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2 **IN THE SUPREME COURT OF THE STATE OF NEVADA**

3 RICHARD NEWMAN, AN
4 INDIVIDUAL; NEWMAN LAW, LLC,
5 A NEVADA LIMITED LIABILITY
6 COMPANY; AND COOPER
7 BLACKSTONE, LLC, A NEVADA
8 LIMITED LIABILITY COMPANY,

9 Appellants,

10 vs.

11 FULL COLOR GAMES, INC., A
12 NEVADA CORPORATION,

13 Respondent.

**SUPREME COURT CASE NO.
79395**

Electronically Filed
Aug 27 2020 10:46 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

14 On Appeal from a decision in favor of Respondent
15 entered by the Eighth Judicial District Court, Clark County, Nevada
16 The Honorable Mark R. Denton, District Court Judge
17 District Court Case No. A-17-759862-B

18 **RESPONDENT'S APPENDIX VOLUME I (R.I.)**

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CHRONOLOGICAL INDEX

DATE	DESCRIPTION	VOLUME	PAGE/BATES NO.
2020-01-09	Consolidated Amended Answer, Counterclaim, and Third-Party Complaint of Defendants David Mahon, Glen Howard, Intellectual Properties Holdings, LLC, Full Color Games LLC, Full Color Games, N.A., Inc., Full Color Games Group, Inc. and Jackpot Production, LLC; and Second Amended Answer, Counterclaim, and Third-Party Complaint of Full Color Games, Inc.	R.I.	001-213
2020-01-31	Third-Party Defendants' Motion to Dismiss, and in the Alternative, Motion for More Definite Statement	R.I.	214-236
2020-07-22	Order Denying Third-Party Defendants' Richard Newman, Newman Law, LLC, and Cooper Blackstone, LLC's Motion to Dismiss or Motion for More Definite Statement	R.I.	237-241

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ALPHABETICAL INDEX

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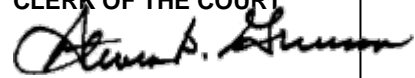
CERTIFICATE OF SERVICE

The undersigned, Jeffrey Hulet, Esq., hereby certifies that on the 27th day of August 2020, a true and correct copy of the foregoing was filed electronically with the Clerk of the Nevada Supreme Court, and therefore electronic service was made in accordance with the master service list as follows:

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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.*

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; 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

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

**CONSOLIDATED AMENDED
ANSWER, COUNTERCLAIM, AND
THIRD-PARTY COMPLAINT OF
DEFENDANTS DAVID MAHON,
GLEN HOWARD, INTELLECTUAL
PROPERTIES HOLDING, LLC,
FULL COLOR GAMES, LLC, FULL
COLOR GAMES, N.A., INC., FULL
COLOR GAMES GROUP, INC. AND
JACKPOT PRODUCTION, LLC**

AND

**SECOND AMENDED ANSWER,
COUNTERCLAIM, AND THIRD-
PARTY COMPLAINT OF FULL
COLOR GAMES, INC.**

1 GAMES GROUP, INC., a Nevada corporation;
2 JACKPOT PRODUCTION, LLC, a Nevada
3 limited liability company; Nominal Defendant
4 FULL COLOR GAMES, INC., a Nevada
5 corporation; DOES I through X; and ROE
6 CORPORATIONS I through X,

Defendants.

7 INTELLECTUAL PROPERTIES HOLDINGS,
8 LLC, a Nevada limited liability company; FULL
9 COLOR GAMES, N.A., INC., a Nevada
10 corporation; FULL COLOR GAMES GROUP,
11 INC., a Nevada corporation; JACKPOT
12 PRODUCTIONS, LLC, a Nevada limited
13 liability company, and FULL COLOR GAMES,
14 INC., a Nevada corporation,

Counter-claimants,

vs.

15 MARK MUNGER, an individual; DAVID'S
16 HARD WORK TRUST LTD. 3/26/2012, a
17 California Trust; MOORE FAMILY TRUST, a
18 California Trust; MILLENNIUM TRUST
19 COMPANY, LLC, CUSTODIAN FBO GARY
20 SOLSO, IRA, a California Trust; JEFFREY
21 CASTALDO; an individual; DOES I through V;
22 and ROE CORPORATIONS I through V,

Counter-defendants.

23 INTELLECTUAL PROPERTIES HOLDINGS,
24 LLC, a Nevada limited liability company; FULL
25 COLOR GAMES, N.A., INC., a Nevada
26 corporation; FULL COLOR GAMES GROUP,
27 INC., a Nevada corporation; JACKPOT
28 PRODUCTIONS, LLC, a Nevada limited
liability company, and FULL COLOR GAMES,
INC., a Nevada corporation,

Third-Party Plaintiffs,

v.

SEBASTIAN J. BASTIAN, an individual; DIRK
SIMMONS, an individual; MARTIN LINHAM,
an individual; PLAYTECH SYSTEMS LTD, a
Bahamian limited company;
ISLANDLUCK.COM, a Bahamian subsidiary of
PLAYTECH; DAVINCI TRADING GROUP, a
Cayman Islands limited liability company;

1 DAVINCI HOLDINGS LTD, an Isle of Man
2 limited liability company; ILG SOFTWARE
3 LTD, an Isle of Man limited liability company;
4 VALCROS, LLC, a Nevada limited liability
5 company; G. BRADFORD SOLSO, an
6 individual; DAVID ECKLES, an individual;
7 TERESA MOORE, an individual; LARRY
8 MOORE, an individual; B.L. MOORE
9 CONSTRUCTION INC., a California
10 corporation; BRIAN MARCUS, and individual;
11 JOHN BROCK III, an individual;; JOHN
12 BROCK IV an individual; MUNGER &
13 ASSOCIATES, INC., a Nevada Corporation;
14 MULTISLOT, LTD, an Isle of Man Company;
15 ERIC J. JUNGELS, an individual; JEFF
16 HORAN, an individual; SPIN GAMES, LLC, a
17 Nevada limited liability company; KENT
18 YOUNG, an individual; KUNAL MISHRA, an
19 individual; BRAGG GAMING GROUP, INC., a
20 Canadian corporation; ORYX GAMING
21 INTERNATIONAL, LLC, a Delaware limited
22 liability company; AA Acquisition Group, Inc., a
23 Canadian special purpose vehicle aka Bragg
24 Oryx Holdings, Inc., a Canadian limited
25 company; Legacy Eight Group Limited, a
26 Canadian limited company; MATEYZ MAZIJ,
27 an individual; RICHARD NEWMAN, an
28 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.

**AMENDED ANSWER AS TO ALL DEFENDANTS
OTHER THAN FULL COLOR GAMES, INC. AND SECOND
AMENDED ANSWER AS TO FULL COLOR GAMES, INC.**

Defendants David Mahon (“Mahon”), Glen Howard (“Howard”), Intellectual Properties
Holding, LLC (“IPH”) Full Color Games, LLC (“FCGL”), Full Color Games, N.A., Inc.
 (“FCGNA”), Full Color Games Group, Inc. (“FCGG”), Jackpot Productions, LLC (“JPL”), and
 Full Color Games, Inc. (“FCGI”), collectively, (the “Answering Defendants”) submit the
 following answer to the Second Amended Complaint:

ANSWER TO ALLEGATIONS

1
2
3 1. Defendants informed and believes that the allegations set forth in Paragraph 1 of
4 the Second Amended Complaint are true and therefore admit the same

5 2. Defendants are without sufficient information and knowledge to form a belief as
6 to the truth of the allegations set forth in Paragraph 2 of the Second Amended Complaint and
7 therefore deny them.

8 3. Defendants are without sufficient information and knowledge to form a belief as
9 to the truth of the allegations set forth in Paragraph 3 of the Second Amended Complaint and
10 therefore deny them.

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

14 5. Defendants are without sufficient information and knowledge to form a belief as
15 to the truth of the allegations set forth in Paragraph 5 of the Second Amended Complaint and
16 therefore deny them.

17 6. Defendants are without sufficient information and knowledge to form a belief as
18 to the truth of the allegations set forth in Paragraph 6 of the Second Amended Complaint and
19 therefore deny them.

20 7. Defendants deny the allegations set forth in Paragraph 7 of the Second Amended
21 Complaint.

22 8. Mahon admits the allegations set forth in Paragraph 8 of the Second Amended
23 Complaint. All other Defendants are without sufficient information and knowledge to form a
24 belief as to the truth of the allegations set forth in Paragraph 8 of the Second Amended
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1 Complaint and therefore deny them.

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

5 10. Defendants admit the allegations set forth in Paragraph 10 of the Second
6 Amended Complaint.

7 11. Howard admits the allegations set forth in Paragraph 11 of the Second Amended
8 Complaint. All other Defendants are without sufficient information and knowledge to form a
9 belief as to the truth of the allegations set forth in Paragraph 11 of the Second Amended
10 Complaint and therefore deny them.

11 12. Answering Paragraph 12 of the Second Amended Complaint, Defendants admit
12 that IPH is, and at all times pertinent times hereto was, a limited liability company doing
13 business in Clark County, Nevada. Defendants deny all allegations set forth in Paragraph 12 of
14 the Second Amended Complaint not expressly admitted herein.

15 13. Defendants deny the allegations set forth in Paragraph 13 of the Second
16 Amended Complaint.

17 14. Defendants deny the allegations set forth in Paragraph 14 of the Second
18 Amended Complaint.

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

22 16. Mahon and Howard admit the allegations set forth in Paragraph 16 of the Second
23 Amended Complaint. All other Defendants are without sufficient information and knowledge to
24

1 form a belief as to the truth of the allegations set forth in Paragraph 16 of the Second Amended
2 Complaint and therefore deny them.

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

6 18. Mahon admits the allegations set forth in Paragraph 18 of the Second Amended
7 Complaint. All other Defendants are without sufficient information and knowledge to form a
8 belief as to the truth of the allegations set forth in Paragraph 18 of the Second Amended
9 Complaint and therefore deny them.

10 19. Defendants are without sufficient information and knowledge to form a belief as
11 to the truth of the allegations set forth in Paragraph 19 of the Second Amended Complaint and
12 therefore deny them.

13 20. Defendants are without sufficient information and knowledge to form a belief as
14 to the truth of the allegations set forth in Paragraph 20 of the Second Amended Complaint and
15 therefore deny them.

16 21. Defendants deny the allegations set forth in Paragraph 21 of the Second
17 Amended Complaint.

18 22. Defendants are without sufficient information and knowledge to form a belief as
19 to the truth of the allegations set forth in Paragraph 22 of the Second Amended Complaint and
20 therefore deny them.

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

1 24. Defendants deny the allegations set forth in Paragraph 24 of the Second
2 Amended Complaint.

3 25. Defendants deny the allegations set forth in Paragraph 25 of the Second
4 Amended Complaint.

5 26. Defendants deny the allegations set forth in Paragraph 26 of the Second
6 Amended Complaint
7

8 27. Defendants deny the allegations set forth in Paragraph 27 of the Second
9 Amended Complaint.

10 28. Answering Paragraph 28 of the Second Amended Complaint, Defendants admit
11 that IPH does in fact hold licenses to the intellectual property owned by Mahon. Defendants
12 deny all allegations set forth in Paragraph 28 of the Second Amended Complaint not expressly
13 admitted herein.
14

15 29. Answering Paragraph 29 of the Second Amended Complaint, Mahon admits that
16 IPH is a licensing agent of intellectual property owned by Mahon. Mahon denies all allegations
17 set forth in Paragraph 29 of the Second Amended Complaint not expressly admitted herein. All
18 other Defendants are without sufficient knowledge to form a belief as to the truth of the
19 allegations set forth in Paragraph 29 and therefore deny them.
20

21 30. Answering Paragraph 30 of the Second Amended Complaint, Mahon admits that
22 FCGL obtained a conditional and limited sub-license of the Full Color Gaming System. Mahon
23 denies all other allegations set forth in paragraph 30 of the Second Amended Complaint not
24 expressly admitted herein. All other Defendants are without sufficient knowledge to form a
25 belief as to the truth of the allegations set forth in Paragraph 30 and therefore deny them.
26

27 31. Defendants deny the allegations set forth in Paragraph 31 of the Second
28

1 Amended Complaint.

2 32. Defendants deny the allegations set forth in Paragraph 32 of the Second
3 Amended Complaint.

4 33. Defendants deny the allegations set forth in Paragraph 33 of the Amended
5 Complaint.
6

7 34. Answering Paragraph 34 of the Second Amended Complaint, Mahon, IPH, JPL,
8 and FCGL admit that FCGL was notified that its sub-license agreement was subject to being
9 terminated. Mahon, IPH, JPL, and FCGL deny all allegations set forth in Paragraph 34 not
10 expressly admitted herein. All other Defendants are without sufficient knowledge to form a
11 belief as to the truth of the allegations set forth in Paragraph 34 and therefore deny them.
12

13 35. Answering Paragraph 35 of the Second Amended Complaint, Mahon, IPH, JPL,
14 and FCGL admit that the sub-license with FCGL was terminated. Mahon, IPH, JPL, and FCGL
15 deny all allegations set forth in Paragraph 35 not expressly admitted herein. FCGL is without
16 sufficient knowledge to form a belief as to the truth of the allegations set forth in Paragraph 35
17 and therefore deny them.
18

19 36. Answering Paragraph 36 of the Second Amended Complaint, FCGL admits to
20 filing an affidavit of non-operations and dissolution of FCGL effective as of April 17, 2012 as
21 was accepted and recorded by the Nevada Secretary of State on June 22, 2016. FCGL denies all
22 allegations set forth in Paragraph 36 not expressly admitted herein. All other Defendants are
23 without sufficient knowledge to form a belief as to the truth of the allegations set forth in
24 Paragraph 36 and therefore deny them.
25

26 37. Answering Paragraph 37 of the Second Amended Complaint, Defendants admit
27 that FCGL was formed in Nevada on or about April 18, 2012. Defendants deny all allegations
28

1 set forth in Paragraph 37 of the Second Amended Complaint not expressly admitted herein.

2 38. Defendants deny the allegations set forth in Paragraph 38 of the Second
3 Amended Complaint.

4 39. Defendants deny the allegations set forth in Paragraph 39 of the Second
5 Amended Complaint.

6 40. Defendants deny the allegations set forth in Paragraph 40 of the Second
7 Amended Complaint.

8 41. Defendants deny the allegations set forth in Paragraph 41 of the Second
9 Amended Complaint.

10 42. Defendants deny the allegations set forth in Paragraph 42 of the Second
11 Amended Complaint.

12 43. Defendants deny the allegations set forth in Paragraph 43 of the Second
13 Amended Complaint.

14 44. Defendants deny the allegations set forth in Paragraph 44 of the Second
15 Amended Complaint.

16 45. Defendants deny the allegations set forth in Paragraph 45 of the Second
17 Amended Complaint.

18 46. Answering Paragraph 46 of the Amended Complaint, Defendants admit that all
19 shareholders voluntarily executed a voting trust agreement that granted all of their voting rights
20 to Mahon and or his assignee(s). Defendants deny all allegations set forth in Paragraph 46 of
21 the Second Amended Complaint not expressly admitted herein.

22 47. Answering Paragraph 47 of the Amended Complaint, Defendants state that the
23 allegations set forth therein are statements of law and therefore neither admit nor deny the
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1 allegations set forth in Paragraph 47 of the Second Amended Complaint on that basis.

2 48. Defendants deny the allegations set forth in Paragraph 48 of the Second
3 Amended Complaint.

4 49. Defendants deny the allegations set forth in Paragraph 49 of the Second
5 Amended Complaint.

6 50. Defendants deny the allegations set forth in Paragraph 50 of the Second
7 Amended Complaint.

8 51. Answering Paragraph 51 of the Second Amended Complaint, Mahon and FCGI
9 admit Mark Munger gave Mahon or FCGI \$10,000.00, but affirmatively allege that the money
10 was given without any terms or conditions attached whatsoever based on Munger's belief in
11 Mahon's inventions. Mahon and FCGI further affirmatively allege that rather than simply
12 accept the money offered by Munger, Mahon prepared an agreement to document the payment
13 of the \$10,000 as an investment and presented the Assignment of Net Profits Interest ("ANPI")
14 Agreement to Munger and, at Munger's request, to his business partner, Jeremiah Rutherford.
15 Mahon and FCGI further affirmatively allege that Munger only paid \$35,000.00 of the required
16 \$50,000 pursuant to the ANPI. Defendants deny all allegations set forth in Paragraph 51 of the
17 Second Amended Complaint not expressly admitted herein.

18 52. Answering Paragraph 52 of the Second Amended Complaint, Defendants admit
19 that the ANPI Agreement speaks for itself. Defendants deny all allegations set forth in
20 Paragraph 52 of the Second Amended Complaint not expressly admitted herein, and that are not
21 consistent with the terms of the ANPI Agreement.

22 53. Answering Paragraph 53 of the Second Amended Complaint, Defendants admit
23 that the ANPI Agreement speaks for itself. Defendants deny all allegations set forth in
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1 Paragraph 53 of the Second Amended Complaint not expressly admitted herein, and that are not
2 consistent with the terms of the ANPI Agreement.

3 54. Answering Paragraph 54 of the Second Amended Complaint, Mahon and FCGI
4 admit that Mark Munger made no further contributions on or about March 13, 2013, and
5 affirmatively allege and admit that Mark Munger did not make the investments he agreed to
6 make under the ANPI Agreement. Defendants deny all allegations set forth in Paragraph 54 of
7 the Second Amended Complaint not expressly admitted herein.
8

9 55. Answering Paragraph 55 of the Second Amended Complaint, Mahon and FCGI
10 admit that FCGI issued out common stock to Mark Munger pursuant to the Shareholder
11 Issuance Agreement and Shareholder Repurchase Agreement, and affirmatively allege and
12 admit that FCGI did so based on Mark Munger's agreement to contribute to the company by
13 being appointed both as a member of the Board of Advisors and as the company's Chief
14 Technology Officer ("CTO"). Mahon and FCGI further affirmatively allege and admit that
15 Mark Munger has denied that he ever accepted the position of CTO and has claimed that the
16 Board of Advisor position did not require anything of him. Defendants deny that Mark Munger
17 should have ever received common stock in FCGI because Mark Munger denies the conditions
18 upon which he was to receive the stock. Defendants deny all allegations set forth in Paragraph
19 55 of the Second Amended Complaint not expressly admitted herein.
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21

22 56. Answering Paragraph 56 of the Second Amended Complaint, Defendants admit
23 that Mark Munger was involved in introducing FCGI and Mahon to Sebastian Bastian.
24 Defendants are without sufficient knowledge and information to form a belief as to the
25 remaining allegations set forth in Paragraph 56 of the Second Amended Complaint and
26 therefore deny them.
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1 57. Defendants are without sufficient information and knowledge to form a belief as
2 to the truth of the allegations set forth in Paragraph 57 of the Second Amended Complaint and
3 therefore deny them.

4 58. Defendants are without sufficient information and knowledge to form a belief as
5 to the truth of the allegations set forth in Paragraph 58 of the Second Amended Complaint and
6 therefore deny them.
7

8 59. Answering Paragraph 59 of the Second Amended Complaint, Defendants are
9 informed and believe that Mark Munger was working for FCGI and for Sebastian Bastian's
10 companies at the same time as alleged, and affirmatively allege that Mark Munger's work
11 created a conflict of interest and a breach of the Non-Disclosure, Non-Compete and Non-
12 interference Agreement between the FCGI and Mark Munger. Defendants are without
13 sufficient information and knowledge to form a belief as to the truth of the remaining
14 allegations set forth in Paragraph 59 of the Second Amended Complaint and therefore deny
15 them.
16

17 60. Defendants deny the allegations set forth in Paragraph 60 of the Second
18 Amended Complaint.
19

20 61. Answering Paragraph 61 of the Second Amended Complaint, Defendants admit
21 Full Color® Solitaire application was released onto the iTunes App Store. Defendants deny all
22 allegations set forth in Paragraph 61 of the Second Amended Complaint not expressly admitted
23 herein.
24

25 62. Defendants deny the allegations set forth in Paragraph 62 of the Second
26 Amended Complaint.

27 63. Answering Paragraph 63 of the Second Amended Complaint, Defendants admit
28

1 that Glen Howard became an investor in FCGI on or about February 14, 2014. Defendants deny
2 all allegations set forth in Paragraph 63 of the Second Amended Complaint not expressly
3 admitted.

4 64. Answering Paragraph 64 of the Second Amended Complaint, Defendants
5 affirmatively allege and admit that Mike Berman, doing business as Cactus Matrix, a software
6 subcontractor to FCGI, deleted the entire player website databases, operating files and all recent
7 backups for Full Color® Solitaire. Defendants deny all allegations set forth in Paragraph 64 of
8 the Second Amended Complaint not expressly admitted herein.
9

10 65. Defendants deny the allegations set forth in Paragraph 65 of the Second
11 Amended Complaint.
12

13 66. Answering Paragraph 66 of the Second Amended Complaint, Defendants admit
14 that Glen Howard became a convertible note holder in FCGI on or about February 14, 2014 and
15 the President of FCGI on or about January 1, 2015. Defendants deny all allegations set forth in
16 Paragraph 66 of the Second Amended Complaint not expressly admitted herein.
17

18 67. Defendants deny the allegations set forth in Paragraph 67 of the Second
19 Amended Complaint.

20 68. Defendant denies the allegations set forth in Paragraph 68 of the Second
21 Amended Complaint.

22 69. Defendant denies the allegations set forth in Paragraph 69 of the Second
23 Amended Complaint. .
24

25 70. Defendant denies the allegations set forth in Paragraph 70 of the Second
26 Amended Complaint.

27 71. Defendant denies the allegations set forth in Paragraph 71 of the Second
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1 Amended Complaint.

2 72. Defendant denies the allegations set forth in Paragraph 72 of the Second
3 Amended Complaint.

4 73. Answering Paragraph 73 of the Second Amended Complaint, Defendants admit
5 that information was provided to Larry and Teresa Moore via an email, but deny that any
6 Defendants ever met with, pitched, solicited or spoke to Larry or Teresa Moore prior to their
7 investment into FCGI. The email and information provided to Larry and Teresa Moore speak
8 for themselves. Defendants deny all allegations set forth in Paragraph 73 of the Second
9 Amended Complaint not expressly admitted herein.
10

11 74. Answering Paragraph 74 of the Second Amended Complaint, Defendants admit
12 that Teresa Moore emailed Howard requesting wire transfer information to complete her
13 \$50,000 investment from “one of our corporations.” Defendants deny all allegations set forth in
14 Paragraph 74 of the Second Amended Complaint not expressly admitted herein.
15

16 75. Defendants deny the allegations set forth in Paragraph 75 of the Second
17 Amended Complaint.
18

19 76. Answering Paragraph 76 of the Second Amended Complaint, Defendants
20 affirmatively allege and admit the intellectual property concerning the Full Color® Gaming
21 System was owned by Mahon and licensed to IPH and other companies via certain license
22 agreements, including the “License Agreement dated April 18, 2012” issued to FCGI, which
23 licensed the use of the intellectual property owned by Mahon. Defendants further affirmatively
24 allege and admit that FCGI in good faith relied upon Richard H. Newman, Esq., attorney for
25 Howard & Howard, LLP, Newman Law, LLC, general counsel for FCGI, Chief Legal Officer
26 of FCGI, and a member of the Board of Advisors of FCGI (hereinafter collectively “Newman”)
27
28

1 who represented that the Full Color® Gaming System intellectual property invented by and
2 owned by Mahon, was properly protected by copyright, trademark, and patent law. Defendants
3 further affirmatively allege and admit that to the extent FCGI discovered that some of the patent
4 applications or copyright applications were not completed by Newman as represented, those
5 applications were either corrected as much as possible and all investors were informed of the
6 issues. Defendants further affirmatively allege and admit that Newman was terminated from all
7 of his legal representation and positions in association with FCGI. Defendants deny all
8 allegations set forth in Paragraph 76 of the Second Amended Complaint not expressly admitted
9 herein.
10

11 77. Answering Paragraph 77 of the Second Amended Complaint, Defendants
12 affirmatively allege and admit that all investor documents, publications, applications and all
13 public records filings related to the Full Color® Gaming System, fully disclose the facts that the
14 Full Color® Gaming System was “©David W. Mahon,” with “All Rights Reserved” and the
15 nature of their exclusive licensing speak for themselves. Defendants deny all allegations set
16 forth in Paragraph 76 of the Second Amended Complaint not expressly admitted herein.
17

18 78. Answering Paragraph 78 of the Second Amended Complaint, Defendants admit
19 that all investor documents, publications, applications and all public records filings related to
20 the Full Color® Gaming System, fully disclose the facts that the Full Color® Gaming System
21 was “©David W. Mahon,” with “All Rights Reserved” and the nature of their exclusive
22 licensing speak for themselves. Defendants deny all allegations set forth in Paragraph 76 of the
23 Second Amended Complaint not expressly admitted herein.
24

25 79. Defendants deny the allegations set forth in Paragraph 79 of the Second
26 Amended Complaint.
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1 80. Defendants deny the allegations set forth in Paragraph 80 of the Second
2 Amended Complaint.

3 81. Answering Paragraph 81 of the Second Amended Complaint, Defendants admit
4 that documents were signed and executed by Larry and Teresa Moore and affirmatively allege
5 and admit that the email chains that forwarded the documents, the wire transfer documents and
6 the convertible note documents all speak for themselves. Defendants deny the allegations set
7 forth in Paragraph 81 of the Second Amended Complaint not expressly admitted herein.
8

9 82. Answering Paragraph 82 of the Second Amended Complaint, Defendants
10 affirmatively allege and admit that Mahon hired Richard H. Newman, Esq. of Howard &
11 Howard, LLP who then transferred his practice to Newman Law, LLC, to apply for trademarks,
12 copyrights and patents for intellectual property protection on behalf of the Full Color® Gaming
13 System. Defendant deny the allegations set forth in Paragraph 82 of the Second Amended
14 Complaint not expressly admitted herein.
15

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

25 84. Defendants deny the allegations set forth in Paragraph 84 of the Second
26 Amended Complaint.
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1 85. Answering Paragraph 85 of the Second Amended Complaint, Defendants
2 affirmatively allege and admit that all Full Color® games product were pitched and displayed to
3 investors at different events. Defendants deny the allegations set forth in Paragraph 85 of the
4 Second Amended Complaint not expressly admitted herein.

5 86. Defendants deny the allegations set forth in Paragraph 86 of the Second
6 Amended Complaint.

7 87. Defendants deny the allegations set forth in Paragraph 87 of the Second
8 Amended Complaint.

9 88. Defendants deny the allegations set forth in Paragraph 88 of the Second
10 Amended Complaint.

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

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

23 91. Defendants deny the allegations set forth in Paragraph 91 of the Second
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Amended Complaint.

92. Defendants deny the allegations set forth in Paragraph 92 of the Second Amended Complaint.

93. Defendants deny the allegations set forth in Paragraph 93 of the Second Amended Complaint.

94. Defendants deny the allegations set forth in Paragraph 94 of the Second Amended Complaint.

95. Defendants deny the allegations set forth in Paragraph 95 of the Second Amended Complaint.

96. Defendants deny the allegations set forth in Paragraph 96 of the Second Amended Complaint.

97. Defendants deny the allegations set forth in Paragraph 97 of the Second Amended Complaint.

98. Defendants deny the allegations set forth in Paragraph 98 of the Second Amended Complaint.

99. Defendants deny the allegations set forth in Paragraph 99 of the Second Amended Complaint.

100. Defendants deny the allegations set forth in Paragraph 100 of the Second Amended Complaint.

101. Defendants deny the allegations set forth in Paragraph 101 of the Second Amended Complaint.

102. Defendants deny the allegations set forth in Paragraph 102 of the Second Amended Complaint.

1 103. Answering Paragraph 103 of the Second Amended Complaint, Mahon and FCGI
2 affirmatively allege and admit that someone from BL Moore Construction, Inc. sought to assign
3 their investment in the FCGI convertible note to a family trust entitled Moore Family Trust
4 u/d/t/ March 14, 2003 (“Moores”) and it was approved and executed based on the
5 representations made by the Moores as to their status as a bona fide accredited investor.
6 Defendants denu the allegations set forth in Paragraph 103 of the Second Amended Complaint
7 not expressly admitted herein.
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9 104. Defendants deny the allegations set forth in Paragraph 104 of the Second
10 Amended Complaint.
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12 105. Defendants deny the allegations set forth in Paragraph 105 of the Second
13 Amended Complaint.
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15 106. Defendants deny the allegations set forth in Paragraph 106 of the Second
16 Amended Complaint.
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18 107. Answering Paragraph 107 of the Second Amended Complaint, Defendants admit
19 FCGI did exhibit at the ICE 2016 Totally Gaming Convention in London, England. Defendants
20 deny the allegations set forth in Paragraph 107 of the Second Amended Complaint not expressly
21 admitted herein.
22

23 108. Answering Paragraph 108 of the Second Amended Complaint, Defendants
24 affirmatively allege and admit that Martin Linham, CFO of FCGI, had instructed Corporate
25 Options (without any signed letter of authorization or executed engagement letters from the
26 FCGI’s Board of Directors) to form Full Color Games Ltd. in the Isle of Man prior to the ICE
27 2016 convention so he could begin to pitch high net worth individuals, members of the royal
28 families, members of the UK parliament, casino gaming government regulators, accountants,

1 lawyers, distributors, operators, testing labs and institutional investors from the Isle of Man, the
2 UK and Europe. Defendants deny the allegations set forth in Paragraph 108 of the Second
3 Amended Complaint not expressly admitted herein.

4 109. Defendants deny the allegations set forth in Paragraph 109 of the Second
5 Amended Complaint.

6 110. Defendants deny the allegations set forth in Paragraph 110 of the Second
7 Amended Complaint.

8 111. Answering Paragraph 111 of the Second Amended Complaint, Defendants
9 affirmatively allege and admit that Mahon hired Richard H. Newman, Esq. of Howard &
10 Howard, LLP who then transferred his practice to Newman Law, LLC, to apply for trademarks,
11 copyrights and patents for intellectual property protection on behalf of the Full Color® Gaming
12 System. Defendants deny the allegations set forth in Paragraph 111 of the Second Amended
13 Complaint not expressly admitted herein.

14 112. Answering Paragraph 112 of the Second Amended Complaint, Defendants
15 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
16 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
17 corporate event in the May 2014 Convertible Note to convert their security interests into
18 common stock shares of FCGI in advance of its maturity date. The majority of the Convertible
19 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
20 corporate events. These corporate documents and agreements documenting the corporate event
21 speak for themselves. Defendants deny the allegations set forth in Paragraph 112 of the Second
22 Amended Complaint not expressly admitted herein.

23 113. Answering Paragraph 113 of the Second Amended Complaint, Defendants
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1 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
2 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
3 corporate event in the May 2014 Convertible Note to convert their security interests into
4 common stock shares of FCGI in advance of its maturity date. The majority of the Convertible
5 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
6 corporate events. These corporate documents and agreements documenting the corporate event
7 speak for themselves. Defendants deny the allegations set forth in Paragraph 113 of the Second
8 Amended Complaint not expressly admitted herein.
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10 114. Answering Paragraph 114 of the Second Amended Complaint, Defendants
11 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
12 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
13 corporate event in the May 2014 Convertible Note to convert their security interests into
14 common stock shares of FCGI, in advance of its maturity date. The majority of the Convertible
15 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
16 corporate events. These corporate documents and agreements documenting the corporate event
17 speak for themselves. Defendants deny the allegations set forth in Paragraph 114 of the Second
18 Amended Complaint not expressly admitted herein.
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21 115. Answering Paragraph 115 of the Second Amended Complaint, Defendants
22 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
23 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
24 corporate event in the May 2014 Convertible Note to convert their security interests into
25 common stock shares of FCGI in advance of its maturity date. The majority of the Convertible
26 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
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1 corporate events. These corporate documents and agreements documenting the corporate event
2 speak for themselves. Defendants deny the allegations set forth in Paragraph 115 of the Second
3 Amended Complaint not expressly admitted herein.

4 116. Answering Paragraph 116 of the Second Amended Complaint, Defendants
5 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
6 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
7 corporate event in the May 2014 Convertible Note to convert their security interests into
8 common stock shares of FCGI in advance of its maturity date. The majority of the Convertible
9 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
10 corporate events. These corporate documents and agreements documenting the corporate event
11 speak for themselves. Defendants deny the allegations set forth in Paragraph 116 of the Second
12 Amended Complaint not expressly admitted herein.

13 117. Answering Paragraph 117 of the Second Amended Complaint, Defendants
14 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
15 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
16 corporate event in the May 2014 Convertible Note to convert their security interests into
17 common stock shares of FCGI in advance of its maturity date. The majority of the Convertible
18 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
19 corporate events. These corporate documents and agreements documenting the corporate event
20 speak for themselves. Defendants deny the allegations set forth in Paragraph 117 of the Second
21 Amended Complaint not expressly admitted herein.

22 118. Answering Paragraph 118 of the Second Amended Complaint, Defendants
23 affirmatively allege and admit that 88.49% of the Convertible Note Shareholders of FCGI, on or
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1 about April 11, 2016, approved Amendment No. 2 and as a result, voted to voluntarily trigger a
2 corporate event in the May 2014 Convertible Note to convert their security interests into
3 common stock shares of FCGI in advance of its maturity date. The majority of the Convertible
4 Note Shareholders approval of Amendment No. 2 triggered a series of expressly documented
5 corporate events. These corporate documents and agreements documenting the corporate event
6 speak for themselves. Defendants deny the allegations set forth in Paragraph 118 of the Second
7 Amended Complaint not expressly admitted herein.
8

9 119. Defendants deny the allegations set forth in Paragraph 119 of the Second
10 Amended Complaint.
11

12 120. Answering Paragraph 120 of the Second Amended Complaint, Defendants
13 affirmatively allege and admit that Bastian was not a shareholder of FCGI, Full Color Games
14 Ltd., Intellectual Properties Holdings, LLC, Intellectual Properties Holdings, Ltd. or any
15 company owned or affiliated with any of the Defendants. Notwithstanding the lack of
16 relevance, Defendants affirmatively allege and admit that 88.49% of the Convertible Note
17 Shareholders of FCGI, on or about April 11, 2016, approved Amendment No. 2 and as a result,
18 voted to voluntarily trigger a corporate event in the May 2014 Convertible Note to convert their
19 security interests into common stock shares of FCGI in advance of its maturity date. The
20 majority of the Convertible Note Shareholders approval of Amendment No. 2 triggered a series
21 of expressly documented corporate events. These corporate documents and agreements
22 documenting the corporate event speak for themselves. Defendants deny the allegations set
23 forth in Paragraph 120 of the Second Amended Complaint not expressly admitted herein.
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26 121. Defendants deny the allegations set forth in Paragraph 121 of the Second
27 Amended Complaint.
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1 122. Defendants deny the allegations set forth in Paragraph 122 of the Second
2 Amended Complaint.

3 123. Defendants deny the allegations set forth in Paragraph 123 of the Second
4 Amended Complaint.

5 124. Defendants deny the allegations set forth in Paragraph 124 of the Second
6 Amended Complaint.

7 125. Defendants deny the allegations set forth in Paragraph 125 of the Second
8 Amended Complaint.

9 126. Defendants deny the allegations set forth in Paragraph 126 of the Second
10 Amended Complaint.

11 127. Answering Paragraph 127 of the Second Amended Complaint, FCGNA
12 affirmatively alleges and admit that Full Color Games Ltd. formed a wholly owned subsidiary
13 named Full Color Games, N.A., Inc., previously referred to as FCGNA, and FCGNA did in fact
14 open a bank account in the ordinary course of business. FCGNA further affirmatively alleges
15 and admits that the Board of Directors of Full Color Games Ltd. did in fact wire minimal funds
16 into FCGNA's bank account and mandated that FCGNA that would run at a cost neutral basis to
17 avoid transfer pricing and maintain Full Color Games Ltd.'s tax free status in the Isle of Man.
18 Defendants deny the allegations set forth in Paragraph 127 of the Second Amended Complaint
19 not expressly admitted herein.

20 128. Defendants deny the allegations set forth in Paragraph 128 of the Second
21 Amended Complaint.

22 129. Defendants deny the allegations set forth in Paragraph 129 of the Second
23 Amended Complaint.

1 130. Answering Paragraph 130 of the Second Amended Complaint, Mahon, Howard,
2 FCGNA, and FCGI affirmatively allege and admit that they received confirmation that Full
3 Color Games Ltd. submitted a UKGC application and Personal Management License
4 applications for Martin Linham as CFO, Mark Munger as CTO, Lee Murphy as Director and
5 David Mahon as CEO. Defendants deny the allegations set forth in Paragraph 130 of the
6 Second Amended Complaint not expressly admitted herein.
7

8 131. Defendants deny the allegations set forth in Paragraph 131 of the Second
9 Amended Complaint.

10 132. Defendants deny the allegations set forth in Paragraph 133 of the Second
11 Amended Complaint.

12 133. Defendants deny the allegations set forth in Paragraph 133 of the Second
13 Amended Complaint.

14 134. Answering Paragraph 134 of the Second Amended Complaint, Mahon and FCGI
15 affirmatively allege and admit that after becoming an individual and a corporate victim of the
16 fraudulent banking accounting practices of Wells Fargo Bank that resulted in a \$142 million
17 dollar class action lawsuit settlement, he ended his 27 year relationship with Wells Fargo due to
18 their lack of ethical restraint and opened new bank accounts at a competing firm with better
19 service and more locations. FC Defendants deny the allegations set forth in Paragraph 134 of
20 the Second Amended Complaint not expressly admitted herein.
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23 135. Answering Paragraph 135 of the Second Amended Complaint, Defendants admit
24 that FCGI did exhibit at the ICE 2017 Totally Gaming Convention in London, England.
25 Defendants deny the allegations set forth in Paragraph 135 of the Second Amended Complaint
26 not expressly admitted herein.
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1 136. Defendants deny the allegations set forth in Paragraph 136 of the Second
2 Amended Complaint.

3 137. Defendants deny the allegations set forth in Paragraph 135 of the Second
4 Amended Complaint.

5 138. Defendants deny the allegations set forth in Paragraph 138 of the Second
6 Amended Complaint.

7 139. Defendants deny the allegations set forth in Paragraph 139 of the Second
8 Amended Complaint.

9 140. Answering Paragraph 140 of the Second Amended Complaint, Defendants admit
10 that FCGI shareholders were sent an investor update on or about June 29, 2017, and the investor
11 update speaks for itself. Defendants deny the allegations set forth in Paragraph 140 of the
12 Second Amended Complaint not expressly admitted herein.

13 141. Answering Paragraph 141 of the Second Amended Complaint, Defendants admit
14 that FCGI shareholders were sent and investor update on or about June 29, 2017, and the
15 investor update speaks for itself. Defendants deny the allegations set forth in Paragraph 141 of
16 the Second Amended Complaint not expressly admitted herein.

17 142. Defendants deny the allegations set forth in Paragraph 142 of the Second
18 Amended Complaint.

19 143. Defendants deny the allegations set forth in Paragraph 143 of the Second
20 Amended Complaint.

21 144. Defendants deny the allegations set forth in Paragraph 144 of the Second
22 Amended Complaint.

23 145. Defendants deny the allegations set forth in Paragraph 145 of the Second
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1 Amended Complaint.

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

5 146. Answering Paragraph 146 of the Second Amended Complaint, Defendants
6 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
7 though fully set forth herein.

8 147. Defendants deny the allegations set forth in Paragraph 147 of the Second
9 Amended Complaint.

10 148. Defendants deny the allegations set forth in Paragraph 148 of the Second
11 Amended Complaint.

12 149. Defendants deny the allegations set forth in Paragraph 149 of the Second
13 Amended Complaint.

14 150. Defendants deny the allegations set forth in Paragraph 150 of the Second
15 Amended Complaint.

16 151. Defendants deny the allegations set forth in Paragraph 151 of the Second
17 Amended Complaint.

18 152. Defendants deny the allegations set forth in Paragraph 152 of the Second
19 Amended Complaint.

20 153. Defendants deny the allegations set forth in Paragraph 153 of the Second
21 Amended Complaint.

22 154. Defendants are without sufficient information and knowledge to form a belief as
23 to the truth of the allegations set forth in Paragraph 154 of the Second Amended Complaint and
24 therefore deny them.
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SECOND CLAIM FOR RELIEF
(Aiding and Abetting Breach of Fiduciary Duty
against Glen Howard, on Behalf of Full Color Games, Inc.)

155. Answering Paragraph 155 of the Second Amended Complaint, Defendants incorporate their answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

156. Defendants deny the allegations set forth in Paragraph 156 of the Second Amended Complaint.

157. Defendants deny the allegations set forth in Paragraph 157 of the Second Amended Complaint.

158. Defendants deny the allegations set forth in Paragraph 158 of the Second Amended Complaint.

159. Defendants deny the allegations set forth in Paragraph 159 of the Second Amended Complaint.

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

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

161. Answering Paragraph 161 of the Second Amended Complaint, Defendants incorporate their answers to the preceding paragraphs of the Second Amended Complaint as though fully set forth herein.

162. Defendants deny the allegations set forth in Paragraph 162 of the Second Amended Complaint.

1 163. Defendants deny the allegations set forth in Paragraph 163 of the Second
2 Amended Complaint.

3 164. Defendants deny the allegations set forth in Paragraph 164 of the Second
4 Amended Complaint.

5 165. Defendants deny the allegations set forth in Paragraph 165 of the Second
6 Amended Complaint.

7 166. Defendants deny the allegations set forth in Paragraph 166 of the Second
8 Amended Complaint.

9 167. Defendants deny the allegations set forth in Paragraph 167 of the Second
10 Amended Complaint.

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

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

20 169. - 179. Claim has been dismissed by the Court and no answer is required.

