflicts with almost
6 everyone around him. By mid-2016, Mahon seemed to be regularly damaging important business
7 relationships beyond repair. His behavior was also becoming increasingly bizarre and hostile. Meetings
8 and calls were made and Mahon would not participate or participate to derail the meeting by making
9 exaggerated accusations and going on long rants. Mahon had become so paranoid that he installed hidden
10 cameras in the office and would spy on people in the office from his home. He would set meetings, not
11 show up and instead spy on the attendees at the meeting who were all wondering where he was. Almost
12 everyone who worked with Mahon were having similar experiences and difficulties dealing with Mahon.
13 The situation with Mahon was further frustrated by the fact that Mahon was at all times the sole officer of
14 FCGI, sole decision maker for FCGI, and had sole unchecked access and control over all company funds.

15 As a result Defendant Richard Newman had developed serious concerns about Mahon. Mahon
16 somewhat eased these concerns by promising that he would step down as CEO when a planned, large
17 round of funding was completed. Thus, a substantial effort went into developing the requisite investment
18 documents and seeking out potential investors. However, while these efforts continued Defendant Richard
19 Newman kept discovering issues involving Mahon which were of increasingly greater concern. In July
20 and August of 2016 Richard Newman discovered certain issues that he believed represented major
21 violations of corporate governance and issues with regard to Mahon's use of company funds. Richard
22 Newman brought these issues directly to Mahon, which set into motion a series of events that sent Mahon
23 into a panic and attack mode. While Richard Newman was away on a planned vacation, Mahon acted to
24 wrongly terminate and oust Richard Newman from the business that he helped Mahon to build.

25 Almost one year before, in December 2015, Mahon asked Richard Newman to become even
26 more heavily involved in company operations. The focus of the business was changing once again to
27 pursue lawful online gaming outside of the United States. Richard Newman agreed, provided that he
28 would be compensated for the expected loss of income that he would suffer due to additional time

1 being spent working with Mahon on advancing the business outside of the United States. Richard
2 Newman and Mahon agreed that the compensation would \$10,000 per month, which then became the
3 basis and consideration for Richard Newman agreeing to become a director and Chief Legal Officer
4 for Full Color Games, Limited, which was formed pursuant to the laws of the Isle of Man. As shown
5 by the Employment Agreement of January 21, 2016 included as Exhibit 1, compensation terms of
6 £160,000 were agreed upon. In reliance on the Employment Agreement, Richard Newman became
7 and served as a director of Full Color Games, Limited, performing services including *inter alia*
8 attending trade shows, meetings and involvement in almost all, if not all, business and legal matters
9 on behalf of Full Color Games, Limited. Richard Newman was also involved in business pitches and
10 supported funding efforts during which time he was presented to others as the Chief Legal Officer of
11 Full Color Games, Limited. See Exhibit 2 for examples, including David Mahon's email of February
12 24, 2106 identifying Richard Newman as a Director and "CLO", and the first five pages of the thirty-
13 three page Full Color Games Limited Employee Handbook dated March 2016 identifying Richard
14 Newman as Director and Chief Legal Officer on Page 2 thereof.

15 It is important to note that there is substantial other evidence, such as business cards, pitch
16 decks and presentations and email correspondence, which support Richard Newman's claims to
17 fulfilling his obligations as Chief Legal Officer as set forth in the Employment Agreement. Some of
18 these may be confidential and have been withheld but the majority of such correspondence and files
19 were maintained on a company drive or sent to the email address of rich@fullcolorgames.com which
20 was made inaccessible to Richard Newman upon his wrongful ouster.

21 Returning to August of 2016, Richard Newman had been damaged as a result of his sudden
22 ouster. Furthermore, Richard Newman had not been paid as agreed in the Employment Agreement. Based
23 thereon, Richard Newman sent on August 27, 2016 a prelitigation demand letter by email regarding
24 the contractual dispute and failure to pay as agreed pursuant to the Employment Agreement. The
25 demand letter was sent with the good faith belief in the claims for redress presented. The demand
26 included a demand for payment due to the breach of contract, a proposed settlement agreement that
27 included a mutual release and waiver, and in contemplation of a potential suit, set a deadline for
28 response so that Richard Newman could quickly decide on the next steps, with all rights and remedies

1 being reserved in case litigation became necessary. A copy of the email is provided herein as Exhibit
2 3.

3 Unbeknownst to Richard Newman, David Mahon purposely never countersigned the
4 Employment Agreement. Despite Richard Newman having served as a Director and Chief Legal
5 Officer of Full Color Games, Limited for many months in reliance on the Employment Agreement,
6 Mahon now pretended that there was no Employment Agreement and therefore no obligation to pay
7 pursuant to the Agreement. Eventually Mahon indicated a desire to reach a settlement, though Mahon
8 continues to argue that no Employment Agreement exists, see ¶343 of the Third Party Complaint for
9 example.

10 The parties subsequently agreed on terms to settle the dispute which included a mutual release
11 and waiver, payment of \$50,000 to Richard Newman, and a release of all shares of FCGI held by
12 Richard Newman's holding company and fellow Defendant, Cooper Blackstone, LLC. While Richard
13 Newman was serious and diligent in resolving the matter, it soon became evident that Mahon was
14 delaying settlement, not being forthright or proceeding towards settlement in good faith. In Mahon's
15 email dated March 19 2017, Mahon indicates that the "original terms and the \$50k [payment to be
16 made to Richard Newman] had been agreed to..." Mahon also then included a threat by stating that
17 "If you do not wish to keep moving forward based on the original docs and terms... then you should
18 let me know now and then Thompson & Coburn, LLP out of LA who is handling the matter will move
19 forward." See Exhibit 4.

20 Despite Mahon indicating the settlement terms had been agreed upon, the dispute between the
21 parties were never resolved or settled. Richard Newman subsequently discovered that David Mahon
22 was indeed stalling and not being forthright. Mahon was not attempting to settle the dispute in good
23 faith but rather Mahon was instead using the existence of the dispute as pretext to demand more money
24 from shareholders and investors when there should have been sufficient company funds available.
25 However, in June of 2017 Richard Newman was notified that FCGI was being dissolved.

26 Response to the UKGC

27 Mahon became paranoid that Richard Newman would disclose the issues he discovered to the
28 UKGC, and upon information and belief, contrived a completely fictional scenario that involved

1 Richard Newman having told the UKGC something that caused a delay in the processing of Full Color
2 Games Limited application for licensure. While the UKGC did contact Richard Newman and
3 requested information, any information provided by Richard Newman in response to the UKGC
4 request would be either privileged and/or protected communication. Despite the nature of this
5 communication being protected, Mahon now uses the alleged communication between Richard
6 Newman and the UKGC as support for his claims of extortion and racketeering against the
7 Defendants, as set forth in ¶349 of the Third Party Complaint. For example, Mahon claims that the
8 UKGC was requiring a settlement with Richard Newman involving the repurchase of shares from
9 Cooper Blackstone, LLC, and that Full Color Games Limited could not be licensed without such a
10 settlement. However, on information and belief the UKGC made no such demand for a settlement
11 involving the repurchase of shares, and Mahon cannot provide any evidentiary support for this
12 allegation. On information and belief the application was rejected on other grounds that are
13 completely unrelated to any communication Richard Newman had with the UKGC.

14 Background for this Motion

15 Defendants note that at least some of the issues detailed in the above background - that is,
16 whether or not there was a breach of an Employment Agreement for example - are not the primary
17 issues presented for consideration by this Motion. However, the background does demonstrate the
18 origins, good faith basis and legitimacy of Richard Newman's claims to damages, and the demand
19 having been made and contemplated in good faith with serious consideration of pursuing litigation. The
20 background also demonstrates probable cause for Richard Newman to pursue redress through such
21 prelitigation communication with Mahon.

22 Significantly, each of FCGI's causes of action are predicated directly upon prelitigation
23 communications made to settle a legitimate dispute and protected communication made in response
24 to the UKGC request. While FCGI makes repeated references to Richard Newman's communications
25 as constituting "extortion," and "racketeering", this inflammatory characterization is conclusively
26 negated by the fact that there are no communications that threaten a crime, but rather, only provide
27 notice of the dispute and attempts at settlement. For example, in ¶588 of Plaintiff's Third-Party
28 Complaint, with regard to Defendants, Plaintiff alleges as its Tenth Claim For Relief that the Newman

1 Group engaged in an ongoing scheme of extortion... to the point it caused FCGLTD, IPHLTD and
2 FCGI to go out of business as a result of his racketeering when Mahon, FCGI and its affiliates would
3 not give in to the Newman Group's ransom demands to receive their FCGI shares back with free and
4 clear title, all of which constitutes the racketeering activity..." .

5 Under the circumstances, as a Director under contract for the affiliated entity Full Color
6 Games, Limited, a shareholder in Plaintiff FCGI second only in shares to David Mahon, Defendant
7 Richard Newman clearly had probable cause to send a prelitigation demand letter to David Mahon,
8 Plaintiff FCGI and its affiliates. Now that David Mahon is being sued by shareholders for his fraud
9 and abuses, he hides behind FCGI in bringing these meritless claims of racketeering and extortion as
10 an *in terrorem* litigation tactic against Defendants, despite Richard Newman's communications being
11 privileged and/or protected, and Newman Law, LLC and Cooper Blackstone, LLC having no nexus
12 to the communications the Plaintiff's extortion and racketeering claims are predicated on.

13 Defendant Richard Newman's prelitigation demand letter, follow up communications and
14 communication in response to the UKGC request, form the sole basis for the claims in the Third Party
15 Complaint. Mahon has no other basis for what he perceived as "an ongoing scheme of extortion"
16 other than the demand letter Richard Newman sent to settle a dispute in good faith in serious
17 contemplation of litigation. If there is evidentiary support for his wild claims of extortion and
18 racketeering that he's asserted against Defendants, then the Court should make Mahon show it, rather
19 than force plaintiffs to suffer through this litigation for meritless claims.

20 FCGI's action is a paradigm SLAPP suit ("strategic lawsuit against public participation") –
21 tailor made for the Nevada anti-SLAPP statute – and must be stricken as a matter of law. Although
22 procedural in nature, the Ninth Circuit has concluded that an Anti-SLAPP motion may be brought in
23 Federal Court. *See Hilton v. Hallmark Cards*, 580 F.3d 874, 880 n.2 (9th Cir., 2009) ("we have long
24 held that the anti-SLAPP statute applies to state law claims that federal courts hear pursuant to their
25 diversity jurisdiction.").

26 In deciding the instant motion, it is important that the Court keep the procedural ground rules
27 of the anti-SLAPP statute in mind. Put simply, when a claim is shown to be based on protected
28 petitioning activity, the statute freezes the complaint and requires that the Court test it *both*: (1) in

1 terms of legal sufficiency, and (2) in terms of evidentiary support. If the complaint fails in either
2 manner, the Court must grant the motion and dismiss the challenged claims. Significantly, under the
3 statute, the plaintiff has the burden of bringing forward sufficient admissible evidence to establish a
4 probability of prevailing. If a claim is legally deficient (subject to a complete defense) or without
5 evidentiary support, it must be stricken.

6 Here, as set forth in detail below, all of FCGI's claims against Defendants are based on
7 Defendant Richard Newman's attempt to resolve a dispute by sending a prelitigation demand letter in
8 good faith and protected communication with UKGC, all of which is protected activity that, under
9 applicable precedent, triggers the anti-SLAPP statute. Accordingly, the burden shifts to FCGI to
10 establish a probability of success on all of its claims for all Defendants. FCGI cannot meet this burden,
11 however, as each of FCGI's claims are barred by the litigation privilege or otherwise defective. Thus,
12 FCGI's instant action is completely without merit and must be dismissed.

13 14 **III. STATEMENT OF THE LAW REGARDING THE SPECIAL MOTION TO STRIKE** 15 **UNDER NRS 41.635 et seq**

16 Pursuant to *Nevada's* Anti-SLAPP Statute "[a] person who engages in a good faith
17 communication in furtherance of the right to petition is immune from civil liability for claims based
18 upon the communication." *See Nev. Rev. Stat. Ann. § 41.650.*

19 First, the defendant must show, by a preponderance of evidence, that the plaintiff's claim "is
20 based upon a good faith communication in furtherance of the right to petition or the right to free speech
21 in direct connection with an issue of public concern" *Nev. Rev. Stat. Ann. § 41.660(3)(a)*. A "good
22 faith communication in furtherance of the right to petition or the right to free speech in direct
23 connection with an issue of public concern means any:

- 24 1. Communication that is aimed at procuring any governmental or electoral action,
25 result or outcome;
- 26 2. Communication of information or a complaint to a Legislator, officer or employee of
27 the Federal Government, this state or a political subdivision of this state, regarding a matter
28 reasonably of concern to the respective governmental entity;

1 3. Written or oral statement made in direct connection with an issue under consideration
2 by a legislative, executive or judicial body, or any other official proceeding authorized by
3 law; or

4 4. Communication made in direct connection with an issue of public interest in a place
5 open to the public or in a public forum, which is truthful or is made without knowledge of its
6 falsehood.”

7 *See Nev. Rev. Stat. Ann. § 41.637.*

8 Second, if defendant meets its burden on the first prong, the burden then shifts to plaintiff,
9 who must make a sufficient evidentiary showing that he has a probability of prevailing on his claim.
10 NRS 41.660(3)(b).

11 A court should treat a special motion to dismiss under NRS 41.660 as a motion for summary
12 judgment. *See Stubbs v. Strickland*, 297 P.3d 326, 329 (2013 Nev.) If the court grants the special
13 motion to dismiss, the defendant is entitled to an award of reasonable costs and attorneys’ fees, as
14 well as an award of up to \$10,000.00. NRS 41.670(1)(a)-(b).

15 Due to a relative lack of case law applying Nevada’s Anti-SLAPP statute, Nevada courts have
16 recognized that it is instructive to look to case law applying California’s Anti-SLAPP statute, Cal.
17 Code Civ. Proc. § 425.16, which shares many similarities with Nevada’s law. *See John v. Douglas*
18 *Cnty. Sch. Dist.*, 125 Nev. 746, 756 (2009) (stating that “we consider California caselaw because
19 California’s anti-SLAPP statute is similar in purpose and language to Nevada’s anti-SLAPP statute”).¹
20 Based thereon, this Court may look to California decisional authority as a guide to identifying the
21 Statute’s objectives, as well as the standards relating to the Statute’s application and operation.²

22
23
24 ¹ The Nevada Legislature specifically provides for California Anti-SLAPP jurisprudence to serve as the basis for
25 interpreting Nevada’s Anti-SLAPP law: *When a plaintiff must demonstrate a probability of success of prevailing on a*
26 *claim pursuant to NRS 41.660, the Legislature intends that in determining whether the plaintiff “has demonstrated with*
27 *prima facie evidence a probability of prevailing on the claim” the plaintiff must meet the same burden of proof that a*
28 *plaintiff has been required to meet pursuant to California’s anti-Strategic Lawsuits Against Public Participation law as*
29 *of the effective date of this act.*

30 ² This is consistent with the recent directive of the Ninth Circuit, which concluded that “[w]here Nevada law is lacking,
31 its courts have looked to the law of other jurisdictions, particularly California, for guidance.” *See Crockett & Myers v.*
32 *Napier*, 583 F.3d 1232, 1237 (9th Cir., 2009). In *Crockett*, the court relied on California authority regarding the scope of
33 the litigation privilege – the very defense which Defendant asserts in this action.

A. Objectives of Nevada's Anti-SLAPP Statute

“A SLAPP lawsuit is characterized as ‘a meritless suit filed primarily to chill the defendant's exercise of First Amendment rights.’” *See John*, 219 P.3d at 1280 (citing *Dickens v. Provident Life and Acc. Ins. Co.*, 117 Cal. App. 4th 705, 713 (2004)). SLAPP suits are brought to chill various forms of protected First Amendment petitioning activity, including activities associated with the filing of a lawsuit. *See Mattel, Inc. v. Luce, Forward, Hamilton & Scripps*, 99 Cal. App. 4th 1179, 1188 (2002) (“It is well established that filing a lawsuit is an exercise of a party's constitutional right of petition.”); *CKE Restaurants, Inc. v. Moore*, 159 Cal. App. 4th 262, 269, 271 (2008) (holding that “[i]t is established that the filing of Proposition 65 intent-to-sue notices is a protected activity.”).

Thus, the objective of the Anti-SLAPP statute is to “eliminate meritless litigation at an early stage” [*Bradbury v. Superior Court*, 49 Cal. App. 4th 1108, 1113 (1996)], and accomplishes this goal by “provid[ing] an economical and expeditious remedy to SLAPP suits.” *See Church of Scientology v. Wollersheim*, 42 Cal. App. 4th 628, 647 (1996). The statute achieves its objective by “creat[ing] a procedural mechanism to prevent wasteful and abusive litigation by requiring the [SLAPP] plaintiff to make an initial showing of merit” prior to being permitted to proceed with discovery. *See John*, 219 P.3d at 1284; Nev. Rev. Stat. Ann. § 41.660(3). Moreover, the statute seeks to make the SLAPP defendant whole by including a mandatory fee provision. *See Nev. Rev. Stat. Ann. § 41.670* (“If the court grants a special motion to dismiss filed pursuant to NRS 41.660 ... [t]he court shall award reasonable costs and attorney's fees to the person against whom the action was brought...”). The award of attorney fees is a material component of the statute, as it reinforces the Anti-SLAPP's statute's deterrent effect. *See Ketchum v. Moses*, 24 Cal. 4th 1122, 1131 (Cal. 2001) (holding that “any SLAPP defendant who brings a successful motion to strike is entitled to mandatory attorney fees” as “[t]he fee-shifting provision was apparently intended to discourage such strategic lawsuits against public participation”).

Application of the statute entails a two-step process. First, “[t]he burden of production is initially on the defendant who must demonstrate the applicability of the statute.” *See John*, 219 P.3d at 1284 (“the moving party must first make a threshold showing that the lawsuit is based on ‘good faith communication[s made] in furtherance of the right to petition’ the government.”). “Once he meets his

1 initial burden, the burden shifts to the plaintiff who must show that his claim has merit.” *See John*,
2 219 P.3d at 1284; *Navellier*, 29 Cal. 4th at 88. “[A] cause of action that satisfies *both* prongs of the
3 anti-SLAPP statute – i.e., that arises from protected speech or petitioning *and* lacks even minimal
4 merit – is a SLAPP, subject to being stricken under the statute.” *See Navellier*, 29 Cal. 4th at 89
5 (*emphasis in original*).

6 Here, each of FCGI’s claims against Defendants are predicated directly upon Defendant
7 Richard Newman’s communication of prelitigation demands and communication with the UKGC, a
8 governmental agency in response to the UKGC request for information – both are acknowledged
9 protected petitioning activity or otherwise within the scope of NRS 41.637 that triggers the first prong
10 of the Anti-SLAPP statute. *See Navellier at 90* (“The constitutional right of petition [protected by
11 the anti-SLAPP statute] encompasses “ ‘the basic act of filing litigation’ ” ’ ”); *Rusheen v. Cohen*
12 (2006) 37 Cal.4th 1048, 1056 (“the filing . . . and prosecution of a civil action” is included as “any
13 written or oral statement or writing made before a . . . judicial proceeding.”)

14 FCGI cannot establish a probability of prevailing on any of its causes of action – its burden
15 under the second prong – as Richard Newman’s communications which Plaintiff bases its claims
16 consist of prelitigation communication contemplated in good faith and under serious consideration of
17 litigation and communication with the UKGC pursuant to a UKGC request, all of which is afforded
18 absolute immunity under the litigation privilege and First amendment rights, and there was no
19 communication on these issues made by or on behalf of the other Defendants Newman Law, LLC and
20 Cooper Blackstone, LLC. Therefore, all of FCGI’s claims must be stricken.

21 **IV. FCGI’S ACTION IS PREDICATED UPON ABSOLUTELY PRIVILEGED**
22 **PRELITIGATION ACTIVITY, AND THEREON, MUST BE DISMISSED**
23 **PURSUANT TO NEVADA’S ANTI-SLAPP STATUTE**

24 **A. FCGI’s Claims Arise Directly From Constitutionally Protected Petitioning Activity**
25 **Engaged in by Defendant Richard Newman in Good Faith, And Therefore, Triggers**
26 **The First Prong Of The Anti-SLAPP Statute**

27 Plaintiff FCGI’s instant lawsuit is based directly on a communication by Richard Newman of
28 prelitigation demands contemplated in good faith and under serious consideration of litigation sent to

1 David Mahon, the CEO of FCGI. As demonstrated below, it is well established that a lawsuit
2 predicated upon a prelitigation demand letter triggers the first prong of the Anti-SLAPP statute.
3 Defendants clearly meet the requisite threshold of “good faith” necessary to satisfy the first prong of
4 the SLAPP statute by virtue of the fact Defendant Richard Newman possessed probable cause to
5 pursue the breach of contract and other legal claims on which the communication with Plaintiff was
6 based. Based thereon, Defendants establish the requisite showing necessary to shift the burden to
7 Plaintiff to prove that each of its claims (all of which are predicated directly upon Defendant Richard
8 Newman’s communications) have merit.

9 i. **FCGI’s Claims Arise Directly From Defendant Richard Newman’s**
10 **Protected Petitioning Activity**

11 With regard to the first element, the court must “decide[] whether the defendant has made a
12 threshold showing that the challenged cause of action is one arising from protected activity.” *See*
13 *Navellier v. Sletten*, 29 Cal. 4th 82, 88 (2002); *John*, 219 P.3d at 1282 (“Nevada’s anti-SLAPP statute
14 filters unmeritorious claims in an effort to protect citizens from costly retaliatory lawsuits *arising from*
15 *their right to free speech under both the Nevada and Federal Constitutions.*”). “A defendant meets
16 this burden by demonstrating that the act underlying the plaintiff’s cause fits one of the categories
17 spelled out in [the Anti-SLAPP Statute].” *See Navellier*, 29 Cal. 4th at 88. In making its evaluation,
18 the court must be mindful that “[t]he anti-SLAPP statute’s definitional focus is not the form of the
19 [SLAPP] plaintiff’s cause of action but, rather, the defendant’s activity that gives rise to his or her
20 asserted liability – and whether that activity constitutes protected speech or petitioning.” *See id.*, at
21 92. *See also, Blanchard v. DIRECTV, Inc.*, 123 Cal. App. 4th 903, 918 (2004) (“plaintiffs cannot
22 successfully argue that their complaint does not arise from DIRECTV’s constitutionally protected
23 right to petition for redress of grievances” as “[t]he entire lawsuit is premised on DIRECTV’s demand
24 letter, sent in advance of, or to avoid, litigation to vindicate its right not to have its programming
25 pirated.”).

26 Here, as discussed in detail above, each of FCGI’s claims are predicated directly upon the
27 prelitigation demand communications sent by Defendant Richard Newman or communication with
28 UKGC made pursuant to a request for information by the UKGC.

1 Communications sent in good faith to resolve a legitimate dispute comes within the scope of
2 *Nevada Revised Statute § 41.637(3)* – a provision which is materially identical *California Code Civil*
3 *Procedure § 425.16(e)(2)*.³

4 Thus, based on the forgoing, each of FCGI’s causes of action are predicated directly on well-
5 established protected petitioning activity that comes within the ambit of NRS Section 41.637. As such,
6 Defendants are entitled to avail themselves the protections afforded by Nevada Anti-SLAPP statute.

7
8 **ii. Defendants’ Protected Prelitigation Notice Was Substantiated by**
9 **Probable Cause**

10 In addition to the forgoing, a defendant also bears the burden of establishing that the
11 communication was made in “good faith.” A defendant establishes this burden by demonstrating that
12 the communication “is truthful or is made without knowledge of its falsehood.” *See Nev. Rev. Stat.*
13 *Ann. § 41.637*. A defendant’s burden necessarily entails establishing only one of the two alternatives,
14 as it is well settled that “the use of disjunctive in a statute indicates alternatives and requires that they
15 be treated separately.” *See Bunker Hill Co. Lead & Zinc Smelter v. U. S. Environmental Protection*
16 *Agency*, 658 F.2d 1280, 1283 fn. 1 (9th Cir., 1981) (citing *Azure v. Morton*, 514 F.2d 897, 900 (9th
17 Cir., 1975); *Reiter v. Sonotone Corp.*, 442 U.S. 330, 338-39, 99 S. Ct. 2326, 2330, 60 L. Ed. 2d 931
18 (1979)).

19 Where, as here, the underlying communication involves a dispute to be resolved by way of civil
20 litigation, a defendant will be entitled to avail itself of Anti-SLAPP protection so long as the
21 communication was “made without knowledge of its falsehood.” This is consistent with minimal
22 standards of “probable cause” – the applicable standard by which “good faith” is measured when
23 bringing a civil claim. *See Leonardini v. Shell Oil Co.*, 216 Cal. App. 3d 547, 568 (1989) (“A litigant

24
25 ³ Specifically, section 425.16(e)(2) of the California statute states that “[a]s used in this section, ‘act in furtherance of a
26 person’s right of petition or free speech under the United States or California Constitution in connection with a public
27 issue’ includes: ... (2) any written or oral statement or writing made in connection with an issue under consideration or
28 review by a legislative, executive, or judicial body, or any other official proceeding authorized by law.” *See* Cal Code
Civ Proc § 425.16(e)(2). This is identical to section 41.637(3) of the Nevada statute, which states that a “[g]ood faith
communication in furtherance of the right to petition” means any: ... [w]ritten or oral statement made in direct
connection with an issue under consideration by a legislative, executive or judicial body, or any other official proceeding
authorized by law...” *See Nev. Rev. Stat. Ann. § 41.637(3)*.

1 will lack probable cause for his action if he relies upon facts which he has no reasonable cause to
2 believe to be true or seeks recovery upon a legal theory which is untenable under the facts known to
3 him.”).⁴

4 Here, Defendants easily meet this minimal showing, as Defendant Richard Newman entered into
5 an Employment Agreement, had been director and was ousted after approaching Mahon with concerns
6 about Mahon’s compliance with corporate governance and his use of company funds, and thereafter
7 clearly sent correspondence based on a good faith claim to settle a legitimate dispute. These facts
8 standing alone demonstrate Richard Newman had an ample good faith basis to pursue a breach of
9 contract claim.

10 Thus, the requisite degree of probable cause at all times existed to pursue a claim against Plaintiff
11 FCGI. This fact, coupled with the fact that each of Plaintiff’s causes of action are predicated directly
12 on petitioning activity that comes within the ambit of NRS Section 41.637, satisfy Defendants’
13 obligations under the first prong of the anti-SLAPP statute.

14
15 **B. FCGI CANNOT ESTABLISH A PROBABILITY OF PREVAILING ON ANY**
16 **CLAIMS, AS DEFENDANTS’ CHALLENGED CONDUCT TRIGGERS**
ABSOLUTE IMMUNITY UNDER THE LITIGATION PRIVILEGE

17 “Once he meets his initial burden, the burden shifts to the plaintiff who must show that his claim
18 has merit.” *See John*, 219 P.3d at 1284. Under this second prong of the analysis, “the burden of
19 production shifts to the plaintiff to show that there is a genuine issue of material fact.” *See John*, 219
20 P.3d at 1284. In this regard, the second prong operates like “summary judgment in reverse” [*Briggs*
21 *v. Eden Council For Hope & Opportunity*, 19 Cal. 4th 1106, 1123 (1999)], as it is the party opposing
22 the motion – the plaintiff – who has the initial burden to come forward with evidence sufficient to
23

24
25 ⁴ Importantly, the standard for “probable cause” sets a **very low** threshold. Indeed, “[p]robable cause may be present
26 even where a suit lacks merit.” *See Jarrow Formulas, Inc. v. LaMarche*, 31 Cal. 4th 728, 742-743, n13 (2003). As a
27 general rule, a lack of probable cause will exist only where there is an absolute negation of any arguable basis. *See*
28 *Jarrow Formulas, Inc. v. LaMarche*, 31 Cal. 4th 728, 742-743, n13 (2003) (“Suits which all reasonable lawyers agree
totally lack merit - that is, those which lack probable cause - are the least meritorious of all meritless suits. Only this
subgroup of meritless suits present no probable cause.”). Such a low threshold is required, as “[c]ounsel and their clients
have a [constitutional] right to present issues that are arguably correct, even if it is extremely unlikely that they will
win.” *See Sheldon Appel Co. v. Albert & Oliker*, 47 Cal. 3d 863, 885 (Cal. 1989).

1 demonstrate its claims have merit. *See College Hospital Inc. v. Superior Court*, 8 Cal. 4th 704 704,
2 719 (1994). “In making its determination, the court shall consider the pleadings, and supporting and
3 opposing affidavits stating the facts upon which the liability or defense is based.” *See John*, 219 P.3d
4 at 1284. Dismissal is required where the plaintiff “fails to show a genuine issue of material fact” [*See*
5 *John*, 219 P.3d at 1286], or where such claims are barred as a matter of law. *See e.g. Hansen v.*
6 *Department of Corrections & Rehabilitation*, 171 Cal. App. 4th 1537, 1547 (2008) (concluding “the
7 objected-to statements ... were absolutely privileged under Civil Code section 47, subdivision (b)”
8 and as such, “Hansen cannot maintain an action against CDCR based on those statements.”); *Kemps*
9 *v. Beshwate*, 180 Cal. App. 4th 1012 (2009) (holding that “appellant's tort claims against respondents
10 are barred by Civil Code section 47, subdivision (b)” and as such “appellant has failed to demonstrate
11 she probably would prevail in the present action.”).

12 Here, Plaintiff cannot establish a probability of prevailing on any of its claims as a matter of law,
13 as Defendant Richard Newman’s communication is cloaked with absolute immunity under the
14 “litigation privilege.” Based thereon, Plaintiff’s claims will necessarily fail regardless of any proof
15 that Plaintiff submits in support of such claims.

16 Pursuant to the litigation privilege – which is a common law rule in Nevada⁵ and is codified by
17 statute at Civil Code §47(b) in California – “publications made in the course of a judicial proceeding
18 are absolutely privileged.” *See Albertson v. Raboff*, 46 Cal. 2d 375, 379 (1956); *see also Fink v.*
19 *Oshins*, 118 Nev. 428, 434 (2002). “For well over a century, communications with ‘some relation’ to
20 judicial proceedings have been absolutely immune from tort liability by the [litigation] privilege....”
21 *See Rubin v. Green*, 4 Cal. 4th 1187, 1193 (1993). Relevant here, “[t]he privilege has been broadly
22 construed to apply to **demand letters** and **prelitigation communications** by an attorney.” *See Knoell*
23
24

25 ⁵ “Nevada recognizes ‘the long-standing common law rule that communications uttered or published in the course of
26 judicial proceedings are absolutely privileged....’” *See Crockett & Myers v. Napier*, 583 F.3d 1232, 1236 (9th Cir.,
27 2009) (quoting *Fink v. Oshins*, 118 Nev. 428, 434 (2002)). As the case under California law, “[t]he privilege applies not
28 only to communications made during actual judicial proceedings, but also to ‘communications preliminary to a proposed
judicial proceeding.’” *See id.* (quoting *Fink*, 118 Nev. at 434). Moreover, the Ninth Circuit has concluded that “[w]here
Nevada law is lacking [on issues relating to the litigation privilege], its courts have looked to the law of other
jurisdictions, particularly California, for guidance.” *See Crockett*, 583 F.3d at 1237.

1 v. *Petrovich*, 76 Cal. App. 4th 164, 169 (1999) (citing *Rubin v. Green*, 4 Cal. 4th 1187, 1193-94
2 (1993)).

3 Importantly, Plaintiff cannot abrogate the privilege, even were Plaintiff able to come forward with
4 evidence establishing the requisite elements of each of its claims (which, as demonstrated herein, it
5 cannot). “Underlying the recognition of this privilege is the important public policy of affording the
6 utmost freedom of access to the courts.” See *Kachig v. Boothe*, 22 Cal. App. 3d 626, 641 (1971); *Fink*,
7 118 Nev. at 432 (“The policy behind the absolute privilege, as it applies to attorneys participating in
8 judicial proceedings, is to grant them ‘as officers of the court the utmost freedom in their efforts to
9 obtain justice for their clients.’”). Based thereon, “the absolute privilege provides unconditional
10 immunity, even for statements made with ‘personal ill will’” because “[i]n a true absolute privilege
11 situation, liability is totally foreclosed without regard to the fault or mental state of the defendant.”
12 See *Fink*, 118 Nev. at 433 n.7. “To hold otherwise would be inconsistent with the general public
13 purpose of the privilege to encourage the utmost freedom of access to the courts and quasi-judicial
14 bodies.” See *Jacob B. v. County of Shasta*, 40 Cal. 4th 948, 959 (2007).⁶

15 The bottom line is that Defendants should not be sued for extortion and racketeering for sending
16 a prelitigation demand to Plaintiff’s CEO based on a good faith claim seeking redress for its damages.
17 Indeed, the very premise of Plaintiff’s lawsuit defies logic, that is, Plaintiff should not be permitted to
18 cause damages by breaching a contract and then sue the damaged party for extortion and racketeering
19 when the damaged party demands that Plaintiff compensate for the harm caused. Plaintiff has named
20 Newman Law, LLC and Cooper Blackstone, LLC without any cause or nexus to the prelitigation
21 communications, which is the epitome of a meritless suit filed primarily to chill the Defendants
22 exercise of First Amendment petitioning rights.

26 ⁶ The breadth of the privilege is itself a testament to the significance of objective which the privilege intends to achieve.
27 “As Prosser notes, ‘Absolute immunity has been confined to a very few situations where there is an obvious policy in
28 favor of permitting complete freedom of expression, without any inquiry as to the defendant’s motives.’” See *Abraham*
v. Lancaster Cmty. Hosp., 217 Cal. App. 3d 796, 812 (1990) (quoting Prosser & Keeton, Torts (5th ed. 1984) § 114, p.
816.).

1 As each of Plaintiff's claims are barred by the litigation privilege, Plaintiff is forever foreclosed
2 from establishing a probability of prevailing as to any claim as a matter of law. Based thereon,
3 Plaintiff's complaint must be dismissed in its entirety.

4
5 **V. CONCLUSION**

6 Based on the foregoing, as discussed in detail below, FCGI's instant lawsuit constitutes a "strategic
7 lawsuit against public participation" ("SLAPP") that impermissibly seeks to punish Defendants for their
8 efforts to exercise their constitutional right to petition the courts for redress and respond to requests from
9 governmental entities. Defendants now seek an order dismissing Plaintiff FCGI's instant lawsuit under
10 Nevada's anti-SLAPP statute.

11 For the foregoing reasons, Defendants respectfully request that the instant motion be granted in full
12 and that each of FCGI's claims be stricken.

13
14 DATED this 13th day of March, 2019.

15 Respectfully submitted,

16 **NEWMAN LAW LLC**

17
18 

19 RICHARD NEWMAN, ESQ.
20 Nevada Bar No. 9943
21 7435 S. Eastern Ave., Suite 105-431
22 Las Vegas, Nevada 89123
23 *Attorneys for Defendants*
24 *Richard Newman; Newman Law, LLC; and*
25 *Cooper Blackstone, LLC*
26
27
28

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

EXHIBIT 1

THIS AGREEMENT is made the 21st day of January 2016.

BY AND BETWEEN:

- (1) **FULL COLOR GAMES LIMITED** being a company incorporated under the laws of the Isle of Man with Registered Company Number 013172V and whose registered office is situated at First Floor, 10-12 Prospect Hill, Douglas, Isle of Man, IM1 1EJ (hereinafter referred to as “the Company” which expression shall include the successors and assigns of the Company); and
- (2) **RICHARD HAROLD NEWMAN** being an individual whose normal residential address is 34 Quail Hollow Drive, Henderson, Nevada 89014, United States of America (hereinafter “the Employee” “you” or “your”)

(the Company and Employee collectively to be referred to as “the Parties” and each of them a party).

WHEREAS:

- (A) The Company wishes to employ the Employee as the Chief Legal Officer (the “CLO”) for the Company; and
- (B) The Employee has agreed to be employed as the Chief Legal Officer of the Company upon the following terms and conditions.

IT IS HEREBY AGREED as follows:

1. Definitions and interpretation

In this Agreement:

- | | |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1. “the Board” | Means the board of directors for the time being of the Company as registered with the Isle of Man Companies Registry; |
| 1.2. “Confidential Information” | Means information relating to the business products, affairs and finances of the Company for the time being confidential to it or to them and trade secrets (including without limitation technical data and know-how) relating to the business of the Company or of any of its or their suppliers, clients or customers; |
| 1.3. “Incapacity” | Means any illness or other like cause incapacitating the Employee from attending to his duties; |
| 1.4. “Intellectual Property” | Includes letters, patent, trademarks whether registered or unregistered, service marks |

whether registered or not, registered or unregistered designs, utility models, copyrights (including design copyrights), semi-conductor topography rights, database rights and all other intellectual property and similar proprietary rights, applications for any of the foregoing and the right to apply for them in any part of the world and including (without limitation) all such rights in materials, works, prototypes, inventions, discoveries, techniques, computer programs, source codes, data, technical information, trading business brand names, goodwill, the style or presentation of the goods or services, creations, inventions or improvements upon or additions to an invention, confidential information, know-how and any research effort relating to any of the above mentioned business names whether registrable or not, moral rights and any similar rights in any country;

1.5. “Sensitive Data”

Means personal data consisting of information as to racial or ethnic origin, political opinions, religious beliefs or other beliefs of a similar nature, membership of a trade union physical or mental health or condition, sexual life, the commission or alleged commission of any offence or any proceedings for any offence committed or alleged to have been committed including the disposal of such proceedings or the sentence of any court in such proceedings;

1.6. “Termination Date”

Means the date of termination of the Employee’s employment or, where the Company exercises its rights under Clause 3.3. to require the Employee to remain at home, the last day on which the Employee was required to work;

- 1.7. Unless the context otherwise requires words importing one gender include all other genders and words importing the singular include the plural and vice versa;
- 1.8. Any reference to a statutory provision shall be deemed to include a reference to any statutory modification or re-enactment of it;
- 1.9. The clause headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation;

- 1.10. Any reference to the Employee shall if appropriate include his personal representatives; and
- 1.11. References in this Agreement to any clause, sub clause, schedule or paragraph without further designation shall be construed as references to the clause, sub-clause, schedule or paragraph of this Agreement so numbered.