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

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

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

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

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

3 195. Answering Paragraph 195 of the Second Amended Complaint, Defendants
4 incorporate its answers to the preceding paragraphs of the Second Amended Complaint as
5 though fully set forth herein.

6 196. Defendants deny the allegations set forth in Paragraph 196 of the Second
7 Amended Complaint.

8 197. Defendants deny the allegations set forth in Paragraph 197 of the Second
9 Amended Complaint.
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11 198. Defendants deny the allegations set forth in Paragraph 198 of the Second
12 Amended Complaint.

13 199. Defendants deny the allegations set forth in Paragraph 199 of the Second
14 Amended Complaint.
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16 200. Defendants deny the allegations set forth in Paragraph 200 of the Second
17 Amended Complaint.

18 201. Defendants are without sufficient information and knowledge to form a belief as
19 to the truth of the allegations set forth in Paragraph 201 of the Second Amended Complaint and
20 therefore deny them.
21

22 **EIGHTH CLAIM FOR RELIEF**
23 **(Conversion against All Defendants, on Behalf of Full Color Games, Inc.)**

24 202. Answering Paragraph 202 of the Second Amended Complaint, Defendants
25 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
26 though fully set forth herein.

27 203. Defendants deny the allegations set forth in Paragraph 203 of the Second
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1 Amended Complaint.

2 204. Defendants deny the allegations set forth in Paragraph 204 of the Second

3 Amended Complaint.

4 205. Defendants deny the allegations set forth in Paragraph 205 of the Second

5 Amended Complaint.

6 206. Defendants deny the allegations set forth in Paragraph 206 of the Second

7 Amended Complaint.

8 207. Defendants deny the allegations set forth in Paragraph 207 of the Second

9 Amended Complaint.

10 208. Defendants are without sufficient information and knowledge to form a belief as
11 to the truth of the allegations set forth in Paragraph 208 of the Second Amended Complaint and
12 therefore deny them.
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14
15 **NINTH CLAIM FOR RELIEF**

16 **(Civil Conspiracy against Mahon on behalf of Full Color Games, Inc. And Individual**
17 **Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

18 209. Answering Paragraph 209 of the Second Amended Complaint, Defendants
19 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
20 though fully set forth herein.

21 210. Defendants deny the allegations set forth in Paragraph 210 of the Second
22 Amended Complaint.

23 211. Defendants deny the allegations set forth in Paragraph 211 of the Second
24 Amended Complaint.

25 212. Defendants are without sufficient information and knowledge to form a belief as
26 to the truth of the allegations set forth in Paragraph 212 of the Second Amended Complaint and
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1 therefore deny them.

2 **TENTH CLAIM FOR RELIEF**

3 **(Alter Ego against Mahon on behalf of Full Color Games, Inc. And Individual**
4 **Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

5 213. Answering Paragraph 213 of the Second Amended Complaint, Defendants
6 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
7 though fully set forth herein.

8 214. Defendants deny the allegations set forth in Paragraph 214 of the Second
9 Amended Complaint.

10 215. Defendants deny the allegations set forth in Paragraph 215 of the Second
11 Amended Complaint.

12 216. Defendants deny the allegations set forth in Paragraph 216 of the Second
13 Amended Complaint.

14 217. Defendants deny the allegations set forth in Paragraph 217 of the Second
15 Amended Complaint.

16 218. Defendants deny the allegations set forth in Paragraph 218 of the Second
17 Amended Complaint.

18 219. Defendants deny the allegations set forth in Paragraph 219 of the Second
19 Amended Complaint.

20 220. Defendants deny the allegations set forth in Paragraph 220 of the Second
21 Amended Complaint.

22 221. Defendants deny the allegations set forth in Paragraph 221 of the Second
23 Amended Complaint.

24 222. Defendants deny the allegations set forth in Paragraph 222 of the Second
25 Amended Complaint.

1 Amended Complaint.

2 223. Defendants deny the allegations set forth in Paragraph 223 of the Second

3 Amended Complaint.

4 224. Defendants deny the allegations set forth in Paragraph 224 of the Second

5 Amended Complaint.

6 225. Defendants deny the allegations set forth in Paragraph 225 of the Second

7 Amended Complaint.

8 226. Defendants deny the allegations set forth in Paragraph 226 of the Second

9 Amended Complaint.

10 227. Defendants deny the allegations set forth in Paragraph 227 of the Second

11 Amended Complaint.

12 228. Defendants are without sufficient information and knowledge to form a belief as
13 to the truth of the allegations set forth in Paragraph 228 of the Second Amended Complaint and
14 therefore deny them.

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

21 229. Answering Paragraph 229 of the Second Amended Complaint, Defendants
22 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
23 though fully set forth herein.

24 230. Defendants deny the allegations set forth in Paragraph 230 of the Second
25 Amended Complaint.

26 231. Defendants deny the allegations set forth in Paragraph 231 of the Second
27 Amended Complaint.

1 232. Defendants deny the allegations set forth in Paragraph 232 of the Second
2 Amended Complaint.

3 233. Defendants deny the allegations set forth in Paragraph 233 of the Second
4 Amended Complaint.

5 234. Defendants deny the allegations set forth in Paragraph 234 of the Second
6 Amended Complaint.

7 235. Defendants deny the allegations set forth in Paragraph 235 of the Second
8 Amended Complaint.

9 236. Defendants deny the allegations set forth in Paragraph 236 of the Second
10 Amended Complaint.

11 237. Defendants are without sufficient information and knowledge to form a belief as
12 to the truth of the allegations set forth in Paragraph 237 of the Second Amended Complaint and
13 therefore deny them.

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15
16 **TWELFTH CLAIM FOR RELIEF**
17 **(Appointment of Special Master, on behalf of Full Color Games, Inc. And Individual**
18 **Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

19 238. Answering Paragraph 238 of the Second Amended Complaint, Defendants
20 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
21 though fully set forth herein.

22 239. Defendants deny the allegations set forth in Paragraph 239 of the Second
23 Amended Complaint.

24 240. Defendants deny the allegations set forth in Paragraph 240 of the Second
25 Amended Complaint.

26 241. Defendants deny the allegations set forth in Paragraph 241 of the Second
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1 Amended Complaint.

2 242. Defendants deny the allegations set forth in Paragraph 242 of the Second

3 Amended Complaint.

4 243. Defendants deny the allegations set forth in Paragraph 243 of the Second

5 Amended Complaint.

6 244. Defendants deny the allegations set forth in Paragraph 244 of the Second

7 Amended Complaint.

8 245. Defendants deny the allegations set forth in Paragraph 245 of the Second

9 Amended Complaint.

10 246. Defendants deny the allegations set forth in Paragraph 246 of the Second

11 Amended Complaint.

12 247. Defendants are without sufficient information and knowledge to form a belief as
13 to the truth of the allegations set forth in Paragraph 247 of the Second Amended Complaint and
14 therefore deny them.

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

21 248. Answering Paragraph 248 of the Second Amended Complaint, Defendants
22 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
23 though fully set forth herein.

24 249. Defendants deny the allegations set forth in Paragraph 249 of the Second
25 Amended Complaint.

26 250. Defendants deny the allegations set forth in Paragraph 250 of the Second
27 Amended Complaint.
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1 251. Defendants deny the allegations set forth in Paragraph 251 of the Second
2 Amended Complaint.

3 252. Defendants deny the allegations set forth in Paragraph 252 of the Second
4 Amended Complaint.

5 253. Defendants deny the allegations set forth in Paragraph 253 of the Second
6 Amended Complaint.

7 254. Defendants deny the allegations set forth in Paragraph 254 of the Second
8 Amended Complaint.

9 255. Defendants deny the allegations set forth in Paragraph 255 of the Second
10 Amended Complaint.

11 256. Defendants are without sufficient information and knowledge to form a belief as
12 to the truth of the allegations set forth in Paragraph 256 of the Second Amended Complaint and
13 therefore deny them.

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15
16 **FOURTEENTH CLAIM FOR RELIEF**
17 **(Temporary Restraining Order, Preliminary and Permanent Injunction**
18 **against All Defendants, on behalf of Full Color Games, Inc. And Individual**
19 **Plaintiffs Munger, David's Hard Work Trust Ltd. 3/26/2012, and Moore Family Trust)**

20 257. Answering Paragraph 257 of the Second Amended Complaint, Defendants
21 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
22 though fully set forth herein.

23 258. Defendants deny the allegations set forth in Paragraph 258 of the Second
24 Amended Complaint.

25 259. Defendants deny the allegations set forth in Paragraph 259 of the Second
26 Amended Complaint.

27 260. Defendants are without sufficient information and knowledge to form a belief as
28

1 to the truth of the allegations set forth in Paragraph 260 of the Second Amended Complaint and
2 therefore deny them.

3 **FIFTEENTH CLAIM FOR RELIEF**
4 **(Breach of Contract against Mahon, on behalf of Individual Plaintiff Mark Munger)**

5 261. Answering Paragraph 261 of the Second Amended Complaint, Defendants
6 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as
7 though fully set forth herein.

8 262. Defendants deny the allegations set forth in Paragraph 262 of the Second
9 Amended Complaint.
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11 263. Defendants deny the allegations set forth in Paragraph 263 of the Second
12 Amended Complaint.

13 264. Defendants deny the allegations set forth in Paragraph 264 of the Second
14 Amended Complaint.
15

16 265. Defendants deny the allegations set forth in Paragraph 265 of the Second
17 Amended Complaint.

18 266. Defendants deny the allegations set forth in Paragraph 266 of the Second
19 Amended Complaint.
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21 267. Defendants are without sufficient information and knowledge to form a belief as
22 to the truth of the allegations set forth in Paragraph 267 of the Second Amended Complaint and
23 therefore deny them.

24 **SIXTEENTH CLAIM FOR RELIEF**
25 **(Breach of Covenant of Good Faith and Fair Dealing**
26 **against Mahon, on behalf of Individual Plaintiff Mark Munger)**

27 268. Answering Paragraph 268 of the Second Amended Complaint, Defendants
28 incorporate their answers to the preceding paragraphs of the Second Amended Complaint as

1 though fully set forth herein.

2 269. Defendants deny the allegations set forth in Paragraph 269 of the Second
3 Amended Complaint.

4 270. Defendants deny the allegations set forth in Paragraph 270 of the Second
5 Amended Complaint.

6 271. Defendants deny the allegations set forth in Paragraph 271 of the Second
7 Amended Complaint.

8 272. Defendants deny the allegations set forth in Paragraph 272 of the Second
9 Amended Complaint.

10 273. Defendants are without sufficient information and knowledge to form a belief as
11 to the truth of the allegations set forth in Paragraph 273 of the Second Amended Complaint and
12 therefore deny them
13

14 **AFFIRMATIVE DEFENSES**

15 Defendants, without altering the burdens of proof the parties must bear, asserts the
16 following affirmative defenses to the Second Amended Complaint, and the claims asserted
17 therein, and Defendants specifically incorporate into the affirmative defenses their answers to
18 the preceding paragraphs of the Second Amended Complaint as if fully set forth herein.
19

20 **FIRST AFFIRMATIVE DEFENSE**

21 The Second Amended Complaint fails to state facts sufficient to constitute a CLAIM
22 FOR RELIEF against Defendants.
23

24 **SECOND AFFIRMATIVE DEFENSE**

25 Defendants are informed and believe, and thereon allege, that the Second Amended
26 Complaint, and each and every CLAIM FOR RELIEF set forth therein, is barred by the
27
28

1 applicable statute of limitations, including but not limited to, NRS Sections 11.190, 11.200,
2 11.202, 11.203, 11.204, 11.205 and 11.2055.

3 **THIRD AFFIRMATIVE DEFENSE**

4 Defendants are informed and believe, and thereon allege, that Plaintiffs' claims are
5 barred by the equitable doctrines of waiver, duress, release, laches, unclean hands, limitations,
6 and/or equitable estoppel.
7

8 **FOURTH AFFIRMATIVE DEFENSE**

9 Defendants are informed and believes, and thereon allege, that any injuries or claims of
10 damages suffered by Plaintiffs, if any, were directly and proximately caused by others over
11 which Defendants had no control.
12

13 **FIFTH AFFIRMATIVE DEFENSE**

14 Plaintiffs lack standing to bring derivative claims on behalf of FCGI under NRCP 23.1
15 because Plaintiffs do not meet the ongoing and continuous share ownership requirement.
16

17 **SIXTH AFFIRMATIVE DEFENSE**

18 Plaintiffs lack standing to bring derivative claims on behalf of FCGI because Plaintiffs
19 cannot fairly and adequately represent the company.
20

21 **SEVENTH AFFIRMATIVE DEFENSE**

22 Defendants are informed and believe, and thereon allege, that Defendants' acts and
23 actions as alleged in the Second Amended Complaint are privileged and/or otherwise shielded
24 from liability by the business judgment rule.
25

26 **EIGHTH AFFIRMATIVE DEFENSE**

27 Defendants allege that at the time and place alleged in the Second Amended Complaint,
28 all or some of Plaintiffs did not exercise ordinary care, caution or prudence to avoid the

1 damages alleged in the Second Amended Complaint and the resulting damages and injury, if
2 any, complained of were directly and proximately contributed to and caused by the fault,
3 carelessness and negligence of the one or all of the Plaintiffs, and any judgment in favor of
4 Plaintiffs and against this answering and against any of the FCGI should be reduced in
5 proportion to Plaintiffs' own fault.
6

7 **NINTH AFFIRMATIVE DEFENSE**

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

10 **TENTH AFFIRMATIVE DEFENSE**

11 Plaintiffs' claims for punitive damages are limited or prohibited by Nevada statute and
12 by the Constitution of the United States.
13

14 **ELEVENTH AFFIRMATIVE DEFENSE**

15 Any damage claims by the Plaintiffs are speculative, are not supported by proof and are
16 not compensable as a matter of law.
17

18 **TWELFTH AFFIRMATIVE DEFENSE**

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

21 **THIRTEENTH AFFIRMATIVE DEFENSE**

22 The damages alleged in the Second Amended Complaint, if any, were caused and
23 brought about solely by an intervening and superseding cause.
24

25 **FOURTEENTH AFFIRMATIVE DEFENSE**

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

27 **FIFTEENTH AFFIRMATIVE DEFENSE**
28

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

SIXTEENTH AFFIRMATIVE DEFENSE

Defendants deny each and every allegation of the Second Amended Complaint not specifically admitted or otherwise pled herein.

SEVENTEENTH AFFIRMATIVE DEFENSE

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

EIGHTEENTH AFFIRMATIVE DEFENSE

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

NINETEENTH AFFIRMATIVE DEFENSE

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

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

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

AMENDED COUNTERCLAIMS ANT THIRD-PARTY COMPLAINT

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12
13 Counter-Claimants and Third-Party Plaintiffs Full Color Games, Inc., Intellectual
14 Property Holdings, LLC, Full Color Games, N.A., Full Color Games Group, Inc., and Jackpot
15 Productions, LLC, (“Counter-Claimants” or “Third-Party Plaintiffs”) allege against the Counter-
16 Defendants and Third-Party Defendants identified herein as follows:

17
18 **NATURE OF AMENDED COUNTER-COMPLAINT AND THIRD-PARTY**
19 **COMPLAINT**
20 **Summary Overview**

21 1. This Action is brought as a counterclaim and third-party complaint because its
22 primary purpose is to bring into this action the parties Counter-Claimants believe are
23 responsible for any damages that the Plaintiffs are seeking derivatively on behalf of Full Color
24 Games, Inc., including Plaintiffs own culpability for the damages they claim. The primary
25 claims are claims for indemnity and contribution by all Counter-Claimants, except Full Color
26 Games, Inc. (“FCGI”) and its claims against all Counter-Defendants and Third-Party
27
28

1 Defendants, essentially asserting that these other parties are the parties responsible for any
2 damages incurred by FCGI, and not the Counter-Claimants. In the interest of judicial economy,
3 the other Counter-Claimants, aside from FCGI, also assert claims against the Counter-
4 Defendants and Third-Party Defendants other than contribution and indemnity that coincide
5 with FCGI's claims.
6

7 2. All of the Parties in this action are in the casino gaming industry.

8 3. The casino gaming industry is a multi-trillion-dollar perennial business that nets
9 over \$600 billion dollars in a year in annual profits in the regulated markets alone throughout
10 hundreds of jurisdictions around the world in land-based, online and social casinos through
11 gambling with real and virtual money.
12

13 4. David Mahon ("Mahon") invented an entirely new and proprietary class of
14 casino gaming intellectual property, applied for certain federal registration protections through
15 the United States Trademark and Patent Office ("USPTO") and the United States Copyright
16 Office ("USCO"), obtained independent math certifications for real money game play for over
17 450 casino gaming jurisdictions worldwide through BMM Testlabs ("BMM") and Gaming
18 Laboratories, Inc. ("GLI"), all of which are poised to disrupt the entire industry and shift
19 billions of dollars of annual revenue and profits away from the oligarchs of the industry and into
20 the coffers of Mahon, his licensees, and investors, which include Counter-Claimants and others.
21

22 5. As explained in more detail below, Mahon issued a master license agreement
23 licensing all of his intellectual property rights to Intellectual Properties Holding, LLC ("IPH")
24 in exchange for its agreement to protect enforce and maintain the intellectual property rights.
25

26 6. In addition to breaching their agreements and other related duties to Counter-
27 Claimants, Counter-Defendants and Third-Party Defendants have conspired with each other to
28

engage in a pattern of criminal racketeering activity that began with billing fraud, wire fraud and money laundering for the purposes of tax evasion to conceal the purchase of FCGI's securities and culminating in extortionate threats in violation of the Hobbs Act (18 U.S.C. §1951) against FCGI, its principals and affiliates, including the Counter-Claimants, in an attempt to wrongfully coerce Mahon and IPH into giving up his property interests in his intellectual property and otherwise destroying Mahon's business.

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

- i. *installed themselves into the positions of trust and authority as the Board of Advisors, directors, and officers, and obtained shares of FCGI in order to sabotage Mahon's business interests, and take over the business and licenses to intellectual property as their own;*
- ii. *sabotaged the commercial viability of FCGI and the other Counter-Claimants, and their ability to commercialize the licenses Mahon had bestowed for the use of his inventions and bring his inventions to the market place;*
- iii. *wrongfully interfered, circumvented and competed against Full Color Games, Inc. and the other Counter-Claimants in violation of their contracts and fiduciary duties;*
- iv. *deleted and destroyed company assets, emails and digital files that would reveal their wrongful activities;*
- v. *deliberately framed Mahon as unsuitable to run and manage FCGI to other investors and industry partners and vendors by falsely claiming he embezzled money out of FCGI;*
- vi. *engaged in a willful character assassination in an effort to destroy Mahon's ability to be found suitable for casino gaming licensing in order to render FCGI's attempted commercialization of the Full Color IP worthless, and force Mahon to sell or divest the intellectual property for fractions of pennies on the dollar;*
- vii. *engaged in a wrongful attempt to extort Mahon out of his own intellectual property and majority ownership in FCGI via a veiled threat of ongoing, tortious, and frivolous litigation and ongoing character assassination;*

- 1 viii. *disparaged Mahon to partners, vendors, suppliers and governmental*
2 *regulatory agencies in further attempts to destroy his reputation and*
3 *harm Counter-Claimants;*
- 4 ix. *made false representations concerning services and accepted payment for*
5 *services based on false pretenses.*
- 6 x. *collectively conspired to file false claims with the United States Securities*
7 *Exchange Commission asserting all of the above in order to get the*
8 *Defendants wrongfully indicted for the securities fraud.*
- 9 xi. *collectively conspired to file false claims with the USPTO in order to*
10 *interfere with Counter-Claimants' ability to protect their own intellectual*
11 *property rights.*

12 8. As more fully set forth herein, the Counter-Claimants have been directly and
13 irreparably harmed by the Counter-Defendants' and Third-Party Defendants' improper,
14 wrongful, and unlawful conduct for which the Counter-Claimants seek:

- 15 a. general and compensatory damages.
- 16 b. treble damages for all wrongful acts through which the Counter-
17 Defendants and Third-Party Defendants exploited the Counter-Claimants
18 committed acts or involved themselves in schemes that warrant treble
19 damages under any statute or law;
- 20 c. disgorgement of profits or other benefits wrongfully obtained as a result
21 of Counter-Defendants' and Third-Party Defendants' wrongful acts,
22 including usurpation of FCGI's corporate opportunities; and
- 23 d. other equitable and legal remedies, including restitution; attorney's fees;
24 compensatory and punitive damages for loss of commercial revenue to
25 the Counter-claimants and Third-Party Defendants for: (1) securities
26 fraud; (2) interference with FCGI's legitimate business rights; and (3)
27 usurpation of corporate opportunities.

28 ////

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 32. Upon information and belief, Third-Party Defendant Kent Young (“Young”) is
21 an individual who resides in Nevada and does business in Clark County, Nevada.

22 33. Upon information and belief, Third-Party Defendant Kunal Mishra (“Mishra”)
23 is an individual who resides in Nevada and does business in Clark County, Nevada.

24 34. Upon information and belief, Bragg Gaming Group, Inc. (“Bragg”) is a
25 corporation organized under the laws of the Canada and publicly traded on the Toronto stock
26 exchange, and does business in Clark County, Nevada via its several subsidiaries, including
27 Oryx Gaming International, LLC.

28

1 35. Upon information and belief, Oryx Gaming International, LLC (“Oryx”) is a
2 limited liability company organized under the laws of the State of Delaware and does business
3 in Clark County, Nevada.

4 36. Upon information and belief, AA Acquisition Group, Inc. (“AAA”), is a
5 Canadian special purpose entity, which was formed to assist in completing the transaction
6 whereby Bragg became the primary owner of Oryx. After the transaction, AAA amalgamated
7 to Bragg Oryx Holdings, Inc., and is doing business in Clark County, Nevada via Oryx.

8 37. Upon information and belief, Legacy Eight Group, Ltd. (“LEGI”) is a limited
9 Canadian company, which owns an interest in AAA or Bragg Oryx Holdings, and is doing
10 business in Nevada via Oryx.

11 38. Upon information and belief, Mateyz Majiz (“Mazij”) is an individual, an
12 European Union citizen who resides in Slovenia and is the founder and CEO of Oryx and lists
13 his headquarters of Oryx as the city of Las Vegas, Clark County, Nevada.

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

16 40. Upon information and belief, Counter-Defendant David’s Hard Work Trust
17 LTD. 3/26/2012, a California Trust established under the laws of the State of California
18 (“DHWT”), which is, or was at all relevant times, doing business in Clark County, Nevada.

19 41. Upon information and belief, Third-Party Defendant, G. Bradford Solso
20 (“Solso”) is an individual who resides in California or does business in Clark County, Nevada.

21 42. Upon information and belief, Counter-Defendant Millennium Trust Company,
22 LLC, Custodian FBO Gary Solso, IRA, a California Trust established under the laws of the
23 State of California (“Millennium Trust”), which is, or was at all relevant times, doing business
24 in Clark County, Nevada.

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

27 44. Upon information and belief, Third-Party Defendant Larry Moore (“L Moore”)
28 is an individual who resides in California or does business in Clark County, Nevada.

1 45. Upon information and belief, Counter-Defendant Moore Family Trust (“Moore
2 Trust”) a California Trust established under the laws of the State of California, which is, or was
3 at all relevant times, doing business in Clark County, Nevada.

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

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

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

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

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

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

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

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

23 54. The identities of Third-Party Defendants Does and Roe Corporations, are
24 unknown at this time and may be individuals, corporations, associations, partnerships,
25 subsidiaries, holding companies, owners, predecessor or successor entities, joint venturers,
26 parent corporations or other related business entities of Counter-Defendants or Third-Party
27 Defendants, inclusive, who were acting on behalf of or in concert with, or at the direction of
28 Defendants and may be responsible for the injurious activities of the other Counter-Defendants

1 and Third-Party Defendants. Counter-Claimants allege that each named and Doe and Roe
2 Corporation negligently, willfully, intentionally, recklessly, vicariously, or otherwise, caused,
3 directed, allowed or set in motion the injurious events set forth herein. Each named Doe and
4 Roe Corporation is legally responsible for the events and happenings stated in this Counter-
5 Claim and Third-Party Complaint, and thus proximately caused injury and damages to Counter-
6 Claimants. Counter-Claimant requests leave of the Court to amend this Counter-Claim and
7 Third-Party Complaint to name the Doe and Roe Corporation specifically when their identities
8 become known.

9 55. Counter-Claimants are informed and believes and alleges that the Third-Party
10 Defendants Bastian, Simmons, Munger, Jungels, and Horan are the agents and/or
11 representatives of Playtech, Island Luck DTG, DHL, M&A, Valcros and Multislot, and that
12 Bastian, Simmons, Munger, Jungels, and Horan, did not separate their various corporate entities
13 nor observe corporate formalities intended to differentiate among the various entities, and that at
14 all times relevant to this Counter-Claim and Third-Party Complaint each thus acted either for
15 himself or itself or in his or its capacity as agent and/or representative of the others. All
16 corporate, partnership, and individual Counter-Defendants named in this paragraph will
17 collectively be referred to as the “Bastian Casino Gaming Enterprise.”

18 56. Counter-Claimants are informed and believes and alleges that Third-Party
19 Defendants Jungels and Horan are the agents and/or representatives of Multislot, and that
20 Jungels and Horan did not separate Multislot as a corporate entity nor observe corporate
21 formalities intended to differentiate among Jungels and Horan and Multislot, and that at all
22 times relevant to this Counter-claim and Third-Party Complaint each thus acted either for
23 himself or itself or in his or its capacity as agent and/or representative of the others. All
24 corporate, partnership, and individual Third-Party Defendants named in this Paragraph, will
25 collectively be referred to as “Multislot.”

26 57. Counter-Claimants are informed and believe, and therefore allege that Third-
27 Party Defendants Young and Mishra are the agents and/or representatives of Spin, and that
28 Young and Mishra did not separate Spin as a corporate entity nor observe corporate formalities

1 intended to differentiate among Young, Mishra, and Spin, and that at all times relevant to this
2 Counter-claim and Third-Party Complaint each thus acted either for himself or itself or in his or
3 its capacity as agent and/or representative of the others. All corporate, partnership, and
4 individual Counter-Defendants named herein this paragraph will collectively be referred to as
5 the “Spin.”

6 58. Counter-Claimants are informed and believe, and therefore allege that Third-
7 Party Defendants Bragg, Oryx, AAA, LEGI and Mazij have not separated themselves or
8 observed corporate formalities intended to differentiate among themselves, and that at all times
9 relevant to this Counter-claim and Third-Party Complaint Bragg and Oryx acted in their joint
10 capacities as agents and/or representatives of each other. All corporate, partnership, and
11 individual Counter-defendants named in this paragraph will collectively be referred to as
12 “Bragg/Oryx.”

13 59. Counter-Claimants are informed and believe that Bragg/Oryx are also owned in
14 part by Bastian via other entities in the Bastian Gaming Enterprise, or other unknown entities
15 not named herein. Based on these allegations, Bragg/Oryx will be considered as part of the
16 individuals and companies identified in the Bastian Casino Gaming Enterprise.

17 60. Counter-Claimants are informed and believe, and therefore allege that Counter-
18 Defendant Munger is the agent and/or representative of Third-Party Defendant M&A and
19 Valcros, that Munger did not separate himself or observe corporate formalities intended to
20 differentiate among himself and M&A and Valcros, and that at all times relevant to this
21 Counter-claim and Third-Party Complaint Munger has acted either for himself or in their or his
22 capacity as agent and/or representative of the M&A and Valcros. All corporate, partnership,
23 and individual Counter-defendants named herein this paragraph will collectively be referred to
24 as the “Munger Group.”

25 61. Counter-Claimants are informed and believe, and therefore allege that Solso is
26 the agent and/or representative of Millennium Trust did not separate this entity nor observe
27 corporate formalities intended to differentiate among himself and the Millennium Trust, and that
28 at all times relevant to this Counter-Claim and Third-Party Complaint, each thus acted either for

1 himself or itself or in his or its capacity as agent and/or representative of the others. All
2 corporate, trust, partnership, and individual Counter-defendants named herein this paragraph
3 will collectively be referred to as the “Solso Group.”

4 62. Counter-Claimants are informed and believe, and therefore allege that Third-
5 Party Defendants L. Moore and T. Moore are the agent and/or representatives of the Moore
6 Trust that L. Moore and T. Moore did not separate themselves from their various corporate
7 entities and or trusts nor observe corporate formalities intended to differentiate between BLM,
8 L. Moore, T. Moore and the Moore Trust, and that at all times relevant to this Counter-Claim
9 and Third-Party Complaint each acted either for themselves or itself or in their or its capacity as
10 agent and/or representative of the others. All corporate, trusts, partnership, and individual
11 Counter-defendants named herein this paragraph will collectively be referred to as the “Moore
12 Group.”

13 63. The Counter-claimants are informed and believe, and therefore allege that
14 Third-Party Defendant Newman is the agent and/or representatives of Newman Law and CBL,
15 and that Newman failed to observe the corporate formalities intended to differentiate among the
16 various Newman entities, and that at all times relevant to this Counter-Claim and Third-Party
17 Complaint, each acted either for himself or itself or in his or its capacity as agent and/or
18 representative of the others. All corporate, trusts, partnership, and individual Counter-
19 defendants named herein this paragraph will collectively be referred to as the “Newman
20 Group.”

21 **FACTS COMMON TO ALL RACKETEERING & GENERAL CLAIMS**

22
23 **I. COUNTER-DEFENDANTS’ & THIRD PARTY DEFENDANTS’ MOTIVE**
24 **TO JOIN & ENGAGE IN RACKETEERING ENTERPRISE**

25 64. The casino gaming industry a highly regulated and privileged industry.
26 Whether a person is performing as an affiliate marketer, game developer, equipment
27 manufacturer, or an actual operator, all are required to obtain and maintain a license and or
28

1 independent certifications in the regulated jurisdictions where they operate by being found
2 “suitable” to transact business in the real money casino gaming industry.

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

8 66. Barring the licensing requirements, theoretically, anyone can make,
9 manufacture, publish, distribute and or sell a traditional deck of playing cards or make a
10 traditional casino games such as poker, blackjack, or baccarat using a standard deck of playing
11 cards or dice. Further, anyone can make a mechanical device such as a slot machine, a roulette
12 wheel, or ball blowing machine for a number matching game because all of these globally
13 popular casino games are all in public domain with no intellectual property protection.

14 67. As a result, there are generally very little if any protectable intellectual property
15 rights that might yield royalties or require licenses or permission in the casino gaming industry.
16 Arguably, the only thing that really changes in the casino gaming industry is the technology that
17 facilitates and delivers each game, but even that does not change the game, only the execution
18 or the experience of the game.

19 68. As such, an invention of an entirely new proprietary gaming format, much
20 more, any new mathematical formula that could create a new class of gaming, would disrupt the
21 entire gaming industry on a global scale similar to what Google did with information, Paypal
22 did with banking, Facebook did with media, Uber did with transportation, and AirBnb did with
23 housing.

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

27 70. What is most unique about Mahon’s invention in the FCGS is that it is not just a
28 new format that Mahon created, it is a new mathematical paradigm that creates the world’s first

1 alternative to every existing popular gaming format in existence. Among other things, Mahon's
2 new deck of Full Color® Cards adds a "5th suit" or color to a traditional deck of cards, creating
3 a negative suit value --- a new mathematical paradigm.

4 71. As a result of Mahon's inventions and mathematical evolution, the FCGS
5 consists of unique and proprietary intellectual property rights that consist of intellectual
6 property rights that may be protected via copyright, trademark, and patent. This intellectual
7 property, whether legally protected by copyright, trademark, and patent or not, including all
8 related intellectual property are collectively known as the Full Color® Games Intellectual
9 Property ("Full Color-IP").

10 72. All Full Color IP is fully owned by Mahon, its sole author, inventor and owner.

11 73. On September 23, 2010, Mahon formed IPH as a single member limited liability
12 company that he wholly owned. Mahon issued a master license of all of his ownership rights
13 and interests to the Full Color IP to IPH to act as his sole global licensor of the Full Color IP.

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

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

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

24 77. On April 27, 2014, Mahon invented 21 or Nothing® and Full Color® Baccarat.

25 78. On September 29, 2014, BMM certified 21 or Nothing® for real money casino
26 game play on the first submission without any modifications, changes or alterations to Mahon's
27 original invention and design.

28

79. On September 30, 2014, FCGI exhibited 21 or Nothing® and Full Color® Baccarat at the Global Gaming Expo (“G2E”) in Las Vegas, Nevada to over 25,000 attendees from over 110 countries, 54 states and US territories and handed out 25,000 decks of Full Color® Cards. Based on this success, Mahon received requests from many land-based casinos that they would take the games as soon as they were ready.

80. On January 22, 2015, BMM certified Full Color® Baccarat for real money casino game play on the first submission without any modifications, changes or alterations to Mahon's original inventions and design. It was further double certified by GLI.

81. On February 3, 2015, Mahon and Howard, the President of FCGI, demonstrated at ICE Totally London 2015, to attendees from over 150 countries at the world's largest online casino gaming convention. At ICE, the world's largest online distributor, Microgaming Systems ("MGS"), and the world's largest online casino, Bet365 (and many others) each confirmed they would take Mahon's invented games as soon as they were ready.

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

83. On October 1, 2015, Munger introduced Mahon to Bastian.

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

84. Counter-Claimants are informed and believe, and therefore allege that Munger, the purported primary derivative plaintiff in this action and primary Counter-Defendant, in addition to the other tortious conduct alleged herein, engaged in a 7 ½ year-long scheme of racketeering predicate acts against FCGI and the other Counter-Claimants in violation of 18 U.S.C. §1961 et seq. including misrepresenting his knowledge and status as a potential investor in order to obtain an interest in and trust of FCGI, Mahon, and the other Counter-Claimants, sabotaging and interfering with FCGI's business interests, aiding and abetting others to engage in mail and wire fraud, and money laundering through FCGI and its affiliated entities, setting up

1 a false narrative about Mahon's business practices and failures, and spreading that narrative to
2 FCGI investors to poison them against Mahon, culminating extortionate threats against Mahon
3 to wrest him of his intellectual and corporate property rights, and FCGI's ability to continue
4 business.

5 85. Munger's scheme and pattern took place in more than two states and four
6 different countries, and ultimately caused the loss of millions of dollars' worth of FCGI's
7 investments into the licensing and commercialization of Mahon's Full Color IP.

8 86. On July 8, 2011, Munger was introduced to Mahon through a mutual
9 acquaintance claiming to be an investor with money to invest.

10 87. On July 19, 2011, Munger first entered into a "Relationship" with Counter-
11 Claimants or their predecessors in interest by way of a Non-Disclosure, Non-Circumvent, Non-
12 Compete & Confidentiality Agreement Munger executed ("NDACA") with the FCGI's
13 predecessor affiliate, ultimate beneficial owner and majority in interest shareholder of the
14 Company for the benefit of the Full Color® Games Intellectual Property ("Full Color-IP") all of
15 which continues to be in full force and effect.

16 88. On July 19, 2011, after executing the NDACA, Munger received confidentially
17 disclosed information concerning all of the Full Color IP, including but not limited to trade
18 secrets, formulas, company business plans, and know how in a comprehensive email sent
19 directly from Mahon's casino gaming and intellectual property law firm of Howard & Howard,
20 PLLC ("H2").

21 89. The confidential disclosures Munger received included a complete list of all
22 Full Color® Games copyright, trademark and patent applications that were filed, to be filed,
23 pending, or fully issued, including but not limited to Mahon's "Full Color" trademark that is not
24

1 only the name, branding, image and likeness of all of the Full Color IP and the FCGS, but the
2 namesake of the corporations Mahon founded.

3 90. The NDACA expressly provided that Munger and any company, affiliates,
4 agents, and representatives would not:

5 directly or indirectly circumvent or create, work for or engaged in any
6 work for hire, consulting or employment in any businesses or with any
7 companies that competes, markets, sells, distributes, publishes or licenses
8 games that are similar or in any way shape or form in likeness to any of
9 the casino or non-casino style games or intellectual property owned,
10 controlled, licensed, developed, published, distributed or licensed to or
11 from FCG or any of its affiliates, partners, contractors, distributors,
12 publishers, employees, agents, attorneys, clients, customers, licensees or
13 licensors or communicate, transact business or interfere with any of its
14 business relationships as related to any and all of its enterprises and its
confidential information related to the FCG's licenses or copyrights,
trademarks, patents pending or any of its derivatives, its software code,
statistics or methodologies that it owns or controls or has rights to during
the term of this agreement whereas such would be deemed a material
breach of this agreement.

15 91. Between July of 2011 and July 2012, Munger utilized the NDACA and
16 promises of funding Mahon's inventions in the Full Color IP to continue to gain confidential
17 information, business plans, relationships, trade secrets and the trust of Mahon. Over time,
18 Munger also received all of Mahon's and FCGI's trade secrets, including mathematical
19 formulas and even had access to the software FCGI obtained via several vendors including, but
20 not limited to Spin and Bragg/Oryx.
21

22 92. On July 2, 2012, a year later, Munger deposited \$10,000 into the FCGI bank
23 account, without any written contract or understanding establishing a financial relationship with
24 Mahon and FCGI. Munger informed Mahon that the \$10,000 was a "gift" to Mahon, as a first
25 step to obtain his trust and good will. There were no demands upon the use of the money or
26 obligations to repay. It was highly unusual. Mahon sought to tie the \$10,000 to a financial
27 instrument and emailed Munger a Promissory Note. Munger ignored the note and stating he
28

1 “did not care if he ever saw the money again,” and that “he just thought Mahon’s inventions
2 were genius and claimed he just wanted to see it succeed.” This was the modus operandi
3 Munger employed over and over to gain Mahon’s trust and infiltrate Mahon’s business
4 endeavors.

5 93. Not more than a week after the \$10,000 deposit was made, Munger introduced
6 Mahon to his business partner, Jeremiah Rutherford who, after seeing a full demonstration of
7 the Full Color IP and FCGS, expressed interest in investing into Mahon’s first commercial
8 venture with the Full Color IP in the release of Full Color® Solitaire suggesting that he and
9 Munger could make an equal and joint investment of \$100,000.

10 94. As a result of that offer, Munger sought to convert the \$10,000 “gift” as capital
11 contribution towards that investment.

12 95. At their request, Mahon caused an Assignment of Net Profits Interest
13 Agreement (the “ANPI Agreement”), which set forth their investment into FCGI’s Full Color IP
14 license, including terms, conditions and limitations, and the timeline for each tranche of Munger
15 and Rutherford’s investment.

16 96. Mahon arranged for his counsel to email the proposed ANPI to both Munger
17 and Rutherford, and Rutherford wrote a \$20,000 check to Mahon the very next day.

18 97. Munger never signed the ANPI Agreement, but kept promising he would pay
19 the agreed upon \$100,000.00 to FCGI between himself and his alleged business partner.

20 98. Ultimately, Munger only provided \$37,500 of the total of the promised
21 \$100,000, and never signed the ANPI Agreement.

22 99. Similarly, Rutherford never signed the ANPI or completed the \$50,000
23 investment, making his last investment on February 6, 2013, over six months late and totaling
24 only \$42,500 of the promised \$50,000.

25 100. After Mahon invented 21 or Nothing® and Full Color® Baccarat in April of
26 2014, Munger became a non-stop fixture in Mahon’s life trying to learn everything about
27 Mahon’s work, the FCGS, and the secrets, formulas, and methodologies applying to the FFGS
28 games. Knowing that Mahon needed new capital to produce his product and launch it, Munger

1 made promises that he could raise additional money from other investors and claimed to have a
2 deep network of high net worth individuals through his “Gold membership” at the Foundation
3 Room in Las Vegas. Munger failed at every attempt until Munger recruited his sister, T. Moore
4 and her husband L. Moore, who invested \$50,000 in cash into a convertible note through their
5 construction company, BLM, during the first week of October, 2014.

6 101. On October 26, 2014 after the funds were received, Munger begged for and
7 ultimately received 171,041 shares of FCGI common stock issued in his name through a stock
8 vesting agreement in exchange for his agreement to work as an “acting CIO/CTO” of FCGI and
9 to serve as a fiduciary and member of FCGI’S Board of Advisors (the “BOA Shares”).

10 102. Prior to Munger receiving any shares, on or about April 15, 2014, Mahon
11 requested in a text message that Munger affirm that he was an accredited investor under the
12 United States securities laws, and Munger affirmed in a responsive text that he was an
13 accredited investor.

14 103. FCGI and Mahon only agreed to distribute any shares to Munger based on his
15 representations, both in the written documents and verbally and in other writings, that Munger
16 was in fact an accredited investor.

17 104. On August 1, 2015, FCGI formally updated its corporate mandate and adopted
18 its Amended & Restated Bylaws dated August 1, 2015. In so doing FCGI unified all of its
19 varied investments, contracts, net profit participation agreements, common stock issuances,
20 convertible notes and stock vesting plans including the \$37,500 of cash that Munger had given
21 FCGI between 2012 and 2013, despite Munger’s failure to complete his full investment in the
22 ANPI. Both Mahon and FCGI acted in good faith and upon reliance of the same from Munger,
23 converted the prior \$37,500 payments from the failed ANPI Agreement into FCGI common
24 shares.

25 105. On August 1, 2015, as a result of the Amended & Restated Bylaws, Munger and
26 FCGI entered into a Mutual Termination and Exchange Agreement of the original grant of the
27 171,041 common stock shares and converted the \$37,500 of cash from Munger into an
28

1 additional 50,125 shares of common stock for a single share Certificate CS-08 for 221,166 that
2 FCGI issued in Munger's name.

3 106. Thereafter, Munger signed a Termination and Exchange Agreement,
4 a new 2015 Stock Incentive Plan ("SIP"), Share Repurchase Agreement ("SRA"), and a Share
5 Issuance Agreement ("SIA"). As part of these new agreements, Munger again certified in
6 writing that he was an accredited investor.

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

11 108. Munger immediately changed his mark@fullcolorgames.com email address
12 footers to include his new title as an Officer of FCGI in addition to his previous and ongoing
13 roll as member of the Board of Advisors of FCGI.

14 109. FCGI is informed and believes that Munger's representations about his status as
15 an accredited investor were false.

16 110. Moreover, Munger now asserts that he did not agree to serve as the CTO in
17 exchange for shares of FCGI. Munger further asserts that the Board of Advisors had no purpose
18 and he had no duties or role as a member of the Board of Advisors. Munger's current position
19 demonstrates that he obtained his ownership interest in FCGI by fraud.

20 **III. FCGI RAISES ADDITIONAL ACCREDITED INVESTOR FUNDS VIA**
21 **CONVERTIBLE NOTE NOT LEGALLY CONVERTED**

22 111. By early 2013, a few additional investors had expressed an interest in FCGI.

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

26 113. In April of 2014, after Mahon invented 21 or Nothing® and Full
27 Color® Baccarat the investor interest in FCGI increased.
28

1 114. In or about May, 2014, as a result of the new investor interest and need to
2 continuously, Howard, the President of FCGI and an accredited investor with his own money
3 invested into FCGI, pushed for the initial convertible note to be re-structured to place all
4 investors, other than a few early investors, which included Munger, into one uniform
5 convertible note (hereinafter, the “C-Note”).

6 115. The C-Note was secured by a security agreement executed by FCGI and each
7 accredited investor. This security agreement identified the collateral as “all right, title, interest,
8 claims and demands of the Company to: that certain License Agreement by and between the
9 Company and Intellectual Properties Holdings, LLC dated April 18, 2012.”

10 116. The C-Note and related security agreement fully disclosed and identified FCGI's
11 assets as the limited license from IPH that granted FCGI permission to utilize the Full Color IP.
12 FCGI never held an ownership interest in the Full Color IP itself which was always held by
13 Mahon.

14 117. The C-Note was later amended to allow for additional investment up to \$2
15 million.

16 118. The C-Note would trigger, which would either require FCGI to pay off the C-
17 Note or convert the C-Note holders interest to shareholders, if a corporate event occurred. Such
18 a corporate event included, among other things, any transaction whereby FCGI transferred all or
19 substantially all of its assets, including the assets secured by the C-Note, namely, the Limited
20 License issued from IPH.

21 119. Counter-Defendants Millennium Trust, Moore Trust, DHWT, and Castaldo
22 were all C-Note holders. Third-Party Defendant Marcus was also a C-Note Holder.

23 120. On or about March 1, 2015, upon information and belief, Munger secretly began
24 to work for a casino gaming entity named Whitesand Gaming LLC (“Whitesand”).

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

27 122. Upon information and belief, Munger began to work for the GBB in Nassau,
28 Bahamas as part of his work for Whitesand.

1 123. Upon information and belief, as part of his employment with Whitesand and the
2 GBB, Munger participated in the regulation of well over 100 GBB individual and corporate
3 casino gaming licensees and applicants, including Third-Party Defendants Bastian, Playtech,
4 Island Luck, ILG, Multislot, and Spin.

5 124. On information and belief, between March and October 2015, unbeknownst to
6 FCGI, Munger, began a working/employment relationship with the Bastian Casino Gaming
7 Enterprise in violation of the NDACA, while at the same time continuing to work for Whitesand
8 and the GBB (which violated GBB's internal conflicts of interests policies). During this same
9 time, Munger continued to work for FCGI.

10 125. On information and belief, Munger began scheming for ways to increase his
11 control over FCGI through his undisclosed relationship with the Bastian Casino Gaming
12 Enterprise.

13 126. Munger went even further and began to fraternize with Mahon's lawyer,
14 Newman and Newman Law whereby they both secretly started a new business called Gambling
15 with the Stars, which included building a virtual and real money live dealer casino gaming
16 studio in Las Vegas that would directly compete with FCGI had it been functional, another
17 violation of the NDACA.

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

19
20 127. On October 1, 2015, Munger introduced Bastian to FCGI in an attempt to get
21 Bastian to invest money into FCGI and increase Munger's interest and control over FCGI.

22 128. After Mahon's demonstration of the Full Color IP in FCGI's casino gaming
23 show room, Bastian immediately informed everyone present that he was interested in investing
24 in FCGI.

25 129. On or about October 7, 2015, Munger informed Mahon and others that Bastian
26 wished to invest up to \$1 million into FCGI, and Bastian signed a Mutual Non-Disclosure,
27 Confidentiality, Non-Circumvent & Non-Interference Agreement with FCGI.
28

1 130. Thereafter, on or about October 16, 2015, Bastian formally agreed to invest \$1
2 million in cash into FCGI through his Cayman Island entity, DTG, and further agreed to launch
3 21 or Nothing® through his 62 IslandLuck.com casinos in the Bahamas, and thereafter signed a
4 formal term sheet agreeing to accept 7.65% of FCGI for the \$1 million investment.

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

9 132. After Mahon presented the FCGS represented by the Full Color IP to Multislot,
10 Bastian announced that he was investing in FCGI, was going to launch the FCGS on
11 IslandLuck.com, roll the games out with a live table event in his main casino web shop, market
12 it across all 62 of his casino shops, and then to the rest of the world, and that he wanted
13 Multislot to build the game on their servers so it can be delivered to the Bastian Group Gaming
14 Enterprise through his IslandLuck.com casinos and ultimately across all 62 of his casino shops.

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

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

1 135. Bastian suggested to Mahon that the Isle of Man would be the best online casino
2 gaming jurisdiction and country for FCGI's operations because it had no corporate taxes and he
3 could easily move his money between the two countries. Mahon was not fundamentally
4 opposed to the idea of basing FCGI in Isle of Man, which housed some of the largest casino
5 gaming distributors and operators, and FCGI agreed research the possibility of formally moving
6 FCGI to Isle of Man as a natural evolution of business for online casino gaming.

7 136. After returning to the Bahamas, Bastian informed Mahon and Munger that he
8 would have Multislot build 21 or Nothing® in Flash at no direct cost to FCGI and deliver it
9 direct to the Bastian Casino Gaming Enterprise's casinos as part of the investment deal for
10 guaranteed release, as further incentive to move to Isle of Man.

11 137. Ultimately, Bastian agreed to invest \$1 million into a Isle of Man entity in cash,
12 another \$1 million in kind, and agreed to guarantee release of 21 or Nothing® as built by
13 Multislot at no direct cost to FCGI in all the Bastian Casino Gaming Enterprise. Bastian
14 represented that he would do all of the above if FCGI agreed to move FCGI's business
15 operations to the Isle of Man.

16 138. Thereafter, Mahon travelled straight from the Bahamas to London to meet with
17 DLA Piper and Credit Suisse, and then to Isle of Man to meet with KPMG and Equiom in Isle
18 of Man to complete formal exploratory meetings about moving FCGI to the Isle of Man. While
19 there, FCGI's Chief Financial Officer ("CFO"), Linham assisted in setting up the meetings to
20 further explore the move to Isle of Man.

21 139. In order to facilitate the contemplated transfer to Isle of Man, two new entities,
22 Full Color Games, Ltd. ("FCGLTD") and an entity owned by Mahon, Intellectual Properties
23 Holding, Ltd. ("IPHLTD"), would be established in Isle of Man. IPH would issue a license to
24 IPHLTD, and IPHLTD would issue a new "Commercial License Agreement" ("CLA") to
25 FCGLTD. FCGI would release its limited license in exchange being issued 100% of the interest
26 initially in FCGLTD, and Bastian would invest directly in FCGLTD in exchange for shares
27 purchased from FCGI. As required by Isle of Man law, a Registered Agent in the Isle of Man
28 would act as the escrow agent to facilitate the new corporation formations, contractual releases,

1 IP transfers and share issuances to effectuate all the terms and conditions of the transaction as
2 set forth in the escrow instructions.

3 140. During a meeting where Bastian and Mahon were discussing the terms of the
4 new transaction on December 8, 2015, Bastian advised Mahon of the 12% Bahamian
5 Investment Tax (“BIT”) that he would incur for sending money out of the Bahamas for an
6 investment and further stated that because of the tax, FCG LTD would only receive \$880,000
7 instead of \$1 million.

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

13 142. Mahon, who had only met Bastian on two other occasions before this meeting,
14 and was meeting Simmons for the first time, could not believe they suggested engaging in
15 billing fraud, wire fraud and money laundering to conceal the purchase of FCGI’s securities in
16 FCGLTD for the purposes of avoiding the BIT.

17 143. Simmons corroborated that the fraudulent billing scheme would work with no
18 problem stating, “that’s how we do it all the time here in the Bahamas or we’d never be able to
19 get any money off the island.” Mahon was dumbfounded and completely shocked that a
20 licensed casino gaming operator would so brazenly admit to money laundering.

21 144. Mahon declined the offer noting that the proposal would be illegal and could
22 jeopardize his licensing suitability. Bastian and Simmons withdrew the suggested BIT tax
23 evasion scheme and never discussed it again leading Mahon to believe it was an “integrity test,”
24 that he had passed to warrant Bastian’s \$1 million investment.

25 145. Immediately thereafter, Bastian agreed to increase his investment by investing
26 \$1 million in cash into FCGLTD, and also affirmed the that he would invest an additional \$1
27 million of cash-in-kind to guarantee the marketing, promotion, licensing, live dealer studio
28 space, and other expenses related to bringing the Full Color IP to the market. In exchange,

1 Mahon agreed, among other concessions, to grant a larger ownership interest to Bastian in
2 FCGLTD raising the interest from 7.65% to 15%.

3 146. In December, Mahon had agreed to retain the global firm of Equiom, the most
4 reputable Registered Agent in Isle of Man to handle the escrow and corporation transfers. Based
5 on this decision, Equiom had already reserved and secured the names of FCGLTD and IPHLTD
6 with the Isle of Man.

7 147. On January 21, 2016, Linham suddenly abandoned Equiom and commissioned a
8 completely unknown startup operation and Registered Agent named Corporate Options Ltd. and
9 another entity owned by Lee Murphy ("Murphy") and his partner Paul Chase ("Chase"), called
10 Chase Nominees Ltd. ("Chase Nominees") both of based in Isle of Man to file and form
11 FCGLTD and IPHLTD, and appoint Murphy as an independent director.

12 148. Mahon had never met Murphy, knew nothing of him, Chase, Corporate Options
13 nor Chase Nominees. Mahon wanted to use Equiom, but Linham insisted on using Murphy,
14 Chase, Corporate Options and Chase Nominees (falsely) stating the costs were significantly less
15 than global conglomerate of Equiom. Linham's suggestion was the beginning of his own efforts
16 to manipulate and control FCGI which was, on information and belief, in collusion with
17 Munger, Bastian, and others.

18 149. Linham, Murphy, Chase, Corporate Options and Chase Nominees somehow,
19 transferred the FCGLTD and IPHLTD names out of Equiom's control and carried out the
20 formations without any written authorization to do so from Mahon.

21 150. Linham informed Mahon that the purpose of Corporate Options was to provide
22 a local a Registered Agent for the proposed Isle of Man companies, as required by the Isle of
23 Man Companies Act of 2006 (the "2006 Act").

24 151. Linham further informed Mahon that the purpose of Chase Nominees was to
25 provide a local Director as required by the 2006 Act.

26 152. In addition to FCGLTD and IPHLTD, on or about January 21, 2016, Linham
27 directed Corporate Options and Chase Nominees to form Bastian's new entity, Davinci
28 Holdings Ltd under the 2006 Act (previously referred to as "DHL") that Bastian would

1 purportedly use to make his \$1 million dollar cash investment to purchase the 15% interest in
2 FCT LTD from FCGI.

3 153. On or about January 21, 2016, Linham directed Corporate Options and Chase
4 Nominees to form another new Bastian entity, ILG Software Ltd under the 2006 Act (“ILG”),
5 which was organized to move Bastian’s Bahamian remote gaming software, including the
6 banking and revenue streams, off shore from the Bahamas allowing FCGLTD to integrate into
7 the server and distribute the Full Color IP in the Bahamas and Jamaica.

8 154. Upon formation of FCGLTD and IPHLTD, all companies’ initial sole director
9 was Murphy and Chase Nominees was the sole subscriber for both FCGLTD and IPHLTD.
10 Murphy, Chase, Corporate Options and Chase Nominees prepared board resolutions for Linham
11 to be appointed as the CFO and Director, Mahon to be appointed as the CEO and Director,
12 Newman to be appointed as the CLO and Director, and Munger to be appointed as the CTO of
13 FCGLTD.

14 155. Upon formation of DHL and ILG, both companies’ initial sole director was
15 Murphy, and Chase Nominees was the sole subscriber for both DHL and ILG.

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

21 157. Between January 21 and February 2, 2016, Mahon drafted Amended & Restated
22 Memorandum of Articles for IPHLTD and directed Murphy, Chase, Corporate Options and
23 Chase Nominees to file it with the Isle of Man Companies Registry to ensure that IPH owned
24 100% of the shares of IPHLTD.

25 158. On February 2, 2016, the first formal FCGLTD Board of Directors meeting was
26 held and dealt with the corporate structuring where it was resolved, among other things, to
27 appoint Newman, Mahon, Linham, and Murphy as the bank signatories and directors of
28 FCGLTD.

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

8 160. Between February and March, 2016, Howard obtained approval from every
9 FCGI C-Note holder he spoke to concerning Amendment No. 2 to the C-Note (which approved
10 the transaction allowing FCGI to transfer its assets to Isle of Man). Howard ultimately was able
11 to reach 89.49% of all C-Note holders. No one contacted rejected the proposal.

12 161. Bastian lead everyone to believe that he will follow through with his promises,
13 his investments and the launch of the Full Color IP.

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

20 163. On May 31, 2016, Bastian signed the documents between FCGLTD and DHL
21 for the overall \$2 million investment.

22 164. To legally effectuate all of the terms and conditions of Amendment No. 2 and
23 voluntary trigger the C-Note, an actual legal transfer the shares of FCGLTD to FCGI had to be
24 fully effectuated.

25 165. On April 11, 2016, Murphy, Chase, Corporate Options and Chase Nominees
26 were directed to file Amended Articles with the Isle of Man Companies Registry that would
27 formally divide the shares and allow FCGLTD to issue that FCGI 100% of the divided shares of
28 FCGLTD that formed the basis for FCGI releasing the limited license and IPHLTD issuing the

1 CLA to FCGLTD as agreed to in the Amendment No. 2 of the C-Note. This division of and
2 issuance of shares to FCGI would, in turn, allow FCGI to issue shares to DHL (Bastian's
3 company) and IPHLTD to complete the transaction.

4 166. A review of public record of the Isle of Man Companies Registry confirms,
5 however, that the only Amended & Restated Articles ever filed by Murphy, Chase, Corporate
6 Options and Chase Nominees was on February 24, 2016. The proposed April 11, 2016
7 Amended Memorandum & Articles of Association was never filed as it affirms that only "One
8 Ordinary Share" had ever been issued and taken by Chase Nominees.

9 167. Therefore, neither FCGI, IPHLTD, nor anyone else other than Chase Nominees
10 ever owned any shares of FCGLTD because they were never authorized or issued.

11 168. Because the transaction whereby FCGI's license and business would be
12 transferred to Isle of Man was never completed, the C-Note never legally converted into the
13 issuance of any FCGI shares to Plaintiffs DHWT, the Millenium Trust, the Moore Trust, and
14 Castaldo, and Third-Party Defendant/Counter-Defendant Marcus ("C-Note Parties"). As such,
15 the C-Note Parties were never shareholders of FCGI.

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

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

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

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

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

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

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

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

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

27 177. Within only a few minutes thereafter, Linham sent an email to Simmons
28 enclosing an invoice on FCGLTD letterhead with the exact same equipment list, product

1 descriptions, specifications, and prices as Munger had earlier provided Simmons. The email
2 from Linham to Munger stated: "Following our earlier conversation, please find attached your
3 invoice from Full Color Games Ltd. in respect to the Online Casino Gaming Equipment. The
4 remittance details are shown on the invoice." Simmons affirmed receipt of the invoice.

5 178. FCGLTD does not make, distribute, or sell any online gaming equipment of any
6 sort or any kind making the invoice from FCGLTD and a demand to pay it a fraud, and nothing
7 more than a vehicle to engage in billing fraud, wire fraud, money laundering and tax evasion.

8 179. On June 9, 2016, when the expected \$1 million transfer still has not occurred,
9 Mahon called Linham and learned for the first time of the invoice for computer equipment
10 Linham created to receive only a transfer of \$444,010.00.

11 180. Upon learning of a potential fraudulent invoice, Mahon immediately informed
12 Linham that issuing such an invoice for the transfer was fraudulent, such an act could disqualify
13 FCGLTD for any casino gaming licensing, and that Linham would be terminated if the
14 transaction was completed using the invoice Linham created.

15 181. On June 9, 2016, at 6:57pm, after the call with Mahon, Linham made several
16 attempts to contact Simmons via Skype where he informs Simmons that FCGLTD's "audit
17 standards" will not allow them to complete the transfer of funds via the invoice previously sent
18 and insisted on completing the transfer in a way that would "stand up to regulatory scrutiny."
19 Linham has since admitted that he and Munger constructed the invoice and sent it to Bastian's
20 CFO in the Bahamas.

21 182. Mahon and FCGI had previously granted Bastian additional concessions and
22 ownership interest because Bastian would be responsible for the 12% BIT tax upon an
23 investment in FCGLTD. Bastian's efforts to avoid was not only a fraud on the Bahamas, but
24 also a fraud on FCGLTD and FCGI.

25 183. Upon information and belief, Bastian and Simmons conspired with Munger and
26 Linham to create the fraudulent invoice in order to assist Bastian in avoiding the BIT tax that he
27 would and should be responsible for and agreed to be responsible for and thereby place FCGI,
28 FCGLTD and their future suitability for gaming licensing in jeopardy.

1 184. On June 13, 2016, Munger, who neither Mahon nor FCGI knew was involved in
2 creating the fraudulent invoice at the time, emailed Linham from his private email address at
3 mmunger@markmunger.com notifying them that he had fixed the situation in Bahamas and that
4 Bastian will be wiring the \$500,000 out of his Wells Fargo Bank Account in Miami. Mahon
5 was not aware of the full extent of Munger's involvement with Bastian, but Munger's response
6 indicated how close he was to Bastian and his superior knowledge of the situation.

7 185. As a result of Bastian, Simmons, Linham, and Munger conspired to commit
8 money laundering through fraud by wire, each are guilty of violating 18 U.S.C §1962(d)
9 through the two predicate acts of 18 U.S.C.§1956 and §1343 in violation of 18 U.S.C. §1962(b)
10 had they succeeded.

11 186. On April 5, 2017, Linham resigned as the CFO and Director from FCGLTD
12 without any warning and without any notice to Mahon, and Mahon thereafter took over his
13 email and other accounts administrated by Google.com only to discover that Linham had
14 intentionally and permanently deleted all of the emails in his account.

15 187. Now, it is clear that Linham deleted all his emails to keep Mahon from
16 discovering how involved he and Munger were in conspiring with Bastian, Simmons, and others
17 to harm and destroy FCGLTD and FCGI's business efforts.

18 188. In Linham's false declaration submitted to this Court, Linham asserted that
19 Mahon had knowledge of Bastian's efforts to commit wire, mail, and tax fraud via a fraudulent
20 money laundering scheme. When submitting the declaration, however, Linham believed he had
21 destroyed the evidence that provided the true details showing that Linham, Munger, and others
22 utilized their failed attempt at money laundering to falsely accuse and prosecute Mahon.
23 However, Google tech support resurrected the Linham's "permanently deleted emails."

24 189. By June 21, 2016, Bastian has still failed to wire transfer the \$1 million
25 investment to FCGLTD.

26 190. On June 22, 2016, Bastian again engaged in money laundering of \$500,000 of
27 funds in a wire transfer through a false "Purpose of Funds" statement to Wells Fargo Bank,
28 N.A. for the fraudulent claim of an "Investment for Davinci Trading," a Cayman Islands

1 company that Bastian owns as the beneficiary of Full Color Games Ltd. through interstate and
2 foreign commerce.

3 191. FCGLTD has no contract for the sale of securities to “Davinci Trading,” which
4 is Davinci Trading Group, previously referred to as “DTG,” in Cayman Islands.

5 192. Upon information and belief, the true “Purpose of Funds” is tax evasion to
6 avoid application of the BIT by using his Cayman Islands entity of DTG to conceal his purchase
7 of FCGI’s ownership shares of FCGLTD’s stock and further to avoid reporting it to the
8 Bahamian Government as required by the Exchange Control Reporting if the money had come
9 out of the Bahamas.

10 193. This purchase of securities is a false statement by Bastian to induce WFB to
11 wire the funds as falsely state “Purpose of Funds” is for “Investment for Davinci Trading” with
12 the beneficiary being “Full Color Games Ltd,” which is money laundering through wire fraud
13 and further a criminal act of securities fraud.

14 194. On June 23, 2016, at 1:54am PST, Kim Quirk at Nedbank emailed Linham and
15 confirmed that FCGLTD did in fact receive the \$500,000 into its Nedbank account in ISLE OF
16 MAN, meaning DGT and Bastian obtained their interest in FCGLTD through fraud by wire
17 violating 18 U.S.C §1962(b), (c) and (d) through the two predicate acts of 18 U.S.C. §1956 and
18 §1343.

19 195. On September 20, 2016, at the Shirley Street Branch of the Bank of Bahamas
20 (“BOB”), Bastian, by signature, directed the BOB to make an “External Payment Request”
21 (“EPR”) in the form of a bank wire transfer in the amount of \$500,000 payable to Full Color
22 Games Ltd in the Isle of Man. It was stamped by BOB as received on September 22, 2015.

23 196. The EPR Bastian falsely declared to BOB that the transaction was categorized
24 as “CAT Code 2084” (Commission, Advert. Subscript, Prof Service, Misc., e.g. visas, pay
25 Bahamians abroad), all of which was indisputably false. The correct code would have been
26 “CAT Code 5010” (Share Purchase).

1 197. FCGLTD did not charge Bastian, Simmons, Playtech or Island Luck any
2 “commission,” did not buy any “advertising subscription, purchase any “professional service,”
3 or any other “miscellaneous items, e.g., visa or pay any Bahamian abroad.”

4 198. Upon information and belief, the false ECR CAT CODE declaration as stated in
5 the BOB ETR is for the purpose of tax evasion of the BIT in order to conceal DHL’s purchase
6 of FCGI’s ownership shares of FCGLTD’s stock.

7 199. This purchase of securities is a false statement by Bastian and Simmons to
8 induce BOB to wire the funds as falsely state ECR CAT CODE.

9 200. On October 3, 2016, at 8:53am PST, Linham confirmed that FCGLTD did in
10 fact receive the \$500,000 into its Nedbank account in Isle of Man validating the act of
11 racketeering of money laundering through fraud by wire violating 18 U.S.C §1962(b), (c) and
12 (d) through the two predicate acts of 18 U.S.C.§1956 and §1343.

13 **VI. MULTISLOT’S FIRST ACT OF RACKETEERING**

14
15 201. Per Bastian’s prior instructions that Multislot would complete the real money
16 version of 21 or Nothing® (“FC21”) for release through the Bastian Casino Gaming Enterprise
17 in the Bahamas with Multislot’s existing Real Gaming Server (“RGS”) that was integrated into
18 global distributors including but not limited to Every Matrix, BetConstruct and Videoslots,
19 Mahon supplied Multislot with all the game assets, rule sets, game logic, and math certifications
20 necessary to complete FC21 in 2016.

21 202. A Tier 1 online developer, distributor and or operator is considered to be one
22 that is licensed by the Gibraltar Regulatory Authority (“GRA”) where their operations are
23 required to be based in Gibraltar and their servers are located, literally, deep inside the tunnels
24 of the world famous Rock of Gibraltar where they safely feed the world with high quality
25 gaming content.

26 203. There are, according to CasinoCity.com, 4,434 online casinos in the world that
27 they track on a daily basis. In contrast to the world, there are only 33 Gibraltar Licensees and of
28 them, less than 20 of them are operators. Those 20 Licensees account for well over 80% of all

1 regulated online casino gaming revenue, and as such, doing business with a Tier 1 Licensee and
2 being sheltered under one of their licenses as a supplier is highly coveted in the industry.

3 204. From September of 2014 through November 2015, before Mahon even met
4 Bastian, he had already met with over half of the Gibraltar Licensees each of whom agreed to
5 move forward with commercials in releasing the Full Color IP as soon as it was ready.

6 205. Multislot is not licensed in Gibraltar and is not a Tier 1 developer, distributor or
7 operator. Multislot is a Tier 2/Tier 3 casino gaming developer. The company makes low
8 budget online casino games with average graphics and average functionality.

9 206. Multislot is a small company of approximately 8-10 people that is based in a
10 non-regulated jurisdiction of Costa Rica and was formed years ago to make games to supply to
11 the underground and non-regulated world, including the Bastian Casino Gaming Enterprise,
12 which started in the unregulated Bahamas, who was and is Multislot's largest customer by
13 monthly revenue.

14 207. Indeed, in a non-regulated closed market with little or no competition, like the
15 Bahamas, the Tier 1 operators did not compete because there was not sufficient volume, giving
16 a Tier 2 / Tier 3 game developer or distributor such as Multislot a marketplace to profit in.

17 208. On average, Multislot as a Tier 2/Tier 3 game developer would spend a
18 maximum of about \$50,000-\$100,000 to produce in-house generic online real money casino
19 game for desktop only and a limited set of languages and currencies whereas a Tier 1 game
20 developer and Gibraltar Licensee like Microgaming (Oakwood Ltd), previously referred to as
21 MGS, would spend well over \$1 million to produce a high quality game with world class
22 graphics and another \$1 million to license a brand that works on all computer, mobile and tablet
23 devices in all languages and in all currencies.

24 209. When the Full Color IP came onto the scene, every operator and every
25 distributor in every level of Tier 1, 2 or 3 wanted the Full Color IP content as soon as it was
26 ready. Indeed, every distributor was willing put Full Color IP content at the front of the line in
27 integrations, which are generally backed up 18-24 months.

28

1 210. When Multislot was presented with the opportunity to be involved because of
2 its relationship with Bastian, Multislot was willing to develop FC21 with no upfront fees or
3 costs because Multislot knew it could not afford to buy the Full Color IP or even pay its
4 licensing fees, but that if it were to develop the game on its RGS system first, the Tier 1
5 distributors who wanted the Full Color content would be forced to integrate Multislot's RGS
6 onto their platforms, which is something a Tier 1 distributor would not normally do for Tier 2/3
7 content, but would likely do to obtain Full Color's content.

8 211. Multislot had other limitations beyond its Tier 2/3 status. Based in Costa Rica,
9 which has limited educational institutions and economic conditions, Multislot had limited
10 ability to obtain and maintain world class talent required to build Tier 1 games on their own.

11 212. Multislot was also limited by its technology and its employees. Multislot's
12 primary language of their games is produced using "Flash" by Adobe which was first released
13 in 2000 as the internet began to truly grow by leaps and bounds. Multislot chooses Flash
14 because it is cheap, and the learning curve is low, making it easier to obtain human resources in
15 a geography that is already scarce.

16 213. However, since 2000, Flash has lost most of its appeal because it cannot be run
17 on the mobile phones and tablets dominating the world today as neither iOS (Apple iPhone) or
18 (Google) Android will run it. All universal content today is coded natively or universally using
19 WebGL and HTML5.

20 214. As a result of Multislot's own limitations, Multislot only offered to produce the
21 Full Color IP in "Flash," a dying language on desktops and a dead language on mobile and
22 tablet applications.

23 215. Multislot was just barely getting into HTML5 and mobile technology being
24 forced to convert all of their existing Flash content in order to stay relevant and provide games
25 to even the existing Tier 2/Tier 3 distributors because of the new phones and tablets that were
26 killing the desktop market.

27 216. Multislot, however, wanted to avoid the initial costs of building FC21 and other
28 Full Color IP games by building the games initially in Flash to be released with Bastian,

1 Multislot wanted its “cake and eat it too” with its work on the Full Color system. Multislot
2 wanted the content but did not want to build it at Tier 1 level, nor did they want to build it on
3 HTML 5 as a build once and deploy everywhere model. Multislot wanted to mitigate their costs
4 using skill sets they had and a rapid development time and code the Full Color IP in the
5 dying/dead Flash format.

6 217. Unbeknownst to Mahon and FCGI, Multislot was completely beholden to its
7 largest customer by volume and revenue, Bastian and was really part of the Bastian Casino
8 Gaming Enterprise. Ultimately, Multislot was at the mercy of the Bastian.

9 218. Because Bastian was investing in FCGI, Mahon and FCGI believed that this
10 would be to their advantage. It was not until much later that they came to learn that Bastian and
11 Munger had different plans to sabotage FCGI through both Multislot and later Spin, and attempt
12 to take over Mahons business and abscond with the Full Color IP.

13 219. Multislot’s low-cost choice to develop in Flash inherently conflicted with the
14 Tier 1 demand to code in HTML5 and further created conflicts of frustration between Mahon,
15 FCGI, and FCGLTD, and Multislot. Multislot wanted to just “throw the game out and release
16 it” via Bastian and Mahon demanded that it meet the quality control, user interface (“UI”) and
17 the user experience (“UX”) that the Tier 1 distributors and operators echoed for top priority
18 content. Unbeknownst to FCGI and Mahon at the time, this conflict appeared concocted and
19 planned by Bastian and Munger to FCGI’s detriment.

20 220. Beginning in February of 2016 when the Full Color IP was exhibited at the ICE
21 2017 Totally Gaming Convention in London, Multislot began to arrange for its Flash based
22 distributors and operators to introduce the Full Color IP to them.

23 221. During the same time in 2016, Mahon had also met with several online Tier 1
24 casinos and distributors out of Gibraltar that had seen the Full Color IP and wanted it as soon as
25 it was ready but they all demanded it be fully developed in HTML5 for a simultaneous release
26 on both mobile and desktop.

27 222. Multislot’s inexplicable decision to build the Full Color IP on a desktop only in
28 Flash would prevent them from going beyond Multislot’s existing Tier 2 / Tier 3 integrations

1 but worse, preventing them from being able to even get Multislot's RGS integrated into the Tier
2 1 distributors and operators.

3 223. Despite FCGI offering additional money and even meeting with Multislot and
4 other related vendors, Multislot ultimately refused to devote full resources to develop the Full
5 Color IP games on HTML5 at a Tier 1 quality level until after it had developed and distributed
6 the games via its Tier 2/3 Flash network. Specifically, Multislot confirmed it wanted to release
7 FC21 on Flash through their existing distributors and operators and through the Bastian Casino
8 Gaming Enterprise only and then, and only then, if FC21 was a success they would move
9 resources for HTML5.

10 224. Ultimately, Multislot agreed to allow FCGLTD and FCGI to find another
11 developer to code the Full Color IP in HTML5 on a platform that was integrated into existing
12 Gibraltar Licensee(s) and Multislot would only deliver their versions of the Full Color IP
13 through their existing Tier 2/Tier 3 integrations.

14 225. As a result, the Counter-Claimants, primarily through FCGNA, contracted with
15 Spin to provide the HTML5 content with the promises and assurance they were integrated into
16 Nektan and NYX in Gibraltar and could release to Bet365, WilliamHill, BetVictor, Ladrokes,
17 Gala, Coral, Rank and all the other GRA Tier 1 distributors and operators that wanted the Full
18 Color IP.

19 226. On October 17, 2016, Multislot emailed the Full Color IP assets in its
20 possession to the team at Spin in order for Spin to build the HTML5 games for the Tier 1
21 release so they would maintain the same UI/UX design and functionality across both the
22 desktop, tablet and mobile platforms.

23 227. Between August 18, 2016 and about December, 2016, FCGI and FCG LTD
24 worked with Multislot to ensure that the games being built were fully certified so that they
25 could be distributed to Tier 2/3 distributors throughout Europe and in the Bahamas, among other
26 locations and to be integrated via Multislot's RGS.

27 228. On December 19, 2016, Mahon approves and signs Multislot's distribution
28 contract to go live worldwide through the Bastian Casino Gaming Enterprise through Island

1 Luck, Videoslots, Every Matrix, Betconstruct and others. Mutlislot's response was that it would
2 sign the contract once it completes a final legal review.

3 229. The parties' intention was to have FC21 live through the above networks on
4 Multislot's RGS before the ICE Totally Gaming London casino gaming convention in the first
5 week of February, 2017.

6 230. Suddenly, and without warning, on January 31, 2017 Multislot, through its
7 principals, sent a text to Mahon stating that if FCGLTD and FCGI is not going to use
8 Multislot's product for Tier 1 distribution, then Multislot will not distribute the game as
9 promised, but deliver it directly to Bastian for Island Luck exclusively. Multislot made this last
10 minute extortionate demand despite already agreeing to the proposed contract and despite
11 having months earlier acknowledged that FCGI was going to contract with Spin for HTML5
12 Tier 1 release that they refused to complete.

13 231. On January 31, 2017, Mahon contacted Bastian and Munger concerning
14 Multislot's last minute threats that would keep the business from obtaining revenue streams.
15 Bastian stated that he would contact Multislot and would work it out.

16 232. On January 31, 2017, upon information and belief, Bastian spoke with Multislot
17 and its principals, but did not inform FCGI or Mahon about the full context of their
18 conversation.

19 233. On information and belief, Bastian did nothing to dissuade Multislot from
20 continuing to extort concessions from Mahon and FCGI by threatening to not distribute the
21 games to its Tier 2/3 distributors and thus continuing its conspiracy to gain improper influence
22 and control over FCGI and the Full Color IP

23 234. Thereafter, Multislot continued to refuse to countersign the fully executed
24 contract and further, refused to distribute the game asserting that it had done everything it was
25 supposed to do and even misrepresenting that it had completed a commercially releasable Tier 1
26 build of FC21 on HTML5, which it had never done.

27 235. Multislot refused and failed to distribute FC21 live anywhere.
28

1 236. Even though Multislot ceased and desisted all work on the Full Color IP of 21
2 or Nothing®, Bastian, Munger, and the Bastian Casino Gaming Enterprises continued to work
3 with Multislot, putting their separate relationship with Multislot ahead of Mahon and FCGI.

4 237. Further, Multislot did deliver FC21 to Island Luck and the other outlets in the
5 Bastian Casino Gaming Enterprise, which was 100% fully certified and ready for release.
6 However, Bastian refused and/or failed to release FC21 in his own network despite it having
7 been delivered for his use by Multislot, as Bastian had agreed to do under the terms of his
8 investment. Bastian had the ability to instantly release FC21 on his 62 casinos, yet failed and/or
9 refused to do so. Bastian's failure to release FC21, at least in the Bastian Casino Gaming
10 Enterprises in the Bahamas and other locations was a direct breach of his agreement causing
11 harm to Counter-Defendants by blocking a legitimate source of revenue.

12 238. Because Multislot blocked the release of FC21, which was slated to go live at
13 ICE Totally Gaming 2017 in London, UK to over 30,000 attendees from 150 different countries,
14 FCGI and FCG LTD, who had invested over \$100,000 in the booth, shipping all of the product
15 to the UK from Las Vegas, hiring dealers, booth staff, marketing, promotion and release
16 material experienced both reputational and existential damage to the Full Color® Games brand
17 and was blocked from obtaining needed revenue streams.

18 239. Further, Bastian failed to exert any influence or pressure on Mutlislot to release
19 the FC21 through Videoslots.com and other outlines. The fact that Bastian did not exert his
20 influence on Multislot to release FC21 through Videoslots.com made absolutely no sense. It
21 was Bastian's money that had been wasted on the ICE 2017 convention. Bastian knew that if
22 FC21 was not released the company was likely to run out of money and his investment would
23 be lost.

24 240. Upon information and belief, the Bastian Casino Gaming Enterprise, endorsed
25 Multislot's actions as a way to keep FCGI from revenue and force FCGI to submit to whatever
26 Bastian, Munger and the Bastian Casino Gaming Enterprise demanded, including obtaining
27 complete control over the Full Color IP by extorting it from Mahon.

28

VII. SPIN'S FIRST ACT OF RACKETEERING

241. On May 31, 2016, after the formal signing with Bastian and the confirmation of the \$2 million investment, the Counter-Claimants believed that they were finally in a position to truly obtain some quantifiable financial and relational control over their own destiny and obtain control of their own branded Full Color RGS to deliver their own Live Dealer and RNG product through a certified RGS that they could fully control.

242. As detailed above, after Multislot refused to complete HTML5 coding for Tier 1 Operators release until after releasing the games on the Flash Tier 2/3 network, Mahon and FCGI sought other development partners that had a Tier 1 RGS that was integrated into Tier 1 Operators in Gibraltar.

243. At that time, Mahon learned that previously, on April 25, 2016, FCGI and Spin signed a Non-Disclosure, Non-Circumvent, Non-Compete & Confidentiality Agreement (“NDA”) with Howard as the signatory for FCGI. This relationship had been developed unbeknownst to Mahon, but could now be utilized to develop Full Color games on HTML5

244. On June 13, 2016, in a meeting between Spin’s CEO Young and Mahon in Las Vegas, Nevada and in follow up emails, Young represented to Mahon and FCGI that they had the HTML5 Tier 1 solution for the Full Color IP. Specifically, Young represented that Spin was integrated into NYX and Nektan, both GRA Licensees, among others. Further, Young assured Mahon that SPIN would license them a copy of their RGS, called the ROC, which could be integrated into a master RGS. Therefore, in addition to running Full Color IP directly through their existing distribution and operator platforms, Full Color could develop its own RGS to deliver games.

245. In late June, 2016, Munger and Mahon met with a new company named Virtuasoft to discuss obtaining licensing of its global Live Dealer and RNG Content Delivery Network Platform (“CDN”) through Virtuasoft’s proprietary RGS and wallet system called “Kingfisher.” Virtuasoft offered to grant a license to Kingfisher with absolutely no upfront costs whatsoever for it except for a backend revenue share agreement upon release of the Full

1 Color IP. Based on this offer, FCGI planned to create a master stand-alone solution to deliver
2 both Live Dealer and RNG games to the world.

3 246. More importantly, the Kingfisher CDN, relationship and license would allow
4 FCGI and its affiliates to obtain their own copy of the Kingfisher platform, rebrand it as the Full
5 Color RGS and allow them to take other 3rd Party content and deliver other product through
6 their own RGS as a way to obtain additional revenue.

7 247. From the day Mahon met Bastian, Bastian wanted a Live Dealer solution to
8 deliver through his own software platform in the Bahamas that he called RSL (that Bastian later
9 converted and turned into ILG).

10 248. Once web shops were legalized in Bahamas, Bastian and the Bastian Casino
11 Gaming Enterprise were prevented from delivering a Live Dealer solution because of new laws
12 and regulations that required Live Dealer solutions to have live studios, servers and platform
13 physically located in the Bahamas. No one in Bahamas could afford a Live Dealer solution
14 based on the need for the economy of scale and costs to setup. Not even Bastian, who
15 controlled 75% of the market, could afford to buy the stand alone software solution just for
16 himself or the RSL platform just for Live Dealer to deliver to the limited market in the
17 Bahamas.

18 249. Upon information and belief, RSL, which stands for “remote software license”
19 platform is a platform that Bastian and his Bastian Casino Gaming Enterprise had developed for
20 use throughout the entire web shop casino gambling industry in the Bahamas, and had
21 essentially forced his competitors throughout the Bahamas to agree that Bastian and his Bastian
22 Casino Gaming Enterprise would be the “sole provider” of 100% of every casino game in the
23 Bahamas through his RSL (now ILG) platform. As a result, RSL was the company that all
24 operators would get their casino gaming software feeds from.

25 250. With FCGI and its affiliates being able to develop its own Full Color RGS
26 version of Kingfisher, and his ownership interests in FCGI’s affiliated enterprises that obtained
27 it, Bastian could then, afford to get a sub-licensed copy of it for the mere cost of a revenue share
28

1 and use it in the Bahamas to feed his Bastian Casino Gaming Enterprise and earn profits at
2 incredibly low amortized costs.

3 251. Mahon obtained a license contract with Virtuasoft so FCGLTD could have their
4 own customized RGS branded as the FULL COLOR KINGFISHER RGS that would allow the
5 Full Color IP to deliver both Live Dealer and RNG games through it but also serve as the
6 central distribution point for all Full Color IP, as well as serve as a third party distribution
7 platform, allowing FCGLTD to obtain revenue streams from both its own content, the Full
8 Color IP, and other third-Party distribution fees. The FULL COLOR KINGFISHER RGS
9 would unlock FCGLTD's full financial revenue making power with the Full Color IP as the
10 driver to get integrated to high end and Tier 1 distribution platforms and operators where others
11 who all deliver the same public domain driven formatted content could not.

12 252. As already mentioned, Mahon's inventions were sought after and approved for
13 integrations by the top distributors in the world, referred to as Tier I developers and distributors,
14 including Every Matrix, BetConstruct, Videoslots, Bet365, WilliamHill, Bet Victor, Ladbrokes,
15 Gala, Coral, Rank, Skybet and hundreds of other online casinos and distributors that could be
16 delivered through NYX, Nektan and BWIN. As noted above, these distributors — all of whom
17 wanted the FCGS games — were generally licensed by the Gibraltar Regulatory Authority
18 ("GRA") and primarily distributed gaming content from Gibraltar. Integration with such
19 systems as NYX, Nektan, and BWIN in Gibraltar.

20 253. Mahon and FCGI, in order to deliver through GRA would require their own
21 UKGC "Remote Gaming Software License." It was therefore imperative that whoever
22 ultimately constructed the real money games on behalf of FCGI was already integrated into
23 GRA systems or allow Mahon and FCGI's shareholders to shelter under while applying for their
24 own licenses.