2. Appointment and term of employment

- 2.1. The Company appoints the Employee and the Employee agrees to act as the Chief Legal Officer of the Company on the terms of this Agreement.
- 2.2. The employment of the Employee shall commence on the 21st day of January 2016 (“the Commencement Date”) and shall continue indefinitely unless and until his employment is terminated in accordance with the terms contained herein.
 - 2.2.1. Notwithstanding Clause 2.2., the employment shall terminate (without any right to notice pay) when the Employee reaches the normal retiring age from time to time applicable, current being the age of 70. Further details relating to retirement are set out in the Company’s Staff Handbook.
 - 2.2.2. The Company shall have the discretion to terminate the Employment lawfully without any notice (or part thereof) at any time by paying to the Employee a sum equal to, but no more than, the Salary and the value of contractual benefits including any bonus in respect of that part of the period of notice which the Employee has not worked less any appropriate tax and other statutory deductions. Any such payment in lieu of notice shall be in full and final settlement of all and any claims which the Employee has or may have arising from or in connection with the Employment and / or its termination. The Employee shall not be entitled to any holiday pay which may otherwise have accrued during what would have been the notice period. If the Company terminates the Employment in accordance with this Clause 2 and Clause 16, all of the Employee’s post termination obligations contained in this Agreement (for example the restrictive covenants in Clause 19) shall remain in force.
 - 2.2.3. The Company may pay any sums due under Clause 2.2. and Clause 15. as one lump sum or in instalments over what would have been the notice period, had it been served by the Employee. If the Company elects to pay in instalments, the Employee will be under an immediate and ongoing duty to mitigate his losses and a duty to disclose to the Company, on request, details of his efforts to mitigate his losses and the gross amount of any income he has received or is due to receive. The Company reserves the right to reduce the amount of the instalments by the amount of such income.
- 2.3. For statutory purposes the Employee’s period of continuous employment commences from the Commencement Date as defined herein.

- 2.4. The Employee represents and warrants that he is not bound by or subject to any court order, agreement or undertaking which in any way restricts or prohibits him from entering into this Agreement or from performing his duties under it.
- 2.5 The first 3 months of your employment will be considered by both Parties to be a probationary period during which your suitability for the position to which you have been appointed will be assessed. The Company reserves the right to extend your probationary period if, in its sole opinion, circumstances so require.
- 2.6 During the Employee's probationary period your employment may be terminated by the Company on giving one week's written notice.

3. Duties

- 3.1. The Employee shall during his employment under this Agreement:
 - 3.1.1. faithfully, competently and diligently perform the duties and exercise the powers which the Board may from time to time properly assign to him in his capacity as the CLO in connection with the business of the Company (including performing duties as requested by the Board from time to time);
 - 3.1.2. comply with all the Company's rules, regulations, policies and procedures from time to time in force;
 - 3.1.3. in the absence of any specific directions from the Board (but subject always to the Memorandum and Articles of Association of the Company) have the general control and responsibility for the management of that part of the Company's business in respect of his position as CLO; and
 - 3.1.4. do all in his power to promote, develop and extend the business of the Company and at all times and in all respects conform to and comply with the proper and reasonable directions and regulations of the Board.
- 3.2. For the purposes of the Data Protection Act 2002 of the Isle of Man the Employee consents to the Company, its agents or administrators, to be provided with, record, keep and process certain personal data, which may include Sensitive Data, of which the Employee is subject details of which are specified in the Company's Communications Policy contained in the Staff Handbook.
- 3.3. At any time during the Employee's employment the Company shall have the right in its absolute discretion to assign reduced or alternative duties or no duties at all to the Employee and shall be entitled to require the Employee to act at the direction of the Company including the right to exclude the Employee from its premises and / or remove him from any or all offices held by him in the Company (if any) (including if appropriate) the office of trustee of any of the pension schemes of the Company and / or prevent the Employee from discussing its affairs with the Company's Employees, agents, clients or customers. If the Company exercises its rights under this Clause the Employee's entitlements to salary and other contractual benefits shall continue

subject always to the relevant scheme or policy relating to such benefits. For the avoidance of doubt at all times during such period the Employee shall continue to be bound by the same obligations to the Company as were owed prior to the commencement of the notice period.

4. Place of work

- 4.1. The Employee's normal place of work shall be as directed by the Employer for the proper performance and exercise of the Employees duties and powers and the Employee may be required to travel on the business for the Company. In the event that you are required to travel either inside or outside of the Isle of Man for the proper performance of your duties this will not affect your remuneration or terms and conditions of employment.
- 4.2. The Employee may be required to work from home or other such remote site away from the normal place of work. In such event, it is agreed that the Employee will work from such remote site and during such time the Employee will devote your whole time, skill and attention to company business as if you were physically working at the normal place of work. Whilst the Company recognises your right to private/home life, you agree that whilst working from home the Company reserves the right to carry out random visits during business hours. At all other times visits will be avoided. If unavoidable you will be given a reasonable period of notice and appointments will be made at mutually convenient times

5. Salary

- 5.1. Salary: The Employee shall be paid a salary (which shall accrue from day to day) at the rate of £160,000 gross per annum (or such other rate as the Parties may from time to time agree in writing which is appended hereto) payable in arrears by equal monthly instalments on or about the 25th day of every month.
- 5.2. Salary review: The Employee's salary shall be reviewed by the Board annually from the Commencement Date as defined herein. The Board shall have the discretion to review the Employee's salary and or any other entitlements (if any) which may include but shall not be limited to bonus entitlement, share options, and benefit entitlement under the Company's benefit scheme ("Benefit Scheme") (if any).
- 5.3. In addition to your annual salary the Company operates a non-contractual discretionary bonus scheme which is aimed at rewarding good performance and the Employee will be considered for a discretionary bonus at the end of each calendar year worked, subject to approval by the Board. The date and payment of any bonus is at the discretion of the Company and the Company reserves the right to exclude the Employee from participating in the bonus scheme.

6. Hours of work

- 6.1. Your normal core business hours are 08:30hrs to 17:30hrs, Monday through Friday (40hrs/week) weekly or such other hours as may be reasonable and

necessary for the proper performance of your duties which the Board may reasonably require from time to time.

- 6.2. The Company reserves the right to vary the Employee's start and finish times and the number of hours worked in accordance with the demands of the business of the Company.
- 6.3. Any overtime worked shall not be paid.

7. Benefits scheme

For details of any benefits pursuant to the Company's Benefits Scheme (if any) please refer to the Company's Staff Handbook and Benefits Brochure or equivalent.

8. Company phone

- 8.1. During the term of your employment the Company the Company may provide you with the use of a Company mobile phone for use in connection with the performance of your duties under this Agreement. Upon termination of the Employee's employment (for whatever reason), the Employee shall ensure that any mobile phone, if provided, is immediately returned to the Company at its registered office (or any other place the Company may reasonably nominate), unless otherwise agreed in writing.
- 8.2. If a mobile phone is provided, the Employee shall take good care of the Company phone and ensure that the provisions and conditions of the Company phone policy (if any) from time to time relating to it are observed.

9. Expenses

- 9.1. The Company shall reimburse the Employee:
 - 9.1.1. all reasonable travelling, hotel and other expenses wholly, exclusively and necessarily incurred by him in or about the performance of his duties under this Agreement;
 - 9.1.2. the Parties hereby agree that should the Employee be required to take a single flight which last for four hours or more in the performance of his duties provide he has obtained the prior written consent of a member of the Board of Directors the Employee shall be able to fly business class for such a flight, and
 - 9.1.3. the cost of subscription to all professional bodies to which he is obliged to belong in order to maintain his professional qualifications,

PROVIDED that the Employee if so required by the Company provides reasonable evidence of the expenditure in respect of which he claims reimbursement.

10. Holidays

- 10.1. The Employee shall (in addition to the usual Isle of Man public and bank holidays) be entitled to not less than 30 days' paid holiday in each year to be taken at a time or times convenient to the Company with not more than 15 consecutive working days to be taken at any one time, unless agreed specifically with the Board of Directors.
- 10.2. Entitlement to annual leave will accrue on a monthly basis and for part years, your annual leave entitlement for the year will be pro-rated to the length of service in that year. The holiday year of the Company runs from 1 January to 31 December annually.
- 10.3. In each calendar year you may carry forward not more than 5 day's annual leave that is unused to the next calendar year. Any holiday entitlement accrued and not used that cannot be carried forward will be paid at the day rate based on your annual salary.
- 10.4. Subject to the relevant provisions of the Company's Staff Handbook you are entitled to all Isle of Man public holidays in addition to your annual leave allowance and you will be paid for each day.
- 10.5. On occasion you may be asked to work on public holidays. In this event, the Employee may either (a) accrue an additional one day of annual leave entitlement to be taken in accordance with Clause 10. herein, or (b) request payment additional payment for said public holiday, such payment to be made by the Company to the Employee in the following month.

11. Illness

- 11.1. The Employee shall continue to be paid during any period or periods of absence due to Incapacity (such payment to be inclusive of any statutory sick pay or social security benefits to which he may be entitled) for a total of up to 26 weeks in any 52 consecutive week period.
- 11.2. Thereafter the Employee shall continue to be paid salary only at the discretion of the Company and if such absence shall aggregate in all 26 weeks in any 52 consecutive weeks the Company may terminate the employment of the Employee forthwith by notice under Clause 16.2. below given on a date not more than 28 days after the end of the 26th week.

12. Time and attention

- 12.1 During the continuance of his employment under this Agreement the Employee shall unless (a) prevented by Incapacity, or (b) pursuant to Clause 12.2. of this Agreement, devote his whole time and attention to the business of the Company and shall not without the prior written consent of the Board:

- 12.1. engage in any other business which competes with that of the Company,
or

- 12.2. be concerned or interested in any other business of a similar nature to or competitive with that carried on by the Company or which is a supplier or customer of the Company in relation to its goods or services,

PROVIDED that nothing in the Clause shall preclude the Employee from holding or being otherwise interested in any shares or other securities of any company which are for the time being quoted on any recognised stock exchange so long as the interest of the Employee in such shares or other securities does not extend to more than 5% of the total amount of such shares of securities.

- 12.2. Should the Employee be required to commence new business interests which are not in operation at the Commencement Date, the Employee must request the written approval of the Board of Directors before engaging in such new activities. Such approval will not normally be withheld providing that the provisions of this Clause 12. are met.

13. Intellectual property

- 13.1. The Parties foresee that the Employee may make, discover or create Intellectual Property in the course of his duties under this Agreement and agree that in this respect the Employee has a special obligation to further the interests of the Company.
- 13.2. If at any time during his employment under this Agreement the Employee makes or discovers or participates in the making or discovery of any Intellectual Property relating to or capable of being used in the business for the time being carried on by the Company full details of the Intellectual Property shall immediately be communicated by the Employee to the Company and shall be the absolute property of the Company the Employee shall give and supply all such information, data, drawings and assistance as may be requisite to enable the Company to exploit the Intellectual Property to the best advantage and shall execute all documents and do all things which may be necessary or desirable for obtaining patent or other protection for the Intellectual Property in such parts of the world as may be specified by the Company and for vesting the same in the Company or as it may direct.
- 13.3. The Employee irrevocably appoints the Company to be his attorney in his name and on his behalf to sign, execute or do any such instrument or thing and generally to use his name for the purpose of giving to the Company (or its nominee) the full benefit of the provisions of this Clause and in favour of any third party a certificate in writing signed by any director or the secretary of the Company that any instrument or act falls within the authority conferred by this Clause shall be conclusive evidence that such is the case.
- 13.4. If the Intellectual Property is not the property of the Company, the Company shall, have the right to acquire for itself or its nominee the Employee's rights in the Intellectual Property within 3 months after disclosure pursuant to Clause 13.2. above on fair and reasonable terms to be agreed or settled by a single arbitrator.

- 13.5. Rights and obligations under this Clause shall continue in force after termination of this Agreement in respect of Intellectual Property made during the Employee's employment under this Agreement and shall be binding upon his representatives.

14. Confidentiality

- 14.1. The Employee is aware that in the course of his employment under this Agreement he will have access to and be entrusted with information in respect of the business and financing of the Company and its dealings, transactions and affairs and likewise in relation to its suppliers, agents, distributors or customers all of which information is or may be confidential.
- 14.2. The Employee shall not (except in the proper course of his duties) during or at any time after the period of his employment under this Agreement divulge to any person or otherwise make use of (and shall use his best endeavours to prevent the publication or disclosure of) any Confidential Information of the Company or any of its or their suppliers, agents, distributors or customers.
- 14.3. All notes, memoranda, documents and Confidential Information concerning the business of the Company and any of its or their suppliers, agents, distributors or customers which shall be acquired, received or made by the Employee during the course of his employment shall be the property of the Company and shall be surrendered by the Employee to the Company at the termination of his employment or at the request of the Board at any time during the course of his employment.

15. Termination of employment

Either party may give notice to the other in accordance with this Clause:

- 15.1. Termination on notice
- 15.1.1. In respect of all staff (including you) subject to Clause 15.1.2. below, either party may give not less than 6 months-notice to terminate your employment and any such notice given by you shall be given to your line manager who you report directly to or to such other person as may be notified and agreed with the Employee in writing.
- 15.1.2. The Company has the discretion to terminate your employment without notice or on notice less than that required by Clause 15.1.1. by paying you a sum equal to but no more than your salary in respect of the part of the notice period referred to in Clause 15.1.1. which the Company has not given to you or the unexpired part of such period less any appropriate tax and other statutory deductions.

16. Summary termination of employment

- 16.1. The employment of the Employee may be terminated by the Company without notice or payment in lieu of notice:
 - 16.1.1. if the Employee is guilty of any gross default or misconduct in connection with or affecting the business of the Company to which he is required by this Agreement to render services;
 - 16.1.2. in the event of any serious or repeated breach (after prior warning) or non-observance by the Employee of any of the stipulations contained in this Agreement;
 - 16.1.3. if the Employee becomes bankrupt or makes any composition or enters into any arrangement with his creditors;
 - 16.1.4. if the Employee is convicted of any arrestable criminal offence (other than an offence under road traffic legislation in the Isle of Man or elsewhere for which a fine or non-custodial penalty is imposed);
 - 16.1.5. if the Employee is guilty of any fraud, dishonesty or conduct tending to bring himself or the Company into disrepute;
 - 16.1.6. if the Employee is disqualified from holding office in another company in which he is concerned or interested because of wrongful trading;
 - 16.1.7. if the Employee shall become of unsound mind or become a patient under the Mental Health Act 1998;
 - 16.1.8. if the Employee is convicted of an offence or under any other present or future statutory enactment or regulations relating to insider dealings.
- 16.2. If the Employee shall be unable by reason of Incapacity to perform his duties under this Agreement for an aggregate period of or exceeding 26 weeks in any 52 consecutive weeks notwithstanding the existence of any provide or permanent health insurance scheme operated by the Company for the benefit of the Employee the Company in its absolute discretion may terminate the employment of the Employee by giving him not less than 3 months' written notice to that effect.
- 16.3. If the Company believes that it may be entitled to terminate the Employee's employment whether pursuant to Clause 16.1. or otherwise it shall be entitled (but without prejudice to its right subsequently to terminate the employment on the same or any other ground) to suspend the Employee on full pay or without pay for so long as it sees fit provided that such period of suspension does not exceed one month.
- 16.4. Upon the termination by whatever means of his employment under this Agreement the Employee shall not without the consent of the Company at any time thereafter represent himself still to be connected with the Company.

17. Reconstruction or amalgamation

If the employment of the Employee under this Agreement is terminated at any time by reason of the proposed liquidation of the Company for the purposes of reconstruction or amalgamation and the Employee is offered employment with any new companies or undertaking which does not require relocating the Employee geographically then provided that he shall be offered a new agreement on terms and conditions not less favourable than the terms of this Agreement then the Employee shall have no claim against the Company in respect of the termination of his employment under this Agreement.

18. Restrictive covenants

18.1. The Employee undertakes that he will not (without the previous consent on writing of the Company) for the period of 6 months immediately after the Termination Date whether as principal or agent, and whether alone or jointly with, or as a director, manager, partner, shareholder, Employee or consultant of any other person, directly or indirectly following any notice of termination given by the Employee to the Company, or the Company serving notice on the grounds of gross misconduct:

- 18.1.1. carry on, or be engaged, concerned or interested in any business which is similar to any or competes with any business being carried on by the Company at the Termination Date and with which the Employee was involved in a senior capacity in the course of his employment at any time during the period of 12 months immediately preceding the Termination Date;
- 18.1.2. negotiate with, solicit business from or endeavour to entice away from the Company the business of any person, firm, company or organisation which or which to his knowledge is or was a customer, client or agent of or supplier to the Company (or who had regular business dealings with the Company during the period of 12 months immediately preceding the Termination Date) and with whom he had direct dealings or personal contact in the course of his employment during that period, so as to harm the goodwill or otherwise damage the business of the Company;
- 18.1.3. undertake to provide in competition with the Company any service or manufacture or supply any product similar to that with which he was concerned in the course of his employment during the period of 12 months immediately preceding the Termination Date to or for any person who is was a customer, client or agent of or supplier to (or who had regular business dealings with the Company during the period of 12 months immediately preceding the Termination Date) and with whom he had dealings in the course of his employment during that period;
- 18.1.4. interfere with, solicit or endeavour to entice away from the Company any person who to his knowledge is and was, at the Termination Date, or within the period of 12 months immediately preceding that date had been, part of the senior

management of the Company and with whom he had personal dealings in the course of his employment during that period.

- 18.2. At no time after the Termination Date shall the Employee directly or indirectly represent himself as being interested in or employed by or in any way connected with the Company other than as a former Employee of the Company.
- 18.3. The covenants in this Clause 18. shall not prohibit any activities by the Employee which are not in direct or indirect competition with any business being carried on by the Company at the Termination Date as defined by Clause 12. of this Agreement.
- 18.4. Nothing in this Clause shall preclude the Employee from holding (directly or through nominees) investments listed on the London Stock Exchange or in respect of which dealing takes place in the Alternative Investments or Unlisted Securities Markets on the London Stock Exchange or any recognised stock exchange as long as he does not hold more than 5% of the issued shares or other securities of any class of one company.
- 18.5. The covenants in this Clause 18. shall only apply if the termination of the employment arises by reason of a notice given by the Employee or by reason of gross misconduct.
- 18.6. The Employee agrees that, having regard to all the circumstances, the restrictions contained in this Clause are reasonable and necessary for the protection of the Company and that they do not bear harshly upon him and the Parties agree that:
 - 18.6.1. each restriction shall be read and construed independently of the other restrictions so that if one or more are found to be void or unenforceable as an unreasonable restraint of trade or for any other reason the remaining restrictions shall not be affected; and
 - 18.6.2. if any restriction is found to be void but would be valid and enforceable if some part of it were deleted, that restriction shall apply with such deletion as may be necessary to make it valid and enforceable.

19. Data Protection

- 19.1. To the extent that is reasonably necessary in connection with your employment and the performance of the Company's responsibilities and an employer, it may be necessary for the Company, to disclose data to others including other Employees of the Company, its professional advisers, industry bodies and Government bodies (including Revenue Authorities) regulatory and other bodies.
- 19.2. The Employee hereby explicitly consents to the recording, holding, use, disclose and / or other form of processing by the Company, its agents or administrators, of sensitive personal data for any purpose whatsoever relating

to the Employee and for the purposes set out in this Clause 19. as is reasonably required in connection with the performance of this Agreement.

- 19.3. You hereby consent to the Company, its agents or administrators, checking, recording and reviewing telephone calls, correspondence, computer files, records and emails and to the Company, carry out any other compliance, security or risk analysis check the Company, reasonably considers necessary and to the extent allowed by applicable legislation.
- 19.4. For further information on the Company's policy on Data Protection please refer to the Staff Handbook.

20. Disciplinary and grievance procedures

- 20.1. The disciplinary rules and procedure applicable to the Employee are set out in the Staff Handbook. The disciplinary procedure is not contractual. If the Employee wishes to appeal against any disciplinary action taken against him, including any decision to dismiss him, he should apply in writing to a Director of the Company who he reports directly to or the person who has been identified in the Staff Handbook.
- 20.2. If the Employee has any grievance relating to his employment, he should apply in writing to the person identified in the Staff Handbook. The grievance procedure in relation to the Employee's employment is set out in the Staff Handbook. The procedure is not contractual.

21. Company property

- 21.1. The Employee acknowledges that all books, notes, memoranda, records, lists of customer and suppliers and Employees, correspondence, documents, computer and other discs and tapes, data listings, codes, designs and drawings and other documents and material whatsoever (whether made or created by the Employee or otherwise) relating to the business of the Company (and any copies of the same):
 - 21.1.1. shall remain the property of the Company; and
 - 21.1.2. shall be handed over by the Employee to the Company on demand and in any event on the termination of the employment and the Employee shall certify that all such property has been handed over on request by the Company.

22. Contracts (Rights of Third Parties)

A person who is not a party to this Agreement has no right under the Contract (Rights of Third Parties) Act 2001 to enforce any terms of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

23. Notices

Notices may be given by either party by letter addressed to the other party at (in the case of the Company) its registered office as recorded at the appropriate time at the Isle of Man Companies Registry from time to time and (in the case of the Employee) his last known address, and any notice given by letter shall be deemed to have been given at the time at which the letter would be delivered, and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted.

24. Prior Documents

This Agreement contains the entire understanding between the Parties and supersedes all previous agreements and arrangements (if any) relating to the employment of the Employee by the Company (which shall be deemed to have been terminated by mutual consent). Nothing in this Clause 24. will exclude or limit any liability for fraud.

25. Severance

In the event that any restriction contained within this Agreement shall be found to be void but would be valid if some part of the relevant restriction were deleted, the relevant restriction shall apply with such modifications as may be necessary to make it valid and effective.

26. Governing Law

This Agreement is governed by and shall be construed in accordance with the Manx law and the Parties hereby agree to submit to the non-exclusive jurisdiction of the High Court of the Isle of Man.

Miscellaneous

- 27. On termination of this Agreement the Company may deduct from any sums then owing from it to the Employee by way of salary or otherwise any sums owing from the Employee to the Company.
- 28. The Company's procedures (including the Staff Handbook) may be altered from time to time. Any update to the Company's procedures (including the Staff Handbook) will be notified to you but it your responsibility to remain informed of such amendments.
- 29. In the event of any inconsistency between the terms set out herein and in the provisions of the Staff Handbook or any other procedures notified to you which relate to your employment, the terms set out herein shall prevail.

*** THE REST OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK ***

IN WITNESS whereof the Parties hereto have entered into this Agreement on the date first written above.

SIGNED by :
FULL COLOR GAMES :
LIMITED :

SIGNED by :
RICHARD H NEWMAN :

A handwritten signature in blue ink, appearing to read "Richard H. Newman", is written over a light blue rectangular background.

EXHIBIT 2

Re: FCG / Multislot Platform Commercials



David Mahon

Wed, 24 Feb 2016 10:58:01 PM -0800

"Jeff Horan" <jeffh@multislot.com>, "Ashley Sandyford-Sykes" <ashley.sandyfordsykes@fullcolorgames.com>,
"Richard Newman" <rich@newmanlawlv.com>
"Sebas Bastian" <stonebas@hotmail.com>, "Eric Jungels" <ericj@multislot.com>,
"Mark Munger" <mark@fullcolorgames.com>, "Brennan O'donnell" <BrennanO@multislot.com>



Hello All

I am pleased to announce that Ashley Sandyford-Sykes has officially come onto the Full Color® Games team in the official capacity of Commercial Manager.

I will let Ashley and Rich finalize the terms of the trigger clauses (Tier 1 Operator signed to warrant lower platform fees & and ask Jeff / Eric to tell us what the target number(s) in Multislot Revenue are for the scale down from 2% to 1.5% be done with that. Once ready for me, I'll execute the docs immediately thereafter.

The following should be included on all of our commercials between each company.

Name & Legal Address:

Full Color Games Ltd
First Floor
10-12 Prospect Hill
Douglas IM1 1EJ
Isle of Man

Registration Number: 013176V

Full Color Games Ltd is an Isle of Man Company
Pursuant to Section3(1)(c) of the Companies Act 2006

Directors:

Lee Murphy (IOM)
Martin Linham (IOM)
David Mahon (USA)
Richard H. Newman, Esq. (USA)

Legal Email Address:

fullcolorgamesltd@gmail.com

CEO:

David W. Mahon

CFO:

Martin Linham

CLO:

Richard H. Newman, Esq.

Commercial Manager

Ashley Sandyford-Sykes

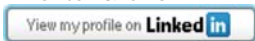
Cheers!
David



The Next Generation of
Card & Casino Based Gaming

Full Color Games, Inc.
3773 Howard Hughes Pkwy, #160N
Las Vegas, NV 89169

David Mahon
Inventor & CEO



Casino:
<http://bit.ly/FCGg2e> (news piece)
<http://bit.ly/FCGhistorychannel> (product trailer)

<http://www.fullcolorgames.com>

Email: david@fullcolorgames.com
Direct: (310) 880-8874 iPhone
Skype: FullColorGames
AIM: FullColorGames

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

FULL COLOR GAMES LIMITED
EMPLOYEE HANDBOOK
Release v1.0: March 2016

Who We Are:

Full Color Games Limited is an Isle of Man company incorporated in accordance with the Isle of Man Companies Act 2006 ("the Company") under reference number 013172V.

The Directors of the Company ("Directors") are:

- David W. Mahon (Director and Chief Executive Officer)
- Martin L. Linham (Director and Chief Financial Officer)
- Richard H. Newman, Esq. (Director and Chief Legal Officer)
- Lee B. Murphy (Director)

All members of staff have a Line Manager ("LM") who is their immediate point of contact for matters covered within this document.

The Company is owned by a group of investors, all of whom are actively involved in the operation of the Company.

Introduction:

The overriding aim of the Company is to ensure successful delivery of an efficient and high quality service. Achieving this depends on every colleague helping to deliver that service and this manual has been written with that aim in mind.

The information contained in this manual is confidential and remains the property of Company. Its content may not be copied or disseminated outside the Company.

If you have any suggestions or comments that you feel would improve the design or layout of this manual, please advise your LM.

In general, the terms and conditions contained in this handbook apply to all employees. However, where there is any difference between the terms and conditions contained in your Contract of Employment those terms and conditions shall prevail in respect of your employment with the Company.

If you are unsure about anything mentioned in either this handbook or your Contract of Employment, please contact your LM.

This handbook is provided for your guidance and gives general reference about the Company and about your terms and conditions of employment.

The Company is concerned that all employees should fully understand the terms in which they are employed so if you have any queries on this subject, you should raise them immediately with your LM.

Contents

1.	Variations or Amendments to the Handbook	6
2.	Statement of Good Practice	6
3.	Updates	6
4.	Relations with the Press	6
5.	Signing of Letters and Documents.....	6
6.	Additional Employment	6
7.	Conflicts of Interest.....	7
8	Professionalism.....	7
9.	Gifts, Loans and Benefits	7
10.	Co-operation/Flexibility	8
11.	Personal Telephone Calls.....	8
12.	Mobile Telephone Calls.....	8
13.	Dress Code	9
14.	Kitchen:	9
15.	Smoking	9
16.	Personal Property.....	10
17.	Equal Opportunities.....	10
18	Appraisals.....	10
19.	Office Tidiness.....	10
20.	Other Duties.....	10
21.	Rate of Pay	11
22.	Review Provision	11
23.	Deductions from Salary	11
24	Normal Working Hours	12
25.	Bonus Schemes.....	12
26.	Statutory Holidays:	12
27.	Annual Holidays.....	13
28.	Special Leave Arrangements	14
29.	Bereavement/Compassionate Leave	14
30.	Adverse Weather	14
31.	Jury Service.....	14

32.	Religious Holidays (other than Statutory Holidays).....	15
33.	General Absence	15
34.	Sickness and Injury	15
35.	Dental and Hospital Appointments	16
36.	Long Term Persistent Absence and Medical Reports	16
37.	Return to Work after Illness.....	17
38.	Accidents at Work	17
39.	Discretionary Employee Benefits.....	17
40.	Office Security	17
41.	References for Clients	17
42.	References for Employees	18
43.	Shredding	18
44.	Messages	18
45.	Reimbursement of Expenses.....	18
46.	Business Entertaining	18
47.	Business Travel	19
48.	Personal Records	19
49.	Access to Personnel Records.....	20
50.	Computer Network and Internet Acceptable Usage Policy.....	20
51.	Duties.....	23
52.	Honesty	23
53.	Whole Time and Attention.....	23
54.	Obedience and Reporting.....	24
55.	References Upon Termination of Employment	24
56.	Time Recording	24
57.	Employee Disciplinary and Grievance Procedure	24
58.	Stress Policy.....	26
59.	Health and Safety Policy.....	27
60.	Maternity and Paternity Leave Policy	28
61.	Redundancy Policy.....	28
	Appendix 1: Computer Network and Internet Acceptable Usage Policy.....	30
	Appendix 2: Employee Handbook.....	31

Appendix 3: Confidentiality Agreement.....	32
Appendix 4: Insider Trading Policy.....	33

EXHIBIT 3

For Settlement Purposes



Me

Sat, 27 Aug 2016 4:04:07 PM -0700

"David Mahon" <david@fullcolorgames.com>

"Linham Martin" <martinlinham@fullcolorgames.com>, "Lee Murphy" <lee@corporateoptions.co.im>



David

I feel very much betrayed. On advise of counsel I am willing to settle this dipute by entering into the attached agreement.

You'll see the first thing this agreement does is specify that any and all business relationships of any kind that may have developed over the last few years are now terminated.

The second thing this agreement does is deal with the breach by specifying payment to me of 5k by this Thursday. With regard to that matter, as you know I relied on your assurances and the fact that I have a contract with FCG Ltd to begin reducing my private practice to make more time available for FCG matters. On August 15th I asked you about the failure of the company to pay 10k per month as agreed. You never mentioned anything about a deficiency of any kind. In fact, you stated that payment would be made the next day. At the end of the next day (having worked on projects at your direction up until then) it was then that you refused to pay as agreed, gave no reason for the failure to pay, and never indicated when payment would be made as agreed. Then I get Martin's email claiming a deficiency without even mentioning the breach. Most of the items, except for one had been handled or were in process. For example, you claim to have no IP listing the last IP listing provided in connection with the PPM remains the same and has not changed so you have this information and have had this information all along. In addition to the 10k, I have also never been reimbursed for various expenses, including expenses relating to the trip to ICE despite having submitted an expense report months ago. Given the amount owed I am entitled to hold on to files and file a lien against assets. However, I am willing to settle any direct monetary claim upon payment of 5k USD made to me by this Thursday which is included in the agreement and upon that payment no lien will be filed and all files will be returned.

The third thing this agreement does is allow us all to move on without further conflict or damage. Entering into this agreement would restrict my ability or the need for me to seek further guidance with regard to reporting or otherwise, and from any potential fallout that could occur as a result. This stems from the concerns I have about various activities, including your unnecessary escalation of conflicts and liabilities that creates, the arbitrary operation of this company without regard to proper corporate governance, the making questionable expenditures and payments to other companies, inside deals, secret profits, usurping corporate opportunities, potential conflicts, etc., as well as frustrating other's attempts at achieving proper corporate operation, management and governance, perhaps in an effort to keep things as they are. This has troubled me immensely and I have vocalized my concerns to you and Martin previously so it should come as no surprise. I am very concerned that you are relying on the appearance of having conducted the necessary formalities to shield liability. Say what you want, paper what you like - competent courts or regulatory agencies see through that all the time. All directors have an underlying fiduciary duty of loyalty to the company and its shareholders and a director must always act in good faith in what he considers to be the best interests of the company. Gaming and financial industries and their regulatory bodies are highly sensitive to these issues. Martin, having the background that he does as a forensic accountant, would be held to higher standard than minimum care under IOM law. I note that I also cannot just necessarily stand by and do nothing. The Financial Supervision Commission 2011 guidance which was provided in order to assist directors of Isle of Man companies to understand and perform their duties responsibly and within the laws of the Isle of Man states, among other things, that "Directors should not allow others to unduly influence them in a way as to undermine the exercise of their powers, in good faith, in the best interests of the company. Any attempted "string-pulling" by other directors, shareholders, beneficial owners or other third parties, should be firmly resisted by directors. The directors must make their own decisions, after receiving appropriate professional advice if necessary. They must not simply "rubber stamp" decisions made by others." This impacts everyone, including Lee, as I understand there is really no such thing as a nominee director under IOM law.

Given the above, and to properly fulfill my duties as director, whether outgoing or otherwise, I have to consider that the most prudent course may be to seek additional guidance as to my rights and obligations to the Company and its shareholders, including reporting my concerns to the appropriate US or IOM agencies. I also have an employment contract with FCG Ltd and have not yet determined whether I also have rights and obligations under that agreement given the PPM's representations among other things. These are not necessarily things I want to do, but I have 0 percent trust in you and have to think about my career and protecting myself and my family. This is why the agreement includes a full release for us both and all respective companies, and indemnification for me should I end up being sued along with the company merely because I was once a director.

The rest of the agreement is intended to support the above. I believe this is the best way to move on and leaves only my ownership interest remaining with neither of us having any obligations or duties to one another. I am also open to being bought out of my interest in the company so feel free to arrange an offer if there's an interest in that.

I don't intend for this to be a series of writings or negotiations. This is what I'm offering to settle this dispute. I'm sure you'll react negatively - this is your way after all despite having betrayed me and my trust - but since I see no reason for you and the company not to enter into this agreement considering what's been done and what's at stake, I expect a quick turnaround. Accordingly, if you do not return a signed agreement to me by Monday morning then I will take the most prudent course in addressing these issues and concerns by seeking guidance and reporting to all necessary regulatory agencies as well as seeking civil remedies.

The above is not intended to represent a full listing of all relevant facts, information or claims. All my rights and remedies are reserved.

1 Attachment

Settlement Agreement.pdf

EXHIBIT 4

Re: Settlement agreement



David Mahon

Sun, 19 Mar 2017 3:12:16 PM -0700

"Richard H. Newman" <rich@newmanlawlv.com>



Rich

I'll be seeing Sebas & Dirk in person on Thursday. They have agreed to the original terms and the \$50K and I'm there to sign to get the docs and the rest of it done in person. It is no secret that getting money out of Bahamas is not something that happens overnight.

If you do not wish to keep moving forward based on the original docs and terms that I sent to them, then you should let me know now and then Thompson & Coburn, LLP out of LA who is handling the matter will move forward in the original direction.

Regards

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail and delete the message.

On Mar 20, 2017, at 3:27 AM, Richard Newman <rich@newmanlawlv.com> wrote:

Hey pinging you on this. I'm still interested in getting this closed and moving forward. Let me know when to expect to hear back, thanks.

---- On Wed, 08 Mar 2017 01:41:04 -0800 <rich@newmanlawlv.com> wrote ----

David

When I agreed to the settlement terms of a full release, waiver, non-disparagement, etc. with 50k payment and release of all of Cooper Blackstone's interest in the FCGL, I was also factoring in a quick turnaround time. In fact, I thought it was going to get done that week which was important to me.

Since that quick turnaround time didn't happen I am no longer willing to settle according those terms. I am still very much interested in settling but I'm returning to my earlier offer of a full release, waiver, non-disparagement, etc, and CB releasing all interest but the payment I'd settle for is 75k. As an alternative, I'm also willing to agree to the same legal release, waiver, etc. with a 50k payment, but then CB will keep 1/3 of it's interest in FCGL.

If it makes a difference I'm not changing my position for any reason other than the timing being a significant factor. As said above I am still very much interested in settling and feel these offers are more than reasonable if not highly favorable to the company given my many years of service and the value of what I'm giving up. If you let me know which of the above offers are preferred then I'll make the corresponding change to the settlement agreement and send it back so we can get this matter moving closer to being closed. If there's something you, Dirk or Sebas would like to discuss then feel free to call or give them my cell number.

Regards,
Rich

---- On Mon, 27 Feb 2017 11:22:02 -0800 <rich@newmanlawlv.com> wrote ----

OK thanks

---- On Mon, 27 Feb 2017 10:55:34 -0800 David Mahon<david@fullcolorgames.com> wrote ----

Richard

I spoke with Sebas this morning and asked.

Docs are still sitting with Dirk and others. They are on Bahamian Standard Time as we know.

In theory, it is going to be agreed to and executed pending their sign off on the verbatim.

The money will be coming out of Bahamas, so it is not the fastest thing in the world but now that FCG is a known entity to the Central Bank there, it will be like an ordinary wire transfer vs. the swimming through sand process I first experienced in Bahamas.

I'll let you know as soon as I have their response. I expect Sebas / Dirk will send it back to me by the end of the week at best.

Regards
David

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail and delete the message.

On Feb 27, 2017, at 10:28 AM, Richard Newman <rich@newmanlawlv.com> wrote:

What's the status?

---- On Wed, 22 Feb 2017 12:49:23 -0800 David Mahon <david@fullcolorgames.com> wrote ----

Rich

Acknowledging the receipt of this.

It is being forwarded on as I was directed.

As soon as they get back to me with the next directives, I will revert.

Regards,
David



The Next Generation of
Card & Casino Based Gaming

David Mahon
Inventor & CEO

[View my profile on LinkedIn](#)

Casino:
<http://bit.ly/FCGg2e> (news piece)

<http://www.fullcolorgames.com>

Email: david@fullcolorgames.com
Direct: (310) 880-8874 iPhone
Skype: FullColorGames
AIM: FullColorGames

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail and delete the message.

On Tue, Feb 21, 2017 at 9:17 PM, Richard Newman <rich@newmanlawlv.com> wrote:
Attached as discussed is a settlement agreement. It essentially covers the same ground as the prior settlement offer. It contains a mutual and full release and waiver for all parties involved including confidentiality and non-disparagement requirements. This agreement now also includes payment of \$50,000 by this Friday and a release of Cooper Blackstone's ownership interest in the FCG companies. I'd prefer payment by wire so if that works as well then let me know and I'll send wiring info.

Newman Law, LLC
7435 S. Eastern Ave Suite 105-431
Las Vegas, NV 89123

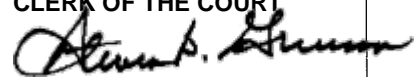
NOTICE: Information contained in this transmission to the named addressee is proprietary information and is subject to attorney-client privilege and work product confidentiality. If the recipient of this transmission is not the named addressee, the recipient should immediately notify the sender and destroy the information transmitted without making any copy or distribution thereof.

Newman Law, LLC
7435 S. Eastern Ave Suite 105-431
Las Vegas, NV 89123

NOTICE: Information contained in this transmission to the named addressee is proprietary information and is subject to attorney-client privilege and work product confidentiality. If the recipient of this transmission is not the named addressee, the recipient should immediately notify the sender and destroy the information transmitted without making any copy or distribution thereof.

Newman Law, LLC
7435 S. Eastern Ave Suite 105-431
Las Vegas, NV 89123

NOTICE: Information contained in this transmission to the named addressee is proprietary information and is subject to attorney-client privilege and work product confidentiality. If the recipient of this transmission is not the named addressee, the recipient should immediately notify the sender and destroy the information transmitted without making any copy or distribution thereof.



OPPS

Mark A. Hutchison (4639)
Todd W. Prall (9154)
HUTCHISON & STEFFEN, PLLC
Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145
Tel: (702) 385-2500
Fax: (702) 385-2086
mhutchison@hutchlegal.com
tprall@hutchlegal.com

*Attorneys for Defendant & Counter-claimant
Full Color Games Inc.*

**DISTRICT COURT
CLARK COUNTY, NEVADA**

In re: FULL COLOR GAMES, INC.

a
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,

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.

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

**THIRD-PARTY PLAINTIFF'S
OPPOSITION TO THIRD-PARTY
DEFENDANTS' SPECIAL MOTION
TO DISMISS ACTION PURSUANT
TO NEV. REV. STAT. ANN. §
41.650, et seq.**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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; B.L. Moore Construction, Inc., a California corporation;

Counter-defendants.

FULL COLOR GAMES, INC., a Nevada corporation,

Third-Party Claimant,

v.

SEBASTIAN J. BASTIAN, an individual; DIRK SIMMONS, an individual; MARTIN LINHAM, an individual; PLAYTECH SYSTEMS LTD, a

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

28 Third-Party Defendants

1. Introduction.

Counter-claimant and Third-Party Plaintiff Full Color Games, Inc. (“FCGI”) opposes Third-Party Defendants’ Special Motion to Dismiss Action Pursuant to NRS 41.650. The motion fails because Third-Party Defendants Richard H. Newman (“Newman”), Newman Law, LLC (“Newman Law”), and Cooper Blackstone, LLC (“CBL,” collectively, “Newman Defendants”) cannot demonstrate that any of their acts as alleged in the Third-Party Complaint constituted “good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern” under NRS 41.650.

The Newman Defendants’ motion attempts to convert his private business affairs into alleged issues of public debate. Worse, the Newman Defendants’ alleged “pre-litigation

1 demand” never resulted in litigation. This is because it was not a “pre-litigation demand” at all.
2 Essentially, FCGI and Full Color Games, Ltd. (“FCGLTD”) terminated their relationship with
3 Newman and the other Newman Defendants because Newman had fraudulently obtained rights
4 under a net profits agreement by concealing the fact that he was not authorized by his employer
5 to consummate the agreement. Later he converted that profits agreement into FCGI shares by
6 misrepresenting legal work he had completed, and concealing secretly-filed, fraudulently-billed,
7 and wrongfully-abandoned intellectual property rights. Later still, he concocted a non-existent
8 employment agreement. Newman used these misrepresentations and concoctions in his “pre-
9 litigation” demand letter to assert rights he knew he did not possess and to extort money and
10 property he knew he was not entitled to from FCGI.
11
12

13 Simply put, Newman cannot show that his communications were made good faith. His
14 communications were made even though Newman knew the representations he made were false.
15 Newman’s communications were unrelated to any current issue pending before any court or
16 administrative body. No lawsuit had been filed and neither was one pending before any court at
17 the time. Newman’s communications were illegal, fraudulent, and extortionate. The
18 extortionate nature of Newman’s communications is highlighted by the fact that Newman never
19 commenced any litigation to enforce the rights he alleges. Under these circumstances, Newman
20 cannot show that the alleged protected communications fall within the protection of the anti-
21 SLAPP statute. Newman’s fraudulent and extortionate activity and communications neither
22 deserve nor have any protection under Nevada’s anti-SLAPP statutes. The Newman
23 Defendants’ motion should be denied.
24
25

26 ////

27 ////

2. Factual Background.

Although not all directly pertinent to Newman's factually ill-conceived and legally unsupported anti-SLAPP motion, the following facts set forth sufficient background to understand the nature of Newman's fraudulent and extortionate conduct that have no anti-SLAPP protection.

A. Newman initial relationship with Mahon and his inventions obtained via misrepresentations and fraud.

As set forth in more detail in the Declaration of David Mahon, attached hereto as Exhibit A, David Mahon is inventor, creator, and sole owner of an entirely new and unique class of cards and casino gaming and the owner of intellectual property rights of Full Color® Cards, Full Color® Games, and the Full Color® Gaming System, including copyrights, trademarks, patents pending, and other forms of intellectual property (the "Full Color IP"). See Mahon Decl., ¶ 3.

Because of several attempts of potential investors to improperly obtain rights to Mahon's inventions, which are set forth in more detail in Mahon's declaration, Mahon filed for copyright, trademark, and patent applications in his own name as the sole inventor. Mahon sought intellectual property rights for everything that he had invented and licensed under certain master rights of his property to his wholly owned holding company that then granted sublicense rights to a multitude of business enterprises since 2010, including but not limited to Multi-Play™ Bingo; Bingo Poker™; Full Color® Games and the Full Color® Gaming System ("FCGS") and all of its related unique and proprietary intellectual property collectively known, and previously referred to, as the "Full Color IP" and in totality creating the full portfolio of intellectual property rights belonging to Mahon ("IPR"), different portions of which had been licensed to FCGI and others. *Id.* ¶¶ 4-5.

After numerous attempts to engage with investors who failed to perform their contractual obligations while trying to obtain licensed revenue rights to Mahon's IPR (as set forth in more detail in Mahon's declaration), Mahon was ultimately left strapped with debt from legal fees for IPR filings with the United States Patent & Trademark Office ("USPTO") and the

1 United States Copyright Office (“USCO”) with no way to pay to maintain the legal protection
2 of his own assets. Unless Mahon could continue to maintain his USPTO IPR applications by
3 meeting several filing and other related deadlines with the USPTO, Mahon risked losing his IPR
4 protections. *Id.* ¶¶ 6-7.

5 Although Mahon continued to pay down the debt he was left with, Mahon
6 simultaneously sought to continue his IPR protections through the USPTO filings and was
7 ultimately referred to Newman as a local intellectual property attorney working for Howard &
8 Howard Attorneys, PLLC (“H2”) who could possibly help him. After Mahon explained his
9 situation to Newman and demonstrated his unique product, Newman expressed interest in being
10 involved in Mahon’s business and stated that though he had never performed legal work on a
11 “sweat equity” deal before, he was interested in doing so here. Newman told Mahon that
12 Newman would be willing to handle the legal work for the USPTO and United States Copyright
13 Office (“USCO”) for no up-front legal fees as long as Mahon would pay “hard costs” and
14 related filing fees with either the USPTO or USCO in exchange for Newman obtaining a 5%
15 interest in the net profits realized from the IPR. *Id.* ¶ 11.

16 Based on Newman’s representations, Mahon sent a proposed Assignment of Gross
17 Revenue Interests (“AGRI”) to Newman for review. Newman initially responded stating that he
18 had to deal with a conflict of interest with H2 prior to finalizing the AGRI, but later confirmed
19 that he had spoken to Mahon’s prior corporate and security attorney and Newman had in fact
20 resolved any conflicts and indeed, continued forward. Newman executed the AGRI on or about
21 April 1, 2010. *Id.* ¶¶ 12-14; *see also* AGRI, attached as Exhibit B. Thereafter and for the next
22 four years, H2 billed Mahon and his entities directly for the costs relating to the IPR, and
23 Mahon caused those bills to be paid for those costs. *See* Mahon Decl., ¶ 18.

24 In October 2014, however, Newman informed Mahon that Newman had abruptly
25 terminated his relationship with H2, and that because of the AGRI, Mahon was required to
26 transfer his files to Newman Law. Mahon resisted doing so, but was repeatedly reassured by
27 Newman that Newman had everything relating to Mahon’s IPR in perfect order. *Id.* ¶¶ 18-19

28 Newman, however, did not disclose the AGRI to H2, and apparently did not work out

1 any conflicts he informed Mahon had arisen. Indeed, Newman obtained the AGRI. On October
2 6, 2016, H2 denied having any knowledge of, or ever authorizing Newman who was an H2
3 employee at the time, to enter into the AGRI. Newman never informed Mahon that Newman
4 had not disclosed the AGRI to H2 and had not obtained authorization from H2 enter into the
5 AGRI. *Id.*, 20; *see also* Letter from H2 dated October 6, 2016, attached as Exhibit C.

6 Long after Newman had left H2, on or about August 1, 2015, FCGI had formally
7 completed changes to their corporate structure in preparations to become a fully licensed real
8 money casino gaming development and software distribution company based on the IPR
9 licensing rights from Mahon, which required a single unification of all of the prior net profit
10 agreements, convertible notes, and other investment mechanisms. FCGI acted in good faith,
11 believing that Newman had and continued to faithfully carry out all of its terms and conditions,
12 and converted Newman's 5% profit interest in Mahon's IPR into shares of FCGI common stock.
13 *See Mahon Decl.*, ¶21. As part of this transfer, Mahon, Newman and FCGI voluntarily
14 terminated the AGRI in exchange for 1,000,000 shares of FCGI, which equaled 5% of the
15 original 20 million shares FCGI had issued when it was initially formed. Newman requested
16 that FCGI issue the shares to CBL. FCGI did so based on the repeated representations Newman
17 provided that he had all of the IPR matters in perfect order, per their initial agreement. Mahon
18 later learned these representations were false. *See Mahon Decl.*, ¶¶ 21-24.

19 **B. Newman is not an employee and has no employment agreement.**

20 As explained several times during this litigation and set forth in the Third-Party
21 Complaint, FCGI ultimately attempted a transaction whereby it would transfer its assets, the
22 primary asset being a limited license agreement, to a company formed in the Isle of Man
23 ("IOM") called Full Color Games, Ltd. ("FCGLTD"). This transaction was contemplated for
24 many reasons, among them, a need for additional funding from investors who did not want to
25 invest in an American based company, and the natural evolution to a country that supported an
26 online casino friendly tax free international business environment. *See Mahon Decl.* ¶ 26.

27 Newman and Newman Law was heavily involved in all aspects of the process of this
28 transaction. Newman Law was FCGI's outside legal counsel and Newman was appointed as the

1 Chief Legal Officer (“CLO”) of FCGLTD, as he was for FCGI, and was also a Director and
2 bank signatory of FCGLTD. *Id.* ¶ 27.

3 Martin Linham, who had been appointed as the Chief Financial Officer of FCGI, also
4 took on the role of being the CFO, Isle of Man Resident Director and primary bank signatory of
5 FCGLTD. Because there was not significant funding for FCGLTD, and FCGI before it, all of
6 the officers and others who provided services would bill those services as an independent
7 contractor on an as needed basis as the company was developing. Although Linham was
8 initially billing FCGLTD as an independent contractor for his services as CFO and as the
9 required IOM resident director for his services, the IOM Tax Division immediately stopped this
10 arrangement once they discovered that FCGLTD had filed for its first real money casino gaming
11 license application and forced Linham to create an employee tax account and begin to pay
12 employee taxes as he was an IOM resident Director and Officer of the company as a matter of
13 law. Because of these legal requirements, Linham was the only employee of FCGLTD. Indeed,
14 Newman, Mahon and any other USA based parties performing work related to FCGLTD were
15 prohibited from having any employment and even contractor contracts directly with FCGLTD
16 based on tax and employment information and advice provided by KPMG in IOM that was
17 further affirmed by FCGI’s CPA in the United States. *Id.* ¶ 28; *see also* Emails from Linham
18 confirming that Newman was not an employee and confirming reasons for precluding the
19 employment of any United States based workers with FCGLTD, attached as Exhibit D.
20 It was not in any way illegal to prohibit USA based employment or contractor contracts, it was
21 merely a tax strategy that FCGLTD could not afford until it had obtained a Series A funding due
22 to the extraordinary costs of “transfer pricing” and the complexities in international tax law
23 requiring highly specialized extremely expensive tax accountants to facilitate it on a monthly
24 and annual basis. Until additional full Series A funding was available as proposed in the
25 FCGLTD Private Place Memorandum referenced below, and profits from a future revenue
26 stream, FCGLTD could not sustain the additional costs required to complete the process of
27 employing or contracting directly with USA based workers.

28 Indeed, FCGLTD’s Private Placement Memorandum (“PPM”), which Newman crafted

1 with Linham, clearly confirms the tax strategy and status that Newman was not at any time an
2 employee receiving a salary from FCGLTD as Newman claims. Beginning in October, 2015,
3 Linham, as FCGI's CFO, began drafting business plans for the PPM for what would become
4 FCGLTD. There were multiple versions prepared between October, 2015 and May, 216. *See*
5 Mahon Decl., ¶ 29.

6 On March 14, 2016, Newman specifically added his comments to Revisions entitled
7 DRAFT 5 and DRAFT 6 and named the revisions with his RHN initials. In Draft 5 & 6,
8 including all the way to the Final PPM, Section 5, which was entitled "REMUNERATION OF
9 DIRECTORS" the document identifies "estimated director's remuneration for the current
10 financial year," but then noted "the directors have not been receiving any payment of salary and
11 have not been accruing such payment." *See* PPM, §5, attached as Exhibit E. Further, in Draft 5
12 & 6, including all the way to the Final PPM, in Section 9 entitled "SIGNIFICANT OFFICERS
13 & EMPLOYEES" the document identifies several employees, but does not mention Newman as
14 an employee. *Id.* §9. Finally, in Draft 5 & 6, including all the way to the Final PPM, in Section
15 11 entitled "FUTURE RESOURCE AND STAFF ORGANOGRAM" the document expressly
16 states:

17 11. FUTURE RESOURCE AND STAFF ORGANOGRAM

18 To date, FCGL has minimised staff costs through operation with a small dedicated
19 team and through utilisation of outsourced commercial arrangements, which have not
20 always been best for the Company. *Once properly funded, FCGL intends to make*
the following key hires and changes to its current resource:

21 11.1 Current CEO, CFO, CLO and CTO will be paid a full-time salary at a reasonable
22 commercial rate to allow for the fact that the business is still in the early stages of
23 producing revenue with new, already identified and highly experienced, COO and
President being brought into the business at similar commercial rates

24 *Id.* §11 (emphasis added). Later, on October 26, 2016, Linham disclosed the PPM to the UKGC
25 and 27 different investors, affirming its intentions concerning current employment and later
26 employment. *See* Letter dated October 25, 2016, attached as Exhibit F.

27 Even if Newman, as the CLO of FCGLTD, had prepared a proposed employment
28 agreement for himself and FCGLTD to execute, there is no question that such employment was

1 not authorized and never consummated for the reasons stated above. Newman's efforts to
2 enforce an employment agreement as a basis for a "pre-litigation" demand is simply false.

3 All of the documentation concerning FCGLTD and its relationships with its directors
4 and officers confirms that Newman was not, and could not be, employed by FCGLTD during
5 the time period involved, and Newman knew that he had no employment agreement. Therefore
6 Newman's efforts to enforce an employment agreement are simply false.

7 **C. Newman is terminated when Mahon discovers Newman's failures to perform,**
8 **fraudulent representations, concealments and other malfeasance.**

9 It is true that Newman did, on one and only one occasion, receive a payment for legal
10 contract work to be performed by Newman Law that was argued by Newman to be outside of
11 the scope of his AGRI agreement and his ongoing responsibilities to complete certain legal
12 contract work. Newman explained he was in a financial crisis due to failed business endeavor
13 of his called Vegas Game Point, LLC ("VGP"). It was in FCGLTD's best interest not to
14 contend with Newman at this time. As a result, Newman was, in fact, paid \$10,000 via Full
15 Color Games, N.A. ("FCGNA"), FCGLTD's wholly owned American subsidiary to perform
16 certain legal work --- FCGNA was the vehicle by which all United States contractors were paid
17 at the time. See Mahon Decl., ¶¶ 28 & 34. Linham and Mahon authorized a payment to
18 Newman through FCGNA and set forth specific tasks that Newman and Newman Law needed
19 to complete for the payment FCGNA authorized. Newman now argues that the legal contract
20 work with Newman Law somehow has become his employment agreement with FCGLTD.
21 Newman's claims are not only wrong, they are fraudulent. Newman cannot simply convert a
22 one-time payment for certain services, which was to be paid by FCGNA, into an ongoing
23 employment arrangement between himself and FCGLTD. Newman's actions speak volumes of
24 his understanding of corporate formalities as he has no qualms in blending his interests with that
25 of his roles and duties as an officer and Director of the company, or blurring the lines between
26 himself and his companies, Newman Law and CBL. Even as an employee of H2, Newman
27 ignored his duties to his employer and surreptitiously acted as a client to his employer by
28 running his personal and corporate business in complete contravention to his employment

1 agreements. *Id.* ¶¶ 28 & 34.

2 On or about August 17, 2016 just a few weeks after Newman Law, which was paid to
3 Newman directly at his request, received the \$10,000 FCGNA check for its legal contract work,
4 FCGLTD submitted its United Kingdom Gambling Commission (“UKGC”) Remote Gaming
5 Software License (“RGSL”) Application, which included mandatory Personal Management
6 License (“PML”) applications for Mahon, Linham, Newman, Mark Munger, and Lee Murphy.
7 *Id.* ¶ 35. Because Newman had received shares in FCGI and his total beneficial ownership
8 exceeded 3%, and because of his role as a director, the applications were required to include a
9 Newman PML application. *Id.* ¶¶ 25 & 35.

10 One day after the UKGC RGSL and PML applications, Linham sent correspondence to
11 Newman and Newman Law regarding the status and delivery of the contract work he was
12 commissioned to complete based on his receipt of and cashing the \$10,000 check from FCGNA.
13 Linham’s request included a request for a list of the Full Color IP assets and the IPR protections
14 that were in place. *Id.* ¶ 37; see August 18, 2016 letter, attached as Exhibit G. One day later, on
15 August 19, 2016, Newman responded by making an additional demand of \$10,000 on the first
16 of every month to complete the work. Mahon was shocked by this demand both because
17 Newman had just received \$10,000 in good faith only three weeks earlier, and because there had
18 never been any employment agreement in place to pay Newman \$10,000 at the beginning of
19 every month. Newman’s email demands confirmed that Newman truly was in some sort of
20 financial crisis and he was attempting to force FCGNA to bail him out. See Mahon Decl., ¶¶
21 34 & 38; August 19, 2016 email, attached as Exhibit H.

22 Mahon had already given Newman and Newman Law free Class A office space without
23 any charge as a result of his VGP crisis and \$10,000 of billable work paid in advance but now
24 Newman caused Mahon to doubt everything he had previously represented. Above all, Mahon
25 could not understand why Newman was not able to immediately provide a status report of the
26 IPR, since he had always represented that the IPR was under control. See Mahon Decl., ¶ 38.

27 Mahon, therefore engaged in a full audit of all of the work Newman and H2 had been
28 commissioned to produce for the last 6 years with regards to Mahon’s IPR. That night, Mahon

1 taught himself how to use the USPTO TESS and PAIR search engines and almost immediately
2 discovered the previously unknown abandonment of 5 patent applications (12/776,273,
3 12/776,336, 12/776,342, 13/083,408 and 13/747,727), the end of 2 PCT applications
4 (PCT/US11/31836 and PCT/US11/31826), and the unknown abandonment and suspension of
5 two trademark applications (85503833 and 86258846). A public search of the USCO also
6 revealed failures equally as bad as H2 and Newman had further failed to obtain a single
7 copyright on any of the 12 Full Color® Cards applications and failed to even file a copyright on
8 Mahon's Full Color® Cards 3rd Edition, meaning that all of Mahon's IPR and all of his IPR
9 licensees, including FCGI and FCGLTD, had lost a significant portion, or had no federally
10 registered protected intellectual property rights at all on some of the most crucial IPR. *Id.* ¶ 39.

11 After Mahon learned that Newman had basically failed to complete any of the agreed
12 upon tasks concerning the legal protection of the IPR over the last six years, despite repeated
13 representations to the contrary by which Newman had received shares in FCGI, several
14 meetings were held with FCGLTD Board of Directors, FCGI Board of Advisors, securities legal
15 counsel, investors and others. It was determined that Newman must immediately be terminated
16 from every capacity with FCGLTD and FCGI. *Id.* ¶ 40; *see, e.g.*, Meeting Minutes from the
17 Board of Directors Meeting of FCGLTD held on August 25, 2016, attached as Exhibit I.

18 On August 25, 2016, Mahon emailed Newman a termination letter notifying him that he
19 was terminated from all of his roles with all related entities, including FCGI and FCGLTD, and
20 demanding that Newman immediately turn over all of Mahon's Full Color IP and IPR files. *See*
21 Mahon Decl., 42; *see* August 25, 2016 termination letter/notice, attached as Exhibit J.

22 **D. Newman utilizes concocted non-existent employment agreement and ill-gotten**
23 **FCGI shares obtained via fraud to make extortionate demands on Mahon and**
24 **FCGI.**

25 Newman's initial response to Mahon's notice of his termination was to complain briefly
26 about the procedure defects of his termination, but more importantly, Newman recognized that
27 his termination, only a week after the UKGC filings were completed, created significant
28 complications with the RGSL and PML applications. *See* Mahon Decl., 42; Newman email

1 dated August 25, 2016, attached as Exhibit K. Newman's later actions demonstrate that he
2 knew that his continued ownership of shares in FCGI and his part in the application created a
3 real conundrum for the application process and Newman would take every opportunity to take
4 advantage of his position via extortionate and fraudulent demands.

5 Later on August 26, 2016, Linham responded to Newman and again demanded the
6 return of all of the H2 files and Newman Law Full Color IP files as already requested. Linham
7 also affirmed that Newman had received all payments that the parties had agreed upon. Mahon
8 Decl., ¶ 43; August 26, 2016 email from Linham, attached as Exhibit L.

9 On August 27, 2016, Newman sent a 2-page email response to Mahon and Linham's
10 demands. First, he demanded a cash payment of \$5,000 for Mahon to receive the IPR files used
11 for the copyright, trademark, and patent filings and threatened to place an attorney lien on all
12 the IPR assets without immediate payment. Second, Newman concocted a non-existent
13 employment agreement that he claimed as accruing a non-existent salary that he had not
14 received. *See* Mahon Decl., 45; *see* August 27, 2016 email from Newman, attached as Exhibit
15 N. As noted earlier, although there had been discussions of potential future salaries for officers
16 and directors of FCGLTD as set forth in the PPM, Newman knew that he did not have an
17 employment agreement with FCGLTD for the reasons already set forth above.

18 In the August 27, 2016 email, Newman, for the first time, asserted his alleged concerns
19 about Mahon's management of FCGLTD and the other related entities, and claimed, without
20 any evidence, that he had voiced his concerns previously. After insinuating that he will reveal
21 his alleged concerns of illicit conduct by Mahon and asserting concocted rights to payment
22 under a nonexistent employment agreement, Newman coyly suggests that FCGLTD and Mahon
23 agree to settle all their potential claims with him, despite the fact that Mahon now knows that
24 Newman has basically done nothing to protect his IPR during the last six years and caused
25 incalculable and even irreparable damage to Mahon and the licensees of the Full Color IP and
26 IPR. Equally as damaging, Newman's actions constitute securities fraud and threatened to
27 cause the loss of millions of dollars in FCGI's investor's investments. *See* Mahon Decl. ¶¶ 47-
28 48.

1 Thereafter, FCGLTD was required to notify the UKGC of Newman's termination and
2 the need to remove him from the PML and RSGI applications due to lack of suitability.
3 However, Newman's ownership interest in FCGI's cap table exceeded 3% and remained
4 unresolved and the UKGC demanded information concerning its resolution. Again, Newman
5 was aware of this conundrum as he has stated he was contacted by the UKGC. However,
6 neither Mahon, FCGI, FCGLTD, nor anyone else at the time was aware that Newman had been
7 contacted or whether he had communicated with the UKGC. *See* Mahon Decl., ¶ 52. As such,
8 none of the allegations in the Third-Party Complaint are based on these unknown
9 communications. Regardless, Newman was aware that because of his ill-gotten common stock
10 ownership interests in FCGI, which he only received because of repeated misrepresentations
11 concerning his work product, and via misrepresentations concerning H2's initial approval and
12 authorization of the AGRI, he could utilize this ill-gotten property to his advantage and the
13 disadvantage of FCGI, Mahon, FCGLTD and all other interested parties who were licensees of
14 Mahon's IPR.

15 Thereafter, without Mahon's knowledge and consent as Mahon was overseas in India,
16 there were purportedly additional settlement discussions with Newman wherein, Newman only
17 increased his demands for payment based on the shares he had fraudulently received from
18 FCGI. He initially demanded \$50,000 plus a complete and full release and later demanded
19 \$75,000 with a full and complete release. Everyone knew that Mahon, as the sole owner of the
20 IPR, and further as the sole Director of FCGI, and majority interest shareholder through his
21 holding company, was the only person who could enter into any communications and did not
22 authorize any settlement discussions related to Mahon's property rights and FCGI's licensed
23 rights to Mahon's property. Mahon only agreed to communicate with Newman on behalf of one
24 of the FCGLTD investors, Sebastian Bastian who Newman could not get to but knew he had the
25 funds to pay Newman's ransom demands. *See* Mahon Decl., ¶¶ 55-60. Ultimately, Bastian
26 refused to put any more funds into FCGLTD by which it might have resolved the issues
27 between FCGLTD and Newman, but not Mahon's or FCGI's. *Id.* ¶ 61. Because FCGLTD and
28 FCGI could not resolve Newman's ownership of the shares, FCGLTD was unable to complete

1 the PML or RGSL applications and ultimately both FCGI and FCGLTD became insolvent. *Id.*
2 ¶ 62.

3 **E. Newman's 3% ownership interest was a problem for the UKGC.**

4 Newman repeatedly argues that his continued ownership interest was not an issue for the
5 UKGC. Newman's claims, however, defy the evidence.

6 Linham initially notified the UKGC that FCGLTD would need to remove Newman from
7 the PML and RSGL Applications on or about August 30, 2016. *See* Email dated August 30,
8 2016, attached as Exhibit O.

9 On October 10, 2016, after receiving notice from FCGLTD that Newman was to be
10 removed from the PML and RSGS applications, the UKGC responded and required a formal
11 response of the reasoning behind the termination of Newman and noted that Newman's shares
12 as a ultimate beneficial owner exceeded the minimum limit of 3% and wanted information on
13 the disposal of those shares. *See* Letter from UKCG, attached as Exhibit P.

14 On October 25, 2016, Linham responded to the UKGC and explained in extraordinary
15 detail to the UKGC why Newman was determined to be "unsuitable" for the application
16 pursuant to the UKGC Gambling Act 2005. *See* October 25, 2016 letter, attached as Exhibit F.

17 On November 30, 2016, Linham contacted the UKGC again with a follow up to the
18 disposal of Newman's shares and informed them of the following that FCGLTD needed
19 additional time to determine the steps that need to be taken to fully dispose of Newman's shares.
20 *See* Letter dated November 30, 2016, attached as Exhibit Q.

21 On April 21, 2017, FCGLTD received correspondence from UKGC putting it on final
22 notice that failure to respond with full compliance of the RSGL application by April 28, 2017,
23 based on the prior October 10, 2016 notice that included requested information concerning the
24 disposal of Newman's CBL shares, would result in an automatic refusal and permanent denial
25 of the application. *See* April 21, 2017 correspondence from UKGC, attached as Exhibit R.

26 Newman's status as a shareholder and his non-compliance acts that triggered FCGLTD
27 and FCGI'S right to enforce the removal of Newman via the Share Repurchase Agreement are
28 exclusive rights to FCGI and FCGLTD. What is exclusive to the UKGC is finding suitability in

1 any shareholder with more than 3% of shares or control elements of the company that an Officer
2 and a Director positions that Newman once held were properly disposed of are of paramount
3 import to the UKGC as they repeatedly requested that they needed information concerning the
4 disposal of his shares so the application could be completed. Newman knew this, and
5 repeatedly sought to extort additional gains to which he had no legal right. He had obtained and
6 continued to maintain his ownership interest in FCGI based on fraud and repeated
7 misrepresentations, and cannot claim in good faith that his efforts to receive more gain from
8 those shares was part of a legitimate business dispute.

9 **E. Additional information that can only be obtained through discovery.**

10 The Third-Party Complaint also contains significant allegations against other parties,
11 including Munger and Bastian, who were conspiring to destroy FCGI and Mahon's business.
12 Upon information and belief, Munger and Bastian communicated with Newman during this time
13 about their plans. Mahon further believes that Newman has been ghostwriting all of Munger's
14 legal briefs to the USPTO in order to prevent Mahon's re-registration of Mahon's "Full Color"
15 trademark that Newman's malpractice caused to be canceled by failing to file a single page
16 "affidavit of use." FCGI will require additional discovery to explore these issues fully and, to
17 the extent necessary, provide additional response to the anti-SLAPP motion. Specifically, FCGI
18 is entitled to conduct discovery on all of the communications that occurred between Munger,
19 Newman, Bastian, and others from August, 2016 through the present to determine whether
20 Newman actions were part of a concerted effort to destroy FCGI's business operations at the
21 time and Mahon's ongoing business with respect to the licensees of his IPR.

22 **3. Legal Argument**

23 **A. This is not a SLAPP suit.**

24 Like many states, Nevada prohibits SLAPP suits. *See* NRS 41.650; NRS 41.660.
25 Analysis under these anti-SLAPP statutes is a two-step process. First, the action complained
26 about must have been brought "based upon a good faith communication in furtherance of the
27 right to petition or the right to free speech in direct connection with an issue of public concern."
28 NRS 41.637. Such communications are limited to the following: (1) messages "aimed at

1 procuring any governmental or electoral action, result or outcome;” (2) contacting state or
2 federal entities or their employees regarding “matter[s] reasonably of concern” to those entities;
3 (3) messages in “direct connection with an issue under consideration by a legislative, executive
4 or judicial body, or any other official proceeding authorized by law;” or (4) communications on
5 matters of public interest made in a public forum. NRS 41.637. Further, the communication
6 must be either true, or made without knowledge that it is untrue. *Id.* Court have also held that
7 anti-SLAPP statutes do not protect communications that would otherwise be illegal, such as
8 extortion or fraud. *See, e.g., Flatley v. Mauro*, 139 P.3d 2, 15 (Cal. 2006)

9
10 **B. Newman’s communications were not made in direct connection with an issue under**
11 **consideration by a legislative, executive or judicial body and do not qualify for anti-**
12 **SLAPP protection.**

13 The Newman Defendants cannot even show that the communications at issue meet the
14 basic standard for protection under Nevada’s anti-SLAPP statute. The only specific category of
15 communication that Newman tries to shoe horn the communications Newman made here is the
16 allegation that his extortionate and false emails were somehow made in “direct connection with
17 an issue under consideration by a legislative, executive or judicial body, or any other official
18 proceeding authorized by law.” NRS 41.637(3). However, Newman’s communications do not
19 meet this standard even on their face because there was not at the time any issues connected
20 with his matter being considered by a judicial body. No lawsuits existed.

21 Newman only claims that his communications were a “pre-litigation” demand that is
22 protected, but fails to cite any authority to support his position. Indeed, the two California cases
23 he relies upon both involve communications that were made during litigation proceedings, not
24 pre-litigation. For example, in *Navellier v. Sletten*, 29 Cal. 4th 82, 86–87, 52 P.3d 703 (2002),
25 Plaintiffs’ claims were based on the filing of an amended complaint in a judicial proceeding that
26 was already proceeding. Similarly, in *Rusheen v. Cohen*, 37 Cal. 4th 1048, 1054, 128 P.3d 713,
27
28

1 716–17 (2006), the anti-SLAPP motion sought dismissal of abuse of process claim that asserted
2 that an attorney’s filings and motions in a pending judicial case were actionable. There is no
3 case law that suggests, let alone holds, pre-litigation demands are protected by the anti-SLAPP
4 statutory scheme. Indeed, the very language and definitions provided in the statute prove
5 otherwise.
6

7 **C. Newman’s alleged communications are false, fraudulent, or illegal.**

8 Further, in order to receive anti-SLAPP protection, Newman’s communications must be
9 true and made without knowledge that they are untrue. NRS 41.637. Court have also held that
10 anti-SLAPP statutes do not protect communications that would otherwise be illegal, such as
11 extortion or fraud. *See, e.g., Flatley v. Mauro*, 139 P.3d 2, 15 (Cal. 2006)
12

13 There is ample evidence proving that Newman’s alleged “pre-litigation” demands were
14 in fact fraudulent and extortionate. Newman knew he did not have an employment agreement
15 with FCGTLD, but asserted a right to collect on one anyway. Newman also knew that he had
16 obtained his interest in FCGI via repeated misrepresentations and concealments to Mahon and
17 FCGI about the work he had “completed” and was doing for FCGI, yet still continued to assert a
18 right to payment for those shares. Indeed, Newman knew that he had obtained rights under the
19 original AGRI only by misrepresenting his relationship with H2 to Mahon and FCGI. Finally,
20 Newman did not disclose the AGRI to H2, and Newman knew that he had no authorization from
21 H2 to enter into the AGRI to begin with.
22

23
24 Newman’s activities are clear and precise violations of 18 U.S.C. § 1346, frauds by
25 wire; 18 U.S.C. § 1951, interference with commerce by threats or violence; 18 U.S.C. § 1341,
26 frauds and swindles and based on an unlawful taking of FCGI’s and Mahon’s property,
27
28

1 specifically including but not limited to FCGI's common stock shares that Newman illicitly
2 obtained and refused to return.

3 When FCGI and its affiliated entities discovered that Newman Law had failed to
4 perform a series of work orders that Newman as the ultimate beneficial owner had been paid
5 \$10,000 on July 29, 2016 to produce. Newman had not even started on the work product as of
6 August 17, 2016 and, when confronted and given a chance to cure his failed performance, he
7 chose not to and, instead, demand more money. Mahon and FCGI investigated all of Newman's
8 work for which he had been compensated during the last six years. They discovered that
9 Newman had left the work undone and most of Mahon's IPR abandoned. Mahon, FCGI,
10 FGCLTD, and any other affiliated entities terminated all business relationships with Newman.
11 Rather than simply accepting the rightful termination of all business relationships, Newman
12 resorted to extortion to attempt to retain FCGI's and Mahon's property, threatening to lien
13 Mahon's property and hold the attorney-client files hostage. Newman further refused to return
14 clear title to FCGI's securities that Newman obtained through fraud and, instead, made several
15 ransom demands of \$5,000 then \$50,000 then \$75,000 in order for FCGI to get its illegally
16 obtained property back. To make matters worse, Newman demanded a waiver and full and final
17 release of all liability to his malpractice as another ransom demand.

18
19 The only other communications Newman refers to are alleged communications that
20 Newman purportedly had with the UKGC. Neither FCGI nor Mahon was aware of these alleged
21 communications, if any, until they received Newman's anti-SLAPP motion, nor did the UKGC
22 ask FCGLTD to defend any Newman communications, if any. The UKGC has never revealed
23 any communications and to this day, FCGI does not know the substance of the communications.
24 As such, Newman cannot rely on communications, if any, that FCGI was not aware of nor
25 alleged in the Third-Party Complaint to form the basis of a successful anti-SLAPP motion.
26
27
28

1 Most importantly, the facts set forth herein demonstrate that none of the "pre-litigation"
2 demands that Newman alleges support this anti-SLAPP motion were communications made in
3 good faith. Newman knew that his demands were not supported by the facts, and that he had no
4 legal basis for making those demands. They were made only to extort property, which did not
5 belong to Newman, from FCGI and other affiliated entities.