25 254. Mahon and FCGI also knew that timing would be very important in the
26 development of the games, integration of the games, and release of the games to ensure that
27 they would reach revenue without running out of the necessary funds. Mahon and FCGI knew
28

1 that if a company was not already integrated with Tier 1 operators on Gibraltar, the integration
2 process could take between 12 and 18 months, which would be too long.

3 255. As set forth above, Mahon and FCGI were considering several companies to
4 build their games in HTML5 for release through Tier 1 distributors and operators including
5 MGS and Spin.

6 256. On information and belief, Spin's own gaming content consisted primarily of
7 Tier 2 content and Spin was seeking an opportunity to obtain Tier 1 and build Tier 1
8 relationships. Such a relationship would allow Spin to profit in more ways than just the money
9 Mahon and FCGI would pay for its services including (1) entering agreements to share in the
10 revenue from the games; and (2) having the FCGI's unique content would give them the
11 opportunity for more distributors to "pick-up" their more generic games and content when they
12 are coupled with the unique and original content FCGI had to distribute whose profits could
13 fund and support Spin's own financial ambitions.

14 257. Spin, therefore had significant incentive to do and say whatever was necessary
15 to be able to build the Full Color games and content.

16 258. As set forth above, Mahon met with Spin's CEO, Young in June, 2016. During
17 that meeting Mahon made it clear that he needed a vendor who was already integrated into
18 NYX, Nektan and BWIN and could deliver content directly to Tier I operators in Gibraltar.
19 Mahon also informed Young that he needed a company that already had the proper licensing
20 and/or integration to allow FCGI, FCGLTD, and its shareholders to shelter their operations until
21 they had obtained their own license. Finally, based on these conversations, Young knew that
22 Mahon to be able to distribute the content in at least 24 languages and 35 currencies.

23 259. Young specifically represented to Mahon that Spin was already intergrated with
24 Nektan and others on Gibraltar. On information and belief, Young knew that these
25 representations were false.

26 260. Further, knowing that Mahon needed the games built quickly with capability of
27 distributing in 24 languages and 35 currencies, Young failed to disclose to Mahon that its
28 current software was incapable of handling the integration of the number of languages and

1 currencies Mahon requested, and that Spin would be required to build out and upgrade their
2 software to handle such an integration, something that would take additional time that FCGI and
3 FCGLTD did not have.

4 261. Based in part on the representations from Spin about the necessity of having a
5 UKCG license to be integrated with Tier I operators, on August 17, 2016, FCGLTD paid for
6 and filed Linham, Mahon, Murphy, Munger, and Bastian for certified Personal Management
7 License (“PML”) Applications with UKGC with FCGLTD Remote Software Application for a
8 casino gaming license. A pre-condition to being able to run games through any shelter under
9 any GRA Licensee (Tier I operators) was to first be licensed by the UKGC and as a result, the
10 Counter-Claimants went to great lengths to get their licensing applications together and
11 submitted as they had been preparing ever since August 1, 2015 when FCGI Amended &
12 Restated its Bylaws to prepare for becoming a highly regulated real money casino gaming
13 enterprise.

14 262. Based on the misrepresentations and concealment of Spin and its officers, FCGI
15 and FCGLTD began negotiated a contract with Spin and bypassed opportunities to have the
16 games built by other vendors, such as MGS.

17 263. As a result, Mahon and FCGLTD also finalized a proposal for Spin to develop
18 the RNG versions of FC21, Full Color Baccarat (“FCB”), and Full Color Poker (“FCP”) so they
19 can be integrated into Tier 1 operators around the world. The proposal negotiated with Spin
20 would be bi-directional so that Spin could deliver their games through the FULL COLOR
21 KINGFISHER RGS, and FCGLTD would integrate into as much as Full Color IP to deliver into
22 Spin operators. Bastian and the other investors approved of the basic arrangement which would
23 allow both Bastian Casino Gaming Enterprise and FCGI and its affiliates to utilize Kingfisher to
24 distribute its content and the content of third parties as well as any Bastian Casino Gaming
25 Enterprise owned or developed content.

26 264. By mid-October, Bastian had approved the contract with Spin and Mahon was
27 directed by Bastian to move forward and executed it. Under the proposal, Spin would produce
28 the HTML5 version of FC21, FCB and FCP for release on their ROC servers and to integrate

1 the stand-alone Full Color IP ROC 3 server into the forthcoming Full Color branded RGS of
2 KINGFISHER.

3 265. On October 26, 2016, Spin sent out Invoice #295001 in the amount of
4 \$54,000.00 to pay on the **Proposal v1.4** along with the SPIN W-9 IRS form. On October 27,
5 2018, Spin received the wire of \$54,000.00 for the full proposal to be completed.

6 266. On November 7, 2016, Munger, as the CTO, was tasked head up and coordinate
7 the Spin to Kingfisher RGS bi-directional integration, which was promised to take only about 3-
8 4 weeks max. However, all the later emails, in person meetings and calls ultimately revealed
9 that Spin had fraudulently misrepresented and concealed the true facts about Spin's integrations
10 and its ROC SERVER v1.0, v2.0 and v3.0. Spin's proposals and contracts are designed to dupe
11 people into believing that Spin has the capabilities and capacities that do not yet exist in order to
12 get companies like FCGI and their affiliates under a contract and tie up their IP, their funds, and
13 control their content.

14 267. Through December, 2016 and most of January, 2017, Munger and Spin did not
15 even start the integration process. Instead, Munger's emails and other information indicate that
16 Munger was working on other projects for Bastian and IslandLuck.com, Multislot, and even
17 other projects with Spin, but had not engaged to get the FULL COLOR KINGFISHER RGS
18 integrations completed. As of January, 17, 2017, the integration that should have commenced
19 in November, 2016, had still not commenced.

20 268. On January 27, 2017, Spin revealed its schedule changed the completion of the
21 integration until March 31, 2017.

22 269. In early December, 2016, amidst the issues and delay with Spin, Mahon and
23 Linham met with Gameion, the Tier 1 distributor personally recommended to them by
24 WilliamHill.com for a direct integration to release the Full Color IP. Gameion instantly said
25 they would take the entire suite of Full Color IP and do a direct integration of the FULL
26 COLOR KINGFISHER RGS and could also distribute to BetVictor, Gala, Coral and Ladbrokes
27 that was already integrated and several other Tier 1 operators they had in the queue for
28 integrations of their own since their GBR license had just been issued.

1 270. On January 27, 2017, Gameion emailed Mahon the specifics of the confirmation
2 of the deal to move forward with the FULL COLOR KINGFISHER RGS direct integration and
3 release into all the Tier 1 Operators through their GRA License. This would be a Spin build of
4 the Full Color IP in HTML5 through their ROC RGS directly integrated into the FULL COLOR
5 KINGFISHER RGS directly integrated into Gameion's fully licensed GRA Tier I servers that
6 were directly integrated into WilliamHill, BetVictor, Gala and Coral's Tier I servers all in
7 Gibraltar with Spin's servers being sheltered under Nektan or NYX per and FCGI and their
8 affiliates servers sheltered under Gameion.

9 271. In February, 2017, during the ICE Totally Game 2017 convention in London,
10 Mahon had a conversation with Bastian about looking for new ways to get to revenue.

11 272. Mahon asked Bastian why he could not just immediately integrate the FULL
12 COLOR KINGFISHER RGS into his RSL and take the Spin built games and deliver them in
13 HTML5 since Spin was one of the very few content providers in the Bahamas that had applied
14 for and was expected to be granted a permanent supplier license. Bastian reiterated that his own
15 developers were too busy with a launch of casinos in Jamaica, but also explained that Spin has
16 long been on Bastian's "shit list" because when Spin had applied for licensing in the Bahamas
17 after the GBB was established, Spin jumped into the market without acknowledging Bastian's
18 preeminent role in the Bahamas market and began offering games to Bastian's competitors
19 without approaching or going through him, the way that Multislot and other game distributors
20 did.

21 273. Bastian informed Mahon that he had previously turned Spin's services down
22 because Spin already had agreements with his competitors and would not ensure that Bastian
23 would get all new content ahead of his competitors. Spin had basically ignored Bastian's
24 position and power in the Bahamas and had paid dearly for it.

25 274. Mahon saw an opportunity and was able to convince Bastian to allow Spin to
26 integrate onto his Bahama RSL platform with the Full Color games and the Kingfisher RGS
27 because the integration would allow Bastian to not only gain increased revenue from the Full
28 Color IP, but also increase additional the number of Tier 1 games that Spin had developed that

1 would be available for all of Bastian's casinos, and would make even more revenue when they
2 went live in Jamaica. Bastian had never had any Tier 1 slot machine content and he would be
3 able to finally get some of it through Spin.

4 275. That same day, February 7, 2017, Bastian, on behalf of Island Luck and other
5 members of the Bastian Casino Gaming Enterprise, Mahon on behalf of FCGI, FCGLTD and its
6 affiliated entities, and Kent Young, on behalf of Spin agreed to have Spin integrate the FULL
7 COLOR KINGFISHER RGS onto Bastian's RSL(ILG) platform to deliver both the Full Color
8 IP games and Spin games to IslandLuck.com that Spin had not been able to get on its own. Spin
9 would pay royalties for use of Kingfisher RGS integrations, and FCGI and its affiliates would
10 pay Spin for delivering Full Color IP content to its integrated operators.

11 276. On February 22, 2017, NYX confirmed that Spin was not integrated on NYX
12 Gibraltar, but was only integrated with NYX New Jersey, finally confirming Spins fraudulent
13 claims, misrepresentation and concealment of the fact that they are not in fact integrated into
14 NYX Gibraltar.

15 277. Spin had also represented that it was already integrated with another Tier 1
16 operator on Gibraltar called Nektan. This turned out to be only partially true. Spin had been
17 integrated on a Nektan server with their ROC 1.0 software, but it had never been certified and
18 deployed. More importantly, Spin had built Full Color games on ROC 3.0, which had never
19 been integrated into any of the operators in Gibraltar, including Nektan.

20 278. Even without these delays, Spin had repeatedly pushed back deadlines for
21 completing the integration work on the specific Full Color games.

22 279. In addition, Spin also claimed that that it is not required by its prior proposal,
23 **Proposal v1.4** contract to provide the games in any language but English and that any
24 additional language would be at an additional cost. However, **Proposal v1.4** identified the 24
25 languages FC21 was being translated into for delivery was included in the previous price.

26 280. Further, Spin failed to tell FCGLTD that their ROC RGS did not include what
27 every other real money gaming RGS in the world includes and that is the ability to support all
28 major languages and currencies required for global real money gaming.

1 281. On March 9, 2017, Mahon sent an email to Spin notifying Spin he had paid the
2 Spin Invoice #295002 \$10,000 for the KINGFISHER integration, and also noted in the same
3 email that they were interested in exploring delivering Full Color Games to all of Bastian's
4 casinos in the Bahamas through the RSL platform already maintained by Bastian in the
5 Bahamas.

6 282. Later on March 9, 2017, Munger sent an email about scheduling a phone
7 conference with himself, and Young's CEO to discuss getting Spin on Bastian's RSL platform
8 in the Bahamas. The email also suggested integrating the Full Color KINGFISHER system and
9 releasing the Full Color games on the Island Luck. Mahon, however, was not informed of the
10 phone conference notification.

11 283. On March 14, 2017, Mahon emails Spin, Young, Mishra, and others at Spin and
12 formally informs him of the misrepresentations concerning Spin's lack of integration with
13 Gibraltar operators such as Nektan and NYX, the ongoing and constant delays with the finished
14 games, the failure to start the KINGFISHER integration, and their inability to release in Europe
15 despite the contract's requirements. Mahon informed Spin that its failures were costing
16 Counter-Claimants money every day there was delay.

17 284. On the same day Linham and Munger begin to secretly communicate with Spin
18 and Young without Mahon. First, Linham notifies Munger secretly of Mahon's email
19 concerning his fury about Spin's fraud and delays.

20 285. On March 15, 2017, Mahon emailed Young and other Spin employees, along
21 with Bastian, Munger, and Linham notifying them of the ongoing damages incurred every
22 month that the games are not released and the product fails to generate revenue. Mahon also
23 reconfirms that understanding between the parties that Bastian will integrate Spin's ROC
24 SERVER into KINGFISHER, which will in turn be integrated into ILG /RSL so Spin can
25 release their games in addition to Full Color games noting the benefit that all parties will obtain
26 if the integrations are completed and both the Full Color games and Spin's other games can be
27 released. Mahon further expressed ongoing frustration that this work has not been completed.

28

1 286. During this same time period, Spin, through Young and others, continued secret
2 communications with Munger, which Munger forwarded to Bastian secretly for ongoing
3 discussion.

4 287. On March 31, 2017, Spin's Staff Accountant emails another invoice, Invoice
5 #295-03, in the amount of \$10,000 to be paid for the FULL COLOR KINGFISHER RGS
6 integration.

7 288. By the end of March, 2017, Spin was still not completing the integration work
8 and the produced games were still not ready for release. Spin was also refusing to complete all
9 of the tasks required for a commercial release and unilaterally changing the work they would
10 complete thereby disrupting FCGI and FCGLTD's business and marketing plans. However,
11 Spin was not really communicating with Mahon, but instead was secretly communicating with
12 Munger and others. It appears that once Spin realized they were going to be able to integrate
13 with Bastian's casinos in the Bahamas, they were focused only on getting that accomplished and
14 ignoring their obligations to FCGI and FCGLTD to complete the Full Color games and integrate
15 the Full Color KINGFISHER RGS.

16 289. On April 7, 2017, Spin finally released the full integration schedule listing of all
17 SPIN Games ROC RGS integrations. Based on this schedule, FCGI and FCGLTD learned for
18 the first time that its games were built on ROC v.3 which had not been integrated with any of
19 the main operator systems, something that had been concealed from FCGI and FCGLTD.

20 290. Even more disturbing, Spin revealed that during the last several months, while it
21 repeatedly blamed others for its delay in completing Full Color work, Spin had already secretly
22 completed a direct integration between Spin and Bastian's RSL (ILG) platform, completely
23 bypassing Full Color's KINGFISHER RGS, which was still in a long queue for later
24 integration.

25 291. On information and belief, Spin and Bastian had conspired to circumvent FCGI
26 and FCGLTD with Munger's assistance via secret emails and meetings in March and April,
27 2017, including a meeting that Mahon later discovered that took place on April 26, 2017, at the
28

1 Aria Hotel in Las Vegas, Nevada. Despite not speaking to Mahon for 23 days, Bastian flew all
2 the way from the Bahamas for the secret meeting.

3 292. Spin never completed the integration of KINGFISHER RGS as promised nor
4 did they complete the bi-directional integration under the FCGI and FCGLTD contracts. Once
5 they had circumvented Full Color and directly integrated into Bastian's RSL (ILG) in the
6 Bahamas, they lacked any motivation to complete their obligations to FCGI and its affiliates.

7 293. In addition to Munger's secret meetings with Spin and Bastian to circumvent
8 the Counter-Claimants, Munger began secretly sending Linham, FCGI's CFO, versions of a
9 "burn down" budget from his private personal email. Specifically, on April 2, 2017, Munger
10 Munger began secretly sending Linham versions of a "burn down" budget from his private
11 personal email and Linham secretly responded back with his own thoughts and comments.

12 294. On information and belief, Munger also sent this budget to Bastian. In
13 February, 2017, Bastian had agreed to put additional money into FCGLTD, but had still not
14 done so, and Mahon was in the Bahamas for a meeting with Bastian to discuss the budget and
15 his additional investment to maintain the company's cash flow until they can realize additional
16 revenue streams.

17 295. On April 3, 2017, Mahon discovered that Munger had engaged in unauthorized
18 budget discussions with Bastian and shared the "burn down" budget with him and sent him an
19 email notifying him that this was not proper. Mahon had been in the Bahamas for twelve days
20 waiting to discuss the additional funding with Bastian.

21 296. By April 4, 2017, Bastian had still not shown up for their final funding meeting.
22 Mahon was perplexed and began to do a comprehensive review of the budget Munger had
23 wrongfully sent to Bastian. Immediately Mahon discovered that Munger unapproved budget
24 included obvious errors to show a negative cash flow thereby misrepresenting the actual status
25 of the company. Munger had therefore provided false information to Bastian, which had
26 apparently resulted in Bastian's failure to appear for meetings with Mahon. Munger's actions
27 were either complete incompetence or, more likely, deliberate sabotage.

28

1 297. Based on Bastian's failure to put in the additional capital he had promised
2 earlier in the year, FCGLTD, and therefore FCGI and its affiliates, were in a financial crisis.

3 298. On April 17, 2017, Mahon notified the FCGI investors, which included Munger,
4 of a company investor call for FCGI to address the financial crisis of FCGLTD.

5 299. On April 19, 2017, Mahon had a company-wide call with FCGI investors and
6 outlined the progressive complications and failures detailed above. Mahon advised that the
7 company could file lawsuits against Linham, Newman, Multislot, Bastian and Spin and laid out
8 the explicit details to the claims and their merits that were ultimately filed herein.

9 300. Before the call, Mahon and Howard, did not know that Munger, Bastian, and
10 Linham had all been contacting FCGI investors and business partners, including Spin, behind
11 the scenes in secret calls and meetings planting the false narrative that Mahon had embezzled
12 hundreds of thousands of dollars out of FCGLTD, and that Mahon's actions were the reason the
13 company had run out of funds and was failing. On information and belief, Munger and Linham
14 began to spread the story that Mahon, as the CEO was the cause of FCGI and FCGLTD's
15 failures, and began sharing strategies that could be utilized to attempt to render Mahon
16 unsuitable for casino gaming licenses by character assassination and thereby wrongfully remove
17 Mahon from FCGI via coercive threats of frivolous litigation as set forth in more detail below.

18 **VIII. NEWMAN'S RACKETEERING SCHEME**

19
20 301. Between November of 2008 and March of 2010, Mahon had met many potential
21 investors who had seen his inventions in the Full Color IP and the FCGS. Everyone that would
22 see his inventions would become mesmerized with its potential and attempt to promise him
23 money, relationship, and launch plans to make billions off of his inventions if they could only
24 get a piece of the pie.

25 302. During that time Mahon began to file for copyright, trademark and patent
26 applications in his name as the sole inventor in order to protect his inventions, proprietary and
27 ownership rights.
28

1 303. On or about March 17, 2010, a few months after Mahon had moved to Las
2 Vegas, Nevada, and was grappling with the debt and concerns about losing the intellectual
3 property rights associated with the Full Color IP knowing that he had impending deadlines with
4 the USPTO patent filings. When Mahon was no longer able to afford his original intellectual
5 property attorney to complete these tasks, he was referred to Newman as a local practitioner that
6 might be able to assist him.

7 304. At all times between March of 2010 and ending on or about October 21, 2014,
8 Newman was employed as an attorney for Howard & Howard Attorneys (“H2”)

9 305. H2’s website advertised Newman as an attorney licensed to practice in New
10 York (2000), Connecticut (2000), Nevada (2008), and licensed to practice before the USPTO
11 (1997), and touted Newman as an attorney “with over 10 years of experience working with
12 clients of all types (such as large corporate entities, start-ups, emerging and established
13 businesses as well as investors) to develop, acquire and enforce worldwide patent, trademark,
14 copyright and trade secret rights, negotiating collaborations and transactions involving
15 intellectual property, preparing patentability, invalidity, clearance and non-infringement
16 opinions, evaluating patent portfolios, providing design-alternative advisement, and performing
17 due diligence for mergers and acquisitions.”

18 306. On or about March 16, 2010, Mahon met Newman at H2’s Wells Fargo Tower
19 offices where Mahon presented Newman his entire suite of unique and proprietary intellectual
20 property and inventions in Full Color IP, the FCGS and his Multi-Play™ Bingo game
21 (collectively “IPR”) for 4 ½ hours.

22 307. Mahon also advised Newman that he could not currently afford to pay any legal
23 fees and explained his entire story of his financial struggles caused by the initial investors, and
24 that his patents pending were about to expire and the most he could afford to pay for the
25 foreseeable future was the hard costs of the USPTO fees to convert his provisional patents into
26 non-provisional applications.

27 308. Newman informed Mahon that he had never worked on a sweat equity deal for
28 legal services before, but that he would be interested in working for a sweat equity deal in the

1 Mahon's IPR. Newman told Mahon that he would be willing to do all of his USPTO and USCO
2 work at no upfront legal cost to Mahon if Mahon was willing to pay the "hard costs" in filing
3 fees with the governmental agencies, the USCO, and the USPTO in exchange for 5% interest in
4 the net profits realized from the IPR.

5 309. On March 24, 2010, Mahon sent Newman a draft copy of an Assignment of
6 Gross Revenue Interests ("AGRI") agreement to Newman's newman@howardandhoward.com
7 email address at H2.

8 310. Although the AGRI speaks for itself, the agreement ensures that H2 and
9 Newman will perform all necessary legal representation to obtain, prosecute, execute and
10 defend the IPR that includes but is not limited to the copyright, trademark and patent work in
11 perpetuity in exchange for a 5% assignment of gross revenue interests and tag-a-long rights to
12 the IPR.

13 311. On or about April 1, 2010, Newman and Mahon fully executed the AGRI.

14 312. Beginning on May 5, 2010 and through October 28, 2014, Newman and H2,
15 through over 40 of their employees, used the United States Postal Service ("USPS") to mail
16 bills for the hard costs of their work to Mahon, Intellectual Properties Holdings, LLC ("IPH"),
17 FCGI, and other affiliated entities with 65 unique invoices with internal billing ID numbers
18 starting at 348498 and ending in 462111 using the Client ID numbers 060857-00001 and ending
19 in 060857-00999 for approximately 24 different client matters.

20 313. The total billing amounts ranged from as small as \$35.00 to as large as
21 \$5,345.00.

22 314. These invoices sent through the USPS by Newman and H2 totaled \$21,956.00,
23 and were paid, directly or indirectly, by Mahon, IPH, and/or FCGI.

24 315. On or about October 20, 2014, Newman notices Mahon, completely out of the
25 blue, that he has terminated his working relationship with H2 and that Mahon must transfer all
26 of his legal representation over to his new company, Newman Law.

27 316. Despite the fact that Newman had no offices, no employees, no support staff of
28 any kind, and no infrastructure, Newman aggressively reassured Mahon that everything would

1 be fine. Mahon's patent portfolio was then over 6 years old and not a single patent had been
2 issued. Mahon wanted to stay with H2 because he wanted the protection of what he believed
3 was a major law firm with full support staff but had no choice in the matter but to agree to
4 request that H2 transfer all of his files to Newman Law due to the AGRI agreement.
5 Unbeknownst to Mahon or any of his entities, both H2 and Newman had already caused grave
6 and irreparable harm to his inventions and businesses due to the abandonments of his IPR that
7 had already occurred to date.

8 317. On or about August 1, 2015, all necessary documents included but not limited to
9 the Amended and Restated Bylaws of August 1, 2015 whereby FCGI implemented the new
10 Share Repurchase Agreement ("SRA") that was an attachment and condition to any and all
11 Share Issuance Agreements ("SIA") were executed by all common stock shareholders of FCGI.

12 318. On or about August 1, 2015, as part of the evolution, Mahon, in good faith,
13 believing that Newman's professional legal representation on all of his IPR was in fact fully
14 protected based on Newman's representations such that Newman would have in fact rightfully
15 earned the shares, FCGI agreed to voluntarily terminate the AGRI agreement with Newman and
16 exchange it for 5% equivalent of IPH'S original 20 million shares in FCGI, which equaled a
17 distribution to Newman of 1,000,000 shares of FCGI. This distribution was documented in a
18 new fully executed SIA and SRA with Newman, which also included a new Mutual Non-
19 Disclosure Agreement ("MNDA") and a Voting Trust Agreement ("VTA") assigning 100% of
20 Newman's voting rights in the new SIA to Mahon. In addition to these documents, however,
21 Newman agreed to continue to do all the legal work and protect all the FCG-IP like he had
22 promised to do in the original AGRI as detailed in Recital A to the SIA.

23 319. On or about August 1, 2015, Newman requested that his FCGI shares to be
24 issued in the name his alter ego Cooper Blackstone, LLC, previously identified as "CBL," and
25 they were in fact issued to CBL.

26 320. On or about August 1, 2015, Newman further entered into an additional Non-
27 Disclosure and Confidentiality Agreement with FCGI.

1 321. As a further result of owning the FCGI shares, Newman obtained a shareholder
2 interest in FCGI that would exceed 3% and any application on any UKGC casino gaming
3 license application would require Newman to obtain a Personal Management Application
4 (“PML”) and be deeply investigated through background checks and due diligence in order to
5 be found suitable.

6 322. In or about July, 2016, Newman approached Mahon because he was in need of
7 money and Newman pointed to the work Newman had done for FCGI and FCGLTD. Mahon
8 was in need of several pieces of additional legal work at the time and agreed to advance
9 Newman Law \$10,000 in order to complete some additional tasks during the next month.

10 323. On or about August 17, 2016, FCGLTD submitted RSGL Application #3949 to
11 the UKGC with Mahon, Linham, Newman, Munger and Murphy’s attached PML. These
12 applications included Newman as a Director and an Officer of FCGLTD and a shareholder of
13 FCGI.

14 324. After the UKGC applications were submitted, Linham contacted Newman on
15 the status of the Full Color IP, which was needed as part of the due diligence, and major
16 investors were requesting the information.

17 325. On August 18, 2016, when Newman and Newman Law failed to deliver any of
18 the contract work by its deadline date, three weeks after he had been paid \$10,000, FCGI and its
19 affiliates notified Newman and Newman law of their ongoing failures to perform.

20 326. On August 19, 2016, a day later, Newman responded to Linham with a demand
21 for an additional \$10,000 on the first of every month. Considering that Newman had been paid
22 \$10,000 on July 29, 2016 not even 21 days before his email, Newman’s unexpected response
23 forced Mahon to look more closely at Newman’s activities for the last 6 years.

24 327. On or about August 19, 2016, as a result of Newman’s defiant and extortionate
25 stance, Mahon began an audit on Newman’s Full Color IP protection work. By the end of the
26 night, Mahon had taught himself how to work through the USPTO TESS and PAIR search
27 engines in the USPTO and discovered the abandonment of 5 patent applications (12/776,273,
28 12/776,336, 12/776,342, 13/083,408 and 13/747,727), the end of 2 PCT applications

1 (PCT/US11/31836 and PCT/US11/31826), the abandonment of two trademark applications
2 (85503833 and 86258846) and the inexplicable suspension of another trademark application
3 (86258846). A public search of the USCO also revealed failures equally as bad as H2 and
4 Newman had further failed to obtain a single copyright on any of the 12 Full Color® Cards
5 applications, setting off an intellectual property crisis of unparalleled proportions for Mahon and
6 his entities.

7 328. On August 25, 2016, Mahon, Linham and Murphy, after a series of emergency
8 FCGLTD BOD meetings, concluded that they must immediately terminate Newman in every
9 capacity he had with FCGLTD, the Full Color IP and the UKGC license application, and that
10 FCGI do the same.

11 329. On August 25, 2016, Mahon emailed Newman a termination letter notifying
12 Newman that he was terminated from all of his roles and duties at FCGLTD. A specific
13 demand was made upon Newman to turn over all the Full Color IP files.

14 330. On August 25, 2016, Newman emailed the entire FCGLTD BOD with
15 delusional, exorbitant, and unsupported demands for monetary payments he claimed were owed.
16 Newman refused to turn over the Full Color IP files.

17 331. On August 26, 2016, Mahon sent Newman a second notice and demand to turn
18 over all of the H2 files and all of his Newman Law FCG-IP property as time is of the essence to
19 attempt to discover the full extent of, address and fix the copyright, trademark and patent
20 failures Newman had created.

21 332. On August 27, 2016, Newman sent a 2-page email that demanded a cash
22 payment in order for Mahon to get his intellectual property files used for the copyright,
23 trademark and patent filings.

24 333. Newman's email demanded immediate cash payment or he threatened to "lien"
25 Mahon's Full Color IP assets. Given the nature of the relationship, the indisputable history and
26 inescapable facts, FCGI and Mahon believed the threat to lien the Full Color IP was an act of
27 extortion considering that Newman had already received 1,000,000 shares of stock, a full 5% of
28

1 FCGI as consideration for his work, despite having failed to complete most of the work
2 assigned him.

3 334. Because of the recent licensing application with the UKGC, however, Newman
4 knew that he could exploit FCGI and the other affiliated entities if they did not settle with him
5 because he knew he could hold up FCGLTD's licensing application and injure the Counter-
6 Claimants for years with ongoing litigation and dispute.

7 335. Newman's unreasonable demand for settlement and release and related
8 extortion was successful in contributing to FCGI and other affiliated entities out of business
9 causing investor losses of well over \$3,000,000 in cash and causing over \$1,000,000 in
10 subcontractor debts to go unpaid.

11 336. On August 30, 2016, Linham emailed the UKGC and notifies them of the fact
12 that Newman has been removed from PML and the RSGL applications.

13 337. On or about October 10, 2017, the UKGC acknowledges the full disclosure that
14 Newman had been terminated from his roles and his share allotment in FCGLTD terminated but
15 required more disclosures and proof that he had been removed as a shareholder.

16 338. Pursuant to the SRA, FCGI had the right to trigger the cancellation, repurchase
17 and termination of his shares for engaging in a multitude of "non-compliance events," but FCGI
18 could not do so as FCGI did not have the funds to buy them back based on the current share
19 value. Further, even if it did, Newman had threatened to lien the Full Color IP which would
20 have ensured litigation causing even greater damage. Newman was fully aware of the
21 conundrum he had created for Mahon and FCGI and used this to leverage in making
22 extortionate demands.

23 339. On or about November 17, 2016, Linham, as a Director of FCGLTD sent a
24 formal written notice from Isle of Man to the investors in the United States at FCGI and warned
25 FCGI to remove Newman as an individual shareholder or be removed as a whole entity for
26 failing to remove their bad actor and wrongfully causing the delay of FCGLTD'S licensing
27 application.

1 340. On November 17, 2016, Mahon learned of new conditions for settlement,
2 including threats of liens and litigation, and other demands. Newman's demands demonstrated
3 that he knew he could hold Mahon and FCGI hostage with his threats. Mahon could not and
4 would not agree to Newman's conditions for settlement because he was still evaluating the
5 damage caused by Newman's failures. As a result Newman's FCGI shares issued to CBL
6 remained in limbo. On one hand, Newman was in violation of the SRA he executed because of
7 non-compliance events, but FCGI did not have the funds to purchase CBL's shares. On the
8 other hand, CBL had wrongfully obtained the shares in the first place via Newman's
9 misrepresentations concerning the work he was supposed to complete for the company. But the
10 UKGC required a disposition, one way or the other. Newman knew this and exploited it with
11 his ongoing extortionate threats.

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

18 342. During this time period, Bastian had discussed a new agreement to fund the
19 company with an additional \$500,000.00 that would result in a "fire sale" additional ownership
20 interest to Bastian. On February 23, 2017, Mahon sent Bastian the full proposal of their newly
21 agreed "fire sale" of additional FCGLTD stock to raise additional capital from Bastian to pay
22 off Newman, avoid litigation, and provide additional funds to keep the company a float until
23 more revenue streams are developed.

24 343. Between February and March, 2017, Bastian, Munger, and other investors
25 pushed Mahon to attempt a settlement resolution with Newman while Newman increases his
26 demand and continuously harassed Mahon. Newman would explode in yelling expletives at
27 Mahon on the phone and, when Mahon refused to speak to him, he would send him strings of
28 harassing emails. Mahon ultimately left the settlement discussions to Bastian. Although

1 Bastian agreed to \$50,000 at one point to resolve matters, they were never resolved because
2 Bastian ultimately refused to put more money into the company, making it impossible to settle
3 and impossible to resolve Newman's shares in a way that would satisfy the UKCG.

4 **IX. NEWMAN'S WILLFUL FRAUD, MISREPRESENTATION AND**
5 **CONCEALMENT OF ABANDONMENT OF THE FULL COLOR IP**
6 **PORTFOLIO.**

7 344. Between 2011 when Newman and H2 were retained via the AGRI and August,
8 2016, when Newman was discharged, Mahon and his other entities, including Counter-
9 Claimants, ensured that the invoices of H2 for the hard costs of prosecuting the patents were
10 paid, including invoices of Patent Applications 13/083,408, PCT/US11/31836,
11 PCT/US11/31826, Trademark of Full Color™ Serial Number 85070534 for all matters of
12 060857-00015, -00016, -00017 and -00005 and others.

13 345. Newman and H2, however, repeatedly failed to ensure the prosecution of the
14 patents, and failed to keep Counter-Claimants informed. For example, on November 1, 2012,
15 the USPTO sent H2 and Newman an official notice of the abandonment of Mahon's Color
16 Solitaire™ trademark Serial Number 85503833 due to H2 and Newman's & H2'S "Failure to
17 Respond to Office Action."

18 346. H2 and Newman failed to notify Counter-Claimants of the Color Solitaire™
19 abandonment.

20 347. On November 1, 2012, the USPTO sent H2 and Newman an official notice of
21 the abandonment of Mahon's Color Solitaire™ trademark Serial Number 85503833 due to H2
22 and Newman's & H2'S "Failure to Respond to Office Action."

23 348. H2 and Newman failed to notify Mahon or any of the Counter-Claimants of the
24 Color Solitaire™ abandonment.

25 349. In March, 2013, H2 and Newman abandoned the 12/776,342 patent without any
26 notice to Mahon or any other Counter-Claimants.

27 350. In June, 2013, H2 and Newman abandoned the 12/776,273 patent without any
28 notice to Mahon or Counter-Claimants.

1 351. On or about March 19, 2013, new investors came into FCGI and wanted to form
2 a Board of Advisors for FCGI (“BOA”) upon their investment. As a result, Mahon formally
3 formed the new BOA and appointed Newman as one of five members of the BOA formally
4 expanding his roles and taking on the fiduciary roles beyond his ongoing IP Legal Counsel
5 duties.

6 352. On or about March 22, 2013, just days after Newman’s new fiduciary roles were
7 formally in place, new investors that began to fully rely on Newman and his representations of
8 the status all Mahon’s IPR and the Full Color IP, both H2 and Newman failed to disclose that
9 they had abandoned of Mahon’s original USPTO filed patent application 12/776,336 for
10 “Failure to Respond to Office Action.”

11 353. On or about March 22, 2013, H2 and Newman abandoned of Mahon’s original
12 USPTO filed patent application 12/776,342 for “Failure to Respond to Office Action.”

13 354. H2 and Newman failed to notify Mahon or any of the Counter-Claimants of the
14 abandonments USPTO patent applications 12/776,336 and 12/776,342 making these the 3rd and
15 4th abandoned application without their knowledge or consent.

16 355. On or about May 3, 2013, after hundreds of thousands of dollars of new
17 investmor funds came in, relying upon H2 and Newman’s representations of the good standing
18 of all of the IPR and the Full Color IP, H2 and Newman secretly abandoned yet another one of
19 Mahon’s original USPTO filed patent applications, this time, 12/776,273 for “Failure to
20 Respond to Office Action.”

21 356. H2 and Newman failed to notify Mahon or any of the Counter-Claimants of the
22 abandonment of the USPTO patent application 12/776,273 making this the 5th abandoned
23 application without their knowledge or consent.

24 357. On or about September June 6, 2013, H2 and Newman represented Mahon and
25 JPL by providing a comprehensive legal analysis and opinion on The Jackpot™ Project for
26 Mahon and JPL.

27 358. In May, 2014, Mahon informed Newman informing him that he is ready to
28 begin to file the new patent application for 21 or Nothing™ Full Color® Baccarat.

1 359. On May 27, 2014, at 10:10am PST, Newman sent confirmation that both the 21
2 or Nothing™ and Full Color® Baccarat provisional patents have been filed with a receipt from
3 the USPTO under 62/003,468.

4 360. On or about September 28, 2014, H2 and Newman permitted the USPTO to
5 abandon yet another one of the patents application 13/747,727 for “Failure to Respond to Office
6 Action.”

7 361. H2 and Newman fail to notify Mahon or any of the Counter-Claimantsof the
8 abandonment of the USPTO patent application 13/747,727 making this the 6th abandoned
9 application without their knowledge or consent.

10 362. On or about October 20, 2014, Newman notices Mahon, completely out of the
11 blue, that he has terminated his working employment and partnership relationships with H2 and
12 that Mahon must transfer all of his legal representation of IPH, JPL, FCGI and the FCG-IP over
13 to his new company, Newman Law.

14 363. Newman claimed that Art Rogers (“Rogers”), his boss at H2 was a shady,
15 unethical and untrustworthy lawyer and he can no longer tolerate the things Rogers is asking
16 him to do at H2. Newman painted H2 as a company that Mahon cannot work with and
17 convinced Mahon, the other represented Defendants [and now Counter-claimants] that they had
18 to move all legal work to Newman’s new law firm, Newman Law.

19 364. Mahon expressed his concerns about the transfer of the files to Newman Law.
20 Newman assured Mahon his IPR is safe with him as a solo practitioner. Despite the fact that
21 Newman has no offices, no employees, no support staff of any kind, no infrastructure, no
22 planning of any kind or any sort, Newman aggressively reassured Mahon everything is just fine.
23 Mahon’s patent portfolio was now over 6 years old and not a single patent has been issued.
24 Mahon wants to stay with H2 because he wants the protection of what he believed was a major
25 law firm with a full staff and support but has absolutely no choice in the matter but to agree to
26 discharge H2 and ask to transfer all of his files due to the AGRI agreement. Unbeknownst to
27 Mahon or any of his entities, both H2 and Newman had already caused grave and irreparable
28

1 harm to his inventions and businesses due to the abandonments of his IPR that have already
2 occurred to date.

3 365. On October 27, 2014, at 12:53pm PST, Newman and Newman Law sent out a
4 mass mail to all of Newman's clients, including Mahon announcing his new law firm and
5 website (that Mahon created) from his new email address rich@newmanlawlv.com and attaches
6 a PDF entitled "Directive for File Transfer.pdf" to be sent to H2 so that they may turn over all
7 of the client files to Newman and Newman Law.

8 366. On or about October 27, 2014, Mahon executes the Directive for File Transfer
9 and sent to H2. However, H2 would not accept it and demanded that Mahon authorize them on
10 H2's letterhead to release all of Mahon's intellectual property work and files to Newman.

11 367. On October 28, 2014, at 1:07pm PST, Kimberly Konie ("Konie"), an employee
12 of H2, emails Mahon a formal H2 file transfer directive notice from James R. Yee, the senior
13 intellectual property rights attorney and licensed Practitioner before the USPTO ("Yee"), with
14 specific details of all copyright, patent and trademark applications with their H2 Matter No. next
15 to the title of each file with the demand to formally executes their directive releasing H2 from
16 "professional liability" as detailed in the letter.

17 368. Mahon signed the H2 release and transfer letter as requested. letter.

18 369. At the time the letter was executed, neither Mahon nor any of the Counter-
19 Claimants knew that six (6) of Mahon's patent applications and one (1) of his trademarks had
20 already been fully abandoned by H2 and Newman.

21 370. Mahon trusted that the H2 letter was accurate and it would include all files and
22 that H2 would release not only the files but all matters. Further, Mahon trusted that Newman
23 would ensure that 100% of all files were transferred as well, since he had worked on 100% of
24 all of them.

25 371. H2 failed to transfer Mahon's Client Matters 060857: 00002, 00003, 00004,
26 00016, 00017, 00018, 00999.

27 372. Newman and Newman Law failed to ensure receipt of Mahon's Client Matters
28 060857: 00002, 00003, 00004, 00016, 00017, 00018, 00999.

1 373. Newman and Newman Law failed to verify the receipt of Mahon's client
2 matters and further failed to inform Mahon.

3 374. On or about November 24, 2014, nearly a month after Newman received
4 Mahon's Client Matters from H2, Newman finally notices the USPTO of his change of address,
5 change of attorney and claims he has a new POA on Mahon's trademark of Full Color® on
6 behalf of Mahon™.

7 375. On or about November 24, 2014, nearly a month after Newman received
8 Mahon's Client Matters from H2, Newman notices the USPTO of his change of address, change
9 of attorney and falsely claims he new POA on Mahon's IPR and Full Color IP under Newman
10 Law.

11 376. All filings that Newman and Newman Law made with the USPTO that required
12 any of the Plaintiffs' signed declarations or POA are false and fraudulently filed from October
13 27, 2014 until January 25, 2016.

14 377. On December 19, 2014, at 12:35pm PST, in an email, Newman admits that he
15 has no POA from Mahon.

16 378. Newman begins to use previous scans of POA's from H2 to file USPTO filings
17 unbeknownst to Mahon creating secret "PRIVATE PAIR" filings that no one knows about or
18 can access other than Newman, all of which are still being held hostage by Newman to this day.

19 379. On or about March 2, 2015, the USPTO abandons JPL'S trademark application
20 The Jackpot™ trademark due to a "Failure to Respond to Office Action."

21 380. On April 1, 2015, at 5:4pm PST, Newman emails Mahon a complete list of
22 Mahon's current IPR list as part of the disclosures that would go to all investors to meet
23 disclosures requirements.

24 381. Newman and Newman Law failed to disclose all of Mahon's abandoned patents
25 and trademark applications.

26 382. Newman and Newman Law failed to disclose the status of Mahon's USCO
27 application status of 12 different sets of Full Color® Cards.

28

1 383. In November, 2015, Mahon and Counter-Claimants became aware of additional
2 delays to trademark protection for 21 or Nothing™ and Full Color® Baccarat. applications.
3 When Mahon and other Counter-Claimants by reassuring Mahon and Counter-Claimants that
4 everything will be fine expressly stating: “I’ll be coming in with that so we can get it filed and to
5 do a lot of other things as well, including making sure that personally avoid liability and can
6 maintain licensure in the gaming industry.”

7 384. Pursuant to the in the License Conditions and Code Practice (“LCCP”) of the
8 UKGC Gambling Act of 2005 requires all shareholders with any significant duties, control or
9 3% or more of any licensing applicant to be found suitable by filing for a Personal Management
10 License application (“PML”), which meant that Newman, by way of his claims to ownership
11 shares in FCGI by way of CBL, would have to be on all applications as CBL was well over 3%.

12 385. Any controversy would delay the licensing and jeopardize and or cause an
13 application to be refused due to lack of an Applicant’s suitability. In this case, any delay would
14 cause FCGI to run out of money based on its inability to get to the marketplace and obtain
15 legitimate revenue streams, not to mention the additional expenses for the UKGC complete its
16 investigation and clear the Applicant’s controversy.

17 386. On information and belief, Newman also knew that additional investigations
18 into Newman’s undisclosed wrongful abandonments of Mahon’s IPR would create further non-
19 compliance events that would result in an inescapable unsuitability problem for Newman.

20 387. As noted above, in the Fall of 2015, FCGI changed its ownership structure and
21 began having discussion with Bastian concerning the move of FCGI to the Isle of Man. During
22 these negotiations, Newman was under extraordinary pressure to provide a full disclosure of all
23 of Mahon’s IPR, which would require him to finally disclose all of his abandonments,
24 misfeasance and malpractice at both H2 and Newman Law. As a result, Newman continued to
25 actively conceal his incompetence and malpractice his duties in getting a single patent issued in
26 nearly over 5 ½ years.

27 388. Newman began to prepare and file all subsequent applications now upping the
28 level of his deceit and misrepresentations by willfully concealing them in the non-public

1 provisional applications of 62/003,468, 62/033,563 by filing them in the USPTO Private PAIR
2 filings system utilized by attorneys only through their accounts, between, for non-provisional
3 applications of 14/723,440, 15/006,113, 15/067,022. Although attorneys sometimes use this
4 system which allows them to complete filings without publication to the public, it also puts a
5 greater onus on the attorney to keep their clients fully informed as it makes it all but effortless
6 upon filing for the attorney to conceal their work. The true nature of what Newman filed
7 collectively through H2 and Newman Law via the Private PAIR system is still unknown to this
8 date in time as it's still locked up on that system to this day as Newman is still controlling it.

9 389. Newman was the only person in control of and complete knowledge of with
10 regards to the true legal IPR status of the copyrights, trademarks and patent applications,
11 issuances, registrations.

12 390. On December 8, 2015, at 8:10pm, PST, Newman emailed Mahon and noticed
13 him that Newman was ready to file the 21 or Nothing® patent and needed a Declaration signed.
14 The application was not even remotely complete and Mahon did not sign it and send it back.

15 391. On December 12, 2015, at 2:33am PST, Newman's emailed Mahon his draft of
16 the 21 or Nothing® patent.

17 392. After Newman was terminated in 2016, an audit of Newman's draft, revealed
18 for the first time what is now known as a secret USPTO Private PAIR application number of
19 14/723,440 claiming priority 62/033,563. To this day, no such application can be found and if it
20 does exist it must be locked up in Newman's USPTO Private PAIR account where Mahon and
21 the other Counter-Claimants cannot obtain access.

22 393. Again, on March 10, 2016, at 7:08pm PST, Newman, without Mahon's or any
23 of the Counter-Claimant's knowledge or consent, abandoned all of Mahon's previously known
24 patents and then secretly submitted patent application 15/067,022 it in the USPTO Private PAIR
25 as he prepared the final full disclosure of Mahon's IPR for the CLA.

26 394. A review of the Declaration page and POA on file with the USPTO for
27 15/067,022 reveals that Newman forged and falsely filed the declaration, and forged the POA
28 for the new secret application Newman filed. Newman uses a forged document that he dated

1 December 19, 2014 which, even if it wasn't forged, it was one year and 4 months old, making it
2 unequivocally clear it is not approved for the new secret filing.

3 395. On or about April 4, 2016, Newman, without Mahon's or the Counter-
4 Claimant's knowledge or consent, let a 7th USPTO patent application 13/083,408 become
5 abandoned.

6 396. On April 6, 2016, at 4:00pm PST, Newman sent out Appendix A, the single
7 most important investor document that is attached to the IPR-MA and the CLA which lists all
8 the current IPR and its status that is owned by Mahon, licensed to IPH and will soon formally
9 end the LIMITED LICENSE and become the IPR licensed to FCGLTD through IPHLTD in the
10 CLA.

11 397. On April 11, 2016 at 1:00pm PST, Newman joins the FCGI conference call and
12 talks about the good standing of all the FCG-IP and that new case law would allow the patents
13 to be issued. Newman, however, knew the information he was providing about the status of the
14 IPR patent application he was making was false. Newman knew at the time that most of the
15 patents had been abandoned and worse, combined two completely different classes of patents
16 together that have nothing to do with each other claiming priority of one to another akin to
17 trying to mix oil and water and claim there is a new liquid substance once combined, when in
18 fact, oil and water will never mix, no matter how much Newman tries to claim he can.

19 398. On May 5, 2016, Newman and Newman Law updated his correspondence
20 address with the USPTO on behalf of Mahon's registered trademark of 21 or Nothing® with a
21 false statement and fraudulent declaration to the USPTO claiming POA control of the
22 correspondence of the registered mark that ended upon its registration, despite not having a
23 signed POA to file such a declaration.

24 399. On May 5, 2016, at 2:35pm EDT, a review of the USPTO'S TSDR site reveals
25 that Newman and Newman Law updated his correspondence address with the USPTO on behalf
26 of the registered trademark of Full color® with a false statement and fraudulent declaration to
27 the USPTO claiming POA control of the correspondence of Mahon's mark that ended upon its
28 registration, despite not having a signed POA to file such a declaration.

1 400. On or about February 21, 2018, after Mahon and the Counter-Claimants had
2 repeatedly requested that Newman remove himself as the attorney with the USPTO, Newman
3 filed a false statement and declaration with the USPTO claiming he has withdrawn as the POA
4 on Mahon's trademark of 21 or Nothing®. Newman does not notify Mahon of his release nor
5 does Newman follow through with his statutory requirements on communications or a
6 withdrawal of representation as required by the USPTO. Therefore, although Newman finally
7 releases the POA, fraudulently renames himself as the new correspondent, using his own name,
8 and his own emails to ensure that Mahon never receives any notices from the USPTO.

9 401. On or about July 7, 2018, Mahon and the Counter-Claimants receive an
10 unsolicited piece from a USPTO monitoring service in the USPS mail notifying him that his
11 FULL COLOR® registration had been cancelled. This is impossible to Mahon as the mark has
12 been in perfect standing for 8 years without a single claim against it as it has been in non-stop
13 commerce in 13 languages and 160 countries around the world, sending Mahon and all of the
14 Defendants into an epic and unparalleled corporate crisis.

15 402. On or about July 10, 2018, Mahon was forced to file a "2.146 Petition to the
16 Director" with the USPTO seeking to immediately reinstate the cancelled Full
17 Color® trademark.

18 403. On or about July 10, 2018, after Mahon and the Counter-Claimants had
19 contacted the USPTO concerning the cancellation, the USPTO suggested that a New application
20 for the "Full Color" trademark be filed while the 2.146 Petition was under consideration. The
21 USPTO technical advisors, however, did not believe it could be reinstated because of the
22 statutory laws that have been violated by the inescapable professional negligence of the attorney
23 of record, which was, Newman and Newman Law.

24 404. On or about July 10, 2018, based on the information and direction received from
25 the USPTO, Mahon taught himself how to use the USPTO filing system and did indeed
26 immediately submit a new application to re-register the "Full Color" trademark (the
27 "Application") that mirrored the original registered one in addition to the Petition to the
28 Director as informed by the USPTO support help lines.

1 405. On September 10, 2018, the USPTO did in fact statutorily deny Mahon's 2.146
2 Petition whereby the USPTO'S Director notice explicitly "imputed Newman's errors,
3 malfeasance and malpractice to the client [Mahon] as its first basis for denying the instant
4 reinstatement of Mahon's "Full Color" trademark and not because of any other claim of right as
5 quoted from the Dismissal notice noting that errors of Newman as the attorney were imputed to
6 the client and the client was bound by the consequences.

7 406. The new second application for the "Full Color" trademark to restore the Full
8 Color trademark in the new application Serial Number 88032641 was approved by the USPTO
9 and it went to publication for opposition, which there could be none based on the history of
10 perfect standing that existed prior to the cancelation marking over 8 solid years of use of the
11 mark without a single claim of infringement or interference or confusion in any marketplace in
12 over 160 countries.

13 407. During the same time periods, the "Full Color" trademark was scheduled to be
14 returned back to its full federally registered status on October 24, 2018 in Mahon's sole
15 ownership as it has always been in since June 24, 2010 and under license to all licensees.

16 408. On or about August 30, 2019, Mahon filed complaints with the USPTO, Nevada
17 State Bar, Connecticut State Bar and New York State Bar where Newman was licensed seeking
18 discipline for Newman's ethical violations and breaches of his fiduciary duties on Mahon's IPH
19 and Full Color IP, including but not limited to the cancelation of his most valuable and coveted
20 trademark, the namesake of his company, "Full Color", whereby, upon information and belief,
21 Newman began tracking Mahon's new "Full Color" trademark application . Upon information
22 and belief, Newman, in a retaliatory action of Mahon's disciplinary complaints that were filed,
23 contacted Munger whereby they began to conspired together and did in fact begin to frivolously
24 opposed and block the reissuance of Mahon's "Full Color" trademark whereby Newman agreed
25 to "ghostwrite" the highly technical and legal USPTO Opposition if Munger would
26 "individually" verify it and sign it and Newman would file it for him. Munger then conspired
27 with the Plaintiffs to pay, as proven in the Plaintiff's Opposition to Defendant's Motion to
28

1 Dismiss Munger as a derivative shareholder, proving beyond the shadow of any doubt that a full
2 blown racketeering scheme was in play.

3 409. On or about October 22, 2018, [Newman and] Munger, secretly, independently
4 and in pro se, submitted a request for a 90-day extension to oppose the Application, which was
5 statutorily granted by the USPTO blocking the full reissuance. It is indisputable that Munger
6 does not have the legal skill sets necessary to track, find, draft or file any USPTO filings and
7 oppose the “Full Color” mark.

8 410. On January 22, 2019, [Newman and] Munger, submitted, independently and in
9 pro se, a highly technical Notice of Opposition to the Application with the USPTO, citing case
10 law and written in a manner that makes it unequivocally clear Munger did not draft that
11 Opposition and that he was indeed acting in conspiracy with Newman.

12 411. In the Notice of Opposition, [Newman and] Munger asserted that a derivative
13 action had been commenced against Mahon and others by certain shareholders of FCGI wherein
14 it was alleged that Mahon had committed deceptive trade practices and fraudulent acts
15 “including fraudulently converting and illegally transferring property rights for his own personal
16 use, including the FULL COLOR mark.”

17 412. In the Notice of Opposition, [Newman and] Munger did not state that the Court
18 had already dismissed all of the fraud claims and deceptive trade practices claims. *Id.*

19 413. In the Notice of Opposition, [Newman and] Munger, individually, contested
20 Mahon’s ownership of the Full Color trademark, and asserts that Munger has not “consented,
21 authorized or permitted Mahon to use the FULL COLOR mark.

22 414. In the Notice of Opposition, [Newman and] Munger further claimed that the
23 issue as to whether he, individually “has the right to sue the FULL COLOR mark in commerce
24 is material to whether Mahon can register the FULL COLOR mark.”

25 415. [Newman and] Munger further alleged that he, *individually*, “will be damaged
26 by the issuance of a registration for the FULL COLOR mark to Mahon as sought by Mahon in
27 the Application.”

416. Both Newman and Munger are (as are all of the other Plaintiffs) contractually barred from every making any claim on any of the Full Color IP.

417. The Opposition continues to persist, proving that the racketeering and professional negligence by all of the Counter-defendants and relevant third Parties is on going forcing the Counter-claimants to seek relief. Newman still, to this day, despite being served demands to cease and desist and withdraw from the USTPO as the attorney of record on Mahon's Full Color IP with the USPTO, and continues to wrongfully control Mahon's IP with whereby Newman maintains his "power of attorney" and sole "attorney of record for correspondence" as USPTO counsel on Mahon's patent applications USPTO 13/083,408, PCT/US11/31836, PCT_US11_31826, 15/006,113 and 14/723,440, forcing Mahon to seek relief from this Court.

X. LINHAM RACKETEERING SCHEME

418. On April 3, 2017, when FCGLTD began running out of money due to all of the facts set forth herein, Mahon sent an official notice to Bastian and Simmons stating that FCGLTD was in breach of the CLA with IPHLTD.

419. On April 4, 2017, after Bastian made no attempt to meet with Mahon to resolve the issue of the company's cash flow for nearly 20 days, Mahon flew back to Las Vegas, and made plans with Howard to address the issues with FCGI investors in the concerning the crisis the next day in a FCGI company-wide call to address how FCGI could mitigate the current crisis by either (1) investing more money on their own to cure the inevitable insolvency, (2) taking legal action against Newman, Mutlislot, Bastian, Spin and potentially others; or (3) face the consequences of the loss of the CLA.

420. On April 5, 2017, Linham emailed Mahon and formally noticed him that he had resigned as the Director and the CFO of FCGLTD. In his resignation, he noted he had been made aware that Mahon, as the principle of IPH or IPHLTD had sent out notice of a breach of the CLA which, if true, would put FCGLTD into insolvency. Linham, therefore was resigning his position.

421. As noted above, Linham had “permanently deleted” his entire Google Cloud account files. Mahon’s recovery of these documents revealed that Linham had regularly and secretly communicated with Munger concerning the company. This was just the beginning of the discovery of Linham’s fraud, his money laundering, his drug problems, and his conspiracy with Munger and Bastian to benefit himself and Munger rather than the company.

XI. MUNGER'S RACKETEERING SCHEME

422. Because of Linham's resignation, on April 7, 2017, Mahon took over the UKGC license applications where Linham had previously been the sole point of contact and representative, and was able to get in contact with the UKGC contact overseeing FCGLTD's applications and explained that, as they had previously informed the UKGC that the company was still in the process of utilizing the share buy-back provisions in the SRA to divest Newman/CBL of the shares they fraudulently obtained in FCGI. In this scenario, however, the option of divesting Newman/CBL of the shares issued in their name required his voluntary surrender, the filing of this lawsuit or utilizing the share repurchase options. Since Newman was extorting Mahon and FCGI, the latter two options could take years and as such, kill FCGI and FCGLTD by delaying the issuance of the UKGC licensed application. It was clear that reaching a settlement with Newman, was impossible because neither FCGI nor FCGLTD had the funds to pay Newman's ransom demands.

423. The UKGC licensing requirements, FCGLTD's inability to reach any revenue stream, caused in part by the conspiracy between Munger, Bastian, Spin and others to circumvent FCGI and FCGLTD in their integrations, and FCGLTD's inability to obtain additional investment dollars from Bastian, also caused in part by Munger activities, set the stage for Munger and Bastian to turn other FCGI investors against Mahon to defame and blame Mahon for the collapse of the company and coerce Mahon into giving up property rights or face a barrage of false attacks on his character and reputation.

424. Because of the precarious situation they were in, Mahon and Howard immediately began to prepare a report to all FCGI investors and advise them of the complete

1 situation as they understood it, and discuss what relief could be sought against the bad actors
2 whom Mahon and Howard were currently aware who were responsible for FCGI's precarious
3 circumstances.

4 425. As noted above, on April 19, 2017, FCGI held an emergency conference call
5 that was set two days earlier at which Mahon and Howard planned to address the crisis the
6 company's stock value was facing and attempt to find a solution and a path forward, if any,
7 while confronting the possibility of losing their entire investment because of the actions of
8 Bastian, Spin, Multislot, and others.

9 426. At the time, Mahon was not fully aware of Munger's involvement with Bastian,
10 Spin, and Multislot, among others. Munger, however, was notified of the call and received a
11 full disclosure of the plans to file suit against all of his racketeering partners in the Bastian
12 Casino Gaming Enterprise.

13 427. Upon information and belief, Linham, Munger, and Bastian, among others,
14 knew that their activities were going to get exposed, and, in anticipation, had already begun to
15 recruit the existing FCGI investors to revolt against Mahon and Howard by planting the false
16 narrative that FCGLTD was running out of money because Mahon had embezzled money and
17 was shutting down the company to run off with their money and the Full Color IP.

18 428. On April 17, 2017, ahead of the conference call, Solso emailed Howard with a
19 list of documents he would like to have, which included corporate documents, agreements, with
20 vendors, and an income statement balance sheet for FCGLTD and each of its subsidiaries,
21 among other things. In preparation for the call, Mahon did, in good faith prepare all of the
22 documents and put them in a Corporate Google Drive folder to be released to all FCGI
23 Investors.

24 429. On April 19, 2017, as Mahon began to lead a call on FCGI's conference line to
25 address the progressive complications as already detailed herein and the urgent need to deal
26 with FCGLTD's inability to comply with the outstanding compliance issues for the UKGC
27 RSLA, he was verbally attacked by Solso.

28

1 430. Even before Mahon had completed the disclosures of the facts, Solso was
2 already on the offensive and viscously verbally attacked and berated Mahon, so much so that
3 another shareholder, who was not in the collusion with Munger, demanded that Solso stop his
4 verbal attacks or get off the call. Despite the attack, Mahon set forth the full details of what had
5 taken place to date, including the wrongful activities of Newman, Multislot, Bastian, and Spin,
6 in their failure to launch and release FC21, and to let them know that FCGI would root out any
7 wrong-doers and seek relief against them.

8 431. While still on the call, Mahon also released all of the documents and
9 information Solso was requesting for the FCGI investors to review.

10 432. Between April 19, 2017 and April 24, 2017, Solso and Eckles engaged in series
11 of acrimonious and caustic emails with Mahon, insuring that all the investors were copied on
12 each email to make sure that all of the false and misleading accusations were panned before
13 every other investor to convince them that Mahon needed to be removed and replaced, and that
14 they should obtain control of not only FCGI, but the Full Color IP. The instant flaw in their
15 conspiracy was and still is the fact that Mahon invented the Full Color IP, Mahon owned the
16 Full Color IP, and any attempt to obtain ownership of the Full Color IP, whether by legal
17 process or other means, would be wrongful taking of his property.

18 433. Over the next few days, Howard had a flurry of calls, emails and
19 communications with FCGI investors including Munger, Solso, Eckles, Brock, Sr., and Brock,
20 Jr., and each of them heavily recruited Howard to join them in seeking to oust Mahon.

21 434. On April 20, 2017, Mahon made one last attempt to get Bastian to take action
22 on his prior (now failed) commitments to invest an additional \$500,000 and advised him of the
23 consequences of no action --- that the company would run out of funding and fail. Mahon never
24 received a response.

25 435. On April 21, 2017, FCGLTD received correspondence from UKGC putting it
26 on final notice that failure to respond with full compliance of the RSLA application by April 28,
27 2017 from the October 10, 2016 notice, would result in an automatic refusal and permanent
28 denial of the application.

1 436. The correspondence from the UKGC was forwarded on to everyone, including
2 Bastian in order to ensure that everyone knew that what would occur if FCGLTD ran out of
3 funding and had its RSLA application denied, which would cause the CLA to be terminated.

4 437. On April 22, 2017, Mahon again informed all the investors that FCGI needed to
5 remove Newman as a shareholder and provide evidence of financial sustainability in order to
6 fully respond to the UKGC, and inquired as to whether anyone was willing to contribute funds
7 to resolve Newman's claims and complete the UKCG application or the company would have to
8 cease operations.

9 438. Not a single investor responded to this email or took any action. Instead, on
10 information and belief, the group of investors joined Bastian and Munger's criminal enterprise
11 seeking to coerce Mahon out via illegal and extortionate threats.

12 439. Starting on April 21 and going through April 23, Brock Jr. and Brock Sr. reach
13 out to Howard privately seeking a solution to the dispute with the shareholders. They held a
14 phone conference with Howard and later sent an initial draft of some proposals for reaching a
15 resolution.

16 440. On April 23, 2017, Brock Jr. emailed Howard an "updated draft" with a new
17 attachment entitled "**FCG plan v1.2.docx**," which outlines the basics of potential proposals for
18 resolving the parties' differences.

19 441. The "**FCG plan v1.2.docx**" is visual organogram that acknowledges Mahon's
20 ownership of the Full Color-IP and that it is licensed to FCGLTD from Mahon's holding
21 company IPH. The organogram also acknowledges the believed current structure where IPH or
22 IPHLTD has a 50% revenue share with FCGLTD, and further acknowledges that IPH owns
23 68% of FCGI with 51 other investors, including themselves owning the other 32%, all but
24 affirming that they had no legal standing to effectuate any of their plans to get Mahon to
25 surrender any of his rights with or without coercion.

26 442. The organogram makes several suggestions about restructuring the business
27 which would require Mahon to give up his ownership interest in FCGI, but maintain ownership
28 of the Full Color IP and IPH, and issue a perpetual license to FCGI with a revenue share.

1 However, the organogram suggests that Mahon give up his 68% ownership in FCGI and 100%
2 of his ownership interests in FCGLTD despite having to issue a CLA for all known and
3 unknown Full Color-IP for no upfront licensing fees and no future rights.

4 443. The organogram further attempted to place fear in Mahon by setting forth the
5 potential consequences. It specifically noted several “Reasons for D[avid] M[ahon] to settle,”
6 which included statements that the potential litigation would “cost him years of revenue” and
7 “cost him his career.” The Brocks also noted the potential types of lawsuits including a potential
8 claim to ownership of the Full Color IP, but admitted that Mahon would “likely” win such a
9 suit. Such statements implicitly sought to strike fear in to Mahon and coerce him to agree to the
10 terms proposed.

11 444. On April 24, 2017, Brock Sr. emails Brock Jr. and Howard and this time they
12 include Solso on the email to set up a phone conference, which is held later that day.

13 445. Immediately after the conference, Howard contacted Mahon with Brock Sr.’s
14 request to speak with him and Mahon agreed. Thereafter, Brock Sr. sent an introductory email
15 to Mahon requesting a phone conference.

16 446. On April 25, 2017, Mahon spoke with Brock Sr. on the phone. During the
17 phone call, Brock Sr. acknowledged that there will ultimately be a lawsuit by the FCGI
18 investors against Mahon if he does not come to any terms with them without stating his legal
19 basis for the lawsuit. Mahon asked for Brock Sr. to put all of his conditions in writing and send
20 them to him. Brock Sr. and Brock Jr. said they did not have anything writing yet, which turned
21 out to be untrue. They said they would like to revert back and have additional conversations.
22 Mahon agreed to take additional calls when they were ready but gave told them they were
23 running out of time with the UKGC.

24 447. On information and belief Brocks then circled back with Solso, Eckles, Munger,
25 Linham and others and reported the details of their call with Mahon.

26 448. On information and belief, between April 25, 2017 and April 26, 2017, Brock
27 Sr. and Brock Jr., Solso, Munger, and others continued to hold conference calls and develop the
28 demands that Brock Sr. had initially brought to Mahon including both Brock’s written plan as

1 set forth in FCG plan v1.2.docx and an additional prepared documents including the
2 “Recapitalization” plan that Brock Sr. read from and revisions thereto were developed during
3 these calls.

4 449. On information and belief, On April 26, 2017, Solso took everything that Brock
5 Sr. and Brock Jr. had concocted in **FCG plan v1.2.docx** and explicitly memorialized all of their
6 calls, plots, plans and racketeering schemes over the previous two days, and incorporated it into
7 a single writing that was called “**Principles_2017 04 26 v 2.pdf**.” This document included all
8 of the Brocks’ original scheme and demands already outlined above while adding a host of new
9 demands, identifying most of them as “non-negotiable.”

10 450. Solso began circulating **Principles_2017 04 26 v 2.pdf** amongst Brock Sr.
11 Brock Jr. Eckles, Solso, Linham, Bastian, and Howard, believing that Howard was supporting
12 them in their efforts to wrongfully remove Mahon and take his property.

13 451. Upon information and belief, the indication of “**v2**” on the updated version of
14 the new racketeering scheme being co-authored by Solso and others, including Brock Sr., Brock
15 Jr., and Munger, and had been secretly circulating between all of these individuals.

16 452. The primary two points, both of which were non-negotiable and from which the
17 other points extended were (1) that Mahon give up all rights and title to the Full Color IP and
18 (2) that Mahon resign his position as officer and give up all shares in the FCGI.

19 453. During email exchanges concerning the document, Munger actually adds
20 suggested conditions to the **Principles_2017 04 26 v 2.pdf** plan by noting additional
21 information that he is aware that Mahon has that would need to be turned over, including
22 confidential and top secret mathematical gaming “reports” as certified real money casino game
23 play by BMM & GLI Independent test labs. Munger’s suggestions in this manner are breaches
24 of several confidentiality agreements and his fiduciary duties to the company.

25 454. Munger’s additional conditions is a tacit admission that they could not succeed
26 without Mahon’s involuntary submission, involuntary servitude and his brain power to continue
27 inventing new unique and proprietary intellectual property so they could exploit it to their
28 benefit, and effectively place him into forced labor.

1 455. Essentially, the demands that Solso, Munger, decided to push on Mahon
2 through Brock Sr. is that he is to give up completely the Full Color IP, his life's work, and
3 property that he owned before any of the investors were a part of any company, in order for
4 Mahon to avoid years of frivolous litigation that would tie up the Full Color IP and potentially
5 ruin his chances for obtaining gaming licenses.

6 456. Importantly, the demand that Mahon give up his shares in every company he
7 owns and the Full Color IP was not something that could rightfully be obtained in litigation, or
8 any other method unless the shares were purchased for value. Such threats are extortion.
9 During this same time period, also on April 26, 2017, Munger set up a secret meeting with Spin
10 and Bastian and their principles to meet. On information and belief, this meeting was not only
11 to consider the best way to extort concession from Mahon, but was also to discuss Spin's and
12 Bastian's desire to get Spin's ROC 3 server with the Full Color IP integrated on Bastian's RSL /
13 ILG RGS so they could exploit it once they extorted everything from Mahon.

14 457. On April 26, 2017, one hour after Munger's secret meeting, and after receiving
15 the updated **Principles_2017 04 26 v 2.pdf** , Brock Sr. and Brock Jr. sought to have another
16 follow-up conversation with Mahon.

17 458. In this follow-up phone call, Brock Sr. and Brock Jr. reasserted just how
18 amazing the Full Color IP was in an attempt to "prime" Mahon with who and why he should go
19 along with their (unconscionable and extortion) plans. Brock Jr. went on and on about "just
20 how much money could be made" if Mahon would agree to their new plans (as if Mahon was
21 not aware of the value of his own inventions). Brock Sr. then made it unequivocally clear just
22 how bad it would be for Mahon if he did not agree with their plan, and was sued.

23 459. Brock Sr. repeated the list of conditions that go even beyond the prior
24 conditions set forth in the FCG plan v1.2.docx, which are identical to those in the
25 **Principles_2017 04 26 v 2.pdf** plan. Despite this, Brock Sr. continued to assert in the phone
26 call that he did not have anything writing.

1 460. Not only does Brock Sr. verbally request Mahon resign from his positions with
2 FCGI and FCGLTD, Brock Sr. tells Mahon to grant FCGI all title, rights and ownership in the
3 Full Color IP and relinquish his shares in FCGI in exchange for a smaller revenue share.

4 461. Above all else, the proposal demanded that Mahon give up his property rights,
5 including both his intellectual property rights and his ownership rights in the company, which
6 he held long before any investor put money into FCGI, or endure endless litigation tying up his
7 property rights that they admit Mahon would likely win.

8 462. Brock Sr. was suggesting that Mahon give up valuable property rights at the
9 threat of litigation that would likely not succeed, and could not result in Mahon losing the very
10 property rights that Brock Sr. was asking him to concede.

11 463. On April 27, 2017 at 9:15am PST, Brock Sr. had another call with Mahon
12 Mahon. In email to Mahon after the last call, Brock Sr. kept reiterating how litigation was not a
13 good course and that Mahon should “avoid imminent litigation.” Brock Sr. made it
14 unequivocally clear that the “investor group” wasn’t offering Mahon an opportunity to
15 negotiate. His message was these were the terms, or “this is the way it’s going to be” if you
16 wish to “avoid the litigation.”

17 464. On April 28, 2017, Brock Sr. continued to email Mahon and requests another
18 phone call continue the conversations with the hope that “we can find some kind of solution to
19 our issues with FCG.”

20 465. On April 28, 2017, Mahon responds to Brock Sr. that he wanted their plans that
21 they had repeated during their phone call in writing and further explained that the companies are
22 officially beginning to shut down and cancel contracts since there is no funding and FCGLTD
23 cannot pursue the UKGC license.

24 466. On April 29, 2017, Brock Sr. responds in an email and again (falsely) reiterates
25 that there is nothing writing yet and that Mahon’s not agreeing to the requests coming from the
26 investors leads “down a tortuous path that will likely result in FCG shutting down and then
27 imminent litigation” solidifying the threat that if Mahon refuses the terms and conditions
28 already proposed, tortuous and frivolous litigation will ensue.

1 467. The communications engendered by Solso, Brock Sr., Brock Jr., Munger and
2 others were an attempt to coerce Mahon into giving up property rights that they could not
3 succeed in obtaining in litigation with the threat of frivolous and unending litigation that,
4 although it could never achieve what was demanded, would tie up Mahon's property rights for
5 years to come and potentially destroy his career. Such a threat can only be designed to instill
6 fear in Mahon and wrongfully obtain Mahon's property rights, and the rights if FCGI and its
7 other shareholders who were not aligned with Munger. Mahon could not be voted out of office
8 as he had the voting shares and owned a majority interest. Yet Brock Sr., Brock Jr., Solso,
9 Eckles, Castaldo, Moores, Munger, and others demands on Mahon were designed to wrongfully
10 obtain property rights that they could not legally obtain, with the threat of endless, frivolous,
11 career-ending litigation.

12 **XII. BRAGG/ORYX/MAZIJ TORTS OF INTERFERENCE, AND RACKETEERING**
13 **SCHEME WITH MUNGER & BASTIAN CASINO ENTERPRISE**

14 468. Munger's relationship with Oryx stems back to September 27, 2016, when
15 Munger sent Mahon a text message inquiring if he was aware of a real money casino game
16 developer and distribution platform competitor of FCGI named Oryx Gaming. Mahon affirmed
17 that he was aware of Oryx, and in October, 2016 Mahon had in person meetings with Oryx's
18 then CEO, Mateyz Mazij ("Mazij") in Berlin, Germany. Prior to that meeting Munger had, at
19 Mahon's request emailed Mahon a summary of Oryx. During the FCGI meeting in Berlin,
20 Mazij expressed interest in the Full Color Games and even discussed Mazij's desire to sell
21 Oryx's as he was looking for investors. They also discussed distribution of the Full Color IP
22 games through the Oryx's and the desire to enter into a bi-directional integration and
23 distribution agreement through the new Kingfisher Full Color IP Remote Gaming Server
24 whereby each party would pay each other a platform fee for the distribution of their games
25 through their separate and unique distribution networks as Mahon could get Oryx integrated into
26 the Bahamas and Jamaica through the partnership with Bastian's IslandLuck.com casino
27 gaming network as part of Mahon's agreement with Bastian. Munger and Mazij entered into an
28 agreement whereby Mahon would assist and get him funded with Bastian and Oryx would move

1 forward with the distribution of Full Color® Games. Munger was then directed to begin to
2 fulfill this agreement.

3 469. On November 15, 2016, at 6:07pm PST, Munger, titling himself as the “CTO /
4 Board of Advisors” of FCGLTD and FCGI, completed the first phase of the Oryx agreement
5 and emailed out a 14 page document entitled “Full Color Games Development and Distribution
6 Status R3.docx” that explicitly detailed documents outlining plans to distribute Full Color®
7 Games through several vendors including Multislot, Spin Games, LLC, and Oryx and emailed
8 them out to everyone in FCGNA and FCGLTD.

9 470. Mahon and Munger had already begun to arrange for Oryx to meet with Bastian
10 and provide a multi-million dollar investment and purchase agreement with Oryx.

11 471. Unbeknownst to the Defendants and all the Counter-claimants, the racketeering
12 scheme between Munger, the Bastian Casino Gaming Enterprise et al., was well underway
13 secretly being setup to usurp all of the Counter-claimants rights, revenue and relationships as
14 detailed herein.

15 472. It is indisputable that such a funding and distribution relationship with Oryx and
16 the Bastian Casino Gaming Enterprise did in fact occur and did later close as evidenced on
17 public record through the ultimate merger / sale into Bragg [TSVX:BRAG] through the Toronto
18 Stock Exchange on December 18, 2018 causing grave and irreparable harm to the Defendants
19 and the Counter-claimants herein, exacting details of which are not fully known but inescapably
20 occurred.

21 473. On June 5, 2017, Munger was terminated from all relationships with the
22 Defendants pursuant to the ARCC Report of Mark Munger dated May 27, 2017 and the ARCC
23 Report of the Racketeers dated May 29, 2017, Munger was sent a Cease and Desist notice to
24 end all business relationships with Bastian and any other gaming enterprises he may have been
25 working with, including Oryx and Mazij. Defendants now affirmed that Munger did not stop
26 working with Oryx because on October 3, 2017, after this lawsuit commenced, Mazij emailed
27 Munger five months after Munger had been terminated and served his Cease & Desist notice
28 and three months after Munger had already filed this derivative lawsuit in which he thanked

1 Munger for that day's meeting, making it clear that Munger was still meeting with Oryx and
2 usurping the Counter-Claimant's business opportunities.

3 474. Upon information and belief, between October 3, 2017 and February 1, 2018,
4 Munger, Bastian and Majiz formed a "special purchase vehicle" in Canada called Legacy Eight
5 Group Ltd ("LEGI") and AA Acquisitions Group, Inc. ("AAA") for Bastian to invest into Oryx
6 whereby Bastian appointed Munger to be on the Board of Directors of Oryx to act as his Agent.

7 475. On February 6, 2018, Munger, Bastian and Majiz debut the IslandLuck and
8 Oryx booth to distribute Bastian gaming products at the ICE Totally Gaming 2018 convention
9 in London, England whereby Mahon photographed Munger working in the booth with Bastian,
10 proving that somewhere between November 2017 and February 2018, the consummated a
11 business relationship usurping all of the Defendants and Counter-claimants rights.

12 476. On February 7, 2019, a year later, on the last day of the ICE Totally Gaming
13 2019 convention, Third-Party Defendants Kent Young and Spin Games, LLC were also with in
14 the Oryx booth with Munger proving that the racketeering scheme had come full circle.

15 477. Upon information and belief, Munger, Oryx, Spin, and each company's
16 principals (Young, Kunal, and Majiz) were conspiring to continue to usurp the corporate
17 opportunities of Counter-Defendants and further conspiring to ultimately obtain right to the Full
18 Color IP via the frivolous and extortionate actions alleged herein.

19 478. Thereafter, upon information and belief, Bastian and Munger applied with
20 multiple gaming Boards, including but not limited to the United Kingdom Gambling
21 Commission, the Malta Gaming Authority, the Gaming Board of the Bahamas as part of their
22 ownership, directorship and control of Oryx, and by Munger's own admission in his last filing
23 with the Court has not only obtained gaming licenses through and on behalf of Oryx and Bragg,
24 but just recently renewed them making it unequivocally clear that Munger had not only usurped
25 the Defendant's and Counter-claimant's business opportunities but clearly had supplanted
26 himself into Bragg/Oryx setting up the distribution platform for him to wrongfully exploit the
27 Full Color IP to the detriment of the Defendant's and Counter-claimant's property rights and
28 business opportunities.

1 479. Upon information and belief, on or about August 22, 2018, Munger, Bastian and
2 Majiz sold and or transferred LEGI and AAA which then included Oryx, to a publicly traded
3 company on the Toronto Stock Exchange called “Breaking Data Corp.,” which on or about
4 December 18, 2018, changed its name to Bragg Gaming Group (“Bragg”) with the Toronto
5 Stock Exchange and now trades under the symbol of (TSXV: BRAG).

6 480. Based on these indisputable facts on public record Counter-Defendants allege
7 that Munger’s current directorship and ownership of Oryx and Bragg and the transactions
8 identified herein were all part of Bastian’s, Munger’s, and the other Counter-Defendants’ and
9 Third-Party Defendants scheme to prevent the Full Color IP from getting to the market,
10 absconding with all the contractual benefits from the Oryx business transactions and further
11 making it impossible for Mahon and the Counter-Claimants protect the Full Color mark that had
12 been fully protected and federally registered for 8 years, and attempt to usurp and/or control the
13 Full Color IP rights for their own benefit in the end.

14 481. Munger did, in fact, submit the USPTO opposition individually and asserted
15 individual rights with the purpose of destroying the legal protection for the Full Color mark.
16 On information and belief, Munger did this as part of his scheme to benefit Bragg/Oryx, Mazij
17 and their other investors, agents, partners, distributors and operators.

18 482. Bragg/Oryx, Dominic Mansour (CEO of Bragg) and Mazij owed the fiduciary
19 duty to their own investors, the licensing disclosures to the regulators, the regulators at the
20 Toronto Stock Exchange and the contractual duty to the Defendants (and Counter-claimants) to
21 reveal that their newly appointed Board of Director Munger and his racketeering partners in the
22 Bastian Casino Gaming Enterprise had been sued for racketeering on January 31, 2019. Upon
23 information and belief, they failed to do this and obtained casino gaming licensing approvals as
24 a result of their concealment and misrepresentation of their risks and liabilities related thereto.

25 483. On information and belief, Munger and Bastian intended to utilize Bragg/Oryx
26 in order to disseminate the Full Color games once they had successfully usurped control and
27 power over Mahon via the racketeering schemes alleged herein.

28

1 484. On information and belief, Munger and Bastian obtained ownership interests
2 and/or other benefits from Bragg/Oryx including a directorship for Munger and ultimate
3 beneficiary for Bastian based on their representations that they could obtain the Full Color IP
4 for Oryx.

5 **XIII. MUNGER & LINHAM CONSPIRE TO DEFRAUD INVESTORS FOR**
6 **\$320,000 IN FALSE “BACK SALARY” EMPLOYMENT CLAIMS**

7 485. Munger filed individual claims, verifying four different times in the verified
8 pleadings submitted to the Court in this litigation claims he is owed back pay between 2015 and
9 2017 for alleged work for FCGI.

10 486. Munger was paid in full from both FCGI and FCGNA.

11 487. Munger was even loaned \$5,225.00 from FCGNA as an emergency loan to pay
12 his property taxes in December of 2015 that he failed to pay back.

13 488. Munger and Linham conspired to claim Munger was an employee accruing
14 \$20,000 a month in “Back Salary” through a fraudulent billing scheme starting on January 1,
15 2016 as detailed in full below.

16 489. On November 23, 2016, Munger and Linham conspired to defraud FCGI and
17 future investors by claiming that Munger was accruing 80% a month of unpaid salary with the
18 (fraudulent) intent to collect it upon a successful closing of FCGLTD’S Series A funding round
19 as witnessed in a letter that Linham, signed, and sent to Munger, requesting that Munger keep
20 the letter between Linham and Munger.

21 490. The fraudulent letter attached to the email created and signed by Linham and
22 Munger suggested that Munger’s current remuneration was at a reduced rate and was only 20%
23 of his appropriate salary. Since Munger was receiving \$5,000 a month for his services, this
24 letter suggested that Munger should actually be receiving \$25,000 a month.

1 496. Between November 23, 2017 and January 10, 2018, the ARCC Report of Brian
2 Marcus dated January 10, 2018 was produced, certified and approved by the Board of Directors
3 of FCGI detailing all of the non-compliance events resulting from Brian Marcus’ as alleged
4 herein and in the ARCC Report.

5 497. On January 12, 2018, Marcus was notified on his wrong doings and sent a
6 Notice of Non-Compliance Events, and thereafter provided with access to the full 305 page
7 ARCC Report.

8 498. On information and belief, Marcus has been directly involved with assisting
9 Munger in seeking to unlawfully wrest the Full Color IP from Mahon and is therefore involved
10 in the racketeering alleged herein.

11 499. On information and belief, either Marcus or Newman have been assisting
12 Munger in submitting filings to the USPTO to improperly challenge Mahon’s registered
13 trademark, “Full Color.”

14 **FEDERAL RACKETEERING CLAIMS**
15 **(VIOLATIONS OF FEDERAL RACKETEERING STATUTE)**
16 **(18 U.S.C. § 1961 et seq.)**

17 **Allegations Common to First, Second, Third, Fourth,**
18 **Fifth and Sixth Claims for Relief**

19 **A. The Federal RICO Enterprise**

20 500. Counter-Defendants and Third-Party Defendants are each involved in an
21 “enterprise” as defined in 18 U.S.C. §1961 (4).

22 501. With respect to all allegations common to the First, Second, Third and Fourth
23 Claims of violations of sections 18 U.S.C. §§ 1962(b), (c) and (d), Counter-Defendants’ and
24 Third-Party Defendants’ “enterprise” includes Bastian, Simmons, Munger, Linham, Playtech,
25 Island Luck, DTG, DHL, ILG, M&A, Valcros, Jungels, Horan and Multislot, collectively
26 known as the “Bastian Gaming and Casino Enterprise.”

27 502. With respect to all allegations common to Fifth and Sixth Claims of violations
28 of sections 18 U.S.C. §§ 1962(b), (c) and (d) Counter-Defendants’ and Third-Party Defendants’

1 “enterprise” includes Munger , M&A, Valcros, Eckles, DHWT, Solso, Millennium Trust, BLM,
2 T Moore, L Moore, Moore Family Trust, Brock Sr., Brock Jr., Castaldo, and Marcus, known as
3 the “Investor Enterprise.”