6
7 **D. FCGI is entitled to its fees and costs for opposing the motion.**

8 FCGI has demonstrated that the Newman Defendants' anti-SLAPP motion based on the
9 claim that their communications are protected by Nevada's anti-SLAPP laws is frivolous. The
10 Newman Defendants cannot, in good faith, assert that their fraudulent and extortionate
11 communications are not actionable.

12
13 NRS 41.670(2) provides: "If the court denies a special motion to dismiss filed pursuant
14 to NRS 41.660 and finds that the motion was frivolous or vexatious, the court shall award to the
15 prevailing party reasonable costs and attorney's fees incurred in responding to the motion."
16 Further, NRS 41.670(3) provides: "In addition to reasonable costs and attorney's fees awarded
17 pursuant to subsection 2, the court may award: (a) An amount of up to \$10,000; and (b) Any
18 such additional relief as the court deems proper to punish and deter the filing of frivolous or
19 vexatious motions."
20

21 Here, the Newman Defendants' motion has no merit whatsoever, and can only have been
22 filed to unnecessarily and frivolously delay the resolution of FCGI's claims. FCGI is entitled to
23 its attorney fees and costs and additional damages as the Court may award.
24

25
26 **5. Conclusion**

27 For the reasons set forth herein, the Newman Defendants' motion should be denied. The
28 Newman Defendants have not met their burden to show how the limited communications they

1 identify are afforded any protections under Nevada's anti-SLAPP laws. Further, even if
2 Newman had met his initial burden, FCGI has provided ample evidence to prove that it would
3 likely prevail on its claims. The Court should deny the Newman Defendants' motion.

4 DATED this 28th day of March, 2019.

5 HUTCHISON & STEFFEN, PLLC

6
7 /s/ Todd W. Prall

8 Mark A. Hutchison (4639)

9 Todd W. Prall (9154)

10 *Attorneys for Defendant/Counterclaimant/Third-*
11 *Party Plaintiff Full Color Games, Inc.*
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Hutchison & Steffen, PLLC and that on this 28th day of March, 2019, I caused the above and foregoing document entitled **THIRD-PARTY PLAINTIFF'S OPPOSITION TO THIRD-PARTY DEFENDANTS' SPECIAL MOTION TO DISMISS ACTION PURSUANT TO NEV. REV. STAT. ANN. § 41.650, et seq.** 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

Richard Newman
Newman Law, LLC
7435 S. Eastern Avenue, Suite 105-431
Las Vegas, NV 89123

Attorney for Third-Party Defendants Richard Newman, Newman Law, LLC, and Cooper Blackstone, LLC

/s/ Madelyn B. Carnate-Peralta
An employee of Hutchison & Steffen, PLLC

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

EXHIBIT A

Declaration of David Mahon in support of Third-Party Plaintiff's Opposition to Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. § 41.650, *et seq.*

1. I am the Chief Executive Officer and Sole Director of Full Color Games, Inc. ("FCGI"), and I have personal knowledge of the facts set forth herein.

2. I make this declaration in support of Third-Party Plaintiff's Opposition to Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. § 41.650, *et seq.*

3. I am also the inventor, creator and sole owner of an entirely new and unique class of cards and casino gaming for the casino and non-casino industries and the owner of intellectual property rights of Full Color® Cards, Full Color® Games, and the Full Color® Gaming System ("FCGS"), including copyrights, trademarks, patents pending, and other forms of intellectual property (the "Full Color IP").

4. Between November of 2008 and March of 2010, I had met many potential investors who had seen my inventions in the Full Color IP and the FCGS. Everyone I presented my inventions to would become mesmerized with its global and perpetual profit potential, then make promises to fund its development, its commercialization, provide key political and industry relationships to exploit it, and further use all of their own experience to develop launch plans to make billions off of my inventions if they could only get a piece of the pie, with 9 out of every 10 people I met ultimately turning out to be one charlatan and fraud after another by failing to actually have the necessary funds and or follow through and honor their word.

5. In order to protect my inventions, I was advised by my securities and corporate counsel at the time to file all copyright, trademark and patent applications in my name as the sole inventor and then license the works to a wholly owned holding company order to protect my inventions from nefarious people that inevitably come along. As a result, I did exactly that, I began to file for and seek intellectual property rights for everything that I invented, including but not limited to Multi-Play™ Bingo; Bingo Poker™; Full Color® Games and the FCGS, and all of its related unique and proprietary intellectual property collectively known as and previously

referred to as the "Full Color IP," and in totality creating a full portfolio of intellectual property rights ("IPR").

6. As predicted, people who had worked for global conglomerates, trading on the currency of their associations with them began to show up in my life and engage in nefarious activity. The first scheme began when the former Mattel® CEO who, along with his partners, promised me the moon in a myriad of ways and began to introduce me to more real money casino gaming executives. As a result, they committed me to hiring IPR attorneys to file for copyright, trademark and patent protection running up a \$35,000 bill with the promise to pay for it through their forthcoming investment contracts that never came. When I refused to let them have technological access to my math formulas or let them contribute to inventions, they realized I could not be conned into their empty promises just to get my trade secrets. When I refused to succumb to their unconscionable, wrongful or extortionate demands, they disappeared leaving nothing but damage and debt for me, a theme that has carried on right up to this derivative lawsuit and carrying on, all the way through to the third parties in Richard Newman ("Newman") and the rest of his racketeering enterprise led by Mark Munger ("Munger") and Sebastian Bastian ("Bastian").

7. Although I had the skillsets to continue to develop and produce my inventions, I did not have any experience or ability to prosecute patent applications. As a result of the prior investors' refusal to fulfill their obligations to me, they left me cash strapped with the ongoing debt and obligations to fund the patent application work for IPR that was not budgeted for. I could no longer pay attorneys and maintaining time sensitive filings with the United States Postal Office ("USPTO") that would ensure protection of my IPR. Ultimately I was referred to Newman as a local practitioner that allegedly specialized in social and real money casino gaming and USPTO IPR work, and might be able to help.

8. At the time, and continuing to somewhere around the mid to end of October, 2014, Newman was employed as an attorney for Howard & Howard Attorneys, PLLC ("H2").

9. On or about March 16, 2010, I met Newman at H2's Wells Fargo Tower offices where I presented Newman my entire suite of unique and proprietary intellectual property and

inventions in Full Color IP, the FCGS and my Multi-Play™ Bingo game, referred to previously as the “IPR.” Newman was equally mesmerized by my inventions as everyone else I showed my IPR to.

10. I fully advised Newman of the prior investors’ empty promises and failures to meet their obligations, how it had created debts owed to my original USPTO attorneys that I could not pay, and the crisis it had created. I could not currently afford to pay any legal fees to maintain my IPR. I revealed that my IPR patents pending were about to expire and the most I could afford to pay for the foreseeable future was the hard costs of the USPTO fees to convert my provisional patents into non-provisional applications.

11. Newman informed me that he had a solution and he could do all of the legal work on a sweat equity deal. He claimed that he had never worked on a sweat equity deal for legal services for anyone before but that he could and would be interested in working for a sweat equity deal in the IPR because of the profit potential in what I had invented. Newman told me that he would be willing to do all of his my USPTO and USCO work at no upfront legal cost to me if I was willing to pay the “hard costs” in filing fees with the governmental agencies, the USCO and the USPTO in exchange for 5% interest in the net profits from the IPR.

12. On March 24, 2010 at 12:45pm PST, I sent Newman a draft copy of an Assignment of Gross Revenue Interests (“AGRI”) agreement via email.

13. On March 24, 2010 at 2:30pm PST, in a return email, Newman revealed that he had a conflict of interests with H2 and described how he would use H2 as “a client,” despite the fact that he was an employee of H2 to resolve the conflicts.

14. On March 24, 2010 at 3:20pm PST, in a return email, I confirmed that Newman had spoken to my securities attorney and all the conflicts were worked out, and I forwarded a revised copy of the AGRI.

15. On or about April 1, 2010, Newman returned a fully executed copy of the AGRI and the relationship with Newman and H2 began. A true and correct copy of the AGRI is attached to the Opposition as Exhibit B.

16. Although the AGRI speaks for itself, the agreement ensures H2 and Newman will perform all necessary legal representation to obtain, prosecute, execute and defend the IPR that includes but is not limited to the copyright, trademark and patent work in perpetuity in consideration for the 5% assignment of gross revenue interests to the IPR. It made sense to me as Newman would have a clear motivation to continue to increase the value of his interests.

17. Between April 1, 2010 and April 24, 2014, Newman did in fact use 100% of all of H2's infrastructure. In fact, we even used all of H2's offices to do full blow film productions including videos, commercials, testimonials and interviews of H2 personnel, including Newman. H2 sent me over 65 billing statements and invoices through the U.S.P.S. that revealed 24 other H2 attorneys that were licensed with the USPTO who had worked on my IPR, along with correspondence from 16 different H2 employees that had provided everything from paralegal work to accounts receivables related to my IPR, corporation formations and all the licensing work related to the protection of it all totaling \$21,956.00 in hard cost payments made to H2.

18. On or about October 20, 2014, Newman notified me, without any notice or warning whatsoever that he had terminated his working relationship with H2 and that I would have to transfer all of my legal representation over to his new company, Newman Law, LLC ("Newman Law").

19. Despite the fact that Newman Law had no offices, no employees, no support staff of any kind, no infrastructure, no planning of any kind or any sort, Newman aggressively reassured me that everything would be fine. At that time, my patent portfolio was then over 6 years old and not a single patent has been issued. I wanted to stay with H2 because of what I understood was the protection of a major law firm with a full support staff but I had no choice in the matter because of the AGRI agreement. Unbeknownst to me at that time, both H2 and Newman had already secretly caused all of my original patent and trademark applications to become abandoned Newman actively concealed the abandonments of my IPR that had already occurred.

20. Further, I was not aware at that time that, Newman, who was employed by H2 at the time, had not in fact resolved his conflicts he stated he had, and in fact had not informed H2

or obtained authorization from H2 to enter into the AGRI. In a letter dated October 6, 2016, H2 later informed me in writing that, *“Newman lacked authority to enter into such an agreement, and never sought or never received permission from Howard & Howard to enter into that type of an agreement with you or your company. Also, no one in authority at Howard & Howard ever authorized Mr. Newman to enter into such an agreement, and we have never seen the agreement you described in your email messages or received any payment pursuant to it.”* A true and correct copy of the H2 letter dated October 6, 2016 is attached to the Opposition as Exhibit C.

21. On or about August 1, 2015, my casino gaming development company, FCGI, had formally completed the change of its corporate mandate to prepare to become a licensee and regulated real money casino gaming enterprise and as a result, unified all of its net profit agreements, convertible notes as well as modified its corporate documents that included but was not limited to termination and exchange of agreements with all investors, contractors, sub-contractors and interested parties with all necessary documents included but not limited to the Amended and Restated Bylaws of August 1, 2015 whereby FCGI implemented the new Share Repurchase Agreement (“SRA”) that was an attachment and condition to any and all Share Issuance Agreements (“SIA”) executed by all common stock shareholders of FCGI.

22. On or about August 1, 2015, as part of the evolution of FCGI’s corporate mandate to become a licensed real money casino gaming entity, Newman and I voluntarily terminated the AGRI agreement and exchanged it for 1,000,000 shares of FCGI, which equaled 5% of the original 20 million shares FCGI had issued when it was initially formed.

23. On or about August 1, 2015, Newman further wanted his FCGI shares to be issued in the name Cooper Blackstone, LLC (“CBL”), and they were in fact issued to CBL.

24. At the time, I willingly agreed to provide Newman with shares in the form he requested because Newman had repeatedly and regularly represented to me that he was properly and adequately handling the filings with the USPTO for protection of the IPR. At no point in time prior to the termination and exchange of the AGRI had Newman informed me of any patent or trademark abandonments. I continued to ask what was taking so long for a patent to be issued and if we had heard anything back from the USPTO because, even after seven years, all of my

patent applications were still pending, and each time, Newman continued to verbally assure me not to worry and that it's "just the nature of the USPTO to take years" and to continue to be patient, as he assured me that he had everything in perfect order. I had no reason to believe that Newman was not properly handling the IPR, because after all, he had a profit based interest in the success of the outcome of his own work. In issuing Newman FCGI common stock shares in replace of the AGRI, I wholly relied upon Newman's representations that he was fully engaged in and completing the necessary work. I later learned that his representations were false.

25. Newman's shareholder interest in FCGI exceeded 3%. The UKGC Gambling Act of 2005 requires that any party who has a 3% interest or more as an ultimate beneficial owner on a UKGC casino gaming license application be required to be found suitable. Since Newman was the ultimate beneficial owner to CBL and as a result, CBL had more than 3%, Newman was required to apply for and obtain a Personal Management Application ("PML") and be investigated through background checks and due diligence in order to be found suitable in order by any gaming control board.

26. As explained in more detail in the Third-Party Complaint in a further evolution of FCGI's business and investment strategy, FCGI ultimately attempted a transaction whereby FCGI would transfer its primary asset --- a limited license to certain elements of my IPR, to a new Isle of Man ("IOM") company called Full Color Games Ltd ("FCGLTD"). This transaction was contemplated for many reasons, among them, a need for additional funding from investors who did not want to invest in an American based company and the natural evolution to a country that supported a real money online casino friendly tax free international business environment.

27. As FCGI's CLO, Newman and Newman Law were heavily involved in all aspects of the process of attempting this transaction, from the securities contracts and negotiations in all of the licensing agreements, foreign IOM corporate formations, board resolutions, business plans, Private Placement Memorandums, directors and officer insurance to the final FCGI escrow documents that would complete the IOM transfer. I have learned recently that this transaction was not fully consummated because FCGLTD never issued any shares despite Newman's escrow instructions, on April, 11 2016. Despite the fact that escrow

documents were never fully executed, no legal transfer ever took place, I and other members of FCGI and FCGLTD continued operating as if the transaction had been properly completed. During the course of the Motion practice in this derivative lawsuit, it was discovered that the IOM Companies Registry revealed that FCGI has no legal ownership whatsoever in FCGLTD and more importantly, never legally did. When FCGLTD was formed, Newman was appointed to the same role as Chief Legal Officer (“CLO”) as he was for FCGI, and further, was appointed as a Director and bank signatory by the true legal owner of FCGLTD which was Chase Nominees Ltd (“Chase”) and managed by Corporate Options Ltd (“Corporate Options”), both domestic IOM corporations under the 2006 Companies Act whereby Chase was and still is the sole subscriber to FCGLTD and Corporate Options was the sole Registered Agent at all times.

28. Martin Linham, who was previously appointed as the Chief Financial Officer (“CFO”) of FCGI, was also appointed as the CFO of FCGLTD, and was a resident of IOM. Although Linham was billing FCGLTD as an independent contractor for his services after it was formed, the IOM Tax Division immediately stopped this arrangement and forced Linham to create an employee tax account and begin to pay employee taxes as he was an IOM resident Director and Officer of the company as a matter of law. As such, Linham was the only employee FCGLTD ever had as he was required to be on file with the IOM Treasury and Income Tax Division. Pursuant to my emails to and from Linham beginning on August 29, 2016 at 9:57pm PST and ending on August 31, 2016 at 7:23pm PST, Linham certified that Newman had no employment contract with FCGLTD. The reason Newman, myself, and any others performing work for FCGLTD other than Linham, did not have any employment contract with FCGLTD was based on the advice of tax counsel on Transfer Pricing from KPMG. As Linham stated and KPMG confirmed, FCGLTD would lose all of its IOM tax advantages if it employed individuals who lived in the United States, like myself and Newman without incurring additional expenses to complete the tax accounting properly. We did not have the £18,000 that KPMG required in the retainer they sent to set up the transfer pricing accounts, much more money to pay continuously KPMG for the monthly accounting fees to maintain USA employees internationally. These facts were further affirmed by FCGI’S USA CPA firm. FCGLTD, therefore would and could not

have employed Newman. A true and correct copy of Linham's tax advice from KPMG and my emails regarding transfer pricing is attached to the Opposition as Exhibit D.

29. Beginning on or about October 2015, FCGI'S Chief Financial Officer, Linham, also a Third-Party Defendant in the counter-claims, began to draft a business plan and Private Placement Memorandum ("PPM") for what would ultimately become FCGLTD. Linham used these business plans and PPM to obtain Directors & Officers insurance and get a major underwriter to approve its contents. Linham produced 14 versions and drafts of the PPM between October of 2015 and his final dated May 10, 2016.

30. On March 14, 2016, Newman specifically added his comments to Revisions entitled DRAFT 5 and DRAFT 6 and named the revisions with his RHN initials. A true and correct copy of Draft 5 and Draft 6 which contained these revisions is attached to the Opposition as Exhibit E.

31. On October 25, 2016, Linham disclosed to the UKGC that he had sent the PPM out to 27 different investment banks and venture capital firm sealing the PPM facts in time that make it clear that Newman was not and never was an employee of FCGLTD. A true and correct copy of the letter sent to the UKGC is attached to the Opposition as Exhibit F.

32. The purpose of FCGLTD's PPM statement was to obtain new rounds of foreign investors and to identify projected salaries for all future officers, including Newman. But Sections 5, 7 and 11 of the PPM made it explicitly clear that none of these projected salaries were being paid and it was only a disclosure to show what expenses investor money would be going should the investments be received. As everyone is aware, including Newman, no investments were received and no salaries were to be paid.

33. It is true that pursuant to the PPM statements, Newman had prepared his own employment contract with FCGLTD, dated around the same time as the PPM, or May, 2016, that was presented to FCGLTD for signature. However, FCGLTD never finally approved or signed the proposed employment contract because upon the advice of KPMG, FCGLTD was prohibited from doing it if they wanted to maintain their tax free status in the IOM as evidenced above. There had been several phone calls with Newman and others about the fact that FCGLTD should

not have any employees unless they resided wholly in the Isle of Man, like Linham or they would have to do “transfer pricing” and lose all of their IOM tax benefits that they had gone to such great extremes to obtain in the first place. Newman, and any others who did any contracted work for FCGLTD resided in the United States and were to be paid through a new wholly owned USA subsidiary to be formed. Further, the FCGLTD PPM confirmed this when it noted that FCGLTD had not hired nor would it pay any proposed officers until the PPM was funded.

34. Although no USA officers were employees of FCGLTD or receiving a regular salary, there had to be a legal tax method where we could pay remuneration for certain contract work that people or entities in the USA performed. On July 23, 2016, Full Color Games, N.A. (“FCGNA”) was formed as Nevada entity, opened a USA bank account and paid everyone who performed any services for FCGNA in the USA. Indeed, FCGNA paid Newman \$10,000 on or about July 29, 2016, for FCGNA gaming contract work with Newman and Newman law that he never started nor ever completed. Newman had previously been doing all of work within the scope of his obligations related to the agreement to issue him 1,000,000 FCGI shares in when the parties voluntarily terminated the AGRI. Newman claimed that some of the work he was doing, especially the work related to the transfer to the IOM was “out of the scope of his carry over obligations of the termination of the AGRI and issuance of the FCGI shares.” FCGLTD has just received the money from Bastian investment so there was some money in the company, but not the full round of investors that would trigger the PPM. Newman would assert, “you’ve got the money, pay me, if it wasn’t for me the \$1 million from Sebastian wouldn’t come in.” Although it was true that Newman had produced the escrow documents to facilitate the transfer, the \$1 million had not all come in yet and we were still being frugal with our resources. We also did not know how that Newman had basically failed to do the work he had already agreed to do. Nonetheless, we acted in good faith and paid him because it was cheaper to just pay him then fight him in order to get the product we needed completed and reach our goals of getting to revenue. However, Newman’s efforts to get paid now, when he had not asked for it before, was based on Newman’s other ventures that had brewed into a financial crisis for Newman. Newman had been complaining for months be in a financial crisis due to his failed business venture in a

company called Vegas Game Point, LLC (“VGP”) in the early spring of 2016, the exact same time we were trying to get IOM transaction completed. Newman had previously had free office space with VGP, but the crisis with the company had Newman and Newman Law to lose its office space and Newman and Newman law came to us to resolve the problem. As a result, we gave Newman and one of his other attorney business partners, Scott Walker, free office space in the Full Color Games offices at the Howard Hughes Center worth well over \$2,500 a month for each. Newman still appeared to be strapped for cash and FCGNA, in good faith, contracted with Newman law for the work that we needed completed. None of this was required of FCGLTD or FCGNA under the agreements with Newman, but we were acting in good faith to assist Newman in a financial crisis unrelated to his work for us. In response to our good faith, Newman had failed to disclose his complete failure to fulfill the basis work he was already obligated to complete, and then turned our good faith efforts to assist him into a non-existent ongoing employment agreement, which it never was. Newman’s current basis for having protection under the anti-SLAPP laws is basically an illogical and incomprehensible argument that turned the contract work FCGNA had agreed to into an employment agreement with FCGLTD in IOM that he knew could not be done because of the tax implications until there was a complete Series A funding or the company went into revenue. Newman’s “pre-litigation” demands are a false narrative that seeks to avoid liabilities for his fraud, malfeasance, and malpractice.

35. On or about August 17, 2016, FCGLTD submitted its United Kingdom Gambling Commission (“UKGC”) Remote Software Gaming License (“RSGL”) Application #3949 to the UKGC with the mandatory Personal Management License (“PML”) applications attached thereto, including myself, Martin Linham, Newman, Mark Munger, and Lee Murphy. Each of these were either directors, officers or shareholders with executive liability, control and/or ownership interest. Both applications included Newman as a Director and an Officer of FCGLTD, and a shareholder of FCGI and allocated a shareholder interest in FCGLTD upon the successful funding of A Series A of £28.7 million pounds in FCGLTD pursuant to the PPM.

36. One day after the UKGC applications were submitted, Linham contacted me requesting information concerning the Full Color IP protections that were needed for due

diligence matters for the PPM, and major investors that were interested in engaging in a Series A investment that were requiring the information.

37. On August 18, 2016, when Newman and Newman Law failed to deliver any of the contract work by its deadline date for which he had been paid and cashed the \$10,000 FCGNA check, Linham sent an email to Newman about the several projects he had been asked to complete. This request included the list of Full Color IP assets and IPR protections. A true and correct copy of the August 18, 2016 letter is attached to the Opposition as Exhibit G.

38. On August 19, 2016, a day later, Newman responded to Linham with an additional demand of \$10,000 on the first of every month despite having never had such an agreement. Considering that Newman had been paid \$10,000 on July 29, 2016 not even 21 days before his email, even if Newman's claims of being paid every 30 days was true, an entire month had not even gone by yet, making his claims fraudulent on their face. What makes Newman's fraud all the more egregious is that Newman's role and knowledge in FCGLTD's affairs, made it clear that Newman did not and could not have an employment agreement of any kind with FCGLTD. Newman's claims in his email were so illogical, irrational and reprehensible on its face that it finally forced me to question everything Newman had ever said to me, and more importantly question, "why would he not simply send me a status report on the IPR," something that should have been so easy to do considering that he had repeatedly informed me that he had everything so well under control. A true and correct copy of the August 19, 2018 email is attached to the Opposition as Exhibit H.

39. On or about August 19, 2016, as a result of Newman's defiance and unconscionable response, I was forced to stop everything I was doing and begin a formal audit on his Full Color IP protection work. By the end of the night, I was forced to teach myself how to work through the USPTO TESS and PAIR search engines in the USPTO and immediately discovered the unknown abandonment of 5 patent applications (12/776,273, 12/776,336, 12/776,342, 13/083,408 and 13/747,727), the end of 2 PCT applications (PCT/US11/31836 and PCT/US11/31826), the unknown abandonment and suspension of two trademark applications (85503833 and 86258846). A public search of the USCO also revealed failures equally as bad as

H2 and Newman had further failed to obtain a single copyright on any of the 12 Full Color® Cards applications and failed to even file a copyright on my Full Color® Cards 3rd Edition, meaning that all of my IPR and all of my IPR licensees, including FCGI and FCGLTD, had lost a significant portion or had no federally registered protected intellectual property rights. I immediately notified, FCGI securities laws counsel, the Board of Directors of FCGLTD and all major investors in FCGI and FCGLTD of the discovery of Newman and H2's malfeasance and malpractice as well as all other relevant parties that were interested in the matters.

40. On August 25, 2016, I, along with Linham and Murphy after a series of emergency FCGLTD Board of Director meetings, FCGI Board of Advisors meetings and other counsel, FCGI and FCGLTD concluded that they must immediately terminate Newman in every capacity he had with FCGI, the Full Color IP and the UKGC license application and immediately move forward to begin to assess the IPR damage and seek to mitigate the damages. A true and correct copy of the Meeting Minutes from the Board of Director Meeting of FCGLTD held on August 25, 2016 is attached to the Opposition as Exhibit I.

41. On August 25, 2016, I emailed Newman a termination letter notifying Newman that he was terminated from all of his roles and duties at FCGLTD. A specific demand was made upon Newman to turn over all of my IPR files. A true and correct copy of the August 25, 2016 termination letter/notice is attached to the Opposition as Exhibit J.

42. On August 25, 2016, Newman emailed the entire FCGLTD Board of Directors in which he complained briefly about the procedure taken to terminate his positions with FCGLTD. In that email, however, Newman made it clear that he understood the difficulties that his termination created because of the recent UKGC filings and his relationship with FCGLTD and FCGI. His later responses demonstrate that, in light of his position and knowledge of FCGLTD's affairs, he could make unsupported and exorbitant demands on myself, FCGLTD, and FCGI without any real recourse. A true and correct copy of the August 25, 2016 email is attached to the Opposition as Exhibit K.

43. On August 26, 2016, Linham sent Newman a second notice and demand to turn over all of the H2 files and all of his Newman Law Full Color IP property as time is of the

essence to attempt to discover the full extent of the copyright, trademark and patent failures Newman had created, and address and fix what could be fixed. Linham's email further set forth FCGLTD's and FCGI's position that Newman had been provided payment as agreed. A copy of the August 26, 2017 email from Linham is attached to the Opposition as Exhibit L.

44. On that same day, I sent an email to Newman again demanding that he provide the complete files for the Full Color IP, including the files transferred to him from H2. A true and correct copy of the email I sent on August 26, 2016 is attached to the Opposition as Exhibit M.

45. On August 27, 2016, Newman sent a 2-page email that demanded a cash payment in order for me to get my intellectual property files used for the copyright, trademark and patent filings. Newman's email demanded immediate cash payment or he threatened to "lien" my IPR assets. Specifically, Newman's email concocted a non-existent employment agreement and an accrual of a non-existent salary that he claimed as the basis for his failure to perform. Newman was terminated because of the discovery of his breach of his fiduciary duties, his malpractice in handling my IPR, and his fraudulent misrepresentations upon which I relied in granting him shares in FCGI, and the related liabilities he created as a result of his failures. This lawsuit is based on Newman's efforts to concoct non-existent rights to shares obtained by fraud and nonexistent employment agreement and the use of his concoctions to extort property and rights to which he has no rightful claim. Although there were PPM plans for officers to be paid salaried compensation as part of the creation of the PPM, they were conditioned upon a Series A raise of £28.7 million that never occurred. Further, no one in the USA ever received any confirmation of employment with FCGLTD, yet Newman's emails claim the PPM concerning his future employment created past employment rights. Newman's emails claim accruals and the PPM expressly state that no one, should they ever be hired, is entitled to any accrual rights. Newman knew that any proposals or even contracts that he may have written were not authorized or ratified by FCGLTD because there was no funding and the PPM expressly so states.

46. Further, in the August 27, 2016 email, Newman, for the first time, stated that he had concerns about my and the other directors' activities with respect to his operations of

FCGLTD, and that he had voiced these concerns to myself and Linham, accusing each of the Board of Directors, for the first time, of his unsupported belief that there were improper activities going on with respect to FCGLTD's operations to divert attention from his own malpractice.

47. After making these threats, he then suggested that it was in the company's best interest to immediately settle with him, despite his knowledge that he had failed to do anything to properly advise his client, me about all the USPTO Office Actions or properly protect the intellectual property rights connected with all of my IPR for over six years and that his actions have caused permanent damages and harm to myself and all of my IPR and my licensees, including but not limited to FCGI and FCGLTD, that had not even begun to be calculated or quoted by qualified by any USPTO legal firms to assess what could be done to recover the lost IPR protection., if even possible. I ultimately contacted and met with H2. A true and correct copy of the August 27, 2016 email from Newman is attached to the Opposition as Exhibit N.

48. Given the nature of the relationship and the history between myself and Newman, I considered the threat to the IPR was an act of extortion considering that Newman had received 1,000,000 shares of stock, a full 5% of FCGI as consideration for his work, and had failed to obtain a single patent or a single registered copyright and at best, only two basic trademarks registered. As such, Newman had no legal right to any of the stock because he obtained them through fraud, concealment and misrepresentation concerning his abject failures that, had it been known, I never would have paid him royalties on the AGRI nor converted the AGRI to FCGI shares. I later learned Newman's former employer H2 never authorized Newman to execute the AGRI. As a result of Newman's repeated fraud, Newman should be disgorging all of the ill-gotten gains, or more plainly put, releasing any and all claims and title to any and all FCGI shares. To demand that I pay money for the return of wrongfully obtained shares is an extortionate threat to wrongfully take my property. Any act of extortion is unlawful and any lawful act in the furtherance of Newman's real or perceived rights does not rise to any level of protected speech or communications is and is well settled law in the anti-SLAPP statutes.

49. Newman knew that he was wrongfully holding onto and claiming property rights to ill-gotten gains of the FCGI shares and refusing to release them and give FCGI clear title to

them was an effective way for him Newman to extort me, FCGI, and other affiliated entities if we did not settle with him. Newman also knew that he could hold up FCGLTD'S licensing application with the UKGC and countless other real money casino gaming licensing authorities having jurisdiction, which would then run me, my licensed entities, FCGI and FCGLTD out of money, creating irreparable injury to myself, FCGI, and the other affiliated companies.

50. Newman's unreasonable demand for settlement and release and related extortion was successful in putting FCGI, FCGLTD, IPHLTD and other affiliated entities out of business causing investor losses of well over \$3,000,000 in cash and causing over \$1,000,000 in subcontractor debts to go unpaid as well as destroyed 10 year of forward progress.

51. On August 30, 2016, Linham emailed the UKGC and notified them of the fact that Newman has been removed from PML and the RSGL applications. On or about October 10, 2017, the UKGC acknowledges the full disclosure that Newman had been terminated from his roles and his share allotment in FCGLTD terminated but required additional information. The disposition of Newman's 3% share ownership disclosure on FCGI's cap table was still unresolved and the UKGC demanded information on the resolution of the disposition of those shares. A true and correct copies of the email and other correspondence between Linham and FCGLTD and the UKGC are attached to the Opposition as Exhibits O, P, Q, and R.

52. According to Newman's Motion, the UKGC contacted him directly although I no way of knowing whether Newman's allegations are true or not. Newman's Motion to Strike wrongfully asserts that I and others at FCGI or FCGLTD know what Newman communicated to the UKGC, if anything, and wrongfully asserted claims based on these communications. However, neither I nor FCGI had any knowledge of it until Newman asserted it in this motion. Newman's communications with the UKGC, would therefore provide no basis for the current anti-SLAPP motion.

53. FCGI, as a matter of law, with the admission by H2 that Newman never had the legal right to enter into the AGRI with me and his misrepresentations concerning his work product, should not have received any shares from FCGI. Notwithstanding that, and pursuant to the SRA, FCGI had the right to trigger the cancellation, repurchase and termination of

Newman's shares for engaging in a multitude of "non-compliance events," but FCGI could not do so as FCGI did not have the funds to buy them back based on the current share value. It wasn't until FCGI became insolvent, the shares of FCGI plummeted to a value that allowed FCGI to repurchase Newman's shares for \$1.00. But long before that happened, Newman had threatened to lien the Full Color IP which would have ensured litigation causing even greater damage. Newman was fully aware of the progressive complications and conundrum he had created for myself, my licensees, FCGI and FCGLTD, and used this to leverage extortionate demands.

54. As a result, I received extraordinary pressure from Bastian, the Board of Directors at FCGLTD and other shareholders in FCGI to find a way to settle with Newman.

55. On November 17, 2016, while I was away in India, and unbeknownst to me, Newman had pressed Linham and other officers at FCGI, specifically Glen Howard ("Howard"), the President of FCGI to enter into a settlement. Despite Linham being the CFO of FCGI and Howard being the President, neither of them had any legal power to effectuate any negotiations, enter into any privileged communications with Newman because I am the sole member of the FCGI Board of Directors and I am the majority in interest shareholder of FCGI, and the only person that could authorize any confidential negotiations much more settlements on behalf of all shareholders of FCGI. Linham as a Director and Officer of FCGLTD had the right to discuss matters with Newman but that is in the Isle of Man not the USA. I was not surprised to discover that Newman had made new conditions for settlement, including threats of liens and litigation, and other demands for additional money to be paid as his extortion now extended to FCGLTD. None the less, what the negotiations did in fact reveal was that Newman believed he could use his own fraud and deceit to hold me, my licensees, FCGI and FCGLTD hostage with his threats. Despite knowing that he had fraudulently obtained the 1,000,000 shares in FCGI by representing he had the right to enter into the AGRI, that H2 clearly stated he did not and that Newman concealed the truth about actively completing work on my IPR that had in reality, been secretly abandoned, and despite knowing that I had not had an opportunity to fully evaluate the damage he had caused. Indeed, Newman knew that he had secretly filed many of the pending patents via

the "PRIVATE PAIR" system which meant I could not access any of it without Newman's secret filing codes. As a result Newman's FCGI shares issued to CBL remained in limbo. Although Newman was in violation of the FCGI SRA he executed because of non-compliance events, FCGI did not have the funds to purchase CBL's shares. Newman knew this and told Linham he wanted a full and final release from all claims for the damage he had done to my copyrights, trademarks and patents pending on the IPR and their licensees. Newman knew he had me and everyone held hostage, allowing him to assert completely fraudulent and non-existent claims

56. On or about November 30, 2016, Linham, on behalf of FCGLTD responded to the UKGC letter by seeking an extension of time to resolve the disposition of Newman's shares.

57. By the end of February, 2017, Newman's affiliation with FCGI through CBL's shares was still not resolved. FCGLTD was running out of money as a result of the crisis that Newman had created with his extortionate demands and adding yet another level of progressive complications to the overall challenge of trying to obtain proper licensing and release product. Bastian wanted resolution to the matters while at the same time not fully supporting or funding the release of Full Color IP product as he had agreed.

58. On February 21, 2017 in the afternoon, Bastian demanded that I resolve and settle the dispute with Newman as it related to FCGLTD. Bastian didn't fully understand the claims that FCGI might be giving up in relation to the IPR if I, FCGI, or FCGLTD granted Newman a "full and final release." None the less, he wanted his \$1 million investment in FCGLTD protected. Bastian knew that FCGI had no funds to enter into any settlement and most importantly that I would not waive my rights to sue Newman over his damage to my IPR with his abandonments. Bastian offered \$35,000 to \$50,000 to settle with Newman. Bastian had the right to make is own settlements with Newman and any efforts I made to assist Bastian would only be between Newman and Bastian assuring Newman that Bastian would not sue him, Newman Law and CBL but would NOT include me in any Bastian / Newman settlement. I had no problem trying to get all other parties to the table to get Newman to end his extortionate demands as it was clear that my IPR and all of my licensees were being victimized from every side.

59. On February 21, 2017, at Bastian's demand and direction, Howard and I called Newman and I told Newman what Bastian's settlement demands were. Once again, these were Bastian's communications through me and Newman knew it. At the end of Newman's yelling and screaming at the top of his lungs on the call, Newman sent me an email with his \$50,000 settlement demand terms and conditions. Once again, Newman overreached and in the Settlement docs for Bastian, Newman once again continued to extort me by requiring me to forego all of my rights against Newman. I forwarded the settlement demand to Bastian as I promised I would and repeatedly informed Newman that Bastian would be making his decision, if any, concerning any payments and that I had no control over it. A true and correct copy of Mr. Newman's new settlement demand is attached to the Opposition as Exhibit S.

60. Between February and March, 2017, Bastian, Munger, and other investors continued to push me into an individual as well as an FCGI licensee settlement resolution agreement with Newman while Newman increased his demand and continuously harassed me through a string of harassing emails and while arbitrarily increasing his demands to \$75,000. As stated above, I entered into no discussions with Newman about settling my individual damages and I ultimately left the settlement discussions of Bastian's demands with him to work out directly with Newman. Although Bastian agreed to \$50,000 at one point to resolve Bastian's claims, they were never resolved because Bastian ultimately refused to pay Newman, making it impossible to settle any of the matters and worse, impossible to resolve Newman's shares in a way that would satisfy the UKCG. A true and correct copy of Newman's increased settlement demand is attached to the Opposition as Exhibit T.

61. On March 31, 2017, I officially stepped aside and gave Newman's contact information directly to Bastian and let the two of them settle their own issues. It was not until April 26, 2017 that I had indisputable proof that all efforts to save the UKGC license were gone after a phone call with John F. Brock III and John F. Brock IV when they too began to extort me as they began to run a rogue group of FCGI investors led by Munger who all collectively took advantage of the entire situation as detailed in the 26 counter-claims filed on February 4, 2019 in this derivative lawsuit. Newman's extortion, the progressive complications and the delays that it

had caused, compounded by Bastian's ongoing refusal to cause the Full Color IP product to be released (through his IslandLuck.com platform through his control in Multislot and failure to get Multislot to release it through their RGS through Videoslots, BetConstruct and EveryMatrix who had approved the Full Color IP), furthered by Munger's sabotage made sure that FCGLTG would never go into revenue and FCGI could obtain its profit sharing, all of which ultimately ran FCGLTD and FCGI into a financial state of insolvency. Even contingency plans I had to get to revenue with Spin Games, LLC had been sabotaged by Munger and Bastian.

62. Ultimately, FCGLTD was required to withdraw its application form the UKCG because of the issues with Newman and lack of funding. FCGLTD ultimately became insolvent.

63. As noted above, it was not until later that I discovered that Bastian, Munger, and others were also conspiring in different ways to dismantle and destroy FCGI's business. I do not have access to the communications that may have occurred between Newman, and the other co-conspirators, including Munger, Bastian, Multislot, Spin, Eckles, Solso, Moore, Castaldo, Brazer, Brock III, Brock IV, and others during the time period between Newman's termination and the insolvency of the company and would need to seek that information in discovery.

64. I declare the foregoing to be true under the penalty of perjury for the laws of the State of Nevada.

Dated: 3/20/19

David Mahon

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

EXHIBIT B

ASSIGNMENT OF GROSS REVENUE INTEREST

This Assignment of Gross Revenue Interest (the "Assignment") is entered into this 24th day of March 2010 by and between David W. Mahon, an individual and his affiliates, assignees or holding companies ("Mahon"), and Richard H. Newman, an individual and his affiliates (the "Assignee") with respect to the following facts:

RECITALS

- A. David W. Mahon and Assignee desire to engage in business in the gaming and entertainment programming industries (the "Business"). The Business encompasses Bingo Poker™, Trademark File Number 77689796, covered by provisional patent applications filed in the United States Office of Patents and Trademarks.
- B. Mahon and Assignee envision the formation of entities, both domestic and foreign (collectively, the "Enterprise") to conduct this Business.
- C. Mahon will license certain of his proprietary rights and intellectual properties encompassed by the Business to the Enterprise in perpetuity on an exclusive world-wide royalty-free basis, subject to satisfaction of conditions.
- D. The Assignee is agreeing to perform valuable legal services for the Enterprise and the Business for Mahon.
- E. In partial consideration for Assignee's services for the Enterprise and Mahon, Mahon assigns a five percent (5%) gross revenue interest in (i) Mahon's interest in the Enterprise, including but not limited to cash receipts and other property distributed to Mahon or his designee from the Enterprise, and (ii) other revenue earned and paid to Mahon from the Business in the form of cash or other property (the "Interest").

NOW, THEREFORE, in consideration of the mutual agreements herein and in light of the recitals stated above, the parties hereto agree as follows:

1. Assignment of Gross Revenue Interest

In partial consideration for future legal and other services performed by the Assignee for Mahon, the Business and the Enterprise, Mahon hereby assigns to the Assignee a five percent (5%) gross revenue interest (the "Interest") in Mahon's economic interest in the Enterprise and the Business for as long as Assignee is in compliance with this Assignment, as described in Recital E of this Assignment. Assignee will be paid his share of cash receipts or other property from the Interest within one (1) calendar month after the receipt of such cash or property by Mahon or his designee during the term of this Assignment. Assignee's percentage Interest will be diluted in direct proportion to dilution experienced by Mahon.

2. Consideration for Interest

As consideration for the Interest assigned to the Assignee by Mahon pursuant to this Assignment, Assignee will perform and stand ready to perform intellectual property services, including patent, trademark, tradename, copyright and intellectual property advisement in support of litigation legal work for the Enterprise and the Business. Assignee will be entitled to invoice and be paid discounted legal fees and be reimbursed for customary expenses incurred by him in connection with the performance of said services, pursuant to a separate engagement agreement approved by Mahon. Mahon hereby acknowledges that the assignment of gross

revenue interest to Assignee pursuant to this Assignment is in addition to the payment of discounted legal fees and costs to Assignee. Assignee hereby acknowledges that Mahon is relying on Assignee's promise to perform the services described in this Assignment for the Business as consideration for the assignment of the Interest.

3. No Voting Power or Management Authority

Assignee will have no voting power or management authority with respect to the Enterprise or the Business by virtue of the assignment of the gross revenue interest herein or otherwise by virtue of this Assignment, except if Assignee owns free trading stock in a publicly traded entity.

4. Indemnification

Mahon hereby agrees to indemnify and hold harmless the Assignee and his affiliates from any liability, claims, damages, losses or expenses incurred by them as a result of Assignee's ownership of the Interest, other than any liabilities, claims, losses, damages or expenses incurred by them as a direct result of the Assignee's or any of his affiliates' negligence, bad faith or fraud.

5. Definition of Gross Revenue

For the purpose of this Assignment, the term "gross revenue" means the total net proceeds actually received by Mahon from all revenue derived from any source relating to the Enterprise or the Business. Mahon agrees that he has a fiduciary duty to Assignee with respect to the calculation and reporting of such net proceeds. Under no circumstances will Assignee's gross revenue interest be subject to assessments for capital contributions.

6. Further Acts

All parties agree to execute any other documents, agreements, instruments or certificates and take any other action reasonably necessary in order to implement the terms and intent of this Assignment.

7. Inspection Rights

In order to verify amounts owed to Assignee pursuant to this Assignment, Assignee will have the right, one time each calendar year upon reasonable notice delivered to Mahon, to inspect and audit and have his representatives inspect and audit the books and records of the Enterprise and the Business to determine the gross revenue earned by Mahon or his designees from it.

8. Legal Representation

Mahon expressly represents and warrants that he has his own separate legal counsel representing and advising him with respect to this Assignment, and that Assignee does not represent Mahon in any manner with respect to the preparation, negotiation or execution of this Assignment. Mahon further acknowledges and agrees that the gross revenue interest assigned to Assignee hereunder is not in lieu of payment separately in cash for discounted legal fees and expense reimbursements which are incurred by the Enterprise or Mahon to Assignee for services rendered. Nevertheless, Assignee hereby notifies Mahon that the assignment of the gross revenue interest to him hereunder may create conflicts of interest in the future in connection with the performance of legal services by Assignee for the Enterprise and Mahon, in that Assignee will be a gross revenue interest holder of Mahon's economic interest as well as one of the legal counsel for it. Mahon is urged to consult with and seek advice from its own

separate legal counsel with respect to all aspects of this Assignment and the relationship of Assignee to Mahon and the Enterprise prior to entering into this Assignment with the Assignee.

9. Notice

Notice will be deemed to be given by one party to the other parties of this Assignment upon personal delivery by messenger, air courier, express mail or certified registered mail, return receipt requested, or upon facsimile, email or telegram, or three days after mailing by first class mail by the party giving the notice, addressed to the parties as follows, or to any other address or facsimile numbers provided to the parties in writing in accordance with this Assignment by the party making the change:

If to Mahon: The address and other information for Mahon as listed below
Mahon's signature to this Assignment.

If to the Assignee: The address and other information for Assignee as listed below
Assignee's signature to this Assignment.

10. Injunctive Relief

10.1 Damages Inadequate

Each party acknowledges that it would be impossible to measure in money the damages to the other party if there is a failure to comply with any covenants or provisions of this Assignment, and agrees that in the event of any breach of any covenant or provision, the other party to this Assignment will not have an adequate remedy at law.

10.2 Injunctive Relief

It is therefore agreed that the other party to this Assignment who is entitled to the benefit of the covenants and provisions of this Assignment which have been breached, in addition to any other rights or remedies which they may have, shall be entitled to immediate injunctive relief to enforce such covenants and provisions, and that in the event that any such action or proceeding is brought in equity to enforce them, the defaulting or breaching party will not urge as a defense that there is an adequate remedy at law. No surety or other bond shall be required to be posted by any party in order for them to seek or obtain equitable remedies or injunctive relief under this Assignment.

11. Waivers

If any party shall at any time waive any rights hereunder resulting from any breach by the other party of any of the provisions of this Assignment, such waiver is not to be construed as a continuing waiver of other breaches of the same or other provisions of this Assignment. Resort to any remedies referred to herein shall not be construed as a waiver of any other rights and remedies to which such party is entitled under this Assignment or otherwise.

12. Successors and Assigns

Each covenant and representation of this Assignment shall inure to the benefit of and be binding upon each of the parties, their personal representatives, assigns and other successors in interest. Each party may assign all or any portion of this Assignment to such party's affiliate that is entirely controlled by it without the consent of the other party. Otherwise, in the event that the Assignee proposes to sell all or any portion of the Interest to a bona-fide third party purchaser, the Assignee will first offer to sell the Interest to Mahon on the same terms and conditions in accordance with Section 25 of this Assignment.

13. Attorney's Fees

In the event that either party must resort to legal action in order to enforce the provisions of this Assignment or to defend such action, the prevailing party shall be entitled to receive reimbursement from the non-prevailing party for all reasonable attorney's fees and all other costs incurred in commencing or defending such action, or in enforcing this Assignment, including but not limited to post judgment costs.

14. Entire and Sole Assignment

This Assignment constitutes the entire agreement between the parties and supersedes all agreements, representations, warranties, statements, promises and undertakings, whether oral or written, with respect to the subject matter of this Assignment. This Assignment may only be modified by a written agreement signed by all parties.

15. Governing Law

This Assignment shall be governed by and construed in accordance with the laws of the State of Nevada. The venue for any legal proceedings involving this Assignment will be in the appropriate forum in the County of Clark, State of Nevada.

16. Severability

The provisions of this Assignment are meant to be enforced severally so that the determination that one or more provisions are enforceable or invalid shall not affect or render invalid any other provision of this Assignment, and such other provisions shall continue to be in full force in accordance with their terms.

17. Rights Cumulative

All rights and remedies under this Assignment are cumulative, and none is intended to be exclusive of another. No delay or omission in insisting upon the strict observance of performance of any provision of this Assignment, or in exercising any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Every right and remedy may be exercised from time to time and as often as deemed expedient.

18. Captions

The paragraph and other headings contained in this Assignment are for reference purposes only, and shall not limit or otherwise affect the meaning hereof.

19. Legal Holidays

In the case where the date on which any action required to be taken, document required to be delivered or payment required to be made is not a business day in Los Angeles, California, such action, delivery or payment need not be made on that date, but may be made on the next succeeding business day.

20. Counterparts

This Assignment may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

21. Parties

This Assignment shall inure solely to the benefit of and shall be binding upon the parties hereto and their respective successors, legal representatives and assigns, and no other person shall have or be construed to have any equitable right, remedy or claim under or in respect of or by virtue of this Assignment or any provision contained herein.

22. Authority

All signatories to this Assignment do hereby declare that they have the authority to execute this Assignment on behalf of the parties to this Assignment.

23. Conversion of Interest into Stock

In the event that all or a portion of the Business or Enterprises become publicly traded entities, that portion of Assignee's Interest will be converted into the proper number of shares of voting common stock of those entities in direct proportion to Assignee's fully diluted percentage interest in that Business or Enterprise. In the event that Assignee receives stock in a private entity in lieu of all or a portion of its Interest under this Assignment, then that stock will be nonvoting.

24. Adjustment For Licensing

Should it be necessary to obtain gaming licensing approvals in any jurisdiction anywhere in the world where the licensing requirements require that disclosure be made of anyone with 5% or more of the corporate stock or interests, then this Assignment shall be modified, if necessary, to make the Assignee's interest 4.999% in order to not interfere with license approvals.

25. Right of First Refusal

In the event that Assignee proposes to sell, assign, convey, hypothecate, pledge or otherwise dispose (collectively, a "Conveyance") of all or any portion of his Interest, whether voluntary or involuntary, except (i) to the extent that the Interest is represented by stock in a publicly traded entity, or (ii) in the event of the death of Assignee where Conveyances are made in accordance with Assignee's will or other estate documents, or by the applicable laws of descent, or (iii) in the event of a Conveyance to an affiliate of the Assignee that is entirely controlled by the Assignee, or (iv) in the event of a Conveyance to a trust in which Assignee is the trustee and only Assignee's family members are beneficiaries, then otherwise Mahon will have a first right of refusal, for a period of ten (10) days after Mahon receives written notice of the proposed Conveyance, to purchase the Interest or portion thereof that is subject to the Conveyance for the fair market value of the Interest being conveyed, payable in cash in full within ninety (90) days after the fair market value of such Interest is determined in accordance with this Assignment. For the purpose of Section 25 of this Assignment, the "fair market value" of the Interest shall be equal to (a) the amount proposed to be paid by the bona-fide third party purchaser of the Interest, if applicable, or (b) if there is no such proposed price or if no such proposed price can be determined, the amount agreed upon by Mahon and the Assignee, or (c) in the absence of such an agreement within thirty (30) days after the exercise of this right in writing by Mahon, then (c) the value determined by a certified business appraiser acceptable to and agreed upon by Mahon and Assignee, or if no such agreement is made for the selection of an appraiser within sixty (60) days after Mahon's exercise of his right of first refusal, then Mahon shall select an appraiser and Assignee shall select an appraiser, and those two appraisers will

select a third appraiser who will determine the fair market value of the Interest. Mahon will bear the expense of the appraisal.

26. Tag-Along Rights

Subject to the other terms and provisions of this Assignment, if Mahon agrees to sell more than 5% of his ownership in the Business or an Enterprise to any third party in a bona fide arm's-length transaction or series of related transactions (a "Tag Along Sale"), then Mahon shall provide Assignee with a written notice of Mahon's intention to consummate such sale, containing the price and other material terms of the proposed sale and the date of the closing of the proposed sale, which date shall be not less than twenty (20) nor more than one hundred and twenty (120) calendar days after the date of such notice. Assignee shall have the right (the "Tag Along Right"), exercisable by written notice to Mahon (the "Tag Along Notice") delivered at least fifteen (15) calendar days prior to the closing of the proposed sale, to sell to such transferee the percentage of the Business or Enterprise owned by Mahon equal to Assignee's pro rata entitlement (the "Allotment"). Assignee's Allotment shall be equal to (i) the total percentage interest proposed to be sold by Mahon in the Tag Along Sale multiplied by (ii) a fraction, the numerator of which is the percentage interest owned by the Assignee, and the denominator of which is the aggregate percentage interest then outstanding. The Tag Along Notice shall also state whether the Assignee elects to include percentage interest owned by the Assignee in addition to the Assignee's Allotment in the event that there is an aggregate undersubscription for all other Allotments, if any. In the event there is an aggregate undersubscription by other owners who have Tag Along rights, then Mahon shall apportion the unsubscribed percentage interest to all such owners who have elected in their Tag Along Notices to sell additional percentage interest in relative proportion to their original Allotments. Assignee will have all remedies available at law or in equity in the event of a breach of this provision by Mahon, including but not limited to specific performance and money damages.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

MAHON:

David W. Mahon

By: _____

David W. Mahon

2105 Plaza del Padre

Street Address

Las Vegas, Nevada 89102

City, State, Zip

(310) 880-8874

Telephone Number

Facsimile Number

bingopokerinc@gmail.com

Email Address

ASSIGNEE:

Richard H. Newman

By:  _____

Richard H. Newman

509 Jimijo Ct

Street Address

Henderson NV 89052

City, State, Zip

(917) 543-2166

Telephone Number

Facsimile Number

richarnew@gmail.com

Email Address

select a third appraiser who will determine the fair market value of the Interest. Mahon will bear the expense of the appraisal.

26. Tag-Along Rights

Subject to the other terms and provisions of this Assignment, if Mahon agrees to sell more than 5% of his ownership in the Business or an Enterprise to any third party in a bona fide arm's-length transaction or series of related transactions (a "Tag Along Sale"), then Mahon shall provide Assignee with a written notice of Mahon's intention to consummate such sale, containing the price and other material terms of the proposed sale and the date of the closing of the proposed sale, which date shall be not less than twenty (20) nor more than one hundred and twenty (120) calendar days after the date of such notice. Assignee shall have the right (the "Tag Along Right"), exercisable by written notice to Mahon (the "Tag Along Notice") delivered at least fifteen (15) calendar days prior to the closing of the proposed sale, to sell to such transferee the percentage of the Business or Enterprise owned by Mahon equal to Assignee's pro rata entitlement (the "Allotment"). Assignee's Allotment shall be equal to (i) the total percentage interest proposed to be sold by Mahon in the Tag Along Sale multiplied by (ii) a fraction, the numerator of which is the percentage interest owned by the Assignee, and the denominator of which is the aggregate percentage interest then outstanding. The Tag Along Notice shall also state whether the Assignee elects to include percentage interest owned by the Assignee in addition to the Assignee's Allotment in the event that there is an aggregate undersubscription for all other Allotments, if any. In the event there is an aggregate undersubscription by other owners who have Tag Along rights, then Mahon shall apportion the unsubscribed percentage interest to all such owners who have elected in their Tag Along Notices to sell additional percentage interest in relative proportion to their original Allotments. Assignee will have all remedies available at law or in equity in the event of a breach of this provision by Mahon, including but not limited to specific performance and money damages.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

MAHON:

David W. Mahon

By: 

David W. Mahon

2105 Plaza del Padre
Street Address

Las Vegas, Nevada 89102
City, State, Zip

(310) 880-8874
Telephone Number

Facsimile Number

bingopokerinc@gmail.com
Email Address

ASSIGNEE:

Richard H. Newman

By: 

Richard H. Newman

509 Jimijo Ct
Street Address

Henderson NV 89052
City, State, Zip

(917) 543-2166
Telephone Number

Facsimile Number

richarnew@gmail.com
Email Address

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

EXHIBIT C

Howard & Howard

law for business.

Ann Arbor

Chicago

Detroit

Las Vegas

Peoria

direct dial: 248.723.0307

Brad A. Rayle

email: bar@h2law.com

October 6, 2016

via email to david@fullcolorgames.com

David W. Mahon
Full Color Games

RE: Your Recent Email Correspondence to Arthur Rogers

Dear Mr. Mahon:

I am general counsel for Howard & Howard Attorneys PLLC ("Howard & Howard"). Your email messages to Arthur Rogers of Howard & Howard's Las Vegas office dated September 3, 2016 and September 10, 2016, respectively have been forwarded to me and I have reviewed them in detail.

First, it is important for you, and we advise you (and your company) that Howard & Howard is not, and has not been, attorneys for you or your company, at least since you transferred your legal matters and files from Howard & Howard to Richard Newman and his new law office in October of 2014. At that time, you directed Jim Yee of our office to transfer your legal matters and files from Howard & Howard to Richard Newman at his firm, Newman Law, LLC ("NL"). We did so. We are not aware of any facts to support your claim that you or your company were "forced" to transfer your intellectual property files ("IP Files") to Mr. Newman after he left Howard & Howard,

Second, you advised Mr. Rogers in your emails that you never had an engagement agreement with Howard & Howard. Instead, you claimed that you and Mr. Newman entered into an agreement under which Mr. Newman received five percent (5%) in an "assignment of gross interest revenue" in exchange for performing intellectual property legal services for you. Howard & Howard has no knowledge of any such agreement. Further, Mr. Newman lacked authority to enter into such an agreement, and never sought or never received permission from Howard & Howard to enter into that type of an agreement with you or your company. Also, no one in authority at Howard & Howard ever authorized Mr. Newman to enter into such an agreement, and we have never seen the agreement you described in your email messages or received any payment pursuant to it.

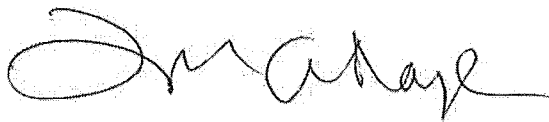
Third, regarding your claims that Mr. Newman and/or Howard & Howard engaged in some type of misfeasance while performing IP legal services for you during the time Mr. Newman was a member of Howard & Howard, the facts available to us show no such wrong-doing and we deny any liability for any such claims of wrong-doing made by you or your company.

Fourth, in view of the above, Howard & Howard declines to enter into any further agreements with you or your company of any type. Notwithstanding that we are not you or your company's attorneys and have not been you or your company's attorneys, we wanted to point out to you that the limited facts available to us appear to show that with respect to your patent portfolio, there is at least one pending non-provisional patent application; US Patent Application 15/067,022, filed on March 10, 2016 (the '022 application). While this application has not published yet, and is therefore, not accessible to the public, it appears to claim priority to US Patent Application 13/083,408, filed April 8, 2011 (the '408 application). We note that the '408 application was still pending at the time your relationship with Howard & Howard ended in 2014 and Howard & Howard transferred its files regarding that application to Mr. Newman at your request. Additionally, the '022 application was filed after you terminated the relationship with Howard & Howard.

Based on our review of the limited documents available to us regarding these applications (which we disclaim as being any type of legal advice to you), it appears that all of the subject matter in all of the abandoned applications may be contained within, directly or through incorporation by reference, the '022 application. Thus, it is possible that all of the abandoned applications you refer to in your email messages could be re-filed or resurrected through the '022 application. However, this must be done during the pendency of the '022 application (or any continuing application thereof). In view of this possibility, we recommend that you immediately seek competent IP legal counsel regarding your rights in the various intellectual properties relating to you and to Full Color Games.

Very truly yours,

HOWARD & HOWARD ATTORNEYS PLLC



Brad A. Rayle
General Counsel

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT D



David Mahon <david@fullcolorgames.com>

Fwd: IOM Investment - Taxation - Control

7 messages

David Mahon <david@fullcolorgames.com>

Tue, Feb 9, 2016 at 4:05 AM

To: Sebas Bastian <stonebas@hotmail.com>, Adam Hodson <adam@adamhodsoncpa.com>, "Richard H. Newman" <rich@newmanlawlv.com>

This is a 100% MUST READ IT ALL AND NOT SKIM IT EMAIL

Sent from my Imaginary Smartphone

Begin forwarded message:

From: Martin Linham <martinlinham@fullcolorgames.com>

Date: February 9, 2016 at 1:44:51 AM PST

To: "david" <david@fullcolorgames.com>

Subject: Investment - Taxation - Control

David,

Hoc non es amaturus.

I feel that I have to be very clear about this. As it says above, you're not going to like this but it's my responsibility to bring these matters to your attention and to raise my concerns over, what I believe to be, conflicting actions.

Having considered over the past week your concerns and the way in which you wish to structure the new Ltd and the banking arrangements, I believe that your proposed changes are creating major future problems for the Company and for the proposed new structure. These concerns are as follows:

1. Investment: as you are aware, in order to attract investment from the UK/EU, it is vital that we have a UK based corporate vehicle for the investment - hence incorporation of the Ltd. Investors insist on this for a number of reasons including transparency, taxation and to stay clear of the IRS/SEC and, in the sector of gaming/gambling, to stay clear of the US due to the issues with gaming in that jurisdiction. It is abundantly clear that there is massive interest and that interest is having a clean, regulated, non-US corporate entity in which to invest. If the issue of control or taxation leads to IRS or SEC involvement on the corporate entity, I firmly believe that investors will withdraw from the proposition.
2. Taxation: as we have to have a UK entity for investment purposes, it made sense to engage with KPMG to ensure that we had a tax efficient structure, which is the one we currently have mapped out. The tax structure relies on demonstrating that 'control' is within the jurisdiction of incorporation. With your proposed changes to structure and banking arrangements, we simply cannot demonstrate that 'control' is maintained in the Isle of Man which jeopardises the taxation strategy and any benefits from having an Isle of Man Ltd company. With the proposed changes discussed recently, it is clear that the IRS/SEC will view the Ltd company as nothing more than a vehicle for your own benefit and as a result will seek to apply full taxation to any profits arising from the company. This involvement of the IRS/SEC will severely jeopardise the investment as this will become evident during the disclosure and due diligence phase. Investors will simply walk away. It should also be noted that once the IRS have determined that the company is taxable in the US, it will be nigh on impossible to make them reverse their decision without demonstrating that 100% of the control is outside of the US.

3. Control: as noted above, in order to maintain the Isle of Man Ltd company and to effectively demonstrate that 'control' is within the jurisdiction, we must ensure that both management control and banking control is seen to be on the Isle of Man. Failure to meet the 'control' requirements can be determined by either the Isle of Man Tax Office, the IRS, the regulators or the SEC - as long as they can demonstrate their case then we have a problem. Right now, with the proposed changes and structure, we cannot demonstrate 'control' and this therefore affects our ability to raise investment from the UK and our tax status. I am very aware of your feelings on seeding any control and that is directly related to trust however, if we are going to run this company properly then you have to realise that you have to trust people.

If you are happy to live with these consequences and to go back to raising capital and effectively operating from the US then there is no need to continue to read. If you want to continue down the path that we set forth on, then please continue.

There are a number of areas which need to be addressed to demonstrate that control is indeed in the Isle of Man which enables the investment and the benefit of taxation. I have set out some possible ways below:

- There needs to be a majority (or at least 50% (although the higher the better)) of executive management on the Isle of Man. The proposal that my documents set out was that the directors would be Lee Murphy (required under the Isle of Man Companies Act 2006), you and me. This allowed for 2/3 of directors to be based on the Isle of Man. If we are able to recruit a COO then my suggestion is that they are located or are relocated to the Isle of Man to add further support.
- The banking arrangements need to revert to something closer to what I suggested. Your suggested amendments last night make no sense to me. You will be the main signatory with your counsel and your personal accountant as B signatories who can sign together and then me as a B signatory in addition. In my opinion, it is absolutely clear that the IRS will deem this to be a US bank account, operated by you, and will therefore seek to tax the Ltd company. The signing arrangements need to be rebalanced in line with the above so that 50% (or more) of the control is in the Isle of Man. I know that you hate seeding control but this is a corporation and we need to demonstrate that we are in control.
- That brings me to Adam. I know you will defend the position and that you trust Adam implicitly but, there is something that bothers me. I feel that I am being set up - do what I do and then get replaced by Adam down the line. Is that the case? From both a personal and professional standpoint, I object to Adam being a signatory on the bank account of Ltd. He is, to my knowledge, neither an employee, officer or director of the company and for the sake of good corporate governance, I can therefore not allow your own personal accountant to have signing powers on the company bank account. This absolutely screams to the IRS that it is de facto nothing more than your own personal account controlled by you and your personal accountant and is therefore clearly a taxable item in the US. Once such a determination is made we will find it almost impossible to reverse and this will impact any ability to raise investment from UK/EU sources. Furthermore, if Series A investors see this arrangement they would, in my opinion, have some major concerns over the operation of the company.

I'm sure this needs to be discussed but I wanted to get my thoughts down now. You may, as major beneficial owner, decide to take whichever course you wish, however I wanted to ensure that you are aware of the consequences of your decisions.

Without the changes to effectively demonstrate that control is in the Isle of Man, a) I do believe that we would pass muster for Series A investor due diligence due to the investment effectively being in a US entity, and b) we will definitely not pass regulatory scrutiny for any license applications, irrespective of jurisdiction, as control is not vested outside of the US.

Regards,



*The Next Generation of
Card & Casino Based Gaming*

Full Color Games, Inc.
3773 Howard Hughes Parkway, Suite #160N
Las Vegas, NV 89169

Martin L Linham
Chief Financial Officer

Casino:
<http://bit.ly/FCGg2e> (news piece)
<http://bit.ly/FCGvideo> (product trailer)

<http://www.fullcolorgames.com>

Email: martinlinham@fullcolorgames.com
Direct: +44 762 438 6897 iPhone
Skype: martin.linham88

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

Adam Hodson <adam@adamhodsoncpa.com>
To: David Mahon <david@fullcolorgames.com>, "Richard H. Newman" <rich@newmanlawlv.com>

Tue, Feb 9, 2016 at 9:10 AM

David,

This appears to be right on the money. I was hoping to confirm a few of these items on the call with the guy in Costa Rica but my initial research last year came up with the same concerns related to control.

If you can send me a list of what you were trying to accomplish, I can give you more specific answers. I am in the office all morning if you want to give me a call.

Adam Hodson, CPA

Tel: 702-368-1120
Fax: 702-776-8900
3438 N Buffalo Dr.
Las Vegas, NV 89129
www.AdamHodsonCPA.com

IRS CIRCULAR 230 DISCLOSURE:

Pursuant to Treasury Regulations, any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used or relied upon by you or any other person, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any tax advice addressed herein.

Confidentiality Notice: The documents accompanying this electronic mail message contain confidential information belonging to the sender and may be legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please notify us by telephone (1-702-368-1120).

From: David Mahon [mailto:david@fullcolorgames.com]
Sent: Tuesday, February 09, 2016 4:06 AM
To: Sebas Bastian; Adam Hodson; Richard H. Newman
Subject: Fwd: IOM Investment - Taxation - Control

[Quoted text hidden]

Richard Newman <rich@newmanlawlv.com>
To: Adam Hodson <adam@adamhodsoncpa.com>
Cc: David Mahon <david@fullcolorgames.com>

Tue, Feb 9, 2016 at 10:57 AM

Gents - perhaps we can discuss today in about 1 hour?

----- On Tue, 09 Feb 2016 09:10:57 -0800 **Adam Hodson** <adam@adamhodsoncpa.com> wrote -----

David,

This appears to be right on the money. I was hoping to confirm a few of these items on the call with the guy in Costa Rica but my initial research last year came up with the same concerns related to control.

If you can send me a list of what you were trying to accomplish, I can give you more specific answers. I am in the office all morning if you want to give me a call.

Adam Hodson, CPA

Tel: 702-368-1120

Fax: 702-776-8900

3438 N Buffalo Dr.

Las Vegas, NV 89129

<http://www.adamhodsoncpa.com/>

[Quoted text hidden]

Adam Hodson <adam@adamhodsoncpa.com>
To: Richard Newman <rich@newmanlawlv.com>
Cc: David Mahon <david@fullcolorgames.com>

Tue, Feb 9, 2016 at 11:46 AM

I am available at noon to discuss.

David,

Can you send over the proposals you made to Martin?

Adam

From: Richard Newman [mailto:rich@newmanlawlv.com]
Sent: Tuesday, February 09, 2016 10:57 AM
To: Adam Hodson
Cc: David Mahon
Subject: Re: RE: IOM Investment - Taxation - Control

[Quoted text hidden]

Richard Newman <rich@newmanlawlv.com>
To: Adam Hodson <adam@adamhodsoncpa.com>
Cc: David Mahon <david@fullcolorgames.com>

Tue, Feb 9, 2016 at 12:11 PM

I'm available now, if we can conference call, and then again from 2pm to 230 and then again after 5pm today.

I believe the proposals for authorization were as follows:

David plus 1 person from group B (B = Martin and Lee (from IOM) and Rich and Adam (from US))

We were still working on the second part (in case David was unavailable), which may just be 2 (or more) from Group B

----- On Tue, 09 Feb 2016 11:46:17 -0800 Adam Hodson<adam@adamhodsoncpa.com> wrote -----

[Quoted text hidden]

Adam Hodson <adam@adamhodsoncpa.com>
To: Richard Newman <rich@newmanlawlv.com>
Cc: David Mahon <david@fullcolorgames.com>

Tue, Feb 9, 2016 at 12:20 PM

Rich,

Can you give me a quick call on this? 702-368-1120.

Thanks.

Adam

From: Richard Newman [mailto:rich@newmanlawlv.com]
Sent: Tuesday, February 09, 2016 12:11 PM
To: Adam Hodson
Cc: David Mahon
Subject: RE: RE: IOM Investment - Taxation - Control

[Quoted text hidden]

Richard Newman <rich@newmanlawlv.com>
To: Adam Hodson <adam@adamhodsoncpa.com>
Cc: David Mahon <david@fullcolorgames.com>

Tue, Feb 9, 2016 at 12:55 PM

Yes will call in a few minutes

----- On Tue, 09 Feb 2016 12:20:55 -0800 Adam Hodson<adam@adamhodsoncpa.com> wrote -----

[Quoted text hidden]



David Mahon <david@fullcolorgames.com>

Full Color Games Ltd - Contract of Employment

Martin Linham <martinlinham@fullcolorgames.com>
To: David Mahon <david@fullcolorgames.com>

Wed, Aug 31, 2016 at 7:23 AM

The evidence is entirely oral at this time as it was "free" advice from KPMG during conversations had with them. However, the stance for Transfer Pricing is similar to the UK and their policy is set out clearly at <https://www.gov.uk/hmrc-internal-manuals/international-manual/intm412000>.

If we require formal written advice to support the meetings, we need to pay them £18,000 retainer that they have sought and allow them to go through the motions to present their formal written advice. If they are committing to writing they will not do so until they are 100% on the facts from both the US and the Isle of Man perspective as it is their professional indemnity insurance on the line. Due to restricted funds I have not pushed the button on this yet. We will have to but we may also fall into the small company exception rules which is set out in the attached link.

Regards
Martin

On 29 August 2016 at 21:57, David Mahon <david@fullcolorgames.com> wrote:

Please forward me the correspondence from tax advice that states this contract is not possible due to transfer pricing, et. al.

I do not have proof of any thing in writing that rescinds this, all we have are phone calls and meetings in person that changed our course.

David

----- Forwarded message -----

From: **Martin Linham** <martinlinham@fullcolorgames.com>
Date: Mon, May 16, 2016 at 10:38 AM
Subject: Full Color Games Ltd - Contract of Employment
To: David Mahon <david@fullcolorgames.com>
Cc: "Richard Newman, Esq." <rich@fullcolorgames.com>

David,

Please find attached the final version of the contract of employment for Full Color Games Ltd. I need to have these documents in place for the Series A due diligence round.

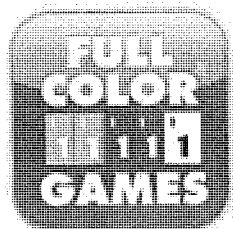
Please sign the document where indicated and initial each page. Please then return a signed scanned copy to me for countersignature.

The conditions are in accordance with the PPM statements and Isle of Man law and Rich has thoroughly reviewed them.

Thanks

--

Regards,



*The Next Generation of
Card & Casino Based Gaming*

Full Color Games Ltd
First Floor, 10-12 Prospect Hill
Douglas, Isle of Man, IM1 1EJ

Martin Linham
Director and Chief Financial Officer

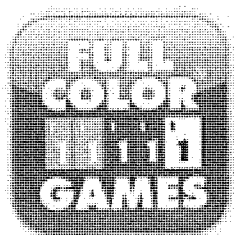
View my profile on [LinkedIn](#)

Casino:
<http://bit.ly/FCGg2e> (news piece)
<http://bit.ly/FCGhistorychannel> (product trailer)

<http://www.fullcolorgames.com>

Email: martinlinham@fullcolorgames.com
Direct: +44 762 438 6897 iPhone
Skype: martin.linham88

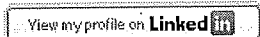
This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.



*The Next Generation of
Card & Casino Based Gaming*

Full Color Games, Inc.
3773 Howard Hughes Pkwy, #160N
Las Vegas, NV 89169

David Mahon
Inventor & CEO



Casino:
<http://bit.ly/FCGg2e> (news piece)
<http://bit.ly/FCGhistorychannel> (product trailer)

<http://www.fullcolorgames.com>

Email: david@fullcolorgames.com
Direct: (310) 880-8874 iPhone
Skype: FullColorGames
AIM: FullColorGames

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

--

Regards,

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT E

5. REMUNERATION OF DIRECTORS

5.1 The estimated director's remuneration for the current financial year is as follows:

<u>Name</u>	<u>Salary</u> <u>£000's</u>	<u>Directors</u> <u>Fees £000's</u>	<u>Fees for other</u> <u>services</u> <u>£000's</u>	<u>Benefits</u> <u>£000's</u>	<u>Bonuses</u> <u>£000's</u>
Lee B. MURPHY	-	6	-	-	-
David W. MAHON	170	-	-	16	60
Martin L. LINHAM	160	-	-	7	35
Richard H. NEWMAN	160	-	-	16	35
Total	490	6	-	39	130

Notes:

Amounts paid to the directors as expenses wholly, exclusively and necessarily during the course of business have not been included.

The directors have not been receiving any payment of salary and have not been accruing such payments.

Bonuses are anticipated sign-on bonuses covering accrued expenses incurred by the directors wholly, exclusively and necessarily on behalf of FCGL.

The directors have received no other material benefits.

FCGL has no commission, gain or profit-sharing arrangements with any director save from the revenue share agreement with IPHL whereby the sole beneficiary of the company is the Inventor of Full Color® Games, Mr. David W. Mahon.

At the date written above, FCGL has not granted any share options to the directors.

At the date written above, FCGL has not issued any shares to the directors in terms of the share incentive scheme.

5.2 FCGL has not paid any other fees or incurred any fees that are payable to a third party in lieu of directors' fees.

5.3 There will be no variation in the estimated remuneration receivable by any of the directors as a direct consequence of the private placement.

5.4 FCGL has not paid any amounts (whether in cash or in securities), nor given any benefits to any directors or to any company in which directors are beneficially interested, or to any partnership, syndicate or other association of which the directors are members, or to any director as an inducement to become a director or otherwise, or for services rendered by directors, or otherwise for services rendered by directors or by the associate company or associate entity in connection with the promotion or formation of the Company. There are no outstanding loans granted by FCGL to any of the directors.

5.5 Save for the relationship between the placing agent / corporate adviser and FCGL as set out in paragraph 1.6 and Annexure 3, the business of FCGL or any of its subsidiaries, or any part thereof, is not managed or proposed to be managed by any third party under contract or arrangement.