4 503. With respect to all allegations common to the Fifth Claim in the violations of
5 sections 18 U.S.C. §§ 1962(b), (c) and (d), Counter-defendant’s “enterprise” includes the
6 Bastian Casino Gaming Enterprise, and the Investor Enterprise.

7 504. With respect to all allegations common to the Sixth Claim in the violations of
8 sections 18 U.S.C. §§ 1962(b), Counter-defendant’s “enterprise” includes Newman, Newman
9 Law, and CBL, collectively hereinafter identified as the “Newman Law Group.”

10 505. Counter-Defendants or Third-Party Defendants Bastian, Simmons, Munger,
11 M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles, DHWT, Solso,
12 958 Partners, Millennium Trust, BLM, T Moore, L Moore, Moore Family Trust, Brock Sr.,
13 Brock Jr., Castaldo, Marcus, Newman, Newman Law and CBL are “persons” within the
14 meaning of 18 U.S.C. § 1961(3).

15 506. Counter-Defendants and/or Third-party Defendants Bastian, Simmons, Munger,
16 M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles, DHWT, Solso, ,
17 Millennium Trust, BLM, T Moore, L Moore, Moore Family Trust, Brock Sr., Brock Jr.,
18 Castaldo Marcus, Newman, Newman Law, CBL, and Bastian Casino Gaming Enterprise are
19 each an “enterprise that affects interstate commerce” pursuant to 18 U.S.C. § 1961(4) and
20 §1962(b), (c) and (d).

21 507. Each of the Counter-Defendants and Third-Party Defendants are associated with
22 or are in fact members of the Bastian Casino Gaming Enterprise that engages in legitimate and
23 illegitimate activities, including the racketeering activities herein alleged and pursuant to 18
24 U.S.C. § 1961 et. seq.

25 508. Bastian is the head of the Bastian Casino Gaming Enterprise, and adds the
26 following paragraphs and facts in how the Counter-Defendants and Third-Party Defendants
27 have engaged in violating the federal RICO Acts of 18 U.S.C. §§1961 (b), (c) and (d) and have
28 engaged in a continuing and concerted course of conduct involving with the purpose and effect

of willfully causing injury to the Counter-Claimants, especially Mahon and FCGI, and interfering with their interstate and foreign commerce as set forth herein and further here below.

509. At all times relevant to this Counter-Claim and Third-Party Complaint, the Bastian Casino Gaming Enterprise and other parties, including Counter-Defendants and/or Third-party Defendants Bastian, Simmons, Munger, M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles, DHWT, Solso, Millennium Trust, T Moore, L Moore, Moore Family Trust, Brock Sr., Brock Jr., Castaldo, Marcus, Newman, Newman Law, and CBL, with the approval and/or acquiescence of Bastian, exercised authority over the conduct and activities, both legitimate and illegitimate.

B. Federal RICO Predicate Acts

510. The predicate acts forming the pattern of racketeering and the specific statutes common to the First, Second, Third, Fourth, Fifth, and Sixth Claims include:

- a. Definition of “scheme or artifice to defraud (18 U.S. Code § 1346)”
- b. Fraud by wire (18 U.S.C. §1343, §1346);

511. The predicate acts forming the pattern of racketeering and the specific statutes common to the First, Second and Third Claims include:

- a. Laundering of Monetary Instruments (money laundering) (18 U.S.C. § 1956, §1346);

512. The predicate acts forming the pattern of racketeering and the specific statutes common to the Fourth, Fifth, Sixth and Seventh Claims include:

- a. Interference with commerce by threats or violence (18 U.S.C § 1951)

513. The predicate acts forming the pattern of racketeering and the specific statutes common to the Fifth Claims include:

- a. Theft of trade secrets (18 U.S.C § 1832)
- b. Forced labor (18 U.S.C § 1589)

514. The predicate acts forming the pattern of racketeering and the specific statutes common to the Sixth Claims include:

a. **Frauds and Swindles (18 U.S.C § 1341)**

C. Scheme or Artifices

515. The Counter-defendants have engaged in scheme or artifices that have violated the Federal RICO statute 18 U.S.C. § 1346, which states in pertinent part:

For the purposes of this chapter, the term “scheme or artifice to defraud” includes a scheme or artifice to deprive another of the intangible right of honest services.

(1) 18 U.S. Code § 1346 -- Frauds by wire

Scheme or Artifice

516. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §§ 1341, 1346, which states in pertinent part:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both.

(2) 18 U.S. Code § 1956 – Laundering of Monetary Instruments (money laundering)

Scheme or Artifice

517. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. § 1956, which states in pertinent part:

(1) Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—

(A)

- 1 (i) with the intent to promote the carrying on of specified unlawful
2 activity; or
3 (ii) with intent to engage in conduct constituting a violation of section
4 7201 or 7206 of the Internal Revenue Code of 1986; or
5 (B) knowing that the transaction is designed in whole or in part—
6 (i) to conceal or disguise the nature, the location, the source, the
7 ownership, or the control of the proceeds of specified unlawful
8 activity; or
9 (ii) to avoid a transaction reporting requirement under State or Federal
10 law

11 **(3) 18 U.S. Code § 1951 – Interference with commerce by threats or violence**

12 518. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
13 1951, which states in pertinent part:

14 (a) Whoever in any way or degree obstructs, delays, or affects commerce or the
15 movement of any article or commodity in commerce, by robbery or
16 extortion or attempts or conspires so to do, or commits or threatens physical
17 violence to any person or property in furtherance of a plan or purpose to do
18 anything in violation of this section shall be fined under this title or
19 imprisoned not more than twenty years, or both.

20 (b) As used in this section—

21 (2) The term “extortion” means the obtaining of property from another, with
22 his consent, induced by wrongful use of actual or threatened force,
23 violence, or fear, or under color of official right.

24 (3) The term “commerce” means commerce within the District of Columbia,
25 or any Territory or Possession of the United States; all commerce
26 between any point in a State, Territory, Possession, or the District of
27 Columbia and any point outside thereof; all commerce between points
28 within the same State through any place outside such State; and all other
commerce over which the United States has jurisdiction.

(4) 18 U.S. Code § 1832 – Theft of trade secrets

519. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
1832, which states in pertinent part:

- 1 (a) Whoever, with intent to convert a trade secret, that is related to a product or
2 service used in or intended for use in interstate or foreign commerce, to the
3 economic benefit of anyone other than the owner thereof, and intending or
4 knowingly that the offense will, injure any owner of that trade secret,
5 knowingly—
6
7 (1) steals, or without authorization appropriates, takes, carries away, or
8 conceals, or by fraud, artifice, or deception obtains such information;
9
10 (2) without authorization copies, duplicates, sketches, draws, photographs,
11 downloads, uploads, alters, destroys, photocopies, replicates, transmits,
12 delivers, sends, mails, communicates, or conveys such information;
13
14 (3) receives, buys, or possesses such information, knowing the same to
15 have been stolen or appropriated, obtained, or converted without
16 authorization;
17
18 (4) attempts to commit any offense described in paragraphs (1) through (3);
19 or
20
21 (5) conspires with one or more other persons to commit any offense
22 described in paragraphs (1) through (3), and one or more of such
23 persons do any act to effect the object of the, shall, except as provided
24 in subsection (b), be fined under this title or imprisoned more than 10
25 years, or both.

16 **(5) 18 U.S. Code § 1341 – Frauds and swindles**

17 520. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
18 1341, which states in pertinent part:

19
20 Whoever, having devised or intending to devise any scheme or artifice to
21 defraud, or for obtaining money or property by means of false or fraudulent
22 pretenses, representations, or promises, or to sell, dispose of, loan,
23 exchange, alter, give away, distribute, supply, or furnish or procure for
24 unlawful use any counterfeit or spurious coin, obligation, security, or other
25 article, or anything represented to be or intimated or held out to be such
26 counterfeit or spurious article, for the purpose of executing such scheme or
27 artifice or attempting so to do, places in any post office or authorized
28 depository for mail matter, any matter or thing whatever to be sent or
delivered by the Postal Service, or deposits or causes to be deposited any
matter or thing whatever to be sent or delivered by any private or
commercial interstate carrier, or takes or receives therefrom, any such matter
or thing, or knowingly causes to be delivered by mail or such carrier
according to the direction thereon, or at the place at which it is directed to be

delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both.

C. Federal Pattern of Racketeering

521. The predicate acts form a pattern of racketeering activity in that:

- (i) they were all done by the members Counter-Defendants and Third-Party Defendants at the direction of Bastian on behalf of the Bastian Casino Gaming Enterprise for their individual and collective benefit;
- (ii) they all included individual Counter-Defendants and Third-Party Defendants as directed by Bastian, with the approval/and or acquiescence of Bastian and/or Simmons;
- (iii) they were all performed by each individual Counter-Defendants and Third-Party Defendants outside of the scope of the legitimate authority of their office or employment and/or for their personal and / or to the benefit of their individual entity or entities;
- (iv) they were all performed by such corporations in a manner that favored their individual, corporate, partnership, trust, enterprising or collective benefit to the disadvantage of Counter-Claimants including FCGI and its non-party shareholders;
- (v) they were all directed to operate in such a manner that they each knew that their actions, if discovered, would cause the Counter-Claimants, including FCGI ultimate harm or injury;
- (vi) they all related to each other as part of a common course of conduct, plan, and objective to engage in a continued and concerted course of conduct with the purpose and effect of defrauding Counter-Claimants;
- (vii) they all included acts of concealment, conversion, and/or coercion, the illegitimate economic effect of which was the act of acquiring, maintaining and controlling security interests and income from Mahon's Full Color IP, as well as from FCGI and FCGLTD upon the successful completion of their criminal racketeering activities;
- (viii) they had sufficient continuity, repetition and duration in that they occurred at least since 2015 up to and including 2019; and
- (ix) they each posed a threat of continued repetition against the FCGI and did indeed do so as set forth further here below in the other Claims of racketeering.

D. Federal RICO Injury

522. Counter-Claimants have been injured by the actions of the Bastian Casino Gaming Enterprise and the individual members of the enterprise and the individual members of the Investor Enterprise, both as a direct result of the individual predicate acts committed by the Counter-Defendants and Third-Party Defendants individually and acting collectively in the Bastian Casino Gaming Enterprise or the Investor Enterprise whereby Counter-Claimants have sustained losses as direct result of the individual predicate acts and the racketeering activity, in an amount to be determined at trial as:

- (a) intentionally and willfully depriving Mahon, FCGI and the other Counter-Claimants from the ability to be found suitable for licensing before any regulated casino gaming control board with the UKGC (and others) by causing them to reluctantly and against their will become a part of Bastian's and the Bastian Casino Gaming Enterprise's criminal activities by aiding and abetting them in billing fraud, wire fraud and money laundering for the purpose of tax evasion through the wrongful purchase of securities;
- (d) Causing the loss of Mahon's property rights interests in the profits of their investments into the Full Color IP due to the failure of FCGLTD causing its stock value to plummet to \$0.00 and the loss of over \$2 million dollars in investor cash and other incalculable investments made by FCGI;
- (e) Damage to Counter-Claimant's entities good name, brand, reputation, stature and likeness;

Conspiracy to Engage in Federal Racketeering

523. The RICO Act specifically states at 18 U.S.C 1961(d): "It shall be unlawful for any person to conspire to violate any of the provisions of subsection (a), (b), or (c) of this section."

524. Generally, a RICO "conspiracy" is an agreement by two or more people to commit an unlawful act. Put another way, it's a kind of partnership for illegal purposes. Every member of the conspiracy becomes the agent or partner of every other member. Counter-claimants do not have to prove that all the people named in the complaint were members of the conspiracy—or that those who were members made any kind of formal agreement. The heart of

1 the conspiracy is the making of the unlawful plan itself. And the Counter-Claimants do not
2 have to prove that the conspirators were successful in carrying out the plan.

3 525. A conspiracy is a kind of criminal partnership – an agreement of two or more
4 persons to commit one or more crimes. The crime of conspiracy is the agreement to do
5 something unlawful; it does not matter whether the crime agreed upon was committed.

6 526. One becomes a member of a conspiracy by willfully participating in the
7 unlawful plan with the intent to advance or further some object or purpose of the conspiracy,
8 even though the person does not have full knowledge of all the details of the conspiracy.

9 527. Furthermore, one who willfully joins an existing conspiracy is as responsible for
10 it as the originators.

11
12 **FIRST CLAIM FOR RELIEF (Money Laundering**
Securities Fraud)

13 **VIOLATION OF FEDERAL RACKETEERING STATUTE (18 U.S.C.**
14 **1962(d))**

15 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants**
16 **Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG**
17 **Multislot, Horan, and Jungels)**

18 528. Counter-Claimants repeat and re-allege the allegations set forth in the preceding
19 paragraphs with specificity and particularity as though set forth fully herein.

20 529. Section 1962(d) of the Racketeer Influenced and Corrupt Organizations Act
21 (“RICO”), 18 U.S.C. § 1961 et seq., in its pertinent part states:

22 “It shall be unlawful for any person to conspire to violate any of the
23 provisions of subsection (a), (b), or (c) of this section”

24 530. The below named Counter-Defendants and Third-Party Defendants have
25 conspired to violate 18 U.S.C. §1962(b) which is a violation of 18 U.S.C. § 1962(d) as set forth
26 fully herein.

1 531. The predicate acts alleged above constituted substantial acts of money
2 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of
3 monetary instruments (money laundering).

4 532. Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham,
5 Munger, Playtech, Island Luck, DHL, DTG are “persons” within the meaning of 18 U.S.C. §
6 1961(3).

7 533. Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham,
8 Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTL, Multislot, Horan, and Jungels are
9 an “enterprise” within the meaning of 18 U.S.C. § 1961(4) and §1962(a).

10 **-Conspiracy to violate 18 U.S.C. §1962(b)**

11 534. Counter-Defendants and Third-Party Defendants have conspired to violate the
12 18 U.S.C. §1962(b) and in order to succeed on this claim under 18 U.S.C. §1962(d) the
13 Counter-claimants hereby prove each of the following three facts by a preponderance of the
14 evidence and is hereby detailed with specificity and particularity already fully set forth herein:
15

16 (1) Counter-Defendants and Third-Party Defendants engaged in a pattern of
17 racketeering activity beginning:

- 18 a. On October 1, 2015 when Munger introduced Bastian to the FCGI and
19 Mahon in complete conflict of his NDACA and his fiduciary duties to FCGI.
20 b. November 11, 2015 the Counter-defendants racketeering activity began with
21 the signed contract to invest \$1 million into FCGI and then canceling the
22 investment under the guise and scheme of tax evasion;
23 c. On November 17, 2015 when Bastian directed Multislot to produce the Full
24 Color IP on their RGS to the benefit of the Bastian Casino Gaming Enterprise
25 at no cost to FCGI or its affiliates as part of his scheme to begin to control
26 and influence FCGI;

- 1 d. On November 18, 2015 when Bastian demanded that FCGI change its entire
2 corporate structure and move its assets and operations to a foreign country
3 that would ultimately facilitate the Bastian's tax evasion scheme;
- 4 e. On December 8, 2015 when Third-Party Defendants Bastian, Simmons,
5 Playtech, and Island Luck, first attempted to get Mahon to conspire with
6 them to avoid \$120,000 in BIT in order to conceal the purchase of their
7 securities in FCGI and gain rights to the Full Color IP;
- 8 f. On June 7, 2016 when Bastian, Simmons, and Munger seduced, corrupted
9 and conspired with Linham, CFO of FCGI and FCGLTD, to engage in a
10 scheme of creating a fraudulent billing invoice for the sale of computer
11 equipment that neither FCGI nor FCGLTD owned, would sell nor ship to the
12 Bastian Casino Gaming Enterprise, so the Bastian Casino Gaming Enterprise
13 could submit the fraudulent commercial invoice to the Bank of Bahamas and
14 get the funds fraudulently wire transferred to FCGLTD'S bank account in the
15 Isle of Man, concealing Bastian's purchase of 15% of FCGI'S securities
16 interest in FCGLTD and avoiding the \$120,000 in BIT.
- 17 g. On June 7, 2016 when Bastian, Simmons, and Munger, the CTO of FCGI and
18 FCGLTD conspired to aid and abet Linham in taking an Island Luck quote in
19 the amount of \$444,770.01 and assist him in creating the false billing
20 invoice;
- 21 h. On June 7, 2016 when Linham did in fact produce the fraudulent invoice in
22 the amount of \$444,770.00 and did in fact email it back to Simmons and the
23 Bastian Casino Gaming Enterprise;

24 (2) Counter-defendants acquired or maintained, directly or indirectly, an interest
25 in or control of an enterprise.

26 Counter-Claimants re-allege and incorporate ¶534(1) and its sub-references
27 herein and indisputably prove that Bastian and his Bastian Casino Gaming
28

Enterprise attempted to wrongfully conspire to acquire the ownership interests of FCGI's ownership interests in FCGLTD;

(3) Counter-claimant's enterprise engaged in, or had some effect on, interstate or foreign commerce.

- a. Counter-Claimants re-allege and incorporate ¶534 (1) and (2) and their sub-references herein allege that Bastian and his Bastian Casino Gaming Enterprise attempted to wrongfully conspire to acquire FCGI's ownership interests in FCGLTD;
- b. The conspired transactions include using the internet to communicate, send copies of the Island Luck quote, the false FCGLTD invoice, the coordination of the scheme, the cancelation of it and the affirmation of it all that consisted between FCGI a USA entity, the Bahamian Bastian Casino Gaming Enterprise and the Isle of Man FCGLTD proving the engagement of interstate and foreign commerce.

535. As a collective result, the certain Counter-Defendants and Third-Party Defendants identified in this claim are guilty of violating the federal RICO Acts of 18 U.S.C. §§1961(b) whereby they conspired to:

acquire or maintain, directly or indirectly, any interest in or control of any enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.

536. Counter-Defendants and Third-Party Defendants willfully conspired to and did in fact engage in a continuing and concerted course of conduct with the purpose and effect, whose actions, had they completed would have caused irreparable and incalculable harm to Counter-Claimants knowingly depriving them from being found suitable for licensing before the UKGC and all the other 450+ jurisdictions around the world that Counter-Claimants could seek, and their investors investments relied upon prior to making their investments to FCGI.

537. Counter-Claimants' business and property interests have suffered and continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-Defendants' and

1 Third-Party Defendants' individual predicate acts as well as the racketeering activity alleged
2 herein. Accordingly, Counter-Claimants seek an award of treble damages from the racketeering
3 activity, costs of this litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C.
4 1964(d).

5
6 **SECOND CLAIM FOR RELIEF (Wells Fargo Money**
7 **Laundering)**

8 **VIOLATION OF FEDERAL RACKETEERING STATUTE (18 U.S.C.**
9 **1962(b))**

10 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants**
11 **Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG**
12 **Multislot, Horan, and Jungels)**

13 538. Counter-Claimants repeat and re-allege the allegations set forth in the preceding
14 paragraphs herein with specificity and particularity as though set forth fully herein.

15 539. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
16 ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

17 "It shall be unlawful for any person through a pattern of racketeering
18 activity or through collection of an unlawful debt to acquire or maintain,
19 directly or indirectly, any interest in or control of any enterprise which is
20 engaged in, or the activities of which affect, interstate or foreign
21 commerce."

22 540. The above named Counter-defendants and Third-Party Defendants have
23 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

24 541. The predicate acts alleged above constituted substantial acts of money
25 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of
26 monetary instruments (money laundering).

27 542. Counter Defendants and Third-Party Defendants Bastian, Simmons, Linham,
28 Munger, Playtech, Island Luck, DHL, and DTG are "persons" within the meaning of 18 U.S.C.
§ 1961(3).

1 543. Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham,
2 Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG, Multislot, Horan, and Jungels are
3 an “enterprise” within the meaning of 18 U.S.C. § 1961(4) and §1962(a).

4 544. At all times relevant to this Counter-Claim and Third-Party Complaint, Counter-
5 Defendants and Third-Party Defendants Bastian, Simmons, Linham, Munger, Playtech, Island
6 Luck, DHL, and DTG were associated with, and participated in the affairs of the Bastian Casino
7 Gaming Enterprise through a pattern of racketeering activity.

8 545. Counter-Claimants do business in interstate and foreign commerce.

9 546. The above named Counter-Defendants and Third-Party Defendants continued
10 their scheme to engage in wire fraud and money laundering in an ongoing racketeering pattern
11 except this time the conspiracy actually successfully completed their racketeering acts.

12 547. As such, Counter-claimants, in order to succeed on this claim under 18 U.S.C.
13 §1962(b) the Counter-claimants re-allege and incorporate by reference the allegations set forth
14 in paragraphs herein with specificity and particularity as though set forth fully herein and allege
15 as follows:

16 (1) Counter-Defendants and Third-Party Defendants engaged in a “pattern of
17 racketeering activity” whereby:

- 18 a. On June 22, 2016, Bastian, a Bahamian citizen, who self admittedly
19 refuses to do business in the United States for the purpose of avoiding
20 paying United States taxes, surprisingly not only has a United States bank
21 account, but has over \$500,000 United States dollars in the account.
- 22 b. On June 22, 2016, Bastian ordered Wells Fargo Bank, N.A., through a
23 “Wire Transfer Service – Outgoing Wire Transfer Request,” through
24 bank account number 1010173095067, in the account holder’s name of
25 Sebastian Bastian, made a fraudulent wire transfer to the Beneficiary of
26 FCGLTD in the Isle of Man to their Nedbank account 2260060590 for
27 the fraudulently stated “Purpose of Funds” as “INVESTMENT FOR
28 DAVINCI TRADING” in the amount of \$500,000 for the purposes of

1 avoiding paying the \$120,000 in BIT taxes and, more importantly, the
2 concealment of the DHL's purchase of 15% FCGI's securities interest in
3 FCGLTD.

- 4 c. Davinci Trading, already established as DTG, is Bastian's Grand Cayman
5 Island entity as detailed here above.
- 6 d. DTG has no contact or dealings with FCGLTD.
- 7 e. The statement of the "purpose of funds" by Bastian is fraudulent.
- 8 f. On June 23, 2016, FCGLTD did in fact receive a \$500,000 USD
9 incoming wire transfer from Bastian's United States Wells Fargo
10 Account.
- 11 g. Bastian fraudulently used the US Federal Reserve banking system to
12 perpetuate his wire fraud and engaged in money laundering rather than
13 having DHL make a single \$1 million wire transfer from DHL's Isle of
14 Man bank account to FCGLTD's Isle of Man bank account as
15 contemplated by the agreement between the parties.

16 (2) Through the pattern of racketeering activity, Counter-Defendants and Third-
17 Party Defendants acquired or maintained, directly or indirectly, an interest in
18 or control of an enterprise whereby.

19 Counter-Claimants re-allege and incorporate ¶547(1) and its sub-references
20 herein that Bastian and his Bastian Casino Gaming Enterprise attempted to
21 engaged in Claim One and now, repeating to a full fruition in Claim Two, the
22 Counter-Defendants and Third-Party Defendants have indeed began to
23 acquire FCGI's ownership interests in FCGLTD;

24 (3) Counter-Claimants' enterprise engaged in, or had some effect on, interstate
25 or foreign commerce.

26 Bastian's Wells Fargo Outgoing Wire Transaction includes using the internet
27 and telecommunications systems in order to complete the fraudulent wire
28 transfer, further to communicate with others, to send copies of the wire

1 transfer details, to coordinate the scheme, consisted between the United
2 States entity in Wells Fargo Bank, FCGI a USA entity, the Bahamian Bastian
3 Casino Gaming Enterprise and the Isle of Man FCG LTD demonstrating the
4 engagement of interstate and foreign commerce.

5 548. As a result, Counter-Defendants and Third-Party Defendants set forth herein are
6 guilty of 18 U.S.C. §1962(b) herein this Second Claim.

7 549. Counter-Claimants' business and property interests have suffered and continue
8 to suffer injury as a direct, proximate, and foreseeable result of the Counter-Defendants and
9 Third-Party Defendants individual predicate acts as well as the racketeering activity alleged
10 herein. Accordingly, Counter-Claimants seek an award of treble damages from the racketeering
11 activity, costs of this litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C.
12 1964(d).

13
14 **THIRD CLAIM FOR RELIEF (Bank of Bahamas**
Money Laundering)

15 **VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))**

16 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants**
17 **Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG,**
18 **Multislot, Horan, and Jungels)**

19 550. Counter-Claimants repeat and re-allege the allegations set forth in preceding
20 paragraphs herein with specificity and particularity as though set forth fully herein.

21 551. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
22 ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

23 "It shall be unlawful for any person through a pattern of racketeering
24 activity or through collection of an unlawful debt to acquire or maintain,
25 directly or indirectly, any interest in or control of any enterprise which is
26 engaged in, or the activities of which affect, interstate or foreign
commerce."

27 552. The above named Counter-defendants and Third-Party Defendants have
28 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

1 553. The predicate acts alleged above constituted substantial acts of money
2 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of
3 monetary instruments (money laundering).

4 554. Defendants Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL,
5 and DTG are “persons” within the meaning of 18 U.S.C. § 1961(3).

6 555. Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech,
7 Island Luck, DHL, DTG, Multislot, Horan, and Jungels are an “enterprise” within the meaning
8 of 18 U.S.C. § 1961(4) and §1962(b).

9 556. Counter-Claimants, in order to succeed on this claim under 18 U.S.C. §1962(b),
10 re-alleges the allegations set forth in preceding paragraphs with specificity and particularity as
11 though set forth fully herein and further alleges the following:

12 (1) Counter-Defendants and Third-Party Defendants continued to engaged in a
13 continued “pattern of racketeering activity” whereby:

- 14 a. Nearly 9 months after the formation of DHL in the Isle of Man, Bastian
15 still had failed to put his own investment funds into DHL in order to
16 make a direct bank to bank transfer from DHL to FCGLTD in their
17 Nedbank accounts in Isle of Man.
- 18 b. On or about September 20, 2016, Bastian ordered the Bank of Bahamas,
19 through the Shirley Street branch in Nassau, New Providence, Bahamas,
20 to engage in an “External Payment Request” (“EPR”), through bank
21 account number 3310002822, in the Applicant’s name of Sebastian
22 Bastian and made a fraudulent bank wire transfer request to beneficiary
23 of FCGLTD in the Isle of Man to their Nedbank account 2260060590.
- 24 c. On September 22, 2015, the EPR was stamped by BOB as received,
25 whereby the “Signature of the Applicant” line includes one known
26 signature of Bastian, whereby the signatures directed the BOB to make an
27 EPR in the form of a bank wire transfer in the amount of \$500,000
28 payable to Full Color Games Ltd in the Isle of Man.

- 1 d. The EPR makes clear false declarations to BOB, who is regulated by the
2 Central Bank of Bahamas (“CBB”), in the CBB’S Exchange Control
3 Reporting (“ECR”) section of the EPR as CAT Code 2084 (Commission,
4 Advert. Subscript., Prof Service, Misc., e.g. visas, pay Bahamians
5 abroad) all of which was indisputably false and in fact, was truly for the
6 purposes of ECR CAT Code 5010 (Share Purchase).
- 7 e. FCGLTD did not charge Bastian or any party in the Bastian Casino
8 Gaming Enterprise any “commission,” did not buy any “advertising
9 subscription, purchase any “professional service,” or any other
10 “miscellaneous items, e.g., visa or pay any Bahamian abroad.”
- 11 f. The false ECR CAT CODE declaration as stated in the BOB EPR is for
12 the purpose for tax evasion of the BIT by Bastian, Simmons, Playtech,
13 and/or Island Luck in order to conceal DHL’S purchase of FCGI’s
14 ownership shares of FCGLTD’s stock and further to avoid reporting it to
15 the Bahamian Government as required by the ECR which in that controls
16 the “Outward Direct Investments” in purchases of securities as further
17 detailed in the Bahamas Exchange Control Reporting Act of 1952.
- 18 g. This purchase of securities is a false statement by Bastian and the second
19 signatory in order to induce BOB to wire the funds as a falsely stated
20 ECR CAT CODE.
- 21 h. On October 3, 2016, Linham confirmed that FCGLTD did in fact receive
22 the \$500,000 into its Nedbank account in Isle of Man validating the act of
23 racketeering of money laundering through fraud by wire violating 18
24 U.S.C §1962(b) through the two predicate acts of 18 U.S.C.§1956 and
25 §1343.
- 26 i. Bastian fraudulently used BOB who then used the Central Bank of the
27 Bahamas (“CBOC”) who then used the US Federal Reserve banking
28 system to perpetuate the wire fraud and engaged in money laundering

1 rather than having DHL make a proper wire transfer from DHL's Isle of
2 Man bank account to FCGLTD's Isle of Man bank account.

3 j. FCGLTD did not engage in any business with Bastian or the Bastian
4 Casino Gaming enterprise pursuant to their declaration under ECR CAT
5 CODE 2084.

6 k. The statement of the "purpose of funds" by Bastian is fraudulent.

7 l. This BOB EPR in the amount of \$500,000 was for the continued and
8 ongoing pattern of racketeering activities for the purposes of avoiding
9 paying the \$120,000 in BIT taxes and more importantly the concealment
10 of the DHL'S purchase of 15% of FCGI'S securities interest in FCGLTD.

11 (2) Through the pattern of racketeering activity, Counter-Defendants and Third-
12 Party Plaintiffs acquired or maintained, directly or indirectly, an interest in or
13 control of an enterprise whereby.

14 Counter-claimants re-allege and incorporate ¶556(1) and its sub-references
15 herein and indisputably prove that Bastian and his Bastian Casino Gaming
16 Enterprise attempted to engaged in Claim One, Claim Two now, repeating to
17 a full fruition in Claim Three, the Counter-Defendants and Third-Party
18 Defendants have indeed continued to wrongfully acquire more of the FCGI'S
19 ownership interests in FCGLTD;

20 (3) Counter-Claimants' enterprise engaged in, or had some effect on, interstate
21 or foreign commerce:

22 a. Counter-claimants re-allege and incorporate ¶553 (1) and (2) and their
23 sub-references herein and indisputably prove that Bastian and his Bastian
24 Casino Gaming Enterprise attempted to engage in Claim One, Claim Two
25 and now, repeating to a full fruition in Claim Three, the Counter-
26 defendants have indeed continued to wrongfully acquire FCGI's
27 ownership interests in FCGLTD;
28

b. Bastian's Bank of Bahamas Outgoing Wire Transaction includes using the internet and telecommunications systems in order to complete the fraudulent wire transfer, further to communicate with others, to send copies of the wire transfer details, to coordinate the scheme, consisted between the Bahamian bank of BOB, the USA Federal Reserved banking system to facilitate the wire, FCGI a USA entity, the Bahamian BASTIAN casino gaming enterprises and the Isle of Man FCGLTD demonstrating the engagement of interstate and foreign commerce.

557. As a result, Counter-Claimants have alleged with specificity and particularity that the Counter-Defendants and Third-Party Defendants are guilty of 18 U.S.C. §1962(b) herein this Third Claim.

558. Counter-Claimants' business and property interests have suffered and continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-defendant's individual predicate acts as well as the racketeering activity alleged herein. Accordingly, Counter-Claimants seek an award of treble damages from the racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

FOURTH CLAIM FOR RELIEF (Multislot Extortion)

VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))

(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Bastian, Simmons, Munger, Linham, Playtech, Island Luck, DTG, DHL, Horan, Jungels, Multislot, M&A, Valcros)

559. Counter-Claimants repeat and re-allege the allegations set forth in the preceding paragraphs with specificity and particularity as though set forth fully herein.

560. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961 et seq. in its pertinent part states:

“It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain,

1 directly or indirectly, any interest in or control of any enterprise which is
2 engaged in, or the activities of which affect, interstate or foreign
commerce.”

3 561. The above named Counter-defendants and Third-Party Plaintiffs have conspired
4 to violate 18 U.S.C. §1962(b) as set forth fully herein.

5 562. The predicate acts alleged above constituted substantial acts of extortion in
6 violation of the Hobbs Act in violations of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1951,
7 interference with commerce by threats or violence.

8 563. Counter-Claimants, in order to succeed on this claim under 18 U.S.C. §1962(b),
9 re-allege the allegations set forth in the preceding paragraphs herein with specificity and
10 particularity as though set forth fully herein, hereby allege facts concerning each of the
11 following three elements with new and additional specificity and particularity already as
12 follows:

13 (1) Counter-Defendants and Third-Party Defendants continued to engaged in a
14 continued “pattern of racketeering activity” whereby:

- 15 a. On January 31, 2017, as fully detailed in ¶230 Multislot, engaged in
16 extortion when they attempted to wrongfully extort the FCGI and its
17 affiliates out of their HTML5 property rights to the Full Color IP and
18 prevent them from globally releasing FCG21 through Videoslots as
19 expected if the Counter-Claimants and their affiliates did not comply with
20 Multislot demands, ultimately depriving Counter-Claimants re-allege and
21 incorporate and its affiliates of all income.
- 22 b. By contract, Multislot attempted to acquire or maintain, directly and
23 indirectly, an interest in and control of the Full Color IP, specifically
24 FC21 which is the property of Mahon and licensed FCGI and other
25 Counter-Claimants, all of whom have their own beneficial property rights
26 in the Full Color IP.
27
28

- 1 c. The Full Color IP could not be released on its own without the GBB or
2 UKGC license of Multislot while on their RGS that they controlled and in
3 so doing, controlled Counter-Claimants and their affiliates.
- 4 d. Counter-Claimants, which are engaged in, or the activities of which
5 affect, interstate or foreign commerce would generate revenue that
6 Multislot controlled through their contracts with Videoslots.com,
7 BetConstruct, EveryMatrix, et al., who would then charge a fee for their
8 control and pay Counter-Claimants. Multislot was, therefore, in every
9 step of the commerce, in control and attempted to wrongfully extort
10 Counter-Claimants out of their free rights to give certain revenue streams
11 property rights of the Full Color IP commerce, specifically, the HTML5
12 rights to the Tier 1 operators, which constitute approximately 80% of all
13 future revenues in which Multislot had no rightful claim to.
- 14 (2) Through the pattern of racketeering activity, the above named Counter-
15 defendants and Third-Party Defendants acquired or maintained, directly or
16 indirectly, an interest in or control of an enterprise whereby.
- 17 a. The Counter-claimants re-allege and incorporate ¶563(1) and its sub-
18 paragraphs herein that Multislot not only threatened to pull the release of
19 the Full Color IP to Videoslots, BetConstruct, EveryMatrix for failing to
20 comply with the Multislots' demands, but Multislot repeated its threats by
21 failing to release it on BetConstruct, EveryMatrix, and even failed to ever
22 release the Full Color IP on Bastian's IslandLuck.com.
- 23 b. Despite the fact that Counter-Claimants have paid to have the games fully
24 certified for release through BMM and translated into 24 languages, over
25 \$110,000, and 15 months of direct development time invested into the
26 build and release, Multislot deliberately refused to release the product at
27 all, showing a pattern of extortion by wrongfully owning and controlling
28

1 the interests and property rights of Counter-Claimants and their lawful
2 enterprises.

3 (3) Counter-Claimants' enterprise engaged in, or had some effect on, interstate
4 or foreign commerce:

5 Counter-Claimants re-allege and incorporate ¶563 (1) and (2) and their sub-
6 paragraphs that the failure to globally release the Full Color IP of FC21 on
7 Videoslots.com, BetConstruct, EveryMatrix, IslandLuck.com or anywhere,
8 ever, even to this day, demonstrate that the above-named Counter-Defendants
9 and Third-Party Defendants have interfered with interstate and foreign
10 commerce.

11 564. Counter-Claimants further allege that Multislot violated 18 U.S.C. §1951
12 through interference with commerce by threats or violence or better known as the "Hobbs Act
13 extortion by the wrongful use of actual or threatened force, violence, or fear."

14 565. More specifically, Multislot wrongfully demanded that Counter-Claimants give
15 up all HTML5 property rights they had already assigned to another party.

16 566. Multislot demanded that Counter-Claimants give up control of the Full Color IP
17 and give up the HTML5 Tier 1 rights or they would pull the product releases to all other
18 operators which would cause great economic harm to the Counter-Claimants if they refused to
19 give in to Multislot's threats.

20 567. Multislot not only wrongfully obstructed the release of the Counter-Claimants
21 Full Color IP that they spent approximately \$110,000 in corporate funds, over 15 months of
22 time developing in good faith, but they permanently delayed the release of all Full Color IP not
23 just through the Island Luck platform, but to all other interstate and foreign commerce through
24 Videoslots, Betconstruct, EveryMatrix and Pinnacle after getting the games fully certified and
25 translated for global release because FCGI and its affiliates would not give in to the extortion
26 demands. Multislot knew that the Counter-Claimants would fail to reach revenue as a result,
27 would run out of money and go out of business within months and believed that Counter-
28 Claimants would succumb to their wrongful demands as the only alternative to save themselves.

1 Counter-Claimants did not give into the wrongful demands and subsequently did in fact go out
2 of business and experience a total loss of all of its investments that exceeded \$3 million cash
3 and nearly 10 years of business development as a result.

4 568. Multislot's actions and threats were wrongful because Multislot had no lawful
5 claim to the property. Multislot had no lawful claim to the property rights of the HTML5 rights
6 in either oral or written contract. In fact, Multislot turned down the opportunity to the HTML5
7 rights to the Tier 1 product. Multislot retained all other distributors and operators that only
8 wanted FLASH developed Full Color IP product and those that were already integrated into the
9 MULTISLOT RGS. Only Mahon and his licensees owned all rights to its revenue streams from
10 the Full Color IP pursuant to their respective licensing agreements with Mahon.

11 569. Counter-Claimants' business and property interests have suffered and continue
12 to suffer injury as a direct, proximate, and foreseeable result of the Counter-defendant's
13 individual predicate acts as well as the racketeering activity alleged herein. Accordingly,
14 Counter-Claimants seek an award of treble damages from the racketeering activity, costs of this
15 litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

16
17 **FIFTH CLAIM FOR RELIEF (Munger, Bastian,
Brock Sr., Brock Jr., Eckles & Solso. Extortion)**

18 **VIOLATION OF FEDERAL RACKETEERING STATUTE 18**
19 **U.S.C. 1962(b))**

20 **(FCGI, IPH, FCGNA, and JPL against all Counter-Defendants**
21 **and all Third-Party Defendants)**

22 570. Counter-Claimants repeat, re-allege, and incorporate by reference the
23 allegations set forth in paragraphs herein with specificity and particularity as though set forth
24 fully herein.

25 571. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
26 ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

27 "It shall be unlawful for any person through a pattern of racketeering
28 activity or through collection of an unlawful debt to acquire or maintain,

1 directly or indirectly, any interest in or control of any enterprise which is
2 engaged in, or the activities of which affect, interstate or foreign
commerce.”

3 572. The above named Counter-Defendants and Third-Party Defendants have
4 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

5 573. The predicate acts alleged above constituted substantial acts of extortion in
6 violation of the Hobbs Act in violations of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1951,
7 interference with commerce by threats or violence; 18 U.S.C. § 1832, theft of trade secrets; 18
8 U.S.C. § 1589, forced labor.

9 574. Counter-Claimants, in order to succeed on this claim under 18 U.S.C. §1962(b),
10 re-allege the allegations set forth in paragraphs herein with specificity and particularity as
11 though set forth fully herein as follows:

12 (1) Counter-defendants and Third-Party Defendants continued to engaged in a
13 continued “pattern of racketeering activity” whereby:

- 14 a. Beginning on or about April 19, 2017, in here above, Counter-
15 Defendants and Third-Party Defendants, and each of them, engaged
16 in frauds by wire, attempted extortion with the wrongful taking of
17 FCGI’s and its affiliates property rights and interests in the IPR and
18 Full Color IP in order to acquire and maintain an interest in it in order
19 to wrongfully profit off of it through interstate and foreign commerce
20 as detailed in their racketeering activities in written documents “**FCG**
21 **plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf**”
22 and furthered by verbal assertion and reaffirmation of it by Brock Jr.
23 in order for the Counter-Defendants and Third-Party Defendants to
24 maintain their extorted interests to continue their racketeering activity
25 in perpetuity.
- 26 b. The Counter-Defendants and Third-Party Defendants further
27 attempted to extort Mahon out of his rightful property rights of his
28

1 stock ownership in the FCGI and affiliated entities in order to obtain
2 the voting shares and majority interest in order to wrongfully force
3 Mahon to unlawfully relinquish his employment, directorships and
4 positions with FCGI and its affiliates that he spent a lifetime building
5 in order to lawfully obtain and maintain.

- 6 c. The Counter-Defendants and Third-Party Defendants conspired to
7 extort Mahon out of his Full Color IP, other intellectual property
8 rights and stock ownership property and FCGI and its affiliates
9 relevant revenue and licensing rights by acting on their threats to
10 engage in tortuous litigation for the sole intent of depriving Mahon
11 and the other Counter-Claimants of their property rights and revenue
12 streams by filing a baseless, meritless, frivolous and wrongful lawsuit
13 as conceived in and detailed in no less than four different schemes as
14 detailed in **FCG plan.docx, FCG plan v1.2.docx, Principles_2017**
15 **04 26 v 2.pdf** and over a long period of time showing an ongoing
16 pattern in their racketeering activity.
- 17 d. FCGI and its affiliates, with respect to their property interest and
18 rights in the IPR, are engaged in, or the activities of which affect,
19 interstate or foreign commerce would generate revenue that the
20 Counter-Defendants and Third-Party Defendants controlled through
21 their contracts with Multislot, Spin, Videoslots.com, BetConstruct,
22 Every Matrix, et al., who would then charge a fee for their control and
23 pay FCGI and its affiliates proving that Counter-Defendants and
24 Third-Party Defendants in acquiring rights and interests in the IPR
25 and stock securities in FCGI and its affiliates, in every step of the
26 commerce, was in control and attempted to wrongfully extort
27 Counter-Claimants out of their free rights to give certain revenue
28 streams property rights of the IPR in commerce and the rightful

ownership of the property that Counter-Defendants and Third-party Defendants racketeering activity sought to illegally and improperly obtain all of which was explicitly detailed in FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf.

- (2) Through the pattern of racketeering activity, Counter-Defendants and Third-Party Defendants acquired or maintained, directly or indirectly, an interest in or control of an enterprise whereby.

Counter-Claimants re-allege and incorporate ¶574(1) and its sub-paragraphs herein that the Counter-Defendants and Third-Party Defendants have wrongfully engaged in racketeering activity to acquire and maintain, both directly and indirectly an interest in and control of the IPR property and stock in their enterprises.

- (3) Counter-Claimants' enterprise engaged in, or had some effect on, interstate or foreign commerce:

Counter-Claimants alleges and incorporates ¶574(1) and (2) and their sub-paragraphs herein that their plans were well known and admitted to in advance as explicitly detailed in FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf and it would affect and or deprive Counter-Claimants of their rights of income through interstate and foreign commerce showing that Counter-Defendants and Third-Party Defendants have interfered with interstate and foreign commerce and equally as damaging designed to ensure that their racketeering activities **"will cost him [MAHON] years of revenue and ... cost him his career"**.

575. Counter-Claimants further allege that Counter-Defendants and Third-Party Defendants violated 18 U.S.C. §1951 through interference with commerce by threats or violence or better known as the "Hobbs Act extortion by the wrongful use of actual or threatened force, violence, or fear."

1 576. Counter-Defendants and Third-Party Defendants explicitly demanded in their
2 “non-negotiable” demands **FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v**
3 **2.pdf** have wrongfully demanded that Mahon give up his property rights and the other Counter-
4 Claimants’ rights to revenues related thereto that the Counter-Defendants and Third-Party
5 Defendants did not have any lawful rights beyond their already explicitly agreed to terms and
6 conditions of their stock ownership rights in any of the named entities but sought to obtain
7 100% ownership Mahon’s IPR and Mahon’s (majority in interest) stock ownership in FCGI, his
8 100% voting control in FCGI not only without paying for it but under the threat of extortion if
9 they did not give into Counter-Defendants’ and Third-Party Defendants’ demands and were
10 threatened with the damage that would ensure in a tortuous lawsuit that would follow if they did
11 not comply with their demands.

12 577. Counter-claimants re-allege all preceding paragraphs herein that Counter-
13 Defendants and Third-Party Defendants, through their explicitly detailed plans in **FCG**
14 **plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf**, their threats to cause Mahon
15 harm was designed to and did obstruct, delay and affect interstate and foreign commerce in
16 quantifiable means that caused the Counter-Claimants’ business to fail in their entirety causing
17 the loss of millions of dollars of real money by Counter-Claimants.

18 578. Counter-Defendants’ and Third-Party Defendants’ actions of threats were
19 wrongful. Counter-Defendants and Third-Party Defendants had no lawful claim to the property
20 rights to the demands that they explicitly made in **FCG plan.docx, FCG plan v1.2.docx,**
21 **Principles_2017 04 26 v 2.pdf**. Only Mahon owned all Full Color IP property and had owned
22 all this property for years as further evidenced in licensing contracts, on public record, in
23 product manufactured, published and distributed in over 160 countries in over 13 languages and
24 all rights to its revenue streams were the property of Counter-Claimants pursuant to their
25 respective licensing agreements with Mahon as the master licensor. Counter-Defendants’ and
26 Third-Party Defendants’ actions therefor had no lawful claim to Mahon’s property much more
27 to Counter-Claimants’ respective licensing and stock ownership rights afforded each of them in
28 their respective licensing agreements.

1 579. After Mahon refused to succumb to the extortion and ransom demands
2 explicitly made in the **FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf,**
3 the Counter-Defendants’ and Third-Party Defendants, followed through on those threats and
4 secretly acquired an ownership interest in Legacy 8, AAA, Oryx and Bragg in order to exploit
5 the Full Color IP through it whereby they have successfully caused the cancelation of Mahon’s
6 federally registered trademark of “Full Color” with the USPTO, successfully filed individual
7 and derivative lawsuits and filed opposition claims to Mahon’s re-registration of the “Full
8 Color” trademark with the USPTO and continue to hold it hostage and for ransom with this
9 frivolous, vexatious and meritless lawsuit until Mahon gives in to their extortion demands with
10 the intent, upon information and belief, to exploit it through Legacy 8, AAA, Oryx and Bragg
11 platforms all of which has been orchestrated by Munger, Bastian, Young, Mishra and Majiz.

12 580. As a result, Counter-Claimants’ business and property interests have suffered
13 and continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-
14 Defendants’ and Third-Party Defendants’ individual predicate acts as well as the racketeering
15 activity alleged herein. Accordingly, Counter-Claimants seek an award of treble damages from
16 the racketeering activity, costs of this litigation, and further, reasonable attorneys’ fees as
17 provided by 18 U.S.C. 1964(d).

18
19 **SIXTH CLAIM FOR RELIEF (Newman Securities**
20 **Extortion)**

21 **VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))**

22 **(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants**
23 **Newman, Newman Law, and CBL)**

24 581. Counter-Claimants repeat and re-allege the allegations set forth in the preceding
25 paragraphs herein with specificity and particularity as though set forth fully herein.

26 582. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
27 (“RICO”), 18 U.S.C. § 1961 et seq. in its pertinent part states:

28 “It shall be unlawful for any person through a pattern of racketeering
activity or through collection of an unlawful debt to acquire or maintain,

1 directly or indirectly, any interest in or control of any enterprise which is
2 engaged in, or the activities of which affect, interstate or foreign
commerce.”

3 583. The above named Third-Party Defendants have conspired to violate 18 U.S.C.
4 §1962(b) as set forth fully herein.

5 584. The predicate acts alleged above constituted substantial acts of extortion in
6 violation of the Hobbs Act and through fraud in violations of 18 U.S.C. § 1346, frauds by wire;
7 18 U.S.C. § 1951, interference with commerce by threats or violence; 18 U.S.C. § 1341, frauds
8 and swindles.

9 585. Counter-Claimants, in order to succeed on this claim under 18 U.S.C. §1962(b),
10 re-allege the allegations set forth in the preceding paragraphs herein with specificity and
11 particularity as though set forth fully herein as follows::

12 (1) Third-Party Defendants continued to engaged in a continued “pattern of
13 racketeering activity” whereby:

- 14 a. Beginning on or about March 17, 2010, the above-named Third-Party
15 Defendants and each of them engaged in frauds by swindle, frauds by
16 wire and attempted extortion with the wrongful taking of Mahon’s
17 property in the IPR that H2 and Newman were hired to protect and used
18 the AGRI as the means and methods for Newman to obtain FCGI and,
19 purportedly, FCG LTD corporate stock interests. Had Newman truly
20 done the work, he would have been entitled to the shares, but instead he
21 engaged in a patent scheme that allowed him to get shareholder rights in
22 FCGI and its affiliates. When his failures were discovered and the
23 Newman Group was terminated, the Newman Group made unlawful and
24 wrongful threats in order to wrongfully exert control over Counter-
25 Claimants and wrongfully profit therefrom through interstate and foreign
26 commerce as detailed in the Newman Group’s extortionate demands for
27 money on the threat of liening and/or destroying Counter-Claimants’ IPR
28

1 and profits derived therefrom. The extortionate threats include the
2 following communications by Newman as set forth below:

3 (1) On August 27, 2016 at 4:04pm PST, in a document entitled

4 “**Settlement Agreement.pdf**”;

5 (2) On November 17, 2016 at 5:50pm PST after Newman’s phone call
6 with Linham and Howard memorialized in the emailed document

7 entitled “**2016 11 17 Rich Newman Settlement Proposal.docx**”;

8 (3) On February 21, 2017, Newman emailed document titled “**Mutual**
9 **Termination and Release-2-21-2017.docx**”;

10 (4) On March 8, 2017 at 1:41am PST, in an email from Newman to
11 Mahon changing his terms back to a new demand of \$50K to \$75K.

12 b. The Newman Group, with its extortionate demands, held Counter-
13 Claimants’ property rights and corporate stock ransom in order to prevent
14 the Counter-Claimants from being able to obtain a UKGC casino gaming
15 license and prevent them from obtaining revenue streams through
16 interstate and foreign commerce.

17 (2) Through the pattern of racketeering activity, Third-Party Defendants
18 acquired or maintained, directly or indirectly, an interest in or control of an
19 enterprise whereby.

20 Counter-Claimants re-allege and incorporate ¶585(1) and its sub-paragraphs
21 and herein allege that Third-Party Defendants have wrongfully engaged in
22 racketeering activity to acquire and maintain, both directly and indirectly an
23 interest in and control of the Counter-Claimants, including FCGI, and its
24 property rights and they would not return the fraudulently obtained stock
25 until Counter-Claimants paid them a ransom in order to deprive Counter-
26 Claimants the right to obtain a UKGC casino gaming license, release the Full
27 Color IP and obtain revenue in interstate and foreign commerce.

1 (3) Counter-Claimants' enterprise engaged in, or had some effect on, interstate
2 or foreign commerce:

3 Counter-Claimants re-allege and incorporate ¶585 (1) and (2) and their sub-
4 references herein and alleges that their plans were well known and admitted
5 to in advance as explicitly detailed Newman's repetitive pattern of ever
6 changing extortion demands as witnessed in his emails, settlement proposals
7 seeking to interfere with and/or destroy Counter-Claimants' rights of income
8 through interstate and foreign commerce.

9 586. The above named Third-Party Defendants have a violated of 18 U.S.C. §1951
10 through interference with commerce by threats or violence or better known as the "Hobbs Act
11 extortion by the wrongful use of actual or threatened force, violence, or fear."

12 587. Third-Party Defendants, as explicitly demanded in their "non-negotiable"
13 demands in the emails and wires communications explicitly detailed in the "Settlement
14 Agreement.pdf", "2016_11_17_Rich_Newman_Settlement_Proposal.docx", and "Mutual
15 Termination and Release-2-21-2017.docx" have wrongfully demanded that Counter-Claimants
16 give up their property rights as defined in the related licenses to the IPR and the shares that
17 Newman Group wrongfully obtained and was holding hostage that Third-Party Defendants did
18 not have any lawful right the shares which were obtained by fraud and/or failed to meet the
19 conditions for stock ownership, and sought to wrongfully assert influence over Counter-
20 Claimants by making extortionate threats against the IPR and FCGI's business if they did not
21 comply with their demands.

22 588. Counter-Claimants re-allege all preceding paragraphs that the Third-Party
23 Defendants not only intended to inflict fear and cause economic harm in perpetuity, but
24 intended to cause the fear of the loss of the protection of his inventions due to the Newman
25 Group's fraud and they inflicted economic damages on FCGI and the other Counter-Claimants,
26 which inhibited Counter-Claimants from obtaining the UKGC license and wrongfully deprives
27 Mahon and Counter-Claimants of other revenue streams.
28

589. Counter-Claimants re-allege all preceding paragraphs herein that Counter-Defendants, their threats, coercion and attempted extortion did in fact obstruct, delay and affect interstate and foreign commerce in quantifiable means that caused the Counter-Claimants' businesses to fail in their entirety causing the loss of millions of dollars of real money by the Counter-claimants entities individually and as investing shareholders.

590. Third-Party Defendants' actions of threats were wrongful because Third-Party Defendants have no lawful claim to the property rights to the demands because Newman fraudulently obtained the money and shares from the Counter-claimants and as such had no legal right to the shares. Only Mahon invented all Full Color IP and had owned all this property for years before even meeting Newman as further evidenced in the original copyright, trademark and patent filings by Mahon. Third-Party Defendants' actions therefor had no lawful claim to Counter-Claimants' property much more to Counter-Claimants' licensing income and stock ownership rights afforded each of them in their respective licensing agreements.

591. Counter-Claimants' business and property interests have suffered and continue to suffer injury as a direct, proximate, and foreseeable result of Third-Party Defendants' individual predicate acts as well as the racketeering activity alleged herein. Accordingly, Counter-Claimants seek an award of treble damages from the racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C. 1964(d).

NEVADA RACKETEERING CLAIMS

**(VIOLATIONS OF NEVADA RACKETEERING STATUTE) (N.R.S.
§ 207.400, et seq.)**

Allegations Common to Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Causes of Action

A. The Nevada RICO Enterprise

592. Counter-Defendants and Third-Party Defendants have operated as an enterprise as defined in N.R.S. § 207.380 whereby “Enterprise” defined

Enterprise” includes:

- 1 (1) Any natural person, sole proprietorship, partnership, corporation, business
2 trust or other legal entity; and
3 (2) Any union, association or other group of persons associated in fact although
4 not a legal entity.
5 —> The term includes illicit as well as licit enterprises and governmental as well
6 as other entities.

7 593. With respect to all allegations common to the Seventh, Eighth, Ninth, Tenth,
8 Eleventh and Twelfth Claims of violations of sections N.R.S. § 207.400. et sq. all Counter-
9 Defendants' and Third-Party Defendants' "enterprise" includes all named Counter-Defendants
10 and Third-Party Defendants, and named or identified in each relevant section here above and
11 here below as appropriate or relevant to each Claim

12 **B. Nevada RICO Predicate Acts**

13 594. To succeed on claims under state racketeering laws, FCGI must allege two or
14 more predicate acts that have the same or similar pattern, intent, results, accomplices, victims
15 and or methods of commission as has clearly been set forth herein.

16 595. Unlike the Federal RICO Act that requires a "pattern of racketeering" at 18
17 U.S.C: 1961(5), there is no pattern/continuity requirement as is required under federal law.

18 596. The predicate acts of racketeering and the specific Nevada statutes involved
19 those crimes are set forth herein pursuant to N.R.S. §207.360 whereby "Crime related to
20 racketeering" means the commission of, attempt to commit or conspiracy to commit any of the
21 following crimes sections:

- 22 (9) Taking property from another under circumstances not amounting to
23 robbery, including theft and larceny (N.R.S. § 205.380);
24 a. Obtaining possession of money or property by means of false
25 pretenses (N.R.S. § 205.380);
26 (10) Extortion (N.R.S. § 205.320);
27 (25) Embezzlement (N.R.S. § 205.300)
28 a. State securities fraud (N.R.S. § 90.570); and
b. Commercial bribery (N.R.S. § 207.295).
(34) Involuntary servitude (N.R.S. § 200.463)
(35) Multiple transactions involving fraud or deceit in course of enterprise or
occupation (N.R.S. § 205.377);

1 **(6) Taking Property from Another under Circumstances Not Amounting to Robbery,**
2 **including Theft and Larceny**

3 597. The Omnibus Theft Crime statute, N.R.S. § 205.0832 et. seq., which states in
4 part:

5 a person commits theft if, without lawful authority, he knowingly

- 6 (a) Controls any property of another person with the intent to deprive that
7 person of the property.
8 (b) Converts, makes an unauthorized transfer of an interest in, or without
9 authorization controls any property of another person, or uses the services or
10 property of another person entrusted to him or placed in his possession for a
11 limited use.
12 (c) Obtains real, personal or intangible property or the services of another
13 person by a material misrepresentation with intent to deprive that person of
14 the property or services.

12 **(7) Extortion**

13 598. The Nevada's extortion statute, N.R.S. § 205.320, which states in pertinent part:

14 A person who, with the intent to extort or gain any money or other property
15 ... , or to do or abet ... any illegal or wrongful act, whether or not the
16 purpose is accomplished, threatens directly or indirectly ...to injure a person
17 or property ...is guilty of a category B felony ...

18 **(8) Obtaining Possession of Money or Property by Means of False Pretenses**

19 599. The Nevada N.R.S. § 205.380, which states in part:

20 A person who knowingly and designedly by any false pretense obtains from
21 any other person any chose in action, money, goods, wares, chattels, effects
22 or other valuable thing ...with the intent to cheat or defraud the other person,
23 is a cheat, and, unless otherwise prescribed by law, shall be punished ...

23 **(9) Grand Larceny**

24 600. The Nevada's grand larceny statute, N.R.S. § 205.220, which states the:
25 following in pertinent part:

26 Except as otherwise provided in NRS 205.226 and 205.228, a person commits
27 grand larceny if the person:

- 28 1. Intentionally steals, takes and carries away, leads away or drives away:

1 (a) Personal goods or property, with a value of \$650 or more, owned by
2 another person;

3 (c) Real property, with a value of \$650 or more, that the person has
4 converted into personal property by severing it from real property owned
5 by another person.

6 **(10) Embezzlement**

7 601. The Nevada's embezzlement statute, N.R.S. § 205.300, which states the:
8 following in pertinent part:

9 Any bailee of any money, goods or property, who converts it to his or her
10 own use, with the intent to steal it or to defraud the owner or owners thereof
11 and any agent, manager or clerk of any person, corporation, association or
12 partnership, or any person with whom any money, property or effects have
13 been deposited or entrusted, who uses or appropriates the money, property
or effects or any part thereof in any manner or for any other purpose than
that for which they were deposited or entrusted, is guilty of embezzlement...

14 **(11) State Securities Fraud**

15 602. The foregoing acts of state securities fraud constitute a violation of N.R.S. §
16 90.570 and thereby constitute a predicate act under Nevada RICO Statute, N.R.S. §207.360(32),
17 which states in pertinent part:

18 In connection with the offer to sell, sale, offer to purchase or purchase of a
19 security, a person shall not, directly or indirectly:

- 20 1. Employ any device, scheme or artifice to defraud;
21
22 3. Engage in an act, practice or course of business which operates or
would operate as a fraud or deceit upon a person.

23 **(12) Statement made in declaration under penalty of perjury.**

24 603. The foregoing acts of perjury constitute a violation of N.R.S. § 199.145 and
25 thereby constitute a predicate act under Nevada RICO Statute, N.R.S. §207.360(19) which
26 states in pertinent part: "Makes a willful and false statement in a matter material to the issue or
27 point in question."
28

1 **(13) Involuntary servitude; penalties.**

2 604. The Nevada's embezzlement statute, N.R.S. § 200.463, which states the:
3 following in pertinent part:

- 4 (1) A person who knowingly subjects, or attempts to subject, another person to
5 forced labor or services by
6 (a) Causing or threatening to cause physical harm to any person;
7 (b) Physically restraining or threatening to physically restrain any person;
8 (c) Abusing or threatening to abuse the law or legal process;
9 (d) Knowingly destroying, concealing, removing, confiscating or
10 possessing any actual or purported passport or other immigration
11 document, or any other actual or purported government identification
12 document, of the person;
13 (e) Extortion; or
14 (f) Causing or threatening to cause financial harm to any person,

15 **(14) Multiple transactions involving fraud or deceit in course of enterprise**
16 **or occupation; penalty.**

17 605. The Nevada's fraud statute, N.R.S. § 200.377, which states the: following in
18 pertinent part:

- 19 (1) A person shall not, in the course of an enterprise or occupation, knowingly
20 and with the intent to defraud, engage in an act, practice or course of
21 business or employ a device, scheme or artifice which operates or would
22 operate as a fraud or deceit upon a person by means of a false representation
23 or omission of a material fact that:
24 (a) The person knows to be false or omitted;
25 (b) The person intends another to rely on; and
26 (c) Results in a loss to any person who relied on the false representation
27 or omission
28 (2) Each act which violates subsection 1 constitutes a separate offense.
29 (3) A person who violates subsection 1 is guilty of a category B felony and shall
30 be punished by imprisonment in the state prison for a minimum term of not
31 less than 1 year and a maximum term of not more than 20 years, and may be
32 further punished by a fine of not more than \$10,000.
33 (4) In addition to any other penalty, the court shall order a person who violates
34 subsection 1 to pay restitution.
35 (5) A violation of this section constitutes a deceptive trade practice for the
36 purposes of NRS 598.0903 to 598.0999, inclusive.
37 (6) As used in this section, "enterprise" has the meaning ascribed to it in NRS
38 207.380.

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**SEVENTH CLAIM FOR RELIEF (Spin
Racketeering Fraud)**

**VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §
207.400(1)(c))**

(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Young, Mishra & Spin)

608. Counter-Claimants repeat, re-allege, and incorporate by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

609. Starting in May 2016 and continuing through May, 2017, Spin through their actions and in their conduct engaged in by the Third-Party Defendants Young, Mishra and Spin have conspired to violate N.R.S. § 207.400(1)(b) as set forth in pertinent part herein: “Through racketeering activity to acquire or maintain, directly or indirectly, any interest in or control of any enterprise.”

610. Further, Third-Party Defendants have violated N.R.S. § 207.400(1)(a) by receiving proceeds derived, directly or indirectly, from racketeering activity to use or invest, whether directly or indirectly . . . in the acquisition of . . . any interest in or the establishment or operation of any enterprise.”

611. The predicate acts alleged above constituted substantial acts of fraud, misrepresentation, concealment and embezzlement of funds that include:

- (1) N.R.S. § 205.380 - Taking property from another under circumstances not amounting to robbery, including theft and larceny specifically, “Obtaining possession of money or property by means of false pretenses”
- (2) N.R.S. § 205.300 - Embezzlement
- (3) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in course of enterprise or occupation;

612. Beginning as early as June, 2016, when Mahon first met with Young, Spin, made specific misrepresentations to Mahon and Counter-Claimants concerning Spin’s ability to perform as Counter-Claimants required, and further fraudulently concealed other facts concerning Spin’s capabilities despite knowing these capabilities extremely important to Mahon, FCGI, and the other Counter-Claimants.

1 613. Spin acted under false pretenses in order to induce Mahon to pay agree to have
2 Spin build its product, enter into contracts with Spin, and ultimately pay Spine for the product
3 that was ultimately never provided.

4 614. Spin ultimately obtained a signed contract from Counter-Claimants and \$74,000
5 in cash by its false pretenses concerning its ability to perform as represented.

6 615. Specifically, starting as early as June, 2016, Spin represented to Counter-
7 Claimants, or otherwise mislead Counter-Claimants to believe that their RGS was integrated
8 into a total of 15 global distribution interactive gaming systems (IGS) that would allow
9 FCGLTD, and therefore FCGI, to immediately monetize through hundreds of real and virtual
10 money casino gaming operators around the world.

11 616. Spin represented to Counter-Claimants that it could and would integrate all 24
12 language translations and 35 currencies, but fraudulently concealed the fact that its current
13 software was not capable of integrating 24 languages and 35 currencies without significant
14 upgrades and delays.

15 617. Each of these representations was false.

16 618. Spin either knew that each of these representations were false or made the
17 representations with reckless disregard for the truth or falsity of the representations.

18 619. Spin made each of the misrepresentations with the intent to induce FCGI and its
19 affiliates to act in reliance of the misrepresentations.

20 620. Counter-Claimants did in fact rely upon Spin's misrepresentations set forth
21 herein.

22 621. Counter-Claimants incurred damages as a result of relying upon Spin's
23 misrepresentations.

24 622. Between October 2016 and April of 2017, Mahon caused Spin to be paid
25 \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the Spin's false
26 pretenses and misrepresentations.

1 623. As such, FCGI alleges that Spin, Young, and Mishra in their racketeering
2 activity and the schemes they employed violated of N.R.S. § 205.377 by engaging in multiple
3 transactions involving fraud or deceit in course of enterprise.

4 624. Third-Party Defendants Young, Mishra, and Spin have conspired to violate
5 N.R.S. § 207.400(1)(a) as set forth fully herein. Third-Party Defendants Young and Mishra
6 have utilized proceeds derived directly or indirectly from racketeering activity to acquire an
7 interest in or establish their enterprise.

8 625. Third-Party Defendants Young, Mishra, and Spin have conspired to violate
9 N.R.S. § 207.400(1)(d) as set forth fully herein. Third-Party Defendants Young and Mishra are
10 employed by Spin and have each intentionally organized, managed, directed, supervised each
11 other and other members of their enterprise to engage in racketeering activity for the benefit of
12 their income and revenue sharing interests and controlled the affairs of their enterprise.

13 626. In violation of N.R.S. § 205.0832(c), Young, Mishra, and Spin have obtained
14 money or property from FCGI and its affiliates by making material misrepresentations
15 concerning Spin's services as more fully alleged herein.

16 627. Third-Party Defendants Young, Mishra, and Spin have engaged multiple acts in
17 acts in violation of NRS § 205.380 obtaining money or property by false pretenses, which is a
18 predicate act under the Nevada RICO Statute, N.R.S. §207.360(9).

19 628. Third-Party Defendants Young, Mishar, and Spin have further utilized the funds
20 improperly obtained via false pretenses and deceit to carry out or support their own enterprise in
21 violation of N.R.S. § 205.0832(c),

22 629. Counter-Claimants' business and property interests have suffered and continue
23 to suffer injury as a direct, proximate, and foreseeable result of individual predicate acts and
24 racketeering activity conducted through the affairs of the Spin. Accordingly, the Counter-
25 Claimants seek treble damages in such amount as may be determined at trial, recovery of the
26 costs of this litigation, and an award of reasonable attorneys' fees as provided under N.R.S. §
27 207.470.

**EIGHTH CLAIM FOR RELIEF (Intentional
Recruitment of Racketeering)**

**VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §
207.400(d))**

**(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants
Munger, M&A, Valcros, Linham, Brock Sr., Brock Jr., Solso, Eckles, Bastian, Playtech,
DTG, DHL, Island Luck, Multislot, L Moore, T Moore, Castaldo, Marcus, Spin, Young,
Mishra, DHWT, Millennium Trust, and Moore Trust)**

630. Counter-Claimants repeat, re-allege, and incorporate the allegations set forth in the preceding paragraphs with specificity and particularity as though set forth fully herein.

631. Starting around October 2015 and continuing through to this date in time, with specificity and particularity herein, Counter-Defendants and Third-Party Defendants have, through their actions and in their conduct, engaged in activities in violation of N.R.S. § 207.400(d) in pertinent part: “Intentionally to organize, manage, direct, supervise or finance a criminal syndicate.”

632. The predicate acts alleged above constituted substantial and intentional acts of fraud, theft, misrepresentation, extortion and indentured servitude to coerce Mahon to relinquish his corporate positions and power as CEO and Director, surrender his majority in interest stockholder, surrender all of his stock ownership in all of his entities, and further engage in the wrongful taking of the Counter-Claimants’ property, including the Full Color IP trade secrets for their benefit in order to support and their own racketeering enterprise by profiting from their wrongful taking of Counter-Claimants’ property and their unlawful activity in perpetuity as follows:

- (1) N.R.S. § 205.380 – Taking property from another under circumstances not amounting to robbery, including theft and larceny specifically, “Obtaining possession of money or property by means of false pretenses”
- (2) N.R.S. § 205.320 – Extortion
- (3) N.R.S. § 600A.035 – Theft of Trade Secrets
- (4) N.R.S. § 205.463 – Indentured Servitude;

633. Beginning on June 7, 2016 until this filing date, Bastian and Simmons organized, managed, directed, supervised and financed Playtech, Island Luck, DHL, and DTG,

1 and recruited Multislot, Jungels, Horan, Munger, and Linham who further organized, managed,
2 directed and recruited Spin, Mishra, Young, Brock Sr., Brock Jr., Solso, and Eckles, who then
3 organized, managed, directed and supervised L Moore and T Moore who then organized,
4 managed, directed, supervised, recruited and financed Castaldo (and all of their relevant entities
5 in DHWT, Millennium Trust, and the Moore Trust) to become a criminal syndicate in order to
6 violate N.R.S. § 207.400(1)(d). Each of them then continued to individually and collectively
7 attempt to recruit, cross-recruit, harass, stalk, badger, intimidate and coerce over 40 other FCGI
8 investors through hundreds of phone calls, emails, text messages and communications over a
9 period of one year between April of 2017 and 2018, resulting in innumerable violations of this
10 statute.

11 634. Each person, entity and or party of the Counter-Defendants and Third-Party
12 Defendants, acted on their own free will, knowingly and intentionally, to organize, meet,
13 manage, direct, concoct, conspire, collude and scheme together to find a way to wrongfully
14 deprive Mahon of his role as director and CEO of FCGI, his ownership in the Full Color IP, his
15 majority stock interest in several entities and FCGI's and the other Counter-Claimants' rights to
16 revenue derived from Mahon's property and then, once acquired, force Mahon into indentured
17 servitude in order to exploit Mahon's Full Color IP. Munger made it clear in his emails that he
18 would reveal all of Mahon's trade secrets in the Full Color IP as he had confidential copies of it
19 in the event that Mahon refused to provide it voluntarily.

20 635. As a direct result of the racketeering activity the Counter-Defendants and Third-
21 Party Defendants intentionally engaged in and acted on, the criminal syndicate became an
22 ongoing and ever growing criminal enterprise at each stage of the new recruitments. Counter-
23 Defendants and Third-Party Defendants intentionally concocted a scheme and managed,
24 directed, supervised and financed that scheme while continually acting to further that scheme to
25 intentionally engage in the wrongful taking of Mahon's and FCGI's property through extortion
26 as explicitly detailed in the **FCG plan.docx, FCG plan v1.2.docx** and the **Principles 2017 04**
27 **26 v 2.pdf** effectuated by the threat of a tortuous litigation, loss of revenue and end of Mahon's
28

1 career if he and the other Counter-Claimants did not succumb to the Counter-Defendants and
2 Third-Party Defendants wrongful demands.

3 636. Upon information and belief, Bastian, through his Bastian Casino Gaming
4 Enterprise has laundered money to finance the current lawsuit through the appearance of their
5 “employment” of Munger, who sends fraudulent invoices to Playtech, Island Luck DTC, DHL,
6 and others, who then wired those funds through the Munger Group’s bank accounts beginning
7 with M&A and Valcros.

8 637. On January 18, 2018, upon information and belief, Munger formed a new and
9 separate entity in Valcros for the Bastian Casino Gaming Enterprise to launder their money in
10 wire transfers into Valcros for the purposes of funding the litigation, making the payment of
11 money appear to be for legitimate purposes.

12 638. Counter-Claimants’ business and property interests have suffered and continue
13 to suffer injury as a direct, proximate, and foreseeable result of individual predicate acts and
14 racketeering activity conducted through the affairs of the Bastiaon Casino Gaming Enterprise
15 and other related businesses. Accordingly, the FCGI seeks treble damages in such amount as
16 may be determined at trial, recovery of the costs of this litigation, and an award of reasonable
17 attorneys' fees as provided under N.R.S. § 207.470.

18
19 **NINTH CAUSE OF ACTION (Embezzlement &
Grand Larceny)**

20 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §**
21 **207.400(c)(1))**

22 **(FCGI, IPH, FCGNA, and IPH against Counter-Defendant Munger)**

23 639. FCGI repeats and re-alleges and incorporates by reference the allegations set
24 forth in paragraphs herein with specificity and particularity as though set forth fully herein.

25 640. Starting in January 2017 and continuing through May of 2017, with specificity
26 and explicit particularity herein, Munger through his actions and in his conduct engaged to
27 violate N.R.S. § 207.400(c)(2) in pertinent part:
28

1 (c) Who is employed by or associated with any enterprise to conduct or
2 participate, directly or indirectly, in:

3 (2) Racketeering activity through the affairs of the enterprise.

4 641. The predicate acts alleged above constituted substantial acts of grand larceny
5 and embezzlement in the racketeering activity through the affairs of their enterprise

6 (7) N.R.S. § 205.220 – Grand Larceny

7 (8) N.R.S. § 205.206 – Burglary

8 (9) N.R.S. § 205.300 – Embezzlement

9 642. Beginning on or about January 1, 2017 through May of 2017 Munger engaged
10 in a racketeering scheme that led to the embezzlement of \$1,350 of funds, burglary of the
11 Counter-Claimants' office space at 3773 Howard Hughes Parkway, Las Vegas, NV 89169 and
12 the grand larceny of three (3) Macbook Pro computers whose serial number and information
13 and event details are on file in the Las Vegas Metropolitan Police Report Case
14 #LLV180119003003.

15 643. As a result of the racketeering activity by Munger, he either directly or
16 indirectly induced, through information, directives and organization two other individuals that
17 were deprived of funds they were rightfully due by FCGI or its affiliates for work as
18 independent contractors, to wrongfully file "labor board" claims against FCGI and claim they
19 were employees in order to create more progressive complications and injury to FCGI and its
20 affiliates..

21 644. The racketeering activity by Munger was part of the grander scheme of Munger
22 through his continued recruitment of others to induce them to knowingly engage in unlawful
23 acts as they continued to organize, manage, direct, supervise and finance their criminal
24 syndicate with Counter-Claimants' funds and property as fully detailed in the detailed in the 156
25 page FCGI ARCC Reported entitled "Embezzlement, Grand Larceny and Attempted Fraud
26 report dated December 30, 2017."

27 645. This racketeering activity violates Nevada RICO Statute, N.R.S. §
28

1 207.400(c)(2), which makes it unlawful for a person, through racketeering activity to
2 knowingly incite or induce others to engage in intimidation to promote or further the criminal
3 objectives of the criminal syndicate.

4 646. Counter-Claimants have suffered and continue to suffer injury to their business
5 or property as a direct, proximate, and foreseeable result of the foregoing acts. Accordingly,
6 Counter-Claimants seek an award of treble damages, costs of this litigation, and reasonable
7 attorneys' fees as provided by N.R.S. § 207.470.

8
9 **TENTH CLAIM FOR RELIEF (Embezzlement & Wire Fraud)**

10 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. §**
11 **207.400(b)**

12 **(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Newman,**
13 **Newman Law and CBL)**

14 647. Counter-Claimants re-allege the allegations set forth in the preceding
15 paragraphs with specificity and particularity as though set forth fully herein.

16 648. The named Counter-Defendants through their actions and in their conduct
17 engaged to violate N.R.S. § 207.400(a)(1) in pertinent part:

18 (b) Through racketeering activity to acquire or maintain, directly or indirectly,
19 any interest in or control of any enterprise.

20 649. The predicate acts alleged herein detail the Third-Party Defendants substantial
21 acts of acquiring, maintaining and directly obtaining an interest in and control of the Counter-
22 Claimants' lawful enterprises through racketeering activity whereby Newman fraudulently
23 acquired and maintained possession of FCGI corporate shares, positions of power and title of
24 authority in order to exploit them for his own personal and corporate benefit in the Newman
25 Group by engaging in multiple transactions involving fraud throughout the course of Newman's
26 and the Newman Group's relationship with FCGI and the other Counter-Claimants.

27 650. Once discovered, Newman and Newman Law's positions of power and title of
28 authority, along with his FCGI corporate shares were canceled, terminated and repurchased but

1 not before Newman Group engaged in an ongoing scheme of extortion for nearly 9 months after
2 the discovery of his fraudulent activities to the point it caused FCGLTD, IPHTLD and FCGI to
3 go out of business. When Mahon, FCGI and the other Counter-Claimants would not give into
4 the Newman Group's extortionate demands to receive their FCGI shares back constituting a
5 racketeering activity through the affairs of their enterprise based on the following predicate acts:

- 6 (1) N.R.S. § 205.380 - Taking property from another under circumstances not
7 amounting to robbery, including theft and larceny specifically, "Obtaining
8 possession of money or property by means of false pretenses"
- 9 (2) N.R.S. § 205.300 - Embezzlement
- 10 (3) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in course
of enterprise or occupation;
- 11 (4) N.R.S. § 205.320 – Extortion

12 651. Starting in March 2010 and continuing through May of 2017, as alleged with
13 specificity and explicit particularity herein, Newman, Newman Law and CBL, engaged in a
14 racketeering scheme that led to the embezzlement of \$3,000 in FCGI'S corporate funds that
15 were set aside for the purposes of expediting Full Color IP patent filings with the USPTO.
16 Newman failed to ever file this expedited patent and absconded with the funds. Newman
17 obtained his shares in FCGI under the false pretenses he would apply for, prosecute, obtain and
maintain intellectual property protections on behalf of Mahon, FCGI, and their rights to the IPR.

18 652. This racketeering activity violates Nevada RICO Statute, N.R.S. §
19 207.400(b) which makes it unlawful for a person, through racketeering activity to acquire or
20 maintain, directly or indirectly, any interest in or control of any enterprise.

21 653. Counter-Claimants have suffered and continue to suffer injury to their business
22 or property as a direct, proximate, and foreseeable result of the foregoing acts. Accordingly,
23 Counter-claimants seek an award of treble damages, costs of this litigation, and reasonable
24 attorneys' fees as provided by N.R.S. § 207.470.

1 **ELEVENTH CLAIM FOR RELIEF (Securities Fraud & Perjury)**

2 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. § 90.570)**

3 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-**
4 **Party Defendants Sebas, Simmons, Munger, Linham, Playtech, Island Luck,**
5 **DTG, DHL, ILG, M&A, Valcros, and Marcus)**

6 654. Counter-Claimants re-allege the allegations set forth in the preceding
7 paragraphs with specificity and particularity as though set forth fully herein.

8 655. Starting in October 2015 and continuing through to this date in time, with
9 specificity and explicit particularity herein, the Counter-Defendants and Third-Party Defendants
10 through their actions knowingly, willingly and fraudulently engaged in billing fraud, wire fraud
11 for the purposes of tax evasion in order to conceal the purchase of FCGI securities in four
12 different acts of money laundering, then destroyed the evidence of it and engaged in making
13 false statements made in sworn declarations under the penalty of perjury and in their conduct
14 engaged in violation of N.R.S. § 207.400(1)(b) as set forth in pertinent part herein:

15 “Through racketeering activity to acquire or maintain, directly or indirectly,
16 any interest in or control of any enterprise.”

17 656. The predicate acts alleged above constituted substantial acts of fraud,
18 misrepresentation, concealment and embezzlement of funds that include:

- 19 (1) N.R.S. § 90.570 -- Offer, sale and purchase (State Securities Fraud)
20 (2) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in course
21 of enterprise or occupation;
22 (3) N.R.S. § 197.030 –Asking or receiving bribe by public officer or employee
23 (4) N.R.S. § 199.145 –Statement made in declaration under penalty of perjury

24 657. As alleged herein, in violation of N.R.S. § 90.570, Bastian and Simmons
25 employed devices, schemes, and artifices to defraud FCGI four different times beginning on
26 June 7, 2016 that it was the intention of Bastian and Simmons at all times to carry out the
27 money laundering scheme for the purchase of FCGI’S securities four different times.

- 28 (1) First in person directly to Mahon who believed it was an integrity test to
determine Mahon’s “suitability” for licensing in their first business
transaction together, when in fact, time and evidence proved it was a real

1 and quantifiable solicitation to Mahon to participate, but Mahon refused
2 as alleged herein;

3 (2) Second with Munger and Linham who did carry out the scheme to
4 produce the false billing invoice and wire fraud scheme to effectuate the
5 transfer, but it was withdrawn before it was fully carried out after Mahon
6 learned of the attempt;

7 (3) Third with Munger who assisted in facilitating the Wells Fargo
8 fraudulently stated purpose of the \$500,000 wire fraud that resulted in
9 money laundering;

10 (4) Fourth with Bastian and an unidentified second signatory who engaged
11 in the Bank of Bahamas fraudulently stated purpose of a \$500,000 wire
12 fraud that resulted in money laundering.

13 658. On April 4, 2017, right before Linham abruptly resigned from FCGI he
14 permanently destroyed over 3,000 of his corporate emails which made up his entire account,
15 along with the destruction of 100% of his digital Google Drive cloud account --- files that were
16 subsequently restored by Google G-Suite Superadmins on June 5, 2017 when Munger was
17 terminated from FCGI --- in order to cover up the entire history of his money laundering and
18 racketeering activities.

19 659. On November 24, 2017, Linham in the sworn Declarations made under the
20 penalty of perjury before the court, ¶¶61-63 Linham admitted to the money laundering followed
21 by the preposterous and false claims that Mahon made him do it, despite the clear evidence in
22 the email and Skype messages to Simmons, and other documents refuting the assertion.

23 660. Counter-Defendants' and Third-Party Defendants' violations of the four
24 predicate acts listed here above in N.R.S. § 90.570, N.R.S. § 205.377, N.R.S. § 197.030 and
25 N.R.S. § 199.145, have caused the Counter-claimants immediate and quantifiable injury,
26 including, but not limited to loss of commercial revenue, loss of a casino gaming license
27 application, injury to their reputation, name, brand, likeness, career, millions of dollars in
28 shareholder investments and years of development work in the loss of relationships, market
timing, position and business opportunities.

661. This racketeering activity violates Nevada RICO Statute, N.R.S. § 207.400(b) which makes it unlawful for a person, through racketeering activity to acquire or maintain, directly or indirectly, any interest in or control of any enterprise.

662. Counter-Claimants have suffered and continue to suffer injury to their business or property as a direct, proximate, and foreseeable result of the foregoing acts. Accordingly, Counter-Claimants seek an award of treble damages, costs of this litigation, and reasonable attorneys' fees as provided by N.R.S. § 207.470.

Other General Claims

TWELFTH CLAIM FOR RELIEF

(Abuse of Process)

**(As to Counter-defendants Munger, Linham, Brock Sr., Brock Jr., Solso, Eckles, Sebas,
L-Moore, T-Moore, Castaldo, and Marcus)**

663. Counter-Claimants repeat and re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

664. Starting around April 19, 2017 and continuing through to this date, with specificity and explicit particularity herein, Counter-Defendants and Third-Party Defendants through their actions and in their conduct engaged to engage in an abuse of process.