6. INTERESTS OF THE DIRECTORS

- 6.1 On the last practicable date, the directors (and their associates), in aggregate, held directly and indirectly approximately 72.94% of FCGL's issued share capital as follows:

<u>Name</u>	<u>Indirect</u>	<u>Direct</u>	<u>Total</u>	<u>%</u>
Lee B. MURPHY	-	-	-	-
David W. MAHON	51,264,667	-	51,264,667	67.50
Martin L. LINHAM	1,566,239	-	1,566,239	2.06
Richard H. NEWMAN, Esq.	2,566,239	-	2,566,239	3.38
Total	55,397,145	-	55,397,145	72.94

- 6.2 Save for being a shareholder of FCGL, no director of FCGL has or had any interest, directly or indirectly, in any transaction which is, or was, material to the business of FCGL and which was effected by FCGL during the current financial year which remains in any respect outstanding or unperformed.
- 6.3 Save for being a shareholder of FCGL, no director of FCGL has had any material beneficial interest, either direct or indirect, in the promotion of the Company.
- 6.4 Save for being a shareholder of FCGL, no director of FCGL has had any material beneficial interest, either direct or indirect, in any property acquired or to be acquired by FCGL.

7. SERVICE CONTRACTS OF THE DIRECTORS

- 7.1 Lee Murphy does not have a written employment agreement, however, as a director employed under a contract of service through a Corporate Service Provider and the Registered Agent, his terms and conditions that are normal for positions of their nature, which include, *inter alia*, that the executives:

- 7.1.1 are required to spend all such time as reasonably required in the fulfilment of their duties;
- 7.1.2 are subject to the usual fiduciary obligations of a director of a privately held company;
- 7.1.3 are subject to three-month notice of termination;
- 7.1.4 are required to serve on committees as necessary;
- 7.1.5 are bound by duties of confidentiality with regards to the business of the Company; and
- 7.1.6 have agreed to be bound by a restraint of trade for a period post-termination of services.

- 7.2 Other directors have written appointment letters with the Company which includes terms and conditions that are normal for the positions held by them.

8. OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

The table below sets out the names of the companies and partnerships of which the directors of FCGL are or have been directors or partners during the five years preceding the last practicable date:

<u>Name</u>	<u>Company</u>	<u>Incorporated</u>	<u>Capacity</u>
Lee B. MURPHY	Arlon Ltd	Isle of Man	Director
	Boxtree Ltd	Isle of Man	Director
	CDF Charters (2016) Ltd	Isle of Man	Director
	Chase Directors Ltd	Isle of Man	Director
	Chase Financial Services Ltd	Isle of Man	Director
	Chase Nominees Ltd	Isle of Man	Director
	Chase Secretaries Ltd	Isle of Man	Director
	Corporate Options (Trustees) Ltd	Isle of Man	Director
	Dhir India Investments Plc	Isle of Man	Director
	Full Color Games Ltd	Isle of Man	Director
	Intellectual Properties Holding Ltd	Isle of Man	Director
	Landscape Ltd	Isle of Man	Director
	Sarox Ltd	Isle of Man	Director
	Thanton Ltd	Isle of Man	Director
	Turimiola Ltd	Isle of Man	Director
	Yannin Ltd	Isle of Man	Director
David W. MAHON	Full Color Games, Inc.	Nevada, USA	CEO
	Full Color Games, LLC.	Nevada, USA	CEO
	Full Color Games Ltd	Isle of Man	Director
	Intellectual Properties Holding, LLC	Nevada, USA	CEO
	Intellectual Properties Holding Ltd	Isle of Man	Director
	Jackpot Productions, LLC.	Nevada, USA	CEO
Martin L. LINHAM	Corcix Resources Ltd	Isle of Man	Director
	Full Color Games Ltd	Isle of Man	Director
	In-Q Ltd	Isle of Man	Director
	IPL Ltd	UK	Director
	Pavilion Worldwide Group, LLC	Delaware, USA	CFO
Richard H. NEWMAN , Esq.	C-Byte Company, Inc.	Nevada, USA	Director
	Cooper Blackstone, LLC.	Nevada, USA	Director
	Full Color Games Ltd	Isle of Man	Director
	Howard & Howard Attorneys, PC.	Nevada, USA	Shareholder
	Newman Law, LLC.	Nevada, USA	Principal
	PB Holdings, LLC.	Nevada, USA	Manager
	Pitch Boss Productions, LLC.	Nevada, USA	Manager
	Vegas Game Point, LLC.	Nevada, USA	Director
	VGP Manufacturing, LLC.	Nevada, USA	Manager
	Vuzar, LLC.	Nevada, USA	Director

9. SIGNIFICANT OFFICERS & EMPLOYEES

- 9.1. FCGL current has a Chief Technical Officer, Mr. Mark MUNGER who, like the executives is working on an expenses only basis, and a Commercial Manager, Mr. Ashley SANDYFORD-SYKES who is working on a part-time consultancy basis. It is the intention of the Directors to fully employ the services of Mr. MUNGER once

funded on a full-time basis as he has been instrumental in building the technical components of the business to date and will continue in his role as CTO managing the systems that he already knows intimately.

9.1.1 Mr. Mark MUNGER. Mr. Munger is the Chief Technology Officer of FCGI. His career as a technology leader, operations professional and consultant across multiple industries includes a common approach of using technology to deliver customer solutions and satisfaction. His technology and operations experience includes online and land based casino gaming, social gaming, casino regulation, hospitality, software development, accounting systems and real estate.

Mr. Munger has successfully managed casino gaming properties from conception through complete design build phases including Station Casino Red Rock and the \$3 billion Cosmopolitan of Las Vegas. He has led and participated in software development for the casino and security industries including a sports betting and loyalty system for Station Casinos and a physical security system for SAFE used to protect properties of billionaires and featured on CNN, MSNBC and Yahoo News. He was hired as the technical lead consultant for creating and implementing new technology standards for the government of The Bahamas. He designed building technology and won a Buildy award for his automation design of Battery Wharf, a multi-use real estate project in Boston, MA. He worked with Cisco as a contract consultant, speaker at their executive briefing centre, distributor and integrator from 1998 with technical experience in unified communications of converged voice, video and data.

Mr. Munger has experience in directed software development using Agile Scrum methodologies in gaming, security and general business application environments. He has experience in security work with firewalls, IDS, security and packet analysis products dates back to 1989. His experience extends to multiple types of physical security devices including biometric (palm, facial, voice, fingerprint), surveillance, perimeter detection, construction materials and tactical solutions.

His technical specialties include IT audits / assessments, vendor management, in-room hospitality design, casino floor technology integration and operations, custom application design, information security and risk analysis, security systems design (including NBCE shelters) and integration of building systems for intelligent / smart buildings.

Mr. Munger is the author of Networking with Novell NetWare (1988) and other books on technology and management. His articles have appeared in industry publications such as Hospitality Update magazine and he has written white papers for manufacturers including Hewlett Packard, Microsoft, Novell and Cisco. He is a frequent speaker and has spoken at industry conferences including G2E, TribalNET and Cisco Live.

9.1.2 Mr. Ashley SANDYFORD-SYKES. Mr Sandyford-Sykes has a track record in innovation and success managing partners and operational development of

new and high growth products in the gambling and online gaming industry. A Gambling Industry Strategist with strong commercial operational and technical experience gained during his tenure at Microgaming. MR. Sandyford-Sykes headed up and built the largest 3rd party online casino gaming middleware platform called Quickfire for Microgaming whereby his systems process over 50,000,000 bets per day and billions of dollars in bets monthly. He is the leading casino gaming supplier and operator integration specialist with over 165 integrations completed and is geared to replicate that success with FCGL's IP being integrated to even more.

10. BOARD OF ADVISERS

In addition to the executive officers of the Company, on March 19, 2013, Mr. Mahon formed a Board of Advisors. Appointments to the Board of Advisors include:

- 10.1 Legendary game builder, Erick Hachenburg, former co-founder and CEO of Pogo.com. Pogo.com grew to become the single most successful casual card and casino gaming website in the world that was sold to EA.com in 2001. Mr. Hachenburg was further recruited to be the CEO of Metacafe.com before successfully selling the company in 2013;
- 10.2 Matthew Cowan, co-founder and managing director of Bridgescale Capital a Silicon Valley VC firm on Sandhill road with successful investments in a litany of household named brands from PayPal to GeoCities to C|NET where he has successfully returned over \$1.3 billion dollars to investors over the years.
- 10.3 Amish Shah, founder and CEO of Millennium Search, LLC, a globally recognized recruiting firm that specializes in recruiting rockstar talent and CXO level executives to Fortune 500 companies from Google to Intel to Yahoo in a myriad of major corporate sectors; and
- 10.4 Eric Kagan, founder and CTO of Access Northeast, a data centre that exited in 2012 to a private equity company. He partnered with Amish Shah to create Sierra Maya Ventures that makes investment in early stage companies.

Each and every member of the Board is also an angel investor in the Company bringing both their financial resources, talents and faith in the Company to the table.

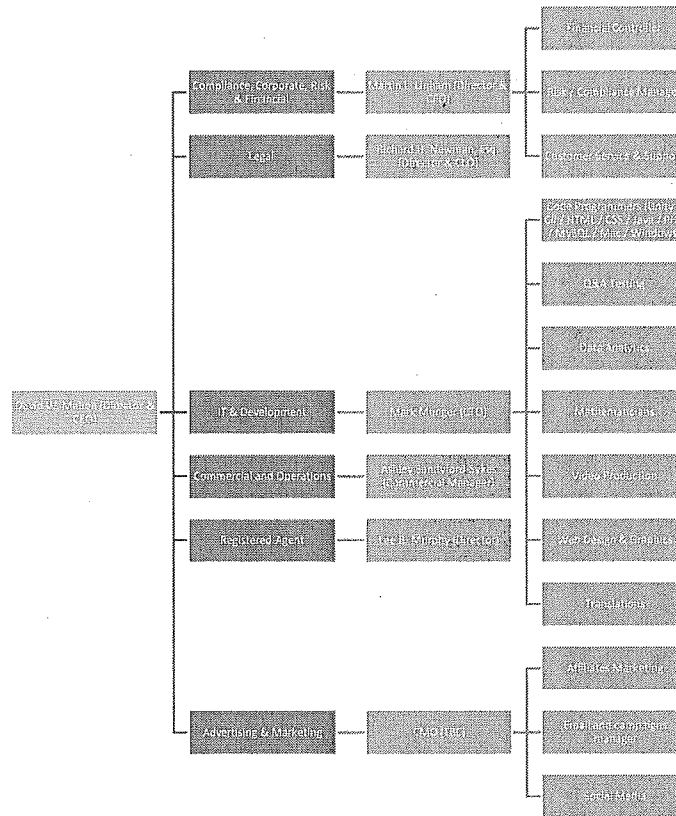
11. FUTURE RESOURCE AND STAFF ORGANOGRAM

To date, FCGL has minimised staff costs through operation with a small dedicated team and through utilisation of outsourced commercial arrangements, which have not always been best for the Company. Once properly funded, FCGL intends to make the following key hires and changes to its current resource:

- 11.1 Current CEO, CFO, CLO and CTO will be paid a full-time salary at a reasonable commercial rate to allow for the fact that the business is still in the early stages of producing revenue with new, already identified and highly experienced, COO and President being brought into the business at similar commercial rates;

11.2 Maintain its existing consulting relationship with the Commercial Manager;

11.3 Build the resource based on the following Company structure:



11.4 It is clear that the bulk of additional resource will be related to the reduction of outsourced contract work and bringing the development resource internal. Some of these roles may well be capable and desirous to cover more than one specific position but it should be understood that these are all of the positions that will be required. Additionally, these positions are not all required immediately but will be phased over a period of time, subject to the timetable for the in-housing of the development work and the timetable for the various marketing and distribution activities.

11.5 Details surrounding costs and type specific roles can be found at Annexure 13.

2024 Estimated Base for Expenses to Launch, Market, Promote and Grow Full Color® Game Social & Real Money Games into a Global Brand	Annual Cost	Running Total
Keyperson Payroll		
Senior UI/UX Designer	\$120,000	\$120,000
Senior HTML / PHP / MySQL Developer	\$120,000	\$240,000
Senior Figma / Windows Developer	\$120,000	\$360,000
Beta Testing Quality Control	\$60,000	\$420,000
Website, Mobile & Social Media Analytics	\$40,000	\$460,000
Ad Manager	\$120,000	\$580,000
Affiliate Ads Manager	\$120,000	\$700,000
Ad Designer for Ads	\$60,000	\$760,000
Video Production Manager	\$75,000	\$835,000
Video Training Producer	\$100,000	\$935,000
Video Training Editor	\$100,000	\$1,035,000
Manager of Social Media	\$80,000	\$1,115,000
Email & Customer Relations	\$60,000	\$1,175,000
CMO / Head of PR	\$150,000	\$1,325,000
Web & App Localizations	\$360,000	\$1,685,000
Webmaster	\$150,000	\$1,835,000
Web Code Designer	\$100,000	\$1,935,000
Web Graphics Designer	\$100,000	\$2,035,000
Mobile Graphics Designer	\$100,000	\$2,135,000
Knowledge Base & CRM Manager	\$100,000	\$2,235,000
Office Manager / HR	\$60,000	\$2,295,000
Convention Manager	\$50,000	\$2,345,000
Head of Business Development	\$150,000	\$2,495,000
CEO	\$250,000	\$2,745,000
President	\$180,000	\$2,925,000
CFO	\$180,000	\$3,105,000
CTO	\$180,000	\$3,285,000
COO	\$180,000	\$3,465,000
COO	\$180,000	\$3,645,000
Tax Burden of 25.1% on Payroll	\$587,985	\$4,232,985
Subcontractors		
Client side / Server Side / Regularity/Approvals / Testing / Certifications	\$110,000	\$4,342,985
Code & integrate client & server side for Quickfire, Playtech, GTS, Amaya, OpenBet, et al	\$100,000	\$4,442,985
Code & integrate client & server side for Quickfire, Playtech, GTS, Amaya, OpenBet, et al	\$100,000	\$4,542,985
General & Specific Legal		
Newman Law, LLC (IP Attorney)	\$220,000	\$4,762,985
General Counsel / Legal	\$160,000	\$4,922,985
Full Color® Intellectual Property Licensing Expenses		
USPTO (IP, ®, Patents)	\$24,000	\$4,946,985
World Intellectual Property Org.	\$24,000	\$4,970,985
Global filing of (IP, ®, Patents)	\$24,000	\$5,000,985
Payroll, Taxes, 1099's, et al	\$460,000	\$5,460,985
Outsource Payroll Services	\$48,000	\$5,508,985
Marketing Capital		
Ad Networks / PR Firm / Affiliate Marketing	\$500,000	\$6,008,985
National television promotional tour to morning shows, Internet, talk shows & press	\$17,000,000	\$23,008,985
Reality television show	\$1,600,000	\$24,608,985
Advertising campaigns for all mobile apps on Facebook, mobile apps, web, seo	\$1,800,000	\$26,408,985
Advertising campaigns for all mobile apps on Facebook, mobile apps, web, seo	\$1,800,000	\$28,208,985
Money to hire 3rd party press/promotion, press, marketing specialty companies	\$650,000	\$28,858,985
LiA		
Adobe Creative Suite - Developer SDKs / Support Services	\$445,000	\$29,303,985
Bank Charges	\$30,000	\$29,333,985
Consultants and certifications (math, et al)	\$1,000	\$29,334,985
Dates / Subscriptions / Memberships	\$15,000	\$29,349,985
Email, AWS, GoDaddy, et al (SaaS)	\$12,000	\$29,361,985
Evike Office & PC, Mobile, Printer, SW, et al	\$12,000	\$29,373,985
Graphics / Printing / Costumes	\$12,000	\$29,385,985
Insurance (Keyman)	\$12,000	\$29,397,985
Insurance (Gen Liability, D&O, Keyman)	\$12,000	\$29,409,985
Insurance (Firm Insurance)	\$12,000	\$29,421,985
Insurance (Auto/Gen/Other Insured Parts)	\$12,000	\$29,433,985
Licenses & Permits	\$12,000	\$29,445,985
Miscellaneous	\$12,000	\$29,457,985
Office Supplies & Postage	\$12,000	\$29,469,985
Uniforms	\$12,000	\$29,481,985
Rent (Office)	\$12,000	\$29,493,985
Rent (Corporate Events 50/50/Presidents)	\$12,000	\$29,505,985
Mobile Phones, Wireless Plans, 4g LTE	\$16,230	\$29,522,215
Internet Access/Hosting Bandwidth, etc	\$115,000	\$29,637,215
AWS S3, EC2 Servers, Databases, et al	\$66,000	\$29,703,215
Domain Name Registrations	\$3,500	\$29,706,715
Miscellaneous expenses / over budgets	\$496,000	\$30,202,715
Conventions		
Ad Networks / PR Firm / Affiliate Marketing	\$1,850,000	\$32,052,715
Global seminars that must be attended to market, promote, integrate, affiliate	\$1,850,000	\$33,902,715
Acquisition Capital		
Slot Apps / Blackjack Apps / Marketing Apps / Drive social to real Money	\$0	\$33,902,715
RGS Standalone Solution	\$3,000,000	\$36,902,715
Licensed Operator	\$450,000	\$37,352,715
Acquire Small-Mid Mobile Social Casino App	\$600,000	\$37,952,715
Acquire Social Media Marketing Company	\$600,000	\$38,552,715
Accrued Expenses		
Accrued Expenses	\$925,000	\$39,477,715
Runway		
12 month runway for Year 2	\$2,900,000	\$42,377,715

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT F



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

Mr Kiel Harris
Licensing Officer
Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

25th October 2016

Dear Mr Harris,

Re: Application for a Remote Software Operating License
Account ID: 46759
Operating Name: Full Color Games Limited

Thank you for your letter of 10 October 2016. We apologise for the delay in responding.

We would respond to your points as numbered:

Funding and working capital

1. I attach a copy of the full summary of investments made to date.

I would advise that all items shown were received as investments by individuals either directly or through their investment vehicles by way of a convertible preferential note into Full Color Games, Inc. during a period from April 2012 to January 2016. These investments were converted during a corporate transaction on 11 April 2016 which saw the creation of a new group head, Full Color Games Ltd in the Isle of Man. The further investment made by Davinci Holdings Ltd was made directly into Full Color Games Ltd and is covered in 2. below.

2. I would confirm that a total investment of \$2 million was made by Davinci Holdings Ltd. Attached is a copy of the Share Issuance Agreement. This investment comprised \$1 million in cash, which was made in two tranches of \$500k; copies of each wire transfer is attached herewith; and a further \$1 million in-kind. The terms of the investment are set forth in the attached Share Issuance Agreement.



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

3. I would confirm that the Company is currently seeking further investment through the sale of equity in order to maximise distribution and development of its games. We have already provided a copy of the Series A Private Placement Memorandum ("PPM") which has been used as a basis for discussion and attraction of targeted investors. This PPM was written on the basis of a subscription model to enable the Company to take a maximum of £28.7m in investment for a 20% equity stake in the Company.

The approaches that have been made have been through a known network of contacts and advisers who have assisted in reaching potential investors. We are actively engaged in a number of conversations which are hoped will yield investment within the next 6-8 weeks. These conversations have been occurring since May 2016 however, were briefly halted through June and early July due to the impact of Brexit on the economy and the advisers we were talking with.

To date, we have contacted and had discussions with the following parties:

Akur Capital, London
BDO, London
Chrystal Capital, London
Daniel Stewart & Co, London
Boston Corporate Services, Isle of Man
Burlywood Capital, Liverpool
Chris Harriman, San Diego, CA, USA (Individual)
Dean Street Advisers, London
IGVL, London
Jim Budny, CA, USA (Individual)
Larry Nesbit, MS, USA (Individual)
JP Morgan, San Francisco, CA, USA
Deutsche Bank, London
Barclays Bank, London
Credit Suisse, London
Mark Cilia, London (Individual)
Laurie Pinto, London (Individual)
James Stocks & Co, London
Kelvin King, London (Individual)
Larry Cohen, London (Individual)
Warren Phelops, London (Individual)
Whitman Howard, London
Simon French, Liverpool (Individual)
Aspinall Capital, London
Mandalay Financial, London
Andrea Porcelli, USA (Individual)
Richard Blakesley, London (Individual)



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

Mike O'Connor, London (Individual)

Playtech, London

Balmoral Capital A, London

4. I would advise that as noted above, we are currently seeking additional investment through a Series A funding, details of which have already been supplied to the Commission. We have adequate contingency for the delay or failure to secure further funding for a prolonged period through a further approach to our existing investors who have already been extremely supportive, some of which have invested multiple times demonstrating their continued support. Furthermore, through the cornerstone investment from Davinci Holdings Ltd and a partnership with Mr Bastian, the UBO of the company, we have the ability to approach Mr Bastian for further funds through the sale of equity to ensure that the business continues until further external funding is secured. We are confident that additional equity based funding will be forthcoming and will notify the Commission as soon as this is secured.

Shareholding

5. You have requested clarification on the matter relating to Mr Newman.

Firstly, I would request that the following information is confidential and is subject to ongoing investigation and potential litigation and must not be discussed directly or indirectly with Mr Newman as we have noted that it is your intention to contact Mr Newman directly to establish whether he wishes to pursue his application for a PML.

Mr Newman is a licensed attorney in three states in the United States of America. He is the former in-house Counsel for Shufflemaster where he had gained respect and a wide knowledge of the gaming industry. He has been working with Full Color Games in the capacity of Legal Counsel and IP Attorney for approximately six years. Through this period Mr Newman had undertaken various tasks for the Company including the initial filings related to intellectual property. During this time, the Company never had cause to question his statements as a licensed attorney and officer of the court in good standing. However, due to a failure to perform various contractual and corporate matters and his failure to provide the Company with pertinent information relating to the Full Color® intellectual property filings, the Directors of Full Color Games Ltd were moved to question statements made by Mr Newman and information it had received regarding Mr Newman which led the Company to believe that Mr Newman had wilfully neglected the corporate and IP work of the Company and that he was not who he purported to be. Mr Newman was therefore terminated for cause.

The Board of Directors of Full Color Games Ltd therefore sought to remove Mr Newman as a Director of the Company and following a supporting resolution from 100% of the voting members of the Company, the Board of Directors resolved to remove Mr Newman as a Director of the Company on 25 August 2016. Furthermore,



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

the Board of Directors of Full Color Games Ltd have moved to revoke Mr Newman's shares in Full Color Games Ltd which were allotted but not issued.

Following the investigations of the Board of Directors of Full Color Games Ltd, it is believed and hereby averred that Mr Newman has engaged in activities that a) violated the requirements of the Isle of Man Companies Act 2006 to act as a Director of the Company, and b) would violate the requirements of the Gambling Commission to be i) found suitable to be a Director of a licensed Company, b) hold a Personal Management License, and c) hold a position of Key responsibility in a licensed Company. These activities include, but are not limited to, gross misconduct, malpractice, malfeasance and misrepresentation. It is for these reasons that Mr Newman was removed from the Board of Full Color Games Ltd and a move to revoke his shares was commenced.

The information that has led us to conclude and aver these actions are as follows:

- A) Mr Newman was the attorney handling all filing for and on behalf of Mr Mahon and the Company related to the Full Color® Intellectual Property (i.e. patents, copyright and trademarks). With the Company pursuing additional funding, it was important to ensure that all due diligence was up to date and available for the review by potential investors. This included all documentation relating to the intellectual property. Despite numerous requests from Officers and Directors of the Company, Mr Newman failed to provide any information related to the current status of intellectual property filings. It has since been established the Mr Newman both knowingly and wilfully ignored notices from the US Patent Office related to the intellectual property of Full Color® Games – a fact which could have / may cause untold damages in a loss of investment opportunity or even filings from other inventors which is similar to that of Full Color® Games.
- B) It is believed and averred that Mr Newman has engaged in potential investor fraud by asserting that he is an accredited investor pursuant to the SEC. An investigation is ongoing but Mr Newman is refusing to cooperate which triggers other clauses to have his shares revoked in order to preserve the integrity of Full Color Games Ltd suitability to either hold a key position in a licensed business or for a Personal Management License with the Gambling Commission, it is believed and hereby averred that Mr Newman had committed fraud to achieve personal gain.
- C) Further investigation by the Directors of the Company found public mention and statements related to a company styled "Vegas Game Point, LLC.". This company has listed "Cooper Blackstone" as the sole Director and Officer filed on public record. Cooper Blackstone is an LLC formed in accordance with the rules and laws of Nevada, USA and is beneficially owned 100% by Mr Newman. Furthermore, Mr Newman through use of his alias Cooper Blackstone (NOTE: LLC is not included on official filings), was the sole Director and Officer of Vegas Game Point, LLC. and held himself out to be the Compliance Officer and Chief Legal Officer for that company. This indicates that Mr Newman held the ultimate levels of responsibility



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

and accountability and appears to have failed in his duty as an Officer and Director of that Company to prevent the alleged actions from transpiring. Vegas Game Point, LLC. is currently under investigation for an embezzlement charge which was filed against it. Mr Newman claims to be unaware and uninvolved in the embezzlement and has, through his law firm, Newman Law, LLC. filed a motion against the claim of embezzlement, representing himself and his alter ego by himself. If Mr Newman cannot prevent such actions occurring where, it is clear, he has complete autonomy and control, then it is averred that he may be complicit in the act. Clearly, it is not the duty of the Directors of Full Color Games Ltd to investigate this matter but it is clear that through his actions, the Board of Directors found Mr Newman to be unsuitable to act in the capacity of a key person which further added to grounds to terminate his appointment as he is not suitable. The Board of Directors of Full Color Games Ltd found that if Mr Newman failed in his duties as the sole Director, Officer and Chief Legal Counsel of Vegas Game Point, LLC. he could not be trusted to manage or engage with those managing the affairs of Full Color Games Ltd.

As noted above, the Board of Directors has moved to revoke the shares issued to Cooper Blackstone, LLC. AKA Mr Newman with immediate effect. The Board of Directors is currently seeking legal advice in relation to the shares held by Cooper Blackstone, LLC. AKA Mr Newman in Full Color Games, Inc. with further actions possible following the advice of counsel based on the allegations detailed herein.

Business Continuity

6. In regard to the question relating to the business continuity should any of the key individuals be unable to fulfil their regulatory responsibilities, to ensure minimal disruption to adherence with the LCCP. I would advise that, as detailed below in items 7 through 9, the Company works with a number of licensed third party Companies to provide a technological solution to enable the Company's unique content to reach the market.

Each of the Key Personnel identified in the application have specific expertise and work closely together as a cohesive management unit. The Company has identified the need for a succession plan to ensure that such continuity is achieved with minimal disruption to the business. As a result, I can advise that the succession plan / continuity for the loss of any key individual would be covered as follows:

Mr David.W. Mahon: Mr Mahon is Inventor of Full Color® Games; which represents and entirely new class of card and casino gaming and sole founder of the company; and Sole Founder of the business and an Executive Director and Chief Executive Officer of the Company and is involved in all areas of the business. Whilst his activities in marketing, operations, technology and development, finance and corporate affairs could all be absorbed by Mr Linham and Mr Munger, his activities in the product



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

development would be harder to cover. In the short-term these would be handled by a mixture of Mr Munger, our third party technology partners and our third party industry consultants. However, as the owner and inventor of the intellectual property, this area would be much harder to cover. With the assistance of some of the existing investors within the Company, we believe that we could cover this area until a resolution of either the return or replacement of Mr Mahon is concluded. This would rely upon our two highly experienced gaming professionals who are currently working for the Company in a consulting capacity. This would be a short term measure until either a) the return of Mr Linham, or b) the replacement of Mr Linham in a full-time capacity by an approved person (i.e. a holder of a Personal Management License).

Mr M.L. Linham: Mr Linham is an Executive Director and Chief Financial Officer of the Company and performs the role of head of compliance and regulatory affairs and Money Laundering Reporting Officer. His involvement is operational, management, corporate, financial, marketing and technological. In the event of Mr Linham becoming unavailable, his corporate, financial and compliance / regulatory duties would be outsourced to Corporate Options Ltd, the provider of the Registered Agent. Corporate Options Ltd has dedicated resource for corporate, compliance, finance and regulatory affairs under terms of its license with the Isle of Man Financial Conduct Authority. The operational, marketing and technological duties will be absorbed by Mr Mahon and Mr Munger and should this not be possible, we would utilise the services of two highly experienced gaming professionals who are currently working for the Company in a consulting capacity. This would be a short term measure until either a) the return of Mr Linham, or b) the replacement of Mr Linham in a full-time capacity by an approved person (i.e. a holder of a Personal Management License).

Mr M.W. Munger: Mr Munger is the Chief Technical Officer of Full Color Games Ltd. His involvement is primarily technological and developmental however he also becomes involved in some operational and marketing aspects of the Company. In the event of Mr Munger becoming unavailable his primary activities would become absorbed by Mr Mahon with input from our third party technology partners. His secondary activities would be absorbed by Mr Mahon and Mr Linham. Should either of Mr Mahon or Mr Linham be unavailable, the Company would utilise the services of two highly experienced gaming professionals who are currently working for the Company in a consulting capacity and our third party technology partners. This would be a short term measure until either a) the return of Mr Munger, or b) the replacement of Mr Munger in a full-time capacity by an approved person (i.e. a holder of a Personal Management License).

Mr L.J.B. Murphy: Mr Murphy is the Registered Agent and Corporate Director of Full Color Games Ltd. Mr Murphy's role is related to all corporate matters and he has limited exposure to the operations of the Company. As a Registered Agent, licensed by the Isle of Man Financial Conduct Authority, in the event of Mr Murphy being unavailable, his company, Corporate Options Ltd, would provide the Company with a



new Corporate Director who would already be up to speed on the corporate affairs of the business through the internal operations of Corporate Options Ltd. A PML would be sought for the new Director should Mr Murphy not be available for any extended period.

As noted above, working together as a coordinated and cohesive management team is paramount to the way that the business is managed to ensure that there is no problem in enacting any succession plan or business continuity to ensure that all areas of the business continue to be serviced pursuant to the LCCP.

Remote Gaming Server ("RGS")

It is important to note that the RGS is currently in development and the situation remains fluid at this time to ensure that Full Color Games Ltd achieves the best and most cost effective solution for its RGS as a platform to serve and integrate into operators around the world. Much of our technical integration and development work is outsourced to third party providers such as Multislot and Spin Gaming. This has enabled us to increase our speed to market with partnerships with BetConstruct, Everymatrix, Videoslots and Microgaming as we have been able to utilise the fact that the RGS is already integrated with those operators and aggregators.

7. Full Color Games Ltd has licensed an RGS from Virtuasoft Ltd. This RGS has been licensed by and used by Amaya, Bet Victor and continues to be used by Ho Gaming. The base source code of the RGS has been previously certified by GLI for compliance with respective parts of GLI-19, UK and Italian regulations. As the Company is making additions and modifications to the RGS, it is the intention of Full Color Games Ltd to submit the modified RGS and its games for certification under a minimum of GLI-19 and UK regulations prior to its offering to operators.

As Full Color Games Ltd will be responsible for all aspects of this software and its performance on the operators sites, there is redundancy being written into the software that will allow redundant servers to be setup and mirror the primary servers. Should the primary servers fail or otherwise become non-functional, the option will be available for the operator or the Company to switch over until the primary servers can resume functionality.

8. As Full Color Games Ltd's version of the RGS is still under development, we should note that we are in possession of the RTS for the UK which includes the IPA's. As we are developing the RGS and preparing it for certification under the UK RTS, we are reviewing each item and ensuring that we are compliant. The final test will be when it passes certification which will be after all development is complete.
9. As stated in item 8. above, the Company are still in the process of developing and modifying the RGS that we will be offering our games on. We are in possession of,



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

and understand the RTS and how we must meet those as the minimum standards. As we develop further the platform in the next few months, we will be able to full define how we are compliant with, and how we will handle breaches to the RTS.

Operations in other jurisdictions

10. Full Color Games Ltd is currently actively seeking new distribution partners to carry its software for use by licensed operators. Full Color Games Ltd will only do business with licensed operators who must comply with their respective jurisdictional laws and regulatory requirements.

Through its licensing agreements, the Company will use a transitive trust arrangement to place the onus on the licensor to ensure that the software is only provided to operators who have proved that they are licensed to operate in the markets and jurisdictions which are allowed by their respective regulators and that the operator complies with all appropriate regulations and laws. No provision of software is made until the license agreement has been executed to ensure that the transitory trust is in place to ensure that the operators adhere to the terms of the license.

Full Color® Games is copyrighted, trademarked and patented. As such, the Company, through its licensing arrangements will protect any unauthorised, unlicensed or unlawful use of the Intellectual Property associated with Full Color® Games which infringes the exclusive rights granted to the Company. Whilst the Company routinely invokes legal and technological measures to penalise infringement it must rely heavily upon the license contracts with authorised and licensed third parties.

Policies and procedures

11. Full Color Games Ltd ensures that compliance and regulation is understood and considered by all staff as part of the ordinary "business as usual". The ensures that all staff understand their own and the Company's obligation under any and all regulation, whether industry or corporate related.

As a result, all personnel are provided with a training plan which incorporates both internal procedures and policies and external regulation. Key personnel within Full Color Games Ltd will be kept up to date with any changes to the LCCP through a series of releases from within the industry, a review and update from the UK Gambling Commission website, regular mailings, training and update seminars as well as updates from our corporate Registered Agent.

All of the Company's policies and procedures are designed with and will be amended in line with regulatory and compliance changes as well as changes in industry best practice. These policies and procedures are monitored by the Company's Audit, Risk and Compliance Committee ("ARCC") and circulated to all appropriate staff. Staff are



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

required to sign confirmation notices to confirm that they have read acted upon and understood all and any changes to policies and procedures as a matter of normal business practice.

Members of staff and members of ARCC are encouraged to watch for industry or regulatory courses and can request attendance at such events. Where ARCC considers content to be valuable and appropriate, staff in both key and other positions within the Company, will be told that attendance at such events is mandatory.

12. I would confirm that Full Color Games Ltd will meet the obligation towards a donation the research, education and treatment of problem gambling in line with Social Responsibility code provision 3.1.1(2) through a donation from expected revenues or from capital reserves until the Company achieves positive cash flow.

In preparation for applying for the UK Gambling Commission license, Mr Mahon made the extraordinary trip from the USA to meet with the UKGC in Birmingham on 5 May 2015 where he personally demonstrated his new class of gaming in Full Color® Games and sought to develop a close and respected relationship with the commission; Sharon McNair and Alistair Quigley.

I trust that the information herein is acceptable however if you require any additional information, please do not hesitate to contact me. Both Mr Mahon and I would be happy to meet in person with the Commission if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Martin L. Linham". The signature is fluid and cursive, with a long horizontal stroke at the end.

Martin L. Linham
Director

Enclosures.

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT G



David Mahon <david@fullcolorgames.com>

Full Color Games Ltd - Notice before action

Martin Linham <martinlinham@fullcolorgames.com>

Thu, Aug 18, 2016 at 2:59 PM

To: "Richard Newman, Esq." <rich@fullcolorgames.com>

Cc: David Mahon <david@fullcolorgames.com>, Glen Howard <glen@fullcolorgames.com>, Lee Murphy <lee@corporateoptions.co.im>

WITHOUT PREJUDICE

Dear Rich,

Following meetings with officers of the Company earlier this week at which specific work product failed to be produced, I am writing to provide you with formal notice that at a meeting of the Directors of Full Color Games Ltd earlier today, it was found that your delinquency in attending to a number of corporate actions have caused the Company undue harm and potential damage. As a result, we have no alternative but to provide you with formal notice that unless action is taken to remedy the outstanding corporate actions, we will have no alternative but to terminate your relationship with Full Color Games Ltd.

The corporate actions that were assigned and agreed by you during the corporate meetings during the week commencing 25 July 2016 that you are responsible for and that are delinquent are detailed below:

1. Contract between FCGL and Microgaming (and back-to-back contract / indemnity with Multislot in respect of the SLA element of the agreement. We need to establish whether this requires review by IOM legal counsel?
2. Contract between FCGL and Multislot for the provision of the RGS and development resource and the revenue share agreement. Once again we need to establish whether this requires review by IOM legal counsel?
3. Contract between FCGL and Ashley Sandford-Sykes in his capacity as an independent contractor.
4. Written report updating the status of all IP related work (patents, trademarks, copyrights etc.).
5. Written report detailing steps necessary and likely a) Budget, and b) Timetable, for either recognition of existing IP or filing new international protection as appropriate. This should include details of additional external IP legal counsel in additional jurisdictions and posted on Google Sheets held on the Google Drive.
6. MNDAs between FCGL and Roger Hawkins.
7. Letter of Intent between FCGL and BetConstruct for delivery of games through Multislot and revenue share agreement. LOI should be worded so that there is some idea of anticipated revenues so that it can be exhibited for the purpose of soliciting investment.
8. Letter of Intent between FCGL and VideoSlots for delivery of games through Multislot and revenue share agreement. LOI should be worded so that there is some idea of anticipated revenue so that they it be exhibited for the purpose of soliciting investment.
9. Contract between FCGL and Island Luck for the provision of games through Multislot and the revenue share agreement. This should be worded so that there is some idea of anticipated revenues so that it can be exhibited for the purpose of soliciting investment.

Specifically, David has travelled to the Bahamas to meet with our largest external shareholder and does not have a draft of the contract between Full Color Games Ltd and Island Luck (#9 above), which he was there to negotiate in person. This document needs to be drafted and sent to David **without delay** as he arrives in the Bahamas at 18:09hrs (PST) and is meeting with the shareholder Friday morning (EDT) which therefore means that the draft contract needs to be with David before 07:00 (EDT).

Your failure to perform has placed the Company in an unacceptable position, hence the need to provide you with formal notice, herein.

Regarding the other outstanding matters on the list (#1 to 8), you should provide us with a schedule of when these items can be expected so that we can work with you to remedy the situation.