665. The Counter-Defendants and Third-Party Defendants, and each of them, beginning with the evidence seen in **FCG plan.docx, FCG plan v1.2.docx** and the **Principles 2017 04 26 v 2.pdf**, on their own behalf, have made it unequivocally clear that their the ulterior purpose of these proceedings and lawsuit was to extort Mahon and the Counter-Claimants out of their property rights in forcing him to step down as the CEO and sole Director of FCGI, give 100% of his stock to the Counter-Defendants, turn over all of his trade secrets and be forced into indentured servitude or face a tortuous litigation if Mahon did not comply.

666. Several of the claims in the Derivative Lawsuit have already been dismissed as basically frivolous.

667. Counter-Defendants actions in this proceedings have been improper.

1 668. Counter-Defendants have, however, succeeded in preventing Counter-Claimants
2 from utilizing its property rights and preventing the Full Color IP from being released and
3 reaching revenue as threatened and promised with the filing of this derivative lawsuit with the
4 intent of destroying Mahon's character by falsely accusing him of fraud, misrepresentation and
5 concealment as set forth in the Fourth, Fifth and Sixth Claims, which have already been
6 dismissed.

7 669. Counter-Claimants suffered and continue to suffer injury to their business or
8 property as a direct, proximate, and foreseeable result of the foregoing acts in an amount in
9 excess of \$15,000.

10 670. The actions of Counter-Defendants alleged herein were malicious, oppressive or
11 fraudulent warranting an award of punitive damages.

12 671. As a direct result of all of the foregoing, Counter-defendants' actions have
13 required Counter-claimants to retain the services of an attorney to prosecute this action and has
14 thereby been damaged. Accordingly, Counter-Claimants seek an award of reasonable attorneys'
15 fees and costs incurred in this action.

16
17 **THIRTEENTH CLAIM FOR RELIEF**

18 **(Civil Conspiracy)**

19 **(As to Counter-Defendants Munger, M&A, Valcros, and Linham)**

20 672. Counter-Claimants repeat and re-allege the allegations set forth in the preceding
21 paragraphs herein with specificity and particularity as though set forth fully herein.

22 673. On November 23, 2016 at 1:09pm PST, Munger and Linham conspired to
23 defraud the Counter-Claimants and future investors by falsely claiming salary accruals whereby
24 Munger was accruing 80% a month of unpaid salary with the fraudulent intent to collect it upon
25 the successful closing of a Series A funding round as witnessed in the false memorandum that
26 Linham and Munger fraudulently drafted and Linham signed as the Director of FCGLTD.

27 674. Linham's and Munger's "Back Salary" letter makes it clear that Munger is
28 claiming himself to be an employee getting paid by FCGLTD.

675. As a result, of Munger's and Linham's civil conspiracy, FCGI has been damaged in an amount in excess \$15,000.00 to be proven at trial.

676. The actions of Munger and Linham as alleged herein were malicious, oppressive or fraudulent warranting an award of punitive damages.

677. As a direct result of all of the foregoing, Counter-defendants' actions have required Counter-claimants to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Counter-Claimants seek an award of reasonable attorneys' fees and costs incurred in this action.

FOURTEENTH CLAIM FOR RELIEF

(Breach of Contract)

(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, Bastian, Young, Mishra, Spin, Bragg, Oryx, AAA, LEGI and Mazij)

678. Counter-Claimants re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

679. On October 15, 2015, FCGI and Bastian entered into the MNDA.

680. On April 29, 2016, FCGI and Spin entered into the MNDA.

681. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

682. Each of the agreements, the MNDAs and the NDACA are binding and enforceable agreements.

683. On October 2016, the FCGNA, its parent company FCGLTD, for their benefit and the benefit of their licensees and licensors, Oryx and Mazij entered into an agreement to provide a mutual bi-directional RGS server game distribution agreement for Full Color® Games and the Oryx Gaming library intended for IslandLuck.com in the Bahamas and Jamaica as well as the agreement to help Oryx get funding from Bastian and or acquired through a sale to Bastian Casino Gaming Enterprise, an investment and ultimate acquisition sale, all of which did

indeed occur as proven on public record through the Toronto Stock Exchange where by Munger even took a Board seat and became a licensed Director.

684. On October 20, 2016, the Counter-Claimants and Spin entered into a contract to provide game development and a mutual bi-directional RGS server game distribution agreement that explicitly laid out the terms of a “Monthly Net Gaming Revenue” in Section 2.2.

685. On January 23, 2017, Spin was paid the first half of the bi-directional RGS integration fees.

686. On February 7, 2017, Mahon personally introduced Young of Spin to Bastian to discuss the SPIN ROC RGS integration into the FULL COLOR KINGFISHER RGS integration into the ILG / RSL RGS to deliver the full suite of Full Color IP on Bastian’s platform

687. Spin would pay Counter-Claimants’ distribution fee for Spin’s games to be delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL throughout Bastian’s gaming network in the Bahamas and elsewhere on the exact same basis as the FCGI and its affiliates would pay Spin a distribution fee for the Full Color IP to be distributed through Spin’s integrations to others like NYX, RSI, NEKTAN and others.

688. Between October, 2016 and December 18, 2018, Munger, Bastian, Bragg, Oryx, AAA, LEGI and Mazij conspired with each other to circumvent the contracts and distribution revenues for the benefit of the Defendants (and Counter-claimants) in direct violation of the individual MNDA’s to the Counter-Claimants, their licensee and licensors.

689. Between October 7, 2016 and April 7, 2017, Spin, Munger, and Bastian conspired with each other to circumvent the contracts and distribution revenues in direct violation of the individual MNDA’s between FCGI and SPIN and further FCGI and SEBAS specifically including but not limited to Section 2.5 “Non-circumvention, non-interference and secrecy” terms as quoted in full as well as to the benefit of the Counter-claimants licensors and licensees.

690. The circumvention as also a violation of the NDACA with Munger.

691. Counter-Claimants were damaged by Young, Mishra, Spin's, Munger's, Bastian's, Bragg's, Oryx's, AAA's, LEGI'S and Mazij's breach of their respective contracts in an amount in excess of \$15,000 to be determined at trial.

692. As a direct result of all of the foregoing, Munger's, Young, Mishra, Spin's, Bastian's, Bragg's, Oryx's, AAA's, LEGI'S and Mazij's actions have required Counter-Claimants to retain the services of an attorney to prosecute this action and has thereby been damaged. Accordingly, Counter-Claimants seek an award of reasonable attorneys' fees and costs incurred in this action.

FIFTEENTH CLAIM FOR RELIEF

(Breach of Contract)

(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Bastian)

693. Counter-Claimants repeat and re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

694. In making an investment into FCGI's business, Bastian agreed that he would pay \$1 million into FCGLTD, pay \$1 million in kind for the production of the product that FCGLTD would make, and would ensure that the Full Color games that were produced were launched in the 62 casinos over which he had control in the Bahamas and other locations.

695. In exchange, FCGI granted Davinci Holdings Ltd (Isle of Man), Bastian's company, an interest in FCGLTD.

696. FCGI performed as required by the agreement with Bastian.

697. Bastian breached this agreement by failing to launch the games delivered to him within the casinos he controlled.

698. FCGI was damaged by Bastian's breach of his investment agreement in an amount in excess of \$15,000 to be determined at trial.

699. As a direct result of all of the foregoing, Bastian's actions have required FCGI to retain the services of an attorney to prosecute this action and has thereby been damaged.

1 Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs incurred in this
2 action.

3
4 **SIXTEENTH CLAIM FOR RELIEF**

5 **(Breach of Covenant of Good Faith and Fair Dealing)**

6 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party**
7 **Defendants Munger, Bastian, Spin, M&A, Valcros, Young, Mishra, Bragg,**
8 **Oryx, AAA, LEGI and Mazij)**

9 700. Counter-Claimants repeat and re-allege the allegations set forth in the preceding
10 paragraphs herein with specificity and particularity as though set forth fully herein.

11 701. On October 15, 2015, FCGI and Bastian entered into the MNDA.

12 702. On April 29, 2016, FCGI and Spin entered into the MNDA.

13 703. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

14 704. Each of the agreements, the MNDAs and the NDACA are binding and
15 enforceable agreements.

16 705. In October, 2016, Mazij entered into an agreement with FCGNA and its
17 affiliates to distribute Full Color® Games and recruit them to orchestrate a sale of Oryx which
18 did indeed ultimately occur to the ultimate beneficial owner of Bragg through, upon information
19 and belief, AAA and LEGI.

20 706. On October 20, 2016, the Counter-claimants and Spin entered into a contract to
21 provide game development and a mutual bi-directional RGS server game distribution agreement
22 that explicitly laid out the terms of a "Monthly Net Gaming Revenue in Section 2.2.

23 707. On January 23, 2017, Spin was paid the first half of the bi-directional RGS
24 integration fees.

25 708. On February 7, 2017, Mahon personally introduced Young of Spin to Bastian to
26 discuss the SPIN ROC RGS integration into the FULL COLOR KINGFISHER RGS integration
27 into the ILG / RSL RGS to deliver the full suite of Full Color IP on Bastian's platform
28

1 709. Spin would pay FCGI and its affiliates a distribution fee for Spin's games to be
2 delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL throughout Bastian's
3 gaming network in the Bahamas and elsewhere on the exact same basis as Counter-Claimants
4 would pay Spin a distribution fee for the Full Color IP to be distributed through Spin's
5 integrations to others like NYX, RSI, BWIN, NEKTAN and others.

6 710. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
7 conspired with each other to circumvent the contracts and distribution revenues in direct
8 violation of the individual MNDA's between FCGI and SPIN and further FCGI and Bastian
9 specifically including but not limited to Section 2.5 "Non-circumvention, non-interference and
10 secrecy."

11 711. To the extent Spin's, Munger's, and Bastian's circumvention of FCGI and its
12 affiliates was not a technical breach of the MNDAs or the NDACA, the actions denied FCGI its
13 justified and reasonable expectations under the their licensing, sub-licensing and shareholder
14 agreements including but not limited to the MDNAs and NDACA..

15 712. Munger's, Bastian's, Bragg, Oryx, AAA, LEGI and Mazij's circumvention of
16 Counter-Claimants and their affiliates agreements that include but are not limited to shareholder
17 agreements as well as the MNDAs or the NDACA, their actions denied the Counter-claimants
18 justified and reasonable expectations under the terms of their licensing, sub-licensing and
19 shareholder and other agreements including but not limited to the MNDA's and NDACA.

20 713. FCGI, IPH, FCGNA, and JPL was damaged by Spin's, Munger's, Bastian's,
21 Bragg, Oryx, AAA, LEGI and Mazij's actions which denied FCGI's reasonable and justified
22 expectations under the agreements and contracts in an amount in excess of \$15,000 to be
23 determined at trial.

24 714. As a direct result of all of the foregoing, Munger's, Young, Mishra, Spin's, and
25 Bastian's, Bragg, Oryx, AAA, LEGI and Mazij's actions have required Counter-Claimants to
26 retain the services of an attorney to prosecute this action and has thereby been damaged.
27 Accordingly, Counter-Claimants seeks an award of reasonable attorneys' fees and costs incurred
28 in this action.

SEVENTEENTH CLAIM FOR RELIEF

(Civil Conspiracy)

(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, Bastian, Spin, Young, Mishra, M&A, Valcros, Bragg, Oryx, AAA, LEGI and Mazij)

715. Counter-Claimants re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

716. On October 15, 2015, FCGI and Bastian entered into the MNDA.

717. On April 29, 2016, FCGI and Spin entered into the MNDA.

718. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

719. Each of the agreements, the MNDAs and the NDACA are binding and enforceable agreements.

720. On October 20, 2016, the Counter-claimants and Spin entered into a contract to provide game development and a mutual bi-directional RGS server game distribution agreement that explicitly laid out the terms of a "Monthly Net Gaming Revenue in Section 2.2.

721. On January 23, 2017, Spin was paid the first half of the bi-directional RGS integration fees.

722. On February 7, 2017, Mahon personally introduced Young of Spin to Bastian to discuss the SPIN ROC RGS integration into the FULL COLOR KINGFISHER RGS integration into the ILG / RSL RGS to deliver the full suite of Full Color IP on Bastian's platform

723. Spin would pay FCGI and its affiliates a distribution fee for Spin's games to be delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL throughout Bastian's gaming network in the Bahamas and elsewhere on the exact same basis as the FCGI and its affiliates would pay Spin a distribution fee for the Full Color IP to be distributed through Spin's integrations to others like NYX, RSI, BWIN, NEKTAN and others.

724. On October 2016, the FCGNA, its parent company FCGLTD, for their benefit and the benefit of their licensees and licensors, Oryx and Mazij entered into an agreement to provide a mutual bi-directional RGS server game distribution agreement for Full Color® Games

1 and the Oryx Gaming library intended for IslandLuck.com and other related ongoing revenue
2 streams in the Bahamas and Jamaica as well as the agreement to help Oryx get funding from
3 Bastian and or acquired through a sale to Bastian Casino Gaming Enterprise, an investment and
4 ultimate acquisition sale. Oryx, Mazij, Munger, Bastian and the Bastian Casino Gaming
5 Enterprise conspired with each other to circumvent the contracts and distribution revenues

6 725. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
7 conspired with each other to circumvent the contracts and distribution revenues in direct
8 violation of the individual MNDA's between FCGI and SPIN and further FCGI and SEBAS
9 specifically including but not limited to Section 2.5 "Non-circumvention, non-interference and
10 secrecy" terms as quoted in full.

11 726. The Spin Group, Munger, and Bastian through his Bastian Casino Gaming
12 Enterprises knowingly, willingly and deliberately, through their agents and through conspired
13 with one another to circumvent and usurp the business opportunities of Counter-Defendants to
14 utilize and profit from the Full Color IP.

15 727. This direct circumvention stood to prevent the Counter-claimants from
16 generating approximately \$150,000 a month in revenue or \$1.8 million in revenue per year in
17 the Bahamas and the same amount in Jamaica as well as the loss of ownership interests as a part
18 of the Oryx funding and sale that Oryx, Mazij, Munger, Bastian have absconded with.

19 728. As a result of the civil conspiracy between Spin, Young, Mishra, Bastian, the
20 Bastian Casino Gaming Enterprise, and Munger, Bragg, Oryx, AAA, LEGI and Mazij FCGI,
21 IPH, FCGNA, and JPL have incurred damages in excess of \$15,000 to be determined at trial.

22 729. The actions of Spin, Young, Mishra, Bastian, the Bastian Casino Gaming
23 Enterprise, Munger, Bragg, Oryx, AAA, LEGI and Mazij's as alleged herein were malicious,
24 fraudulent, or oppressive and warrant an award of punitive damages.

25 730. As a direct result of all of the foregoing, Counter-defendant's actions have
26 required Counter-claimants to retain the services of an attorney to prosecute this action and has
27 thereby been damaged. Accordingly, Counter-claimants seek an award of reasonable attorneys'
28 fees and costs incurred in this action.

EIGHTEENTH CLAIM FOR RELIEF

(Intentional Interference with Contractual Relations/Prospective Business Advantage)

(FCGI, IPH, FCGNA, and JPL against Counter-defendants Munger, M&A, Valcros, Sebas, Simmons, Playtech, DTG, DHL, ILG, Island Luck, Spin, Young, Mishra, Bragg, Oryx, LEGI, AAA and Mazij)

731. Counter-Claimants repeat and re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

732. As alleged herein, the Counter-Defendants and Third-Party Defendants the Munger Group, Bastian, and the Bastian Casino Gaming Enterprise, and the Spin Group were all separately in multiple contracts with FCGI and its affiliated entities.

733. As alleged herein, Munger Group and the Bastian Casino Gaming Enterprise had knowledge of the separate contractual relationship between each Spin, Bastian, and Munger.

734. The Munger Group, Bastian, the Bastian Casino Gaming Enterprise engaged in wrongful conduct as alleged in herein with the purpose and effect of preventing the integration of the bi-directional RGS to RGS integration between the SPIN ROC RGS and the FULL COLOR KINGFISHER RGS in order to specifically avoid the Spin Group from paying FCGS and its affiliates their revenue streams and relationship interfere with the business relationships and investments between the Bastian Casino Gaming Enterprise and the FCGI.

735. The Spin Group was without any privilege or legal justification for interfering with the contractual relationship between Bastian Casino Gaming Enterprise and the Counter-Claimants, but acted upon the unlawful, improper, unfair, and unreasonable motivation of usurping the FCGI's business relationships and revenue streams.

736. Further, other third parties in the Munger Group and the Bastian Casino Gaming Enterprise, including Bragg and Oryx, committed acts to unlawfully interfere with Counter-Claimants' contractual relationships with Munger, Bastian, and others wherein they agreed not compete with or circumvent Counter-Claimants' business. Bragg/Oryx and other members of

1 the Munger Group and Bastian Casino Gaming Enterprise committed acts designed to interfere
2 with Counter-Claimants' contractual rights.

3 737. Counter-Defendants, and each of them in their commission of these wrongful
4 acts directly and immediately the Full Color IP and the Counter-claimants investments and
5 assets of the FULL COLOR KINGFISHER RGS from being launched and generating and put
6 them out of business as a result.

7 738. Nevada common law requires that the Counter-Defendants and Third-Party
8 Defendants, and each of them in the Munger Group, the Bastian Casino Gaming Enterprise, and
9 the Spin Group, and all of their affiliate and or assignees disgorge all amounts by which they
10 have been unjustly enriched.

11 739. Nevada common law requires that the Counter-Defendants and Third-Party
12 Defendants, and each of them in the Munger Group, the Bastian Casino Gaming Enterprise, and
13 the AAA, LEGI, Bragg, Oryx, Mazij and all of their affiliate and or assignees disgorge all
14 amounts by which they have been unjustly enriched.

15 740. Consequently, Counter-claimants have all sustained substantial monetary
16 damages in excess of \$15,000 as a result of its inability to perform and profit under their
17 contracts in an amount to be determined at trial.

18 741. The actions of Spin, Young, Mishra, Bastian, the Bastian Casino Gaming
19 Enterprise, Munger, Bragg, Oryx, AAA, LEGI and Mazij as alleged herein were malicious,
20 fraudulent, or oppressive and warrant the award of punitive damages.

21 742. As a direct result of all of the foregoing, the Counter-Defendants and Third-
22 Party Defendants have required FCGI to retain the services of an attorney to prosecute this
23 action and has thereby been damaged. Accordingly, FCGI seeks an award of reasonable
24 attorneys' fees and costs incurred in this action.

25 ////

26 ////

27 ////

28 ////

NINETEENTH CLAIM FOR RELIEF

(Breach of NDACA and Injunctive Relief against Munger and Breach of NDA and Injunctive Relief against Spin, Bastian, Bragg, Oryx AAA, LEGI and Mazij)

743. FCGI repeat, re-allege, and incorporate by this reference, the allegations contained in each and every preceding paragraph as though set forth fully herein.

744. Munger entered into the NDACA in which he covenanted that he would not disclose confidential information he received concerning the Full Color IP and other confidential information from FCG LLC, IPH, Mahon, FCGG and other affiliated companies or utilize the confidential information in a manner to interfere with or circumvent the affiliated companies rights to commercially utilize the information, including the Full Color IP.

745. Based on information provided through this lawsuit and other allegations, FCGI is informed and believe that Munger is actively utilizing confidential information in order to compete with and/or interfere with Mahon and his affiliated companies including, but not limited to IPH, FCG LLC, FCGNA, FCGI, and other companies.

746. Based on the facts alleged herein, Munger, Spin, Bastian, Bragg, Oryx, AAA, LEGI and Mazij are also in breach of their respective NDA'S and the NDACA because Munger, Spin and Bastian have circumvented FCGI and its affiliates opportunities for revenues streams by integrating Spin into Bastian's RSL platform on the Bahamas without integrating the Full Color RGS and thereby usurping the corporate opportunities of FCGI and its affiliates.

747. As a result of Munger's past breaches of the NDACA, FCGI as an affiliate with Mahon and FCG LLC, and others have been damaged in an amount in excess of \$15,000.00.

748. As a result of Spin's and Bastian's past breaches of their respective NDA's, the Counter-claimants have been damaged in an amount in excess of \$15,000 to be proven at trial.

749. Munger's continued breaches of the NDACA have and will continue to cause irreparable harm to Mahon, FCGI, and other affiliated companies including IPH and FCG LLC.

750. Bastian's, Munger, Spin, Bragg, Oryx, AAA, LEGI and Mazij's continued breaches of the NDA have and will continue to cause irreparable harm to Mahon, FCGI, and other affiliated companies including FCGNA, JPL, IPH and FCG LLC.

751. Counter-Claimants are entitled to temporary, preliminary, and permanent injunctive relief enjoining Munger, Bastian and Spin from continuing to possess and utilize confidential information disclosed to him under the NDACA and from competing or interfering with Mahon, FCG LLC, FCGI, IPH, or any other affiliated entities business interests in the use and commercialization of the Full Color IP.

752. Counter-Claimants are entitled to temporary, preliminary, and permanent injunctive relief enjoining Munger, Bastian, Young, Mishra, Spin, Bragg, Oryx, AAA, LEGI and Mazij from continuing to utilize Bragg/Oryx's and or Spin's integration onto Bastian's RSL platform without including the Full Color content and from interfering with Mahon, FCGI, and other affiliated entities business interests in the use and commercialization of the Full Color IP.

753. As a direct result of all of the foregoing, Counter-claimants have been caused to retain the services of an attorney to prosecute this claim breach of the NDA and injunctive relief and therefore are entitled to reasonable attorney's fees and costs.

TWENTIETH CLAIM FOR RELIEF

(Declaratory Relief re: Counter-Defendants status as shareholders)

754. Counter-Claimants re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

755. An actual existing controversy has arisen and now exists between FCGI and Counter-Defendants concerning each of their ongoing ownership of shares in FCGI. FCGI therefore seek an order from the Court declaring that, based on the facts set forth herein, Counter-Defendants either never were or are no longer a shareholder(s) of FCGI, that Counter-Defendants' shares should be rescinded because he obtained the shares via fraud, or that Counter-Defendants' shares have been re-purchased pursuant to the Share Repurchase Agreements that each Counter-Defendant signed.

756. As a direct result of all of the foregoing, Counter-claimants have been caused to retain the services of an attorney to prosecute this claim for declaratory relief and therefore are entitled to reasonable attorney's fees and costs.

TWENTY-FIRST CLAIM FOR RELIEF

(Breach Of the Of the Covenant Of Good Faith And Fair Dealing)

(As to Mutlislol)

757. Counter-Claimants repeat and re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

758. Counter-Defendants and each of them entered a development agreement to produce 21 or Nothing® on the MULTISLOT RGS for delivery in the Bahamas, Jamaica through the Bastian Casino Gaming Enterprise and through Multislol's existing integrations that included but were not limited to Videoslots.com, BetConstruct, EveryMatrix.com, Pinnacle.com.

759. Multislol, Bastian, and the Bastian Casino Gaming Enterprise and each of induced FCGI and its affiliates to spend over 14 months in development and expend over \$100,000 in its assets to produce the product for release.

760. FCGI and its affiliates succeeded in getting the games fully developed, translated and approved for real money release by BMM.

761. Multislol failed to sign the contract and release the product by attempting to extort the FCGI and its affiliates out of their rightful ownership of their HTML5 distribution rights.

762. Once Multislol refused to surrender their rights that were already legally contracted to others, and refused to sign the contract to even deliver them through and release them in the Flash version that it was fully developed and approved for release in.

763. As a result of Multislol's actions, Counter-Claimants' justified expectations under the agreements with Multislol were denied.

764. As a result of Multislol's, Bastian's, and the Bastian Casino Gaming Enterprise's breaches of the implied covenant of good faith and fair dealing, FCGI and its affiliates have been damaged in an amount in excess \$15,000.00 to be proven at trial.

765. As a direct result of all of the foregoing, Counter-Defendants' actions have required Counter-Claimants to retain the services of an attorney to prosecute this action and has

1 thereby been damaged. Accordingly, Counter-Claimants seeks an award of reasonable
2 attorneys' fees and costs incurred in this action.

3
4 **TWENTY-SECOND CLAIM FOR RELIEF**

5 **(Negligent Misrepresentation)**

6 **(As to Spin, Young and Mishra)**

7 766. Counter-Claimants repeat and reallege the allegations set forth in the preceding
8 paragraphs herein with specificity and particularity as though set forth fully herein.

9 767. Spin represented to FCGI and its affiliates to believe that their RGS was
10 integrated into a total of 15 global distribution interactive gaming systems (IGS) that would
11 allow FCGLTD to immediately monetize thru hundreds of real and virtual money casino
12 gaming operators around the world.

13 768. Spin represented to the FCGI and its affiliates that it would complete all 24
14 language translations that were fully disclosed to them in person on October 10, 2016 as part of
15 the price for the **Proposal v1.4**.

16 769. Each of these representations made by Spin were false.

17 770. Spin either knew that each of these representations were false or made the
18 representations with reckless disregard for the truth or falsity of the representations.

19 771. Spine made each of the misrepresentations with the intent to induce FCGI and
20 its affiliates to act in reliance of the misrepresentations.

21 772. FCGI and its affiliates did in fact rely upon Spin's misrepresentations set forth
22 herein.

23 773. FCGI and its affiliates incurred damages as a result of relying upon Spin's
24 misrepresentations.

25 774. Between October 2016 and April of 2017, MAHON caused SPIN to be paid
26 \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the
27 misrepresentations of Spin.
28

1 775. In fact, the subject representations were negligently made and were untrue.
2 Based on information and belief, inter alia, the true material facts, if known to the Counter-
3 Claimants, would not have entered into the contract with Spin, much more paid them \$74,000
4 on top of that.

5 776. As a result of the materially false and misleading information, the Counter-
6 Claimants entered into the Proposal v1.4 contract, caused Spin to be paid \$74,000 in cash and
7 introduced Spin to Bastian and the Bastian Casino Gaming Enterprise.

8 777. As a result of Counter-Defendants' negligent misrepresentations, Counter-
9 Claimants have been damaged in an amount in excess \$15,000.00 to be proven at trial.

10 778. The actions of Spin, Young, and Mishra as alleged herein were malicious,
11 fraudulent, or oppressive and warrant the award of punitive damages.

12 779. As a direct result of all of the foregoing, Counter-Defendant's actions have
13 required Counter-claimants to retain the services of an attorney to prosecute this action and has
14 thereby been damaged. Accordingly, Counter-claimants seek an award of reasonable attorneys'
15 fees and costs incurred in this action.

16
17 **TWENTY-THIRD CLAIM FOR RELIEF**

18 **(Intentional Misrepresentation)**

19 **(As to Spin, Young, and Mishra)**

20 780. Counter-Claimants repeat and reallege the allegations set forth in the preceding
21 paragraphs herein with specificity and particularity as though set forth fully herein.

22 781. Starting in June, 2016, as alleged herein, Spin represented to FCGI and its
23 affiliates to believe that their RGS was integrated into a total of 15 global distribution
24 interactive gaming systems (IGS) that would allow FCGLTD to immediately monetize thru
25 hundreds of real and virtual money casino gaming operator.

26 782. Spin represented to the FCGI and its affiliates that it could and would complete
27 all 24 language translations that were fully disclosed to them in person on October 10, 2016 as
28 part of the price for the **Proposal v1.4**

1 783. Each of these representations made by Spin was false.

2 784. Spin either knew that each of these representations were false or made the
3 representations with reckless disregard for the truth or falsity of the representations.

4 785. Spin made each of the misrepresentations with the intent to induce FCGI and its
5 affiliates to act in reliance of the misrepresentations.

6 786. Counter-Claimants did in fact rely upon Spin's misrepresentations set forth
7 herein.

8 787. Counter-Claimants incurred damages as a result of relying upon Spin's
9 misrepresentations.

10 788. Between October 2016 and April of 2017, Mahon caused Spint to be paid
11 \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the
12 misrepresentations of Spin.

13 789. In fact, the subject representations were fraudulently concealed so they would
14 not be discovered in order to induce Mahon, FCGI, and the other Counter-Claimants to enter
15 into a licensing contract with the FCGI or its affiliates in order to have his Full Color IP on their
16 ROC RGS in order to further aid and abet them in gaining integrations elsewhere that they
17 could not get on their own. Based on information and belief, inter alia, the true material facts, if
18 known and not misrepresented to the FCGI and its affiliates, FCGI would not have engaged
19 Splin's services nor paid them \$74,000.

20 790. As a result of material misrepresentations, one of Counter-Claimants entered
21 into the Proposal v1.4 contract, caused them to be paid \$74,000 in cash and introduced them to
22 their confidential relationships with Bastian and the Bastian Casino Gaming Enterprise.

23 791. As a result of Counter-Defendants' intentional misrepresentations, FCGI has
24 been damaged in an amount in excess \$15,000.00 to be proven at trial.

25 792. Spin's, Young's, and Mishra's actions were malicious, fraudulent, or oppressive
26 warranting an award of punitive damages.

27 793. As a direct result of all of the foregoing, Counter-defendants' actions have
28 required Counter-Claimants to retain the services of an attorney to prosecute this action and has

1 thereby been damaged. Accordingly, Counter-claimants seek an award of reasonable attorneys'
2 fees and costs incurred in this action.

3
4 **TWENTY-FOURTH CLAIM FOR RELIEF**

5 **(Fraudulent Concealment)**

6 **(As to Spin, Young, and Mishra)**

7 794. Counter-Claimants repeat and re-alleges the allegations set forth in the
8 preceding paragraphs herein with specificity and particularity as though set forth fully herein

9 795. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
10 concealed facts from FCGI and its affiliates concerning Spin's inability to release the Full Color
11 IP for real money gaming in Europe and the rest of the world outside of the USA through NYX,
12 Nektan, Amaya, BWIN as agreed and defined in Section 1.0 in Spin's Proposal v1.4.

13 796. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
14 concealed the fact that they knew that their ROC RGS was not capable of language translations
15 and they would have to build a separate module for it in order to provide it.

16 797. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
17 concealed the fact that they knew that their ROC RGS was not capable of providing multiple
18 currencies and they would have to build a separate module for it in order to provide it.

19 798. As alleged in more detail herein, Spin, Young, and Mishra fraudulently
20 concealed the fact that they knew that their ROC RGS was not capable of providing for a
21 common wallet system in a bi-directional format and they would have to build it for the
22 integration into the FULL COLOR KINGFISHER RGS, and, because of this, their ROC RGS
23 was not capable of completing the ROC RGS bi-directional integration to the FULL COLOR
24 KINGFISHER RGS by March 31, 2017 per as they represented in the schedule they published
25 to the Counter-Claimants on January 27, 2017.

26 799. At all relevant times, the Counter-Defendants and each of them fraudulently
27 concealed their intent circumvent the FULL COLOR KINGFISHER RGS integration and
28 wrongfully exploit the FCGI's relationship with the Bastian Casino Gaming Enterprise in order

1 to exploit and monetize their own and third party games without completing the integration for
2 FCGI and its affiliates.

3 800. Had Mahon and the other Counter-Claimants known of Spin's true intent as set
4 forth above, they would not have entered into the contract or maintained their contract and
5 would not have any moneys to Spin for the work Spin had fraudulently represented it would
6 complete.

7 801. As a result of concealing the materially false and misleading information, the
8 Counter-claimants entered into the Proposal v1.4 contract, caused them to be paid cash
9 payments at different times, and introduced them to their confidential relationships with Bastian
10 and the Bastian Casino Gaming Enterprise.

11 802. As a result of Spin's, Young's, and Mishra's fraudulent concealment, FCGI has
12 been damaged in an amount in excess \$15,000.00 to be proven at trial.

13 803. The actions of Spin, Young, and Mishra alleged herein were malicious,
14 oppressive or fraudulent and warrant an award of punitive damages.

15 804. As a direct result of all of the foregoing, FCGI has been required to retain the
16 services of an attorney to prosecute this action and has thereby been damaged. Accordingly,
17 FCGI seeks an award of reasonable attorneys' fees and costs incurred in this action.

18 **TWENTY-FIFTH CLAIM FOR RELIEF**

19 **(Intentional Misrepresentation against Munger)**

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22 805. Counter-Claimants repeat and re-allege the allegations contained in each and
23 every preceding paragraph as though set forth fully herein.

24 Prior to distributing Munger shares under the final related shareholder agreements based on
25 Munger's initial investment, Mahon expressly asked Munger in a text and in person if he would
26 confirm that he is an accredited investor. Munger responded both verbally and in writing that
27 he was an accredited investor. Munger also represented that he was an accredited investor in
28 writing.

806. FCGI reasonably relied on Munger's representations when he authorized the issuance of shares in FCGI to Munger.

807. FCGI is informed and believe that these representations were false.

808. Mahon and other Counter-defendants have been damaged in an amount in excess of fifteen thousand dollars (\$15,000.00) as a result of Munger's misrepresentation. The actions of Munger were fraudulent, malicious, and oppressive warranting punitive damages.

809. As a direct result of all of the foregoing, Mahon and the other Counter-claimants have been caused to retain the services of an attorney to prosecute this claim breach of the NDA and injunctive relief and therefore are entitled to reasonable attorney's fees and costs.

TWENTY-SIXTH CLAIM FOR RELIEF

(Breach of Fiduciary Duty)

(FCGI and FCGNA against to Munger, Linham, and Newman)

810. FCGI and FCGNA repeat and re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

811. At all times relevant herein, Munger, Linham, and Newman served as officers of FCGI and some other related affiliated companies until they resigned and/or were removed in or about April or May, 2017, and owe fiduciary duties to FCGI in their capacity as officers.

812. By committing the acts alleged herein, including usurping corporate or business opportunities, putting their own work and business interests ahead of the interests of FCGI, interfering with FCGI's contractual relationships, money laundering, wire and mail fraud, and other activities, Munger and Linham have breached their fiduciary duties to FCGI.

813. By virtue of his role as counsel for each of the Counter-Claimants at different times as alleged herein Newman had fiduciary duties to each of the Plaintiffs, especially with respect to the handling and prosecution of the pending patents, trademarks, copyrights and other intellectual property owned by and or licensed to each of the Counter-Claimants.

1 814. In addition to the fiduciary duties owed by virtue of their role as counsel and
2 attorneys for each of the Counter-Claimants, Newman was also the Chief Operating Officer,
3 Chief Legal Officer, IP Counsel, Director, Board Advisor and bank signatory for some or all of
4 the Counter-Claimants.

5 815. Newman has breached its respective fiduciary duties by their acts and
6 omissions, negligence, gross negligence and other failures as alleged herein.

7 816. As a result of Munger's, Linham's, and Newman's breach of their fiduciary
8 duties, FCGI has been damaged in an amount in excess \$15,000.00 to be proven at trial.

9 817. The actions of Munger, Linham, and Newman as alleged herein were malicious,
10 oppressive or fraudulent and warrant the aware of punitive damages.

11 818. As a direct result of all of the foregoing, FCGI has been required to retain the
12 services of an attorney to prosecute this action and has thereby been damaged. Accordingly,
13 FCGI seeks an award of reasonable attorneys' fees and costs incurred in this action.

14 **TWENTY-SEVENTH CLAIM FOR RELIEF**

15 **(Professional Negligence against Newman, Newman Law, and CBL)**

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17 819. Counter-Claimants repeat and re-allege the allegations contained in each and
18 every preceding paragraph as though set forth fully herein.

19 820. At different times as alleged herein, Counter-Claimants had established an
20 attorney-client relationship with Newman, Newman Law, and CBL to perform legal services in
21 connection with protecting the IPR that Mahon owned and licensed to other Counter-Claimants
22 who have licensing and or other contractual rights to commercialize the IPR. Among other
23 things, Newman, Newman Law, CBL, and H2 had all agreed to handle and manage Plaintiffs'
24 pending patent applications and additional patent applications before the USPTO.

25 821. Third-Party Defendants, and each of them, failed to adequately respond to the
26 USPTO in order to avoid the abandonment of each of the patent and trademark applications they
27
28

1 were commissioned to apply for, prosecute, complete to issuance and maintain at all times
2 thereafter.

3 822. Third-Party Defendants also failed to keep Counter-Claimants informed of the
4 status of the patents, trademarks and copyright applications and prosecutions over the course of
5 eight years and, in fact, took steps to keep Plaintiffs from knowing about the status of the
6 applications.

7 823. Third-Party Defendants' failures to communicate with Counter-Claimants, and
8 failures to fulfill the most basic steps in the prosecution of Counter-Claimants' pending patents
9 and newly filed patents, trademarks and copyrights amounts to gross professional negligence.

10 824. As a direct result of Third-Party Defendants' gross professional negligence,
11 Counter-Claimants have been damaged in an amount in greater than \$15,000 to be determined
12 at trial.

13 825. Counter-Claimants actions as alleged herein were fraudulent, oppressive, and/or
14 malicious and warrant the award of punitive damages.

15 826. As a direct result of Third-Party Defendants' actions Counter-Claimants have
16 been forced to defend other lawsuits and litigation, and are entitled to recover the attorney fees
17 and costs from other litigation that has been commenced against them from Third-Party
18 Defendants.

19 827. As a direct result of all of the foregoing, Counter-Claimants have been required
20 to retain the services of an attorney to prosecute this claim and are therefore are entitled to
21 reasonable attorney's fees and costs.

22 **TWENTY-EIGHTH CLAIM FOR RELIEF**

23 **(Breach of Contract against Newman, Newman Law, and CBL)**

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26 828. Counter-Claimants repeat and re-allege the allegations contained in each and
27 every preceding paragraph as though set forth fully herein.
28

1 829. The above named Third-Party Defendants and each of them had agreements
2 with Counter-Claimants at different times as alleged herein to perform legal work relating to the
3 protection of the IPR. Specifically, Defendants agreed to handle the patent applications and
4 other applications for protection of intellectual property, including trademarks and copyrights
5 for the IPR in exchange for fees, costs, and other compensation as alleged herein.

6 830. Plaintiffs paid all fees, costs, and other compensation required for the above-
7 named Third-Party Defendants to perform legal services relating to managing and prosecuting
8 patent, trademark and copyrights applications and other intellectual property protection for the
9 IPR.

10 831. Each of the Counter-Claimants either own and or have, and or have had a
11 commercial license in some form to exploit and/or commercialize the IPR.

12 832. The above-named Third-Party Defendants and each of them breached their
13 respective agreements by failing to manage, monitor, and/or prosecute both new and pending
14 patents, trademarks and copyrights relating to the IPR and otherwise abandoned, canceled and
15 or suspended each pending and new patent, trademark and or copyright application.

16 833. The above-named Third-Party Defendants and each of them breached their
17 respective agreements by failing to submit or properly obtain patent, trademark, copyright and
18 other protections relating to the IPR despite being paid for that work.

19 834. As a result of Defendants' breaches of their respective agreements for legal
20 services, Plaintiffs have been damaged in an amount in excess \$15,000.00 to be proven at trial.

21 835. As a direct result of all of the foregoing, Plaintiffs have been required to retain
22 the services of an attorney to prosecute this claim and therefore are entitled to reasonable
23 attorney's fees and costs.

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TWENTY-NINTH CLAIM FOR RELIEF

**(Contractual Breach of the Covenant of Good Fair and Dealing against
Newman, Newman Law, and CBL)**

836. Counter-Claimants repeat and re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

837. The above-named Third Party Defendants and each of them had agreements with Counter-Claimants at different times as alleged herein to perform legal work relating to the protection of the IPR. Specifically, Defendants agreed to handle the patent, trademark and copyright applications and other applications for protection of intellectual property, for the IPR in exchange for fees, costs, and other compensation as alleged herein.

838. Counter-Claimants paid all fees, costs, and other compensation required for Defendants to perform legal services relating to managing and prosecuting patent, trademark and copyright applications and other intellectual property protection for the IPR.

839. Each of the Counter-Claimants either own and or have, and or have had a commercial license in some form to exploit and/or commercialize the IPR.

840. Each of the respective agreements with the Defendants for the performance of legal services include an implied covenant to act in good faith.

841. The above-named Third-Party Defendants and each of them breached the implied covenant of good faith and fair dealing by failing to manage, monitor, and/or prosecute both new and pending patents, trademarks and copyrights relating to the IPR and further intentionally concealing the status of the patents, including the abandoned patents from Plaintiffs in an effort to cover up their failures, and other intentional and improper acts alleged herein.

842. As a result of the above-named Third-Party Defendants' breaches of the implied covenant of good faith and fair dealing, Plaintiffs have been damaged in an amount in excess \$15,000.00 to be proven at trial.

843. As a direct result of all of the foregoing, Counter-Claimants have been required to retain the services of an attorney to prosecute this claim and therefore are entitled to reasonable attorney's fees and costs.

THIRTIETH CLAIM FOR RELIEF

(Tortious Breach of the Covenant of Good Faith and Fair Dealing against Newman, Newman Law, and CBL)

844. Counter-Claimants repeat and re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

845. The above-named Third-Party Defendants and each of them had agreements with Counter-Claimants at different times as alleged herein to perform legal work relating to the protection of the IPR. Specifically, the above-named Third-Party Defendants agreed to handle the patent, trademark and copyright applications and other applications for protection of intellectual property, for the IPR in exchange for fees, costs, and other compensation as alleged herein.

846. Counter-Claimants paid all fees, costs, and other compensation required for Defendants to perform legal services relating to managing and prosecuting patent, trademark and copyright applications and other intellectual property protection for the IPR.

847. Each of the Counter-Claimants either own or have, or have had a commercial license in some form to exploit and/or commercialize the IPR.

848. Each of the respective agreements with the above-named Third-Party Defendants for the performance of legal services include an implied covenant to act in good faith.

849. A special relationship of confidence and reliance existed between each of the Defendants.

850. The above-named Third-Party Defendants and each of them tortiously breached the implied covenant of good faith and fair dealing by, among other things, (i) failing to manage, monitor, and/or prosecute both new and pending patent, trademark and copyright

1 applications relating to the IPR; (ii) further intentionally concealing the status of the patents,
2 trademark and copyright applications, including the abandoned patents, trademarks and
3 copyrights from Plaintiffs in an effort to cover up their failures; (iii) improperly