--

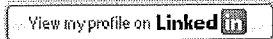
Regards,



The Next Generation of
Card & Casino Based Gaming

Full Color Games Ltd
First Floor, 10-12 Prospect Hill
Douglas, Isle of Man, IM1 1EJ

Martin Linham
Director and Chief Financial Officer



Casino:
<http://bit.ly/FCGg2e> (news piece)
<http://bit.ly/FCGhistorychannel> (product trailer)

<http://www.fullcolorgames.com>

Email: martinlinham@fullcolorgames.com

Direct: +44 762 438 6897 iPhone

Skype: [martin.linham88](#)

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT H



David Mahon <david@fullcolorgames.com>

Full Color Games Ltd - Notice before action

Rich Newman <rich@fullcolorgames.com>

Fri, Aug 19, 2016 at 7:34 AM

To: Martin Linham <martinlinham@fullcolorgames.com>

Cc: David Mahon <david@fullcolorgames.com>, Glen Howard <glen@fullcolorgames.com>, Lee Murphy <lee@corporateoptions.co.im>

Your email below does not address the failure of the company to pay 10k USD per month to me by the first of the month as agreed.

This has caused substantial harm. When asked about the failure to pay as agreed, I was not given an explanation for the failure to pay and not told when or if payment would ever be made as agreed. As such there's clearly no delinquency on my part. There is a breach of our agreement by the company which remains uncured as of today and thus continues to cause harm. The email below fails to remedy this breach despite it being well known as a preliminary matter for resolution.

Sent from my iPhone

[Quoted text hidden]

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT I

MINUTES
OF A MEETING OF THE DIRECTORS OF
FULL COLOR GAMES LIMITED
held on 25 August, 2016 at Douglas, Isle of Man
(Full Color Games Limited is a Company Incorporated in accordance with the
Isle of Man Companies Act 2006. Registered No. 013172V)

In attendance : David W. Mahon, Director and CEO
: Martin L. Linham, Director and CFO
: Lee B. Murphy, Director and Registered Agent

Absent : Richard H. Newman, Esq., Director and CLO

1. The meeting commenced at 18:00hrs UMT+1 and was deemed quorate pursuant to section 108 of the Companies Act 2006 (the "Act") with three of the four Directors present.
2. Mr Newman had not been invited to the meeting as his attendance would have been a direct conflict as the meeting had been called to discuss the performance and position of Mr Newman.
3. For the purposes of the meeting, Martin L. Linham was appointed as Chairman of the meeting.
4. Given the short notice of the meeting, it was tabled and all Directors agreed to a waiver of short notice pursuant to the provisions of section 107(2) of the Act.
5. Following an earlier meeting of the Directors and a subsequent meeting of the shareholders of the Company holding voting rights in the Company, the Directors have been authorised to terminate the services of Mr Newman with immediate effect.

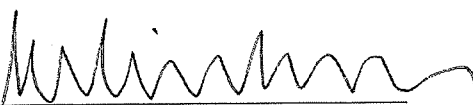
IT IS THEREFORE RESOLVED that pursuant to the resolution of the shareholders of the Company pursuant to the provisions of section 96(2)(b) of the Isle of Man Companies Act 2006, Mr Newman is hereby removed as a Director of the Company with immediate effect.

IT IS FURTHER RESOLVED that the allotment of shares made to Cooper Blackstone LLC on 11 April 2016 be and is hereby cancelled with immediate effect.

IT IS FURTHER RESOLVED that Mr Newman be removed from all bank accounts and promotional materials used by the Company with immediate effect.

6. There being no further business, the meeting was closed by the Chairman with additional meetings being scheduled as needed.

SIGNED as a true record of the meeting of the Directors on the date first written above.

By: 

Martin L. Linham, Director and CFO
Full Color Games Limited

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT J



David Mahon <david@fullcolorgames.com>

Termination of Directorship, Legal Counsel & et. al.

David Mahon <david@fullcolorgames.com>

Thu, Aug 25, 2016 at 9:07 PM

To: "Richard Newman, Esq." <rich@fullcolorgames.com>, Lee Murphy <lee@corporateoptions.co.im>, Martin Linham <martinlinham@fullcolorgames.com>, "Richard Newman, Esq." <rich@newmanlawlv.com>, "Richard Newman, Esq." <richarnew@gmail.com>

Mr. Newman,

Full Color Games Ltd ("FCGL") has received your letter of August 19, 2016, in response to your "Notice Before Action" letter from FCGL on August 18, 2016.

After much consideration, it is with great regret that FCGL, including, but not limited to all of its affiliates, agents, contractors, subsidiaries, companies, licensors and licensees, has chosen to terminate all of its business relationships with you, in both your individual and corporate capacities as it's general and specific IP legal counsel as well as any Directorships or roles within FCGL or any and all of its subsidiaries.

FCGL hereby requests that you return all of its property, keys, access cards, bank tokens, iPhone 6+, Macbook Pro laptop computer and accessories immediately.

FCGL hereby further requests that Newman Law, LLC turn over all of the original IP files from Howard & Howard that you received on or about October 28, 2014 (per the attached document) and further prepare a master list of all legal documents and intellectual property work, correspondence, case files, letters, filings, responses, notices, patent, trademark or copyright work that it has done since then so the new law firm that will be taking over can make a full legal assessment of their current state. It is imperative that you transfer the documents to us at once due to the urgent nature and time sensitivity of the work that has not been completed.

Please let us know when you will be available to make this transfer of property, in part or in whole as soon as possible as time is of the essence.

Regards,
David Mahon
Majority Shareholder, Director & CEO of Full Color Games Ltd



*The Next Generation of
Card & Casino Based Gaming*

David Mahon
Inventor & CEO

View my profile on **LinkedIn**

<http://www.fullcolorgames.com>

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

2014_10_28_Authorization for File Transfer-signed.pdf
185K

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT K



David Mahon <david@fullcolorgames.com>

Termination of Directorship, Legal Counsel & et. al.

Richard Newman <rich@newmanlawlv.com>

Thu, Aug 25, 2016 at 11:59 PM

To: David Mahon <david@fullcolorgames.com>

Cc: "Richard Newman, Esq." <rich@fullcolorgames.com>, Lee Murphy <lee@corporateoptions.co.im>, Martin Linham <martinlinham@fullcolorgames.com>, "Richard Newman, Esq." <richarnew@gmail.com>

David

I'm surprised and disappointed at the lack of dialog or even an attempt to resolve a legitimate dispute. I am also unaware of a director's meeting or any other being held without me in which this matter or any others were to be discussed.

Setting aside any procedural issues, just in light of the extreme disruption and potential harm the action proposed in the email below would cause to the company, particularly with regard to its recent regulatory filings and representations, I believe there exists an obligation to at least attempt to resolve this matter in a way which minimizes harm. I can assure you that I am very much open to reaching a resolution that avoids causing any harm to the company which I've personally and professionally invested so much time and effort into over so many years.

For now I propose a phone call to discuss as soon as possible. Alternatively, I can present my thoughts by email. Let me know how you'd like to proceed.

Thanks
Rich

----- On Thu, 25 Aug 2016 21:07:32 -0700 David Mahon<david@fullcolorgames.com> wrote -----

[Quoted text hidden]

Newman Law, LLC
7435 S. Eastern Ave Suite 105-431
Las Vegas, NV 89123

NOTICE: Information contained in this transmission to the named addressee is proprietary information and is subject to attorney-client privilege and work product confidentiality. If the recipient of this transmission is not the named addressee, the recipient should immediately notify the sender and destroy the information transmitted without making any copy or distribution thereof.

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT L



David Mahon <david@fullcolorgames.com>

Termination of Directorship, Legal Counsel & et. al.

Martin Linham <martinlinham@fullcolorgames.com>

Fri, Aug 26, 2016 at 4:09 AM

To: Richard Newman <rich@newmanlawlv.com>

Cc: David Mahon <david@fullcolorgames.com>, "Richard Newman, Esq." <rich@fullcolorgames.com>, Lee Murphy <lee@corporateoptions.co.im>, "Richard Newman, Esq." <richarnew@gmail.com>

Without Prejudice

Dear Rich,

I refer to David's email of 25 August 2016 together with your response.

Given the severity of the lack of performance (and related work product) and the position that the Company was left in, highlighted in my email to you of 18 August 2016, together with the failure to either respond fully addressing the proposed remedy for the outstanding corporate actions as well as the Intellectual Property filings and other matters outstanding, the Company feels that it has been caused grave and possibly irreparable harm in its ongoing business relations and funding efforts. As a result, a meeting of the Directors was called and duly held on 25 August 2016 with the specific purpose of addressing the matter. Due to a clear conflict of interest, you were not notified or invited to the meeting of the Directors.

At said meeting of the Directors, the matter was discussed and the Directors requested the input of the shareholders with a voting interest in the Company. Such a meeting of the shareholders with a voting interest was convened on 25 August 2016 and at said meeting the shareholders resolved unanimously to terminate your position as a Director of Full Color Games Ltd with immediate effect, pursuant to the terms of Section 96(2)(b) of the Isle of Man Companies Act 2006.

David's correspondence to you was as a direct result of those meetings.

In relation to attempts to resolve the outstanding issues, my email of 18 August 2016 clearly set out the matters which were in need of resolution and how we could have worked toward a resolution. None of these issues have, at this time, been either resolved or progressed by you. As a result we have been unable to finalise and execute contracts for distribution of content and to further the business of the Company resulting in an economic harm to the business. Furthermore, as many of the outstanding items form the basis of outstanding due diligence requested and required for the ongoing fund raising efforts of the Company, they have resulted in a delays in furthering negotiations with various parties. As a result, at the meetings held on 25 August 2016, the Directors and the shareholders holding voting rights in the Company have considered the matter and the impact that it has had on the Company, and have formally resolved to terminate any ongoing relationship with you and your companies.

To address the matter of your professional and personal time invested in the business, you, through your companies, have been compensated in both stock and cash for the work that you had done and this had enabled us to maintain an ongoing relationship and goodwill to a point. Your continued request for further cash advances when the Company has and is receiving no work product, was deemed unacceptable forcing the Directors to take the actions set out in David's email of 25 August 2016. Your efforts to date have been appreciated and rewarded and for that the Company thanks you.

I believe that the Company has made its position clear as stated in David's email of 25 August 2016 and this email.

I would now repeat the requests made in David's email to return all Company property as soon as practicable. Furthermore, all IP related files should be made available and transferred to the Company with immediate effect so that the Company can proceed to remedy all outstanding matters with new Counsel as soon as possible any minimise any ongoing harm and impact of matters not progressed.

Please confirm that you will return all property and transfer files at the earliest possible opportunity.

I would remind you that pursuant to the provisions of Section 98 of the Isle of Man Companies Act 2006, "A director who vacates office remains liable under any provisions of this Act that impose liabilities on a director in respect of any acts or omissions or decisions made whilst that person was a director".

Regards,
Martin L. Linham
Director
Full Color Games Ltd

[Quoted text hidden]

--

Regards,



*The Next Generation of
Card & Casino Based Gaming*

Full Color Games Ltd
First Floor, 10-12 Prospect Hill
Douglas, Isle of Man, IM1 1EJ

Martin Linham
Director and Chief Financial Officer

View my profile on **LinkedIn**

Casino:
<http://bit.ly/FCGg2e> (news piece)
<http://bit.ly/FCGhistorychannel> (product trailer)

<http://www.fullcolorgames.com>

Email: martinlinham@fullcolorgames.com

Direct: +44 762 438 6897 iPhone

Skype: martin.linham88

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT M



David Mahon <david@fullcolorgames.com>

Termination of Directorship, Legal Counsel & et. al.

David Mahon <david@fullcolorgames.com>

Fri, Aug 26, 2016 at 12:19 PM

To: Martin Linham <martinlinham@fullcolorgames.com>

Cc: Richard Newman <rich@newmanlawlv.com>, Lee Murphy <lee@corporateoptions.co.im>, "Richard Newman, Esq." <richarnew@gmail.com>

Mr. Newman

I am in urgent, desperate and dire need for our complete master list and IP files for all things related to David Mahon, specifically including but not limited to Full Color® Games.

We are suffering a great and irreparable harm every day that goes by without these.

Further, we need the Full Color Games Ltd company assets returned asap.

It has been nearly 2 years since Newman Law, LLC took over the files from Howard & Howard, LLP and we have absolutely no records, governmental correspondence, updates, filings or anything, despite a countless number of requests from Glen Howard, Mark Munger, Martin Linham and myself in the interim.

Pursuant to Section 1.15 of the NV State Bar of Rules of Professional Conduct, we have been advised that it is a reasonable request for a law firm to turn over a full, complete and comprehensive copy of the client's case files *in full* within 24-72 hours of the request. A reasonable time for the *original files* to be returned is 10 days.

We hereby reiterate the request from yesterday to immediately get us a full and complete copy of all files and to make your own copy in the interim so you can turn over 100% of all of the original files within 10 days of yesterday to avoid any further action.

Please advise us of when and where we can get these assets as time is of the essence.

Regard,
David Mahon
Director & CEO of Full Color Games Ltd

[Quoted text hidden]

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT N



David Mahon <david@fullcolorgames.com>

For Settlement Purposes

Richard Newman <rich@newmanlawlv.com>

Sat, Aug 27, 2016 at 4:04 PM

To: David Mahon <david@fullcolorgames.com>

Cc: Linham Martin <martinlinham@fullcolorgames.com>, Lee Murphy <lee@corporateoptions.co.im>

David

I feel very much betrayed. On advise of counsel I am willing to settle this dispute by entering into the attached agreement.

You'll see the first thing this agreement does is specify that any and all business relationships of any kind that may have developed over the last few years are now terminated.

The second thing this agreement does is deal with the breach by specifying payment to me of 5k by this Thursday. With regard to that matter, as you know I relied on your assurances and the fact that I have a contract with FCG Ltd to begin reducing my private practice to make more time available for FCG matters. On August 15th I asked you about the failure of the company to pay 10k per month as agreed. You never mentioned anything about a deficiency of any kind. In fact, you stated that payment would be made the next day. At the end of the next day (having worked on projects at your direction up until then) it was then that you refused to pay as agreed, gave no reason for the failure to pay, and never indicated when payment would be made as agreed. Then I get Martin's email claiming a deficiency without even mentioning the breach. Most of the items, except for one had been handled or were in process. For example, you claim to have no IP listing the last IP listing provided in connection with the PPM remains the same and has not changed so you have this information and have had this information all along. In addition to the 10k, I have also never been reimbursed for various expenses, including expenses relating to the trip to ICE despite having submitted an expense report months ago. Given the amount owed I am entitled to hold on to files and file a lien against assets. However, I am willing to settle any direct monetary claim upon payment of 5k USD made to me by this Thursday which is included in the agreement and upon that payment no lien will be filed and all files will be returned.

The third thing this agreement does is allow us all to move on without further conflict or damage. Entering into this agreement would restrict my ability or the need for me to seek further guidance with regard to reporting or otherwise, and from any potential fallout that could occur as a result. This stems from the concerns I have about various activities, including your unnecessary escalation of conflicts and liabilities that creates, the arbitrary operation of this company without regard to proper corporate governance, the making questionable expenditures and payments to other companies, inside deals, secret profits, usurping corporate opportunities, potential conflicts, etc., as well as frustrating other's attempts at achieving proper corporate operation, management and governance, perhaps in an effort to keep things as they are. This has troubled me immensely and I have vocalized my concerns to you and Martin previously so it should come as no surprise. I am very concerned that you are relying on the appearance of having conducted the necessary formalities to shield liability. Say what you want, paper what you like - competent courts or regulatory agencies see through that all the time. All directors have an underlying fiduciary duty of loyalty to the company and its shareholders and a director must always act in good faith in what he considers to be the best interests of the company. Gaming and financial industries and their regulatory bodies are highly sensitive to these issues. Martin, having the background that he does as a forensic accountant, would be held to higher standard than minimum care under IOM law. I note that I also cannot just necessarily stand by and do nothing. The Financial Supervision Commission 2011 guidance which was provided in order to assist directors of Isle of Man companies to understand and perform their duties responsibly and within the laws of the Isle of Man states, among other things, that "Directors should not allow others to unduly influence them in a way as to undermine the exercise of their powers, in good faith, in the best interests of the company. Any attempted "string-pulling" by other directors, shareholders, beneficial owners or other third parties, should be firmly resisted by directors. The directors must make their own decisions, after receiving appropriate professional advice if necessary. They must not simply "rubber stamp" decisions made by others." This impacts everyone, including Lee, as I understand there is really no such thing as a nominee director under IOM law.

Given the above, and to properly fulfill my duties as director, whether outgoing or otherwise, I have to consider that the most prudent course may be to seek additional guidance as to my rights and obligations to the Company and its shareholders, including reporting my concerns to the appropriate US or IOM agencies. I also have an employment contract with FCG Ltd and have not yet determined whether I also have rights and obligations under that agreement given the PPM's representations among other things. These are not necessarily things I want to do, but I have 0 percent trust in

you and have to think about my career and protecting myself and my family. This is why the agreement includes a full release for us both and all respective companies, and indemnification for me should I end up being sued along with the company merely because I was once a director.

The rest of the agreement is intended to support the above. I believe this is the best way to move on and leaves only my ownership interest remaining with neither of us having any obligations or duties to one another. I am also open to being bought out of my interest in the company so feel free to arrange an offer if there's an interest in that.

I don't intend for this to be a series of writings or negotiations. This is what I'm offering to settle this dispute. I'm sure you'll react negatively - this is your way after all despite having betrayed me and my trust - but since I see no reason for you and the company not to enter into this agreement considering what's been done and what's at stake, I expect a quick turnaround. Accordingly, if you do not return a signed agreement to me by Monday morning then I will take the most prudent course in addressing these issues and concerns by seeking guidance and reporting to all necessary regulatory agencies as well as seeking civil remedies.

The above is not intended to represent a full listing of all relevant facts, information or claims. All my rights and remedies are reserved.



Settlement Agreement.pdf
324K

CONFIDENTIAL SETTLEMENT AGREEMENT

This **CONFIDENTIAL SETTLEMENT AGREEMENT** (this "Agreement") is made and entered into effective as of the 26th day of August 2016 (the "Effective Date"), by and between Full Color Games Limited, an Isle of Man limited liability company, Full Color Games, Inc., a Nevada corporation, Full Color Games N.A., Inc., a Nevada corporation (collectively, the "FCG Companies"), Intellectual Properties Holding, LLC, a Nevada limited liability company, and Intellectual Properties Holdings Limited, an Isle of Man limited liability company, (The "IPH Companies"), David Mahon, an individual residing in Nevada ("DM"), on the one hand, and Newman Law, LLC, a Nevada limited liability company ("NL"), Cooper Blackstone, LLC, a Nevada limited liability company ("CB") and Richard H Newman, an individual residing in Nevada ("RN") on the other hand.

All of the aforementioned parties may be referred to as the "Parties" herein, and each "Party" shall include the party, its respective managers, heirs, partners, representatives, members, agents, transferees, predecessors-in-interest, successors-in-interest, affiliates, joint venturers, legatees, executors, administrators, employees (if any), officers (if any), directors (if any), managers (if any), servants, and assigns.

WHEREAS, the Parties hereto have over time formed and developed business relationships, including working together on business efforts relating to games, gaming products, method and systems, among other things, including leading to investments of time and expertise, with CB having an ownership interest in the FCG Companies, RN acting as Director of the FCG Companies in applying for regulatory licensure, NL acting as external legal counsel, and involvement in other matters such as business ventures with DM and the FCG Companies from time to time (collectively, the "Business Relationship");

WHEREAS, a dispute has now arisen between the Parties relating to Business Relationship (the "Dispute"); and

WHEREAS, the Parties hereto mutually desire to terminate the Business Relationship, and settle, resolve, release and waive any and all their claims, disputes and differences regarding the Dispute by entering into this Agreement pursuant to which the Dispute shall be settled and resolved and all claims shall be satisfied, released and waived, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and in return for the payment of Five Thousand US Dollars (\$5000) to be delivered to RN by Thursday, September 1, 2016, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination of the Business Relationship. Excluding any ownership interests in the FCG Companies, the Business Relationship and all of the respective rights and obligations of the parties thereunder shall terminate and be of no further force and effect as of the Effective Date.

2. Further Assurances. Each of the Parties agrees that it shall execute and deliver, or cause to be executed and delivered, from time to time such other and further instruments and take such other actions as reasonably may be required to carry out the intent and purposes of this Confidential Settlement Agreement

Agreement, including but not limited to promptly executing such documents and performing such acts as may be reasonably necessary to give full effect to the terms of this Agreement.

3. **Mutual Release and Waiver.** The Parties hereto hereby release and forever discharge each other from any and all liability, claims, defenses or counterclaims that have been or could be raised, including, but not limited to, any and all claims, demands, liabilities, debts, obligations, remuneration, damages, judgments, fees, costs, attorneys' fees and causes of action of any and every kind, character or nature, whatsoever, in law or in equity or arising under any federal, state or local constitution, law or regulation, relating to the Business Relationship and Dispute. In full and complete settlement of the Dispute, including all Claims that the parties may have against each other, the Parties further specifically agree as follows:

(a) Specific Release of the FCG Companies, the IPH Companies and DM. NL, CB and RN, on its or their own behalf and on behalf of its or their respective managers, heirs, partners, representatives, members, agents, transferees, predecessors-in-interest, successors-in-interest, affiliates, joint venturers, legatees, executors, administrators, employees (if any), officers (if any), directors (if any), managers (if any), servants, and assigns, jointly and severally (all of which for convenience are hereinafter referred to as the "First Releasing Parties"), hereby release, waive and absolutely and forever discharge one another, including, without limitation, each of the FCG Companies, the IPH Companies and DM, on its or their own behalf and including its or their respective managers, heirs, partners, representatives, members, agents, transferees, predecessors-in-interest, successors-in-interest, affiliates, joint venturers, legatees, executors, administrators, employees (if any), officers (if any), directors (if any), managers (if any), servants, and assigns (all of which for convenience are hereinafter referred to as the "First Released Parties"), from and against any and all claims of every kind and nature whatsoever (including but not limited to each and every claim asserted regarding or related to any obligation or duty owed to the First Releasing Parties or any other person or entity which may assert a claim, right, or title in, to or with regard to the parties' prior relationship, including without limitation any claim of breach of any kind, monies owed or malfeasance), whether now known or unknown, suspected or unsuspected, which the First Releasing Parties has, owns or holds, or at any time heretofore ever had, owned or held, or may hereafter have, own or hold against the First Released Parties.

The Parties hereto, each on their own behalf and on behalf of the First Releasing Parties, acknowledge that they are familiar with Section 1542 of the California Civil Code ("*Section 1542*") which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

The Parties hereto, each on their own behalf and on behalf of the First Releasing Parties, expressly waive and relinquish any and all rights and benefits which each and/or the First Releasing Parties has, or may have, under Section 1542. The parties hereto, each on their own behalf and on behalf of the First Releasing Parties, understand and acknowledge the significance and consequence of this specific waiver of Section 1542.

(b) Specific Release of the NL, CB and RN. The FCG Companies, the IPH Companies and DM, on its or their own behalf and on behalf of its or their respective managers, heirs, partners,

Confidential Settlement Agreement

Page 2 of 6

representatives, members, agents, transferees, predecessors-in-interest, successors-in-interest, affiliates, joint venturers, legatees, executors, administrators, employees (if any), officers (if any), directors (if any), managers (if any), servants, and assigns, jointly and severally (all of which for convenience are hereinafter referred to as the "Second Releasing Parties"), hereby release, waive and absolutely and forever discharge one another, including, without limitation, each of NL, CB and RN, on its or their own behalf and including its or their respective managers, heirs, partners, representatives, members, agents, transferees, predecessors-in-interest, successors-in-interest, affiliates, joint venturers, legatees, executors, administrators, employees (if any), officers (if any), directors (if any), managers (if any), servants, and assigns (all of which for convenience are hereinafter referred to as the "Second Released Parties"), from and against any and all Claims of every kind and nature whatsoever (including but not limited to each and every Claim asserted regarding or related to any obligation or duty owed to the Second Releasing Parties or any other person or entity which may assert a Claim, right, or title in, to or with regard to the parties' prior relationship, including without limitation any claim of breach of any kind, monies owed or malfeasance), whether now known or unknown, suspected or unsuspected, which the Second Releasing Parties has, owns or holds, or at any time heretofore ever had, owned or held, or may hereafter have, own or hold against the Second Released Parties.

The Parties hereto, each on their own behalf and on behalf of the Second Releasing Parties, acknowledge that they are familiar with Section 1542 of the California Civil Code ("*Section 1542*") which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

The Parties hereto, each on their own behalf and on behalf of the Second Releasing Parties, expressly waive and relinquish any and all rights and benefits which each and/or the Second Releasing Parties has, or may have, under Section 1542. The parties hereto, each on their own behalf and on behalf of the Second Releasing Parties, understand and acknowledge the significance and consequence of this specific waiver of Section 1542.

(c) Limited Indemnification of RN as Director. Full Color Games Limited shall indemnify RN, have a duty to defend RN and hold RN harmless from, any and all claims, liabilities, costs, damages and/or expenses of any kind, including without limitation court costs and reasonable attorneys' fees, arising out of or in connection with any claims arising out of RN's role as director for Full Color Games Limited.

4. No Publicity and Non-Disparagement. Neither Party shall use the other party's name in any marketing or promotional materials, nor shall any Party issue any announcement, statement, press release regarding the other, the Business Relationship, the Dispute or this Agreement. Each Party agrees to take no action to disparage the other Party, or which is intended, or would reasonably be expected, to harm the other Party, or its reputation, or which would reasonably be expected to lead to unwanted or unfavorable opinion or publicity for the other Party.

5. Non-Interference with Business. Each of the Parties agree that it shall not interfere with any existing or future business relationships of any of the other Parties, or induce

any third party to either terminate its relationship or modify the terms of a relationship in a manner adverse to the best interests of any of the other Parties.

6. **No Inducement.** Other than as specifically and expressly stated herein, the Parties warrant that no promise or inducement has been offered in exchange for execution hereof, that this Agreement is executed without reliance upon any other statement or representation of either party or their representatives.

7. **No Admissions.** Neither the execution nor the performance of this Agreement shall constitute or be construed as an admission of liability or wrongdoing whatsoever by any of the Parties.

8. **Scope of Agreement.** The Parties specifically acknowledge that all factual issues with respect to any claims shall be compromised and settled with the execution of this Agreement

9. **Amendments and Modifications.** No modifications, alterations or amendments of this Release shall be effective unless made in writing and signed by duly authorized officers of each party hereto.

10. **Time of the Essence.** Time is of the essence with respect to the terms and conditions contained in this Release.

11. **No Assignment or Transfer of Claims.** Each of the parties represent that they have not heretofore assigned, transferred, or purported to assign or transfer, to any person or entity, any of their respective rights or obligations under the Agreement, claims or causes of action, or any portion thereof, or any interest therein.

12. **Confidentiality.** The parties agree to keep confidential and not disclose to any third party the terms and conditions of this Agreement, its existence, or any of the negotiations and discussions that preceded its making, except as follows as required by law or court order upon notice to the other party sufficiently in advance of such disclosure to permit it to seek a protective order.

13. **Opportunity to Review and Consult with Counsel.** Each of the Parties acknowledge and agree that they have had the full opportunity to read and review this Agreement prior to entering into it, and to consult with an attorney of their choosing (which each party may or may not actually have done, in its sole discretion). The Parties further acknowledge that this Agreement is the product of negotiations between the Parties. Any rule or construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Agreement and are expressly waived. The terms and conditions of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

14. **Parties Bound.** Each of the Parties agrees that this Agreement shall be binding on and inure to the benefit of, or be imposed upon, the Parties, and respective successors in interest, heirs or assigns.

15. **Recitals.** The recitals are incorporated into and made a part of this Agreement.

16. **Headings.** The parties hereto acknowledge that the headings used herein are for convenience purposes only and shall not be used in the construction or interpretation of this Agreement.

17. **Governing Law; Forum.** The laws of the State of Nevada, without regard to its conflict of law principles, govern all matters arising out of or relating to this Agreement. Subject to this Section, the Parties hereby submit to the jurisdiction of the Nevada courts, both state and federal, and waive, to the fullest extent permitted by law, any objection to venue in said courts or any claim that said jurisdiction is an inconvenient forum.

18. **Non-Circumvention.** Each Party agrees not to take any action, directly or indirectly, to solicit, initiate, encourage or assist in the circumvention of any terms in this Agreement.

19. **Entire Agreement.** This Agreement is the complete and exclusive expression of the Parties' agreement on the matters contained in this Agreement. All prior and contemporaneous written or oral negotiations, understandings, representations, statements, writings and agreements between the Parties on the matters contained in this Agreement are expressly superseded by this Agreement.

20. **Counterparts and Electronic Signatures.** The Parties may execute this Confidential Settlement Agreement in multiple counterparts, each counterpart constitutes an original, and all counterparts to an execution, collectively, constitute a single agreement. The signatures of all of the Parties need not appear on the same counterpart, and delivery of an executed counterpart signature by electronic communications is as effective as executing and delivering this Agreement in the presence of the other Party to this Agreement.

{Signature Page to Follow}

IN WITNESS WHEREOF, the undersigned parties have executed this Confidential Settlement Agreement as of the date first written above.

“Full Color Games Limited”

“Full Color Games, Inc.

By: _____

By: _____

Name: _____

Name: _____

“Full Color Games N.A., Inc.”

“Intellectual Properties Holding, LLC

By: _____

By: _____

Name: _____

Name: _____

“David Mahon”

“Intellectual Properties Holding Limited

By: _____

Name: _____

“Newman Law, LLC”

“Cooper Blackstone, LLC

By: _____

By: _____

Name: _____

Name: _____

“Richard H Newman”

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT O



Martin Linham <martinlinham@fullcolorgames.com>

Full Color Games Ltd - Application 46759

Martin Linham <martinlinham@fullcolorgames.com>
To: licensing@gamblingcommission.gov.uk

Tue, Aug 30, 2016 at 5:34 AM

Dear Sirs,

I refer to my earlier conversation with your office in relation to our application for an Operators License together with related PMLs.

As discussed, please take this email as formal confirmation that Mr Richard Harold Newman should be removed from the application and his application for a PML should be suspended as he has been terminated as a Director and Officer of the Company.

Please confirm that this has been done.

As discussed, payment had been made but had bounced due to incorrect bank details. This will be made again today for the Operators License and the 4 x PML applications.

Please confirm that Mr Newman has been removed and that his PML application has been suspended.

—
Regards,



*The Next Generation of
Card & Casino Based Gaming*

Full Color Games Ltd
First Floor, 10-12 Prospect Hill
Douglas, Isle of Man, IM1 1EJ

Martin Linham
Director and Chief Financial Officer

View my profile on **LinkedIn**

Casino:

<http://bit.ly/FCGg2e> (news piece)

<http://bit.ly/FCGhistorychannel> (product trailer)

<http://www.fullcolorgames.com>

Email: martinlinham@fullcolorgames.com

Direct: +44 762 438 6897 iPhone

Skype: martin.lingham88

This message contains information that is confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient) you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by replay e-mail and delete the message.

8/17/2016

Application Online

Payment

Check and Submit

Payment

Dashboard

Fees Summary

The table below shows a summary of the licence activities that the Applicant is applying for. Please confirm that the activities below are correct before proceeding further.

If the Applicant is applying for multiple activities, they may be eligible for a discount on the application fee. If this is the case, it will be shown as an operating discount below.

Product	Fee Category	Cost
Remote		
Gambling software	F	£6,346.00
Total operating licence costs		£6,346.00
Total operating licence discount		-£0.00
Total application fees (payable on application)		£6,346.00

Personal licence fees	Cost
Mr. David Mahon	£370.00
Mr. Martin Linham	£370.00
Mr. Richard Newman	£370.00
Mr. Mark Munger	£370.00
Mr. Lee Murphy	£370.00
Personal licence fees total	£1,850.00

Fee Summary	Cost
Total operating licence costs	£8,196.00
Total operating licence discount	-£0.00
Total application fees (payable on application)	£8,196.00

Pay online

If you wish to pay the application fee via credit or debit card, you may do so online.

Would you like to pay online?

Please forward payment for the above fee as soon as possible.

The Gambling Commission will not commence processing the application until payment has been received.

Payments will only be accepted in Pounds Sterling (GBP) and we are unable to accept American Express or Visa Electron payments.

Please ensure that any cheque payments are made payable to Gambling Commission.

If you wish to pay via BACS transfer, please contact the Gambling Commission on +44 (121) 230 6666 for further details.

Submit Application

tproll

Job : Exhibit_T_351_2016_10_10_00_00_FCGLTD_OL1_UKGC_Request_For_Further_Informa

Host : LAS-TPRALLW7

Date : 2019/03/25

Time : 14:53

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT P

GAMBLING COMMISSION

Mr Martin Linham
Full Color Games Limited
Corporate Options, 1st Floor
10-12 Prospect Hill, Douglas
ISLE OF MAN
IM1 1EJ

10 October 2016

Dear Mr Linham

Application for a Remote Software Operating Licence
Account ID: 46759
Operating Name: Full Color Games Limited (Full Color)

Thank you for your application for an Operating Licence which was received by the Gambling Commission (the Commission) on 18 August 2016.

The Commission works to ensure that gambling is safe and fair for all. As such, amongst other things we strive to ensure that the competence, integrity and suitability of all applicants meet the Commission's requirements.

Therefore before we can process your application further we require the following information:

Funding and working capital

As part of the application process the Commission requires information on how an applicant will fund its business. In the documentation you have provided it states that two rounds of fundraising have already been completed with a third round currently planned.

1. Please provide a full breakdown of the initial funding received by Full Color Games Inc, including the names of all individuals or business entities, amounts received including any terms relating to the funding and the source of these funds. Please support this information with evidence to show the transfer of the funds from source to Full Color.
2. Please confirm the amount of funding received from Island Luck Casino/DaVinci Holdings Limited including any terms relating to the funding and the source of these funds. Please support this information with evidence to show the transfer of the funds from source to Full Color.
3. Please confirm how the third round of funding will be under taken and what is envisioned being provided to investors for their funds. Please confirm if any prospective investors have already been approached and under what terms they will be providing funding.
4. What financial contingencies are in place should you not be able to source the expected funds and what impact that would have on the provided financial projections.



Victoria Square House
Victoria Square
Birmingham B2 4BP

T 0121 230 6666
F 0121 230 6720
www.gamblingcommission.gov.uk

OL1

Shareholding

As disclosed to the Commission the Personal Management Licence (PML) application for Mr Newman will be disassociated from the gambling software application for Full Color and he will be contacted separately, for clarification on the continued requirement for a PML. Despite this the Commission notes that Mr Newman is still 3% shareholder of Full Color therefore;

5. Please confirm what plans there are regarding this shareholding and whether Mr Newman will continue to hold this. If so, please disclose the circumstances surrounding his departure from Full Color.

Business Continuity

You have outlined in your licence application who will be completing the key management functions of Full Color, under the Licence Conditions and Codes of Practice (LCCP) you need to ensure there are sufficient business continuities in place, regarding the key management functions of the business.

6. Please provide details of what business continuities will be in place should any of the key individuals be unable to fulfil their regulatory responsibilities, to ensure minimal disruption to adherence with the LCCP.

Remote Gambling Server (RGS)

In the supporting documentation provided, you have stated that you have licensed the use of an RGS in order to provide your software.

7. Please provide information on which RGS you have licensed and what if any disaster recovery equipment that provider offers.
8. Please provide details of how the software provided is developed in line with the remote technical standards (RTS) and information provision annex's (IPA's). Please provide a breakdown of how each RTS and IPA will be met.
9. Please confirm what checks you have carried out to ensure the RGS provider meets the Commissions Remote Technical Standards (RTS) and how and breaches of this will be managed.

Operations in other jurisdictions

10. You have stated in your application that you plan to supply your software to third parties who operate across multiple jurisdictions. What measures will be in place to ensure that your software is not made available to individuals in restricted jurisdictions.

Policies and procedures

The Commission requires all applicants to evidence how they will ensure they have suitable policies and procedures in place to minimise the risk to licensing objectives.

11. Please supply specific information on how key people of Full Color will keep up to date with any changes to the LCCP, amend any policies and procedures accordingly and distribute this to relevant staff

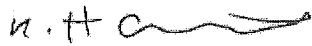
12. Please provide details of how you will meet your obligations towards a donation the research, education and treatment of problem gambling in line with Social Responsibility code provision 3.1.1(2)

Please forward the above by 24 October 2016.

When corresponding with the Gambling Commission on this matter, please quote the account ID number above.

If you have any queries regarding the information requested, please contact us on 0121 230 6666.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Harris', followed by a stylized flourish.

Kiel Harris
Licensing Officer

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT Q



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

Mr Kiel Harris
Licensing Officer
Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP

30th November 2016

Dear Mr Harris,

Re: Application for a Remote Software Operating License
Account ID: 46759
Operating Name: Full Color Games Limited

Thank you for your letter of 16 November 2016.

We would respond to your points as numbered:

Shareholding

1. Davinci Holdings Ltd is beneficially owned by Mr Sebastian J. Bastian 100%. As noted previously, Mr Bastian is a Bahamian resident and already holds a Bahamas gaming license. We are in the process of preparing the Annex A application as requested and I am currently collating the information required, which is taking some time due to the travel schedule of Mr Bastian. This is a priority and I will get this completed and submit it as soon as possible. I will email you separately once the application has been submitted.
2. As noted above, I am in the process of preparing the Annex A application and will email you separately as soon as it has been submitted.
3. We are still in the process of seeking counsel with regards to the Newman / Cooper Blackstone LLC issue. We are utilising a clause in the original share agreement in relation to buy-back provisions. This stipulates that the process will take 120 days from commencement. At this stage, I would envisage that the matter will be concluded by April 2017. This is highly confidential and subject to legal privilege and should not be discussed with Mr Newman or any external parties.



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlinham@fullcolorgames.com

UK Correspondence Address

4. We are in the process of establishing a UK correspondence address which fulfils the Gambling Commission requirements. Unfortunately, we have not been able to conclude this matter so I would request a little more time to finalise our arrangements.

Business Model

5. I would confirm that the Company will not be offering any B2C activities at this time. We understand that should this change we will require a casino operating license.

Business Continuity

6. Attached is the contract between Full Color Games Ltd and Corporate Options Ltd. There is no formal employment agreement between the entities as this is on a time-cost basis per the contract.
7. The services provided by Mr Murphy are set out in the attached contract. Corporate Options Ltd are a Corporate Service Provider providing professional directors and registered agents to Isle of Man companies. Mr Murphy has obligations under the contract and pursuant to the Isle of Man Companies Act 2006 in relation to his acting as a director for the Company. These are closely monitored by the Financial Services Authority of the Isle of Man.
8. As noted above, Mr Murphy is available to provide as much or as little time as is required by the Company. If we require prolonged periods of Mr Murphy's time, then he is available to cover those requirements.

Training

I am aware that you have been seeking information in relation to the related PML applications of Messrs Mahon, Murphy, Munger and myself for training related to AML and the LCCP. I would advise that the Company has signed up with Gambling Compliance for a series of modules including Data Protection, Player Protection & Corporate Social Responsibility, AML, LCCP, Anti-Bribery & Corruption and Regulating the Advertising of Gambling. These are all due to commence in January 2017 once the new courses have been released. This is accredited training and will occur annually. Certificates are issued for each module passed. In addition, all members of the management team are signed up to receive industry bulletins, including the Gambling Commission fortnightly bulletin, from sources around the world. Furthermore, we meet regularly with counsel (DLA Piper and specifically Hilary Stewart-Jones) to discuss issues that have been highlighted by regulators or other agencies around the world.



Full Color Games Ltd • First Floor 10-12 Prospect Hill • Douglas IM1 1EJ • Isle of Man
+44 7624 386897 Direct • www.FullColorGames.com • martinlineham@fullcolorgames.com

I trust that the information herein is acceptable however if you require any additional information, please do not hesitate to contact me. Both Mr Mahon and I would be happy to meet in person with the Commission if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Martin L. Linham". The signature is fluid and cursive, with a long horizontal stroke at the end.

Martin L. Linham
Director

Enclosures.

tproll

Job : Exhibit_X_361_2017_02_21_21_17_NEWMAN_Settlement_Agreement+Demands_to_MAHO

Host : LAS-TPRALLW7

Date : 2019/03/25

Time : 14:54

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

EXHIBIT R

From: **Ranjit Singh** RSingh@gamblingcommission.gov.uk
Subject: RE: Full Color Games Ltd
Date: April 21, 2017 at 6:25 AM
To: david@fullcolorgames.com



Dear Mr Mahon

I have updated the contact details on the account for Full Color Games Ltd to reflect that you are now the primary contact and also the web administrator for the account. You will receive an email in the next few days that will provide you with logging in details to the eServices system.

As per my email below dated April 7 2017 we have not received a response to the information requested. Please can you provide a full response by the 28/04/2017. If a full response is not received we shall refuse the application.

Regards

Ranjit Singh

From: Ranjit Singh
Sent: Friday, April 07, 2017 5:06 PM
To: 'David Mahon' <david@fullcolorgames.com>
Subject: RE: Full Color Games Ltd

Dear Mr Mahon

Thank you for your email below advising that Mr Martin Linham is no longer a Director or CFO of Full Color Games. Our systems are currently offline due to system upgrade. We anticipate that the systems will be active from w/c 10/04/2017.

An email was sent to Martin Linham on the 10/02/2017 requesting the following information. To date we await a response.

Newman shares

You have previously advised that you are in the process of seeking counsel with regards to the Newman / Cooper Blackstone LLC issue. You are utilising a clause in the original share agreement in relation to buy-back provisions. This stipulates that the process will take 120 days from commencement. At this stage, you would envisage that the matter will be concluded by April 2017. You also previously advised that the shares have been allocated to Newman, but have not been issued. Who is the legal owner/holder of shares relating to Newman? Please advise.

Funding

Please provide update on the additional funding that is sought. Has there been any update since the operating licence application was submitted?

Provide further clarification on the \$1 million in-kind as part of the DaVinci Holdings agreement.

Please provide amended financial forecasts.

Provide clarification on "investing in liquidity over the coming 3 years"

Full Colour Games N.A Inc

What are the service level agreements in place between Full Color Limited and the companies within the group.

Third Party Agreements

Please provide further information relating the agreements in place with reference to hosting Full Color Games Limited's infrastructure.

Remote Technical Standards

Provide details how Full Color Games Ltd meet points 1-14 of the RTS document and IPA 1-7

Jurisdiction

Provide specific details of all jurisdictions that will be targeted. If currently only GB please state this.

Please can you respond as soon as possible and I will go back to the Licensing Manager with your responses.

Regards

Ranjit

From: David Mahon [<mailto:david@fullcolorgames.com>]
Sent: Friday, April 07, 2017 7:12 AM
To: Ranjit Singh <RSingh@gamblingcommission.gov.uk>
Subject: Fwd: Full Color Games Ltd

Mr. Ranjit

I am confirming that Mr. Martin Linham, is no longer a Director or the CFO of Full Color Games Ltd and that all correspondence should be directed to me.

I am having problems attempting to login to our account **47943**

I know the system admis were making massive updates to the UKGC website and the website was not available from March 13-April 6, 2017. Today was the first day it said I could login but I cannot get access.

Can you please assist me in getting a login and a password to our accounts so we can

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN

A PROFESSIONAL LLC

EXHIBIT S



David Mahon <david@fullcolorgames.com>

Settlement agreement

Richard Newman <rich@newmanlawlv.com>
To: David Mahon <david@fullcolorgames.com>

Tue, Feb 21, 2017 at 9:17 PM

Attached as discussed is a settlement agreement. It essentially covers the same ground as the prior settlement offer. It contains a mutual and full release and waiver for all parties involved including confidentiality and non-disparagement requirements. This agreement now also includes payment of \$50,000 by this Friday and a release of Cooper Blackstone's ownership interest in the FCG companies. I'd prefer payment by wire so if that works as well then let me know and I'll send wiring info.



Mutual Termination and Release-2-21-2017.docx
33K

INTENTIONALLY LEFT BLANK
EXHIBIT PAGE ONLY

HUTCHISON & STEFFEN
A PROFESSIONAL LLC

EXHIBIT T



David Mahon <david@fullcolorgames.com>

Settlement agreement

Richard Newman <rich@newmanlawlv.com>
To: David Mahon <david@fullcolorgames.com>

Wed, Mar 8, 2017 at 1:41 AM

David

When I agreed to the settlement terms of a full release, waiver, non-disparagement, etc. with 50k payment and release of all of Cooper Blackstone's interest in the FCGL, I was also factoring in a quick turnaround time. In fact, I thought it was going to get done that week which was important to me.

Since that quick turnaround time didn't happen I am no longer willing to settle according those terms. I am still very much interested in settling but I'm returning to my earlier offer of a full release, waiver, non-disparagement, etc, and CB releasing all interest but the payment I'd settle for is 75k. As an alternative, I'm also willing to agree to the same legal release, waiver, etc. with a 50k payment, but then CB will keep 1/3 of it's interest in FCGL.

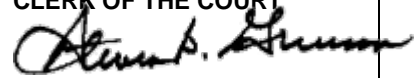
If it makes a difference I'm not changing my position for any reason other than the timing being a significant factor. As said above I am still very much interested in settling and feel these offers are more than reasonable if not highly favorable to the company given my many years of service and the value of what I'm giving up. If you let me know which of the above offers are preferred then I'll make the corresponding change to the settlement agreement and send it back so we can get this matter moving closer to being closed. If there's something you, Dirk or Sebas would like to discuss then feel free to call or give them my cell number.

Regards,
Rich

----- On Mon, 27 Feb 2017 11:22:02 -0800 <rich@newmanlawlv.com> wrote -----

[Quoted text hidden]

[Quoted text hidden]



RICHARD NEWMAN, ESQ.
Nevada Bar No. 9943
NEWMAN LAW, LLC
7435 S. Eastern Ave., Suite 105-431
Las Vegas, Nevada 89123
Telephone: 917.543.2166
E-mail: rich@newmanlawlv.com

*Attorneys for Third-Party Defendants.
Richard Newman; Newman Law, LLC;
and Cooper Blackstone, LLC*

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; G. BRADFORD SOLSO, an
individual; DAVID ECKLES, an individual;
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,

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,

Case No.: A-17-759862-B
Dept. No.: XIII

**THIRD-PARTY DEFENDANTS' REPLY IN
SUPPORT OF SPECIAL MOTION TO
DISMISS ACTION PURSUANT TO NEV.
REV. STAT. ANN. § 41.650, et seq.**

Hearing Date: April 25, 2019
Hearing Time: 9:00 AM

1 Defendants.

2 DAVID MAHON, an individual; GLEN

3 HOWARD, an individual; INTELLECTUAL

4 PROPERTY HOLDINGS, LLC, a Nevada

5 limited liability company; INTELLECTUAL

6 PROPERTY HOLDINGS, LTD, an Isle of Man

7 corporation; FULL COLOR GAMES, LLC; a

8 Nevada limited liability company; FULL

9 COLOR GAMES LTD., an Isle of Man

10 corporation; FULL COLOR GAMES N.A., INC.

11 a Nevada corporation; FULL COLOR GAMES

12 GROUP, INC., a Nevada corporation; JACKPOT

13 PRODUCTIONS, LLC, a Nevada limited

14 liability company; FULL COLOR GAMES,

15 INC.,

16 Counter-claimants,

17 vs.

18 MARK MUNGER, an individual; DOES I

19 through V; and ROE CORPORATIONS I

20 through V,

21 Counter-defendants.

22 FULL COLOR GAMES, INC., a Nevada

23 corporation,

24 Counter-claimant,

25 vs.

26 MARK MUNGER, an individual; DAVID'S

27 HARD WORK TRUST LTD. 3/26/2012, a

28 California Trust; MOORE FAMILY TRUST, a

California Trust; G. BRADFORD SOLSO, an

individual; DAVID ECKLES, an individual;

JEFFREY CASTALDO; an individual; MARA

H. BRAZER, as Trustee for the MARA H.

BRAZER TRUST UTA 2/12/2004; a California

Trust:

Counter-defendants

FULL COLOR GAMES, INC., a Nevada

corporation,

Third-Party Claimant,

vs.

SEBASTION J. BASTIAN, an individual; DIRK

SIMMONS; an individual; MARTIN LINHAM;

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

16
17 Third-Party Defendants.

18 Third-Party Defendants, RICHARD NEWMAN, NEWMAN LAW, LLC AND COOPER
19 BLACKSTONE, LLC (collectively referred to as “Defendants”), by and through their attorneys of
20 record, the law firm Newman Law, LLC, hereby file this reply in support of Defendants Special
21 Motion to Dismiss pursuant to Nevada’s Anti-SLAPP Statute, the “RICO claims” alleged by Third-
22 Party Claimant, FULL COLOR GAMES, INC., (“Plaintiff”) (*i.e.*, Racketeering under 18 USC
23 1962(b); (2) Extortion under 18 USC 1962(b); Embezzlement and Wire Fraud Racketeering under
24 NRS 207.400; (4) Breach of Fiduciary Duty; (5) Declaratory Relief; and (6) Punitive Damages
25 (collectively, the “RICO claims”) as set forth in Plaintiffs Amended Counterclaims And Third-Party
26 Complaint dated February 4, 2019 (the “Plaintiff’s Complaint”) and in response to Plaintiff’s
27 Opposition to Defendants’ Special Motion to Dismiss (Plaintiff’s Opposition”).

28 This Reply is made and based upon the contents of this Reply, the Memorandum of Points and

1 Authorities herein, supporting exhibits, the pleadings and records on file herein, and upon such other
2 oral and documentary evidence as may be presented to the court at the hearing on this motion.

3 DATED this 19th day of April, 2019.

4 Respectfully submitted,

5 **NEWMAN LAW LLC**

6
7 

8 RICHARD NEWMAN, ESQ.
9 Nevada Bar No. 9943
10 7435 S. Eastern Ave., Suite 105-431
11 Las Vegas, Nevada 89123
12 *Attorneys for Third-Party Defendants*
13 *Richard Newman; Newman Law, LLC; and*
14 *Cooper Blackstone, LLC*
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 In Defendants' Special Motion to Dismiss, Defendants demonstrated the applicability of the
4 Anti-SLAPP statute. All of Plaintiff's RICO Claims of extortion and racketeering against Defendants
5 Newman Law, LLC, Cooper Blackstone, LLC and Richard Newman, are predicated directly upon
6 Defendant Richard Newman's communication of a prelitigation demand letter to Plaintiff and
7 communication with the United Kingdom Gambling Commission (UKGC) with respect to a request
8 for information made by the UKGC to Defendant Richard Newman during the UKGC's consideration
9 of an application for licensure submitted on behalf of Full Color Games, Limited.

10 The communication of a prelitigation demand letter is acknowledged as privileged activity¹
11 and any communication to the UKGC would constitute a protected activity under the First
12 Amendment within the scope of NRS 41.637. The question of suitability for gaming licensure is also
13 an issue of public interest, namely, to prevent anyone who might pose a threat to the public from
14 becoming licensed. A UK licensee could potentially engage in business transactions with Nevada
15 gaming licensees, which in turn could conceivably result in the provision of gaming services to US
16 citizens and residents of the state of Nevada. Thus, any communication Defendant Richard Newman
17 had with the UKGC pursuant to its request for information would be protected under NRS 41.660 as
18 a communication made in the public interest as well.

19 Defendants thus demonstrated the applicability of the Anti-SLAPP statute and established by
20 a preponderance of the evidence that Defendant Richard Newman's communications fall within the
21 scope of privileged and protected communications under NRS 41.637. *See Coker v. Sassone*, 133 Nev.
22 Adv. Op. No. 2 (a moving party seeking protection under Nevada's Anti-SLAPP statute "need only
23 demonstrate that his or her conduct falls within one of the four statutorily defined speech"); *Delucchi*
24 *v. Songer*, 133 Nev. 290, 299, 396 P.3d 826, 833 (2017)

24 **II. Plaintiff has failed to demonstrate the inapplicability of the Anti-SLAPP Statute**

25 Plaintiff's Opposition fails to demonstrate that Defendants communications do not fall within
26 the scope of NRS 41.637.

27
28 ¹ See, e.g., *Fink v. Oshins*, 118 Nev. 428, 434 (2002)

1 While Plaintiff's Opposition introduces new arguments and allegations, such as those relating
2 to contractual matters, none of these matters are relevant or provide further support for the basis of its
3 RICO claims of extortion and racketeering against Defendants as set forth in its Complaint.

4 Plaintiff's Complaint specifically references Defendant Richard Newman's prelitigation
5 demand letter² and his communication to the UKGC, which was made in response to the UKGC's
6 request for information made during the UKGC's consideration of an application for licensure
7 submitted on behalf of Full Color Games, Limited³ as forming the basis for Plaintiff's RICO Claims
8 of extortion and racketeering against the Defendants.

9 Defendant Richard Newman has argued that he had a good faith basis and probable cause for
10 sending his prelitigation demand letter was made contemplation of litigation. Indeed, Plaintiff's
11 actions of engaging in settlement discussions with Defendant Richard Newman after receiving the
12 letter support the existence of probable cause.

13 Plaintiff's Opposition attempts to argue that Defendant Richard Newman lacked a good faith
14 basis for the prelitigation demand letter. However, Plaintiff's own pleadings ironically provide
15 support for Defendant acting in good faith and having probable cause to assert breach of contract
16 claims in his prelitigation demand letter.

17 For example, in its Complaint and Opposition pleadings, Plaintiff states the following: that
18 Defendant Richard Newman had entered into a partnership and agreement by which he provided
19 services for six years that benefitted Plaintiff;⁴ that contractual relationships existed between
20 Defendant Richard Newman and Plaintiff in successor entities including Plaintiff;⁵ that Defendant
21 Richard Newman was granted shares in Plaintiff;⁶ that Defendant Richard Newman was a Director
22

23 ² See Paragraph 337 and 338 of Plaintiff's Complaint; See also Exhibit 3 of Defendant's Special Motion to Dismiss for a
24 copy of Defendant Richard Newman's prelitigation demand letter

25 ³ See Paragraph 347 of Plaintiff's Complaint

26 ⁴ See Paragraphs 314 and 317 of the Complaint

27 ⁵ See Paragraphs 323 and 324 of the Complaint

28 ⁶ See Paragraphs 324 and 327 of the Complaint

1 of Full Color Games, Limited;⁷ and that Defendant Richard Newman provided services to Full Color
2 Games, Limited as its Chief Legal Officer and received at least one monthly payment for the same⁸.

3 Despite all of the above being stated by Plaintiff in its own pleadings, Plaintiff's Opposition
4 attempt to present the unconvincing argument that Defendant Richard Newman did not have a good
5 faith basis or probable cause to send a prelitigation demand letter, including a breach of contract claim,
6 after he was ousted from the company and had his shares in Plaintiff taken from him in violation of
7 Defendant Richard Newman's agreements with Plaintiff and Full Color Games, Limited.

8 **III. Plaintiff's has failed to demonstrate that it can prevail on its RICO Claims**

9 Pursuant to the Anti-SLAPP statute, the burden shifts to Plaintiff, who must make a sufficient
10 evidentiary showing that it has a probability of prevailing on its claims of extortion and racketeering
11 against the Defendants. NRS 41.660(3)(b).

12 Plaintiff has failed to present any evidence in this regard. Instead, in its Opposition Plaintiff
13 unconvincingly argues that Defendant Richard Newman lacked good faith to send the prelitigation
14 demand letter with breach of contract claims, which can be disregarded as meritless for at the reasons
15 cited above. Other than that, Plaintiff presents a new series contractual matters that are wholly
16 unrelated to its RICO Claims, the communications from which it based its RICO Claims or any other
17 allegations in its Complaint. Ultimately, the contractual relationships discussed only further dispute
18 Plaintiff's argument that Defendant Richard Newman lacked a good faith basis for claiming a breach
19 of contract occurred in his prelitigation demand letter.

20 Furthermore, Plaintiff has still failed to show any plausible connection between the
21 communications of Defendant Newman and Newman Law, LLC or Cooper Blackstone, LLC, or any
22 basis for its RICO Claims against Newman Law, LLC or Cooper Blackstone, LLC.

23 That said, Plaintiff now claims on Page 7 of its Opposition that a connection existed with
24 Defendant Newman Law, LLC as outside legal counsel. To be specific, Plaintiff states that "Newman
25 and Newman Law was heavily involved in all aspects of the process of this transaction" and that

26 _____
27 ⁷ See Paragraph 328 of Plaintiff's Complaint

28 ⁸ Paragraph 331 of Plaintiff's Complaint

1 “Newman Law was FCGI’s outside legal counsel” in its Opposition. This assertion by Plaintiff clearly
2 contradicts Plaintiff’s original argument in its Complaint on this issue in which it stated that Defendant
3 Richard Newman had no basis for asserting any claims against Plaintiff because Plaintiff had no
4 relationship with Newman and Newman Law and that Defendant Newman’s claim to the contrary
5 was “concocted” in an attempt to “extort money”.⁹

6 These two positions presented by Plaintiff in two different pleadings in the same litigation
7 clearly contradict each other and cannot be reconciled, yet Plaintiff presented both positions anyway.
8 This can be expected to continue because Plaintiff has made many misrepresentations in its pleadings
9 as to circumstances and events, as well as the contents of the prelitigation demand letter, in an attempt
10 to fabricate support for its baseless RICO Claims against Defendants.

11 12 **IV. Plaintiff’s Request for Discovery should be denied as improper**

13 Plaintiff’s request for discovery would provide no relevant information and is merely an
14 attempt to prolong this matter unnecessarily causing further harm to Defendants and should be denied
15 as such. Plaintiff has alleged the basis for its RICO Claims against Defendants as the Defendant
16 Richard Newman’s prelitigation demand letter and communication with the UKGC. Plaintiff already
17 has a copy of the prelitigation demand letter and has made no attempt to determine what Defendant
18 Richard Newman actually communicated to the UKGC. In fact, while Plaintiff submitted a letter from
19 the UKGC in its Opposition, the letter merely requests information regarding the status of Defendant
20 Richard Newman with respect to the licensure application along with eleven other request for
21 information. Tellingly, Plaintiff did not include its response to the UKGC’s request for information
22 in its exhibits, so it’s unknown if Plaintiff even actually submitted a response at all. However,
23 presumably, Plaintiff stated its case directly to the UKGC in its response to the letter and had the
24 opportunity to challenge anything Defendant Richard Newman might have stated to the UKGC.
25 Plaintiff also already possesses all of Defendant Richard Newman’s emails sent from his Full Color
26 Games email address.

27 _____
28 ⁹ See Paragraph 343 of Plaintiff’s Complaint

Any communications with other parties, particularly communications which occurred well after the predicate acts which form the basis of Plaintiff's Complaint, would be entirely irrelevant as to the underlying issue of whether or not the alleged acts by Defendant Richard Newman are privileged and protected communications under the Anti-SLAPP statute. Such communications would serve no purpose in the resolution of Defendants Special Motion to Dismiss and would be outside the scope of discovery even if this matter were allowed to proceed.

V. CONCLUSION

Based on the foregoing, as discussed in detail below, Plaintiff's lawsuit constitutes a "strategic lawsuit against public participation" ("SLAPP") that impermissibly seeks to punish Defendants for their efforts to exercise their constitutional right to petition the courts for redress and respond to requests from governmental entities. Plaintiff's Opposition fails to provide any other basis for its RICO claims against the Defendants other than privileged and protected communications, and have failed to submit clear and convincing evidentiary support for its RICO claims against the Defendants. Thus, Defendants continue to seek an order dismissing Plaintiff FCGI's instant lawsuit under Nevada's anti-SLAPP statute.

For the foregoing reasons, Defendants respectfully request that the Special Motion to Dismiss be granted in full and that each of Plaintiff's claims be stricken.

DATED this 19th day of April, 2019.

Respectfully submitted,

NEWMAN LAW LLC



RICHARD NEWMAN, ESQ.
Nevada Bar No. 9943
7435 S. Eastern Ave., Suite 105-431
Las Vegas, Nevada 89123
*Attorneys for Defendants
Richard Newman; Newman Law, LLC; and
Cooper Blackstone, LLC*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to Administrative Order 14-2, a copy of **THIRD-PARTY DEFENDANTS' REPLY IN**
3 **SUPPORT OF SPECIAL MOTION TO DISMISS ACTION PURSUANT TO NEV. REV.**
4 **STAT. ANN. § 41.650, et seq.** was electronically filed on the 19th day of March, 2019 and served
5 through the Notice of Electronic Filing automatically generated by the Court's facilities to those
6 parties listed on the Court's Master Service List (*Note: All Parties Not Registered Pursuant to*
7 *Administrative Order 14-2 Have Been Served By Mail.*):

8 Mark A. Hutchison, Esq.

9 Todd Prall, Esq.

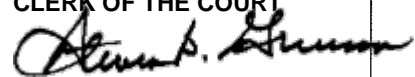
10 HUTCHISON & STEFFEN, LLC

11 10080 West Alta Drive, Suite 200

12 Las Vegas, Nevada 89145

13 *Attorneys for Defendants & Counter-Claimants David Mahon, Glen Howard, Intellectual Properties*
14 *Holding, LLC, Full Color Games, LLC, Full Color Games, N.A., Inc., Full Color Games Group,*
15 *Inc. and Jackpot Productions, LLC*

16 /Richard H Newman/
17
18
19
20
21
22
23
24
25
26
27
28



NEOJ

Mark A. Hutchison (4639)
Todd W. Prall (9154)
HUTCHISON & STEFFEN, PLLC
Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145
Tel: (702) 385-2500
Fax: (702) 385-2086
mhutchison@hutchlegal.com
tprall@hutchlegal.com

*Attorneys for Defendant & Counter-claimant
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,

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

**NOTICE OF ENTRY OF ORDER ON
THIRD-PARTY DEFENDANTS'
SPECIAL MOTION TO DISMISS
ACTION PURSUANT TO NEV. REV.
STAT. ANN. § 41.650, et seq.**

CORPORATIONS I through X,
Defendants.
AND ALL RELATED MATTERS

TO: ALL INTERESTED PARTIES

NOTICE IS HEREBY GIVEN that an Order on Third-Party Defendants' Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. §41.650, et seq. was entered in the above-entitled action on July 10, 2019, a copy of which is attached hereto.

DATED this 10th day of July, 2019.

HUTCHISON & STEFFEN, PLLC


/s/ Todd W. Prall

Mark A. Hutchison (4639)

Todd W. Prall (9154)

Attorneys for Defendants David Mahon; Glen Howard, Intellectual Properties Holding, LLC; Full Color Games, LLC; Full Color Games, N.A., Inc.; Full Color Games Group, Inc.; Jackpot Productions, LLC; and Full Color Games, Inc.

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of Hutchison & Steffen, PLLC and that on this 10th day of July, 2019, I caused the document entitled **NOTICE OF ENTRY OF ORDER ON THIRD-PARTY DEFENDANTS' SPECIAL MOTION TO DISMISS ACTION PURSUANT TO NEV. REV. STAT. ANN. § 41.650, et seq.** to be served on the following by Electronic Service to:

ALL PARTIES ON THE E-SERVICE LIST

/s/ Madelyn B. Carnate-Peralta
An employee of Hutchison & Steffen, PLLC



ORDR

Mark A. Hutchison (4639)
Todd W. Prall (9154)
HUTCHISON & STEFFEN, PLLC
Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145
Tel: (702) 385-2500
Fax: (702) 385-2086
mhutchison@hutchlegal.com
tpmall@hutchlegal.com

*Attorneys for Defendant & Counter-claimant
Full Color Games Inc.*

**DISTRICT COURT
CLARK COUNTY, NEVADA**

In re: FULL COLOR GAMES, INC.

a

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,

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.

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

**ORDER ON THIRD-PARTY
DEFENDANTS' SPECIAL MOTION
TO DISMISS ACTION PURSUANT
TO NEV. REV. STAT. ANN. §
41.650, et seq.**

RECEIVED

JUL 15 2019

DISTRICT COURT DEPT 13

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

7 Counter-claimants,

8 vs.

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

11 Counter-defendants.

12 FULL COLOR GAMES, INC., a Nevada
13 corporation,

14 Counter-claimant,

15 v.

16 MARK MUNGER, an individual; DAVID'S
17 HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; MILLENNIUM TRUST
18 COMPANY, LLC, CUSTODIAN FBO GARY
19 SOLSO, IRA, a California Trust; MARA H.
BRAZER, as Trustee for the MARA H.
BRAZER TRUST UTA 2/12/2004, a California
20 Trust; JEFFREY CASTALDO; an individual;
21 B.L. Moore Construction, Inc., a California
corporation;

22 Counter-defendants.

23 FULL COLOR GAMES, INC., a Nevada
24 corporation,

25 Third-Party Claimant,

26 v.

27 SEBASTIAN J. BASTIAN, an individual; DIRK
28 SIMMONS, an individual; MARTIN LINHAM,
an individual; PLAYTECH SYSTEMS LTD, a
Bahamian limited company;
ISLANDLUCK.COM, a Bahamian subsidiary of

1 PLAYTECH; DAVINCI TRADING GROUP, a
2 Cayman Islands limited liability company;
3 DAVINCI HOLDINGS LTD, an Isle of Man
4 limited liability company; ILG SOFTWARE
5 LTD, an Isle of Man limited liability company;
6 VALCROS, LLC, a Nevada limited liability
7 company; G. BRADFORD SOLSO, an
8 individual; DAVID ECKLES, an individual;
9 MARA H. BRAZER, an individual; TERESA
10 MOORE, an individual; LARRY MOORE, an
11 individual; BRIAN MARCUS, and individual;
12 JOHN BROCK III, an individual;; JOHN
13 BROCK IV an individual; MUNGER &
14 ASSOCIATES, INC., a Nevada Corporation;
15 MULTISLOT, LTD, an Isle of Man Company;
16 ERIC J. JUNGELS, an individual; JEFF
17 HORAN, an individual; SPIN GAMES, LLC, a
18 Nevada limited liability company; KENT
19 YOUNG, an individual; KUNAL MISHRA, an
20 individual; RICHARD NEWMAN, an
21 individual; NEWMAN LAW, LLC, a Nevada
22 limited liability company; Cooper Blackstone,
23 LLC, a Nevada limited liability company; DOES
24 I through X; and ROE CORPORATIONS I
25 through X.

26 Third-Party Defendants

27 Third-Party Defendants Richard Newman's, Newman Law, LLC's, and Cooper
28 Blackstone, LLC's Special Motion to Dismiss Action Pursuant to Nev. Rev. Stat. Ann. §41.650,
et seq. came on for hearing on April 25, 2019. Richard Newman appeared on behalf of Third-
Party Defendants Richard Newman, Newman Law, LLC, and Cooper Blackstone, LLC. Todd
W. Prall appeared on behalf of Third-Party Plaintiff Full Color Games, Inc.

The Court, having reviewed the papers on file herein and having heard arguments of
counsel enters the following findings and order:

FINDINGS

1. On February 4, 2019, Third Party Plaintiff filed its Third Party Complaint including
various RICO-based claims of extortion and racketeering against Third-Party
Defendants Richard Newman, Newman Law, LLC and Cooper Blackstone, LLC.

- 1 2. On March 13, 2019, Third-Party Defendants Richard Newman, Newman Law, LLC
2 and Cooper Blackstone, LLC filed its Special Motion to Dismiss Pursuant to Nev.
3 Rev. Stat. Ann. §41.650, et seq., arguing that Third Party Plaintiff's RICO based
4 claims asserted in its Complaint were predicated on privileged pre-litigation
5 communication sent by Richard Newman to Third Party Plaintiff.
6
7 3. In its pleadings and at the hearing, Third-Party Plaintiff argued that Nev. Rev. Stat.
8 Ann. §41.650, et seq. was inapplicable to pre-litigation communication.
9
10 4. At the hearing, the Court found that Nev. Rev. Stat. Ann. §41.650, et seq. was
11 inapplicable to the communication sent by Richard Newman to Third-Party Plaintiff.

12 **ORDER**

13 Based on the foregoing:

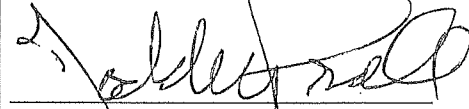
14 IT IS HEREBY ORDERED that Third-Party Defendants Richard Newman's, Newman
15 Law, LLC's, and Cooper Blackstone, LLC's Special Motion to Dismiss Action Pursuant to Nev.
16 Rev. Stat. Ann. §41.650, et seq. is denied in its entirety without prejudice to a Rule 12(b)(5)
17 motion or a motion for summary judgment.
18

19 DATED this 9th day of July, 2019

20
21 
22 DISTRICT COURT JUDGE
23 
24
25
26
27
28

1 Submitted by:

2 HUTCHISON & STEFFEN, PLLC

3 

4 Mark A. Hutchison (4639)

5 Todd W. Prall (9154)

6 Peccole Professional Park

7 10080 West Alta Drive, Suite 200

8 Las Vegas, NV 89145

9 Tel: (702) 385-2500

10 Fax: (702) 385-2086

11 mhutchison@hutchlegal.com


12 tpmall@hutchlegal.com

13 *Attorneys for Defendant/Counter-claimant*

14 *David Mahon*

15 Reviewed by:

16 NEWMAN LAW, LLC

17 

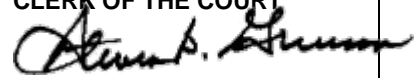
18 Richard Newman

19 7435 S. Eastern Avenue, Suite 105-431

20 Las Vegas, NV 89123

21 *Attorney for Third-Party Defendants Richard Newman*

22 *Newman Law, LLC, and Cooper Blackstone, LLC*



NOAS

RICHARD NEWMAN, ESQ.

Nevada Bar No. 9943

NEWMAN LAW, LLC

7435 S. Eastern Ave., Suite 105-431

Las Vegas, Nevada 89123

Telephone: 917.543.2166

E-mail: rich@newmanlawlv.com

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

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

In re: FULL COLOR GAMES, INC.

Case No.: A-17-759862-B

Dept. No.: XIII

MARK MUNGER, an individual; DAVID'S
HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; G. BRADFORD SOLSO, an
individual; DAVID ECKLES, an individual;
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,

NOTICE OF APPEAL

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.

DAVID MAHON, an individual; GLEN
HOWARD, an individual; INTELLECTUAL

1 PROPERTY HOLDINGS, LLC, a Nevada
2 limited liability company; INTELLECTUAL
3 PROPERTY HOLDINGS, LTD, an Isle of Man
4 corporation; FULL COLOR GAMES, LLC; a
5 Nevada limited liability company; FULL
6 COLOR GAMES LTD., an Isle of Man
7 corporation; FULL COLOR GAMES N.A., INC.
8 a Nevada corporation; FULL COLOR GAMES
9 GROUP, INC., a Nevada corporation; JACKPOT
10 PRODUCTIONS, LLC, a Nevada limited
11 liability company; FULL COLOR GAMES,
12 INC.,

13 Counter-claimants,

14 vs.

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

18 Counter-defendants.

19 FULL COLOR GAMES, INC., a Nevada
20 corporation,

21 Counter-claimant,

22 vs.

23 MARK MUNGER, an individual; DAVID'S
24 HARD WORK TRUST LTD. 3/26/2012, a
25 California Trust; MOORE FAMILY TRUST, a
26 California Trust; G. BRADFORD SOLSO, an
27 individual; DAVID ECKLES, an individual;
28 JEFFREY CASTALDO; an individual; MARA
H. BRAZER, as Trustee for the MARA H.
BRAZER TRUST UTA 2/12/2004; a California
Trust:

Counter-defendants

FULL COLOR GAMES, INC., a Nevada
corporation,

Third-Party Claimant,

vs.

SEBASTION J. BASTIAN, an individual; DIRK
SIMMONS; an individual; MARTIN LINHAM;
an individual; PLAYTECH SYSTEMS LTD, a
Bahamian limited company;
ISANDLUCK.COM, a Bahamian subsidiary of
PLAYTECH; DAVINCI TRADING GROUP, a
Cayman Islands limited liability company;
DAVINCI HOLDINGS LTD, an Isle of Man
limited liability company; ILG SOFTWARE
LTD, an Isle of Man limited liability company;

1 VALCROS, LLC, a Nevada limited liability
2 company; G. BRADFORD SOLSO, an
3 individual; DAVID ECKLES, an individual;
4 JEFFREY CASTALDO; an individual; MARA
5 H. BRAZER, an individual; TERESA MOORE,
6 an individual; LARRY MOORE, an individual;
7 B.L. MOORE CONSTRUCTION INC., a
8 California corporation; BRIAN MARCUS, an
9 individual; JOHN BROCK III, an individual;
10 JOHN BROCK IV, an individual; MUNGER &
11 ASSOCIATES, INC., a Nevada corporation;
12 MULTISLOT, LTD, an Isle of Man Company;
13 ERIC J. JUNGELS, an individual; JEFF
14 HORAN, an individual; SPIN GAMES, LLC, a
15 Nevada limited liability company; KENT
16 YOUNG, an individual; KUNAL MISHRA, an
17 individual; RICHARD NEWMAN, an
18 individual; NEWMAN LAW, LLC, a Nevada
19 limited liability company; COOPER
20 BLACKSTONE, LLC, a Nevada limited liability
21 company; DOES I through X; and ROE
22 CORPORATIONS I through X,

Third-Party Defendants.

14 Notice is hereby given that each of the Third-Party Defendants, RICHARD NEWMAN,
15 NEWMAN LAW, LLC AND COOPER BLACKSTONE, LLC (collectively referred to as
16 “Defendants”), hereby appeals to the Supreme Court of Nevada from the Court’s order Denying
17 Defendant’s Special Motion to Dismiss Third-Party Claimant FULL COLOR GAMES, INC.’s Third-
18 Party Complaint pursuant to NRS 41.650, *et seq.*, entered in this action on the 10th day of July, 2019.

19 DATED this 8th day of July, 2019.

20 Respectfully submitted,

21 NEWMAN LAW LLC

22
23 

24 RICHARD NEWMAN, ESQ.

25 Nevada Bar No. 9943

26 7435 S. Eastern Ave., Suite 105-431

27 Las Vegas, Nevada 89123

28 *Attorneys for Richard Newman; Newman Law,
LLC; and Cooper Blackstone, LLC*

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on this 8th day of August 2019, I served a true and correct copy of the
3 foregoing document via the Eighth Judicial District Court's Odyssey electronic filing system to
4 those parties listed on the Court's Master Service List or, if necessary, via electronic mail and
U.S. Mail, on the attorneys listed below:

Mark A. Hutchison, Esq.

Todd Prall, Esq.

HUTCHISON & STEFFEN, LLC

10080 West Alta Drive, Suite 200

Las Vegas, Nevada 89145

7 *Attorneys for Defendants & Counter-Claimants Full Color Games, Inc., David Mahon, Glen*
8 *Howard, Intellectual Properties Holding, LLC, Full Color Games, LLC, Full Color Games, N.A.,*
Inc., Full Color Games Group, Inc. and Jackpot Productions, LLC

9
10 /Richard H Newman/
11 _____
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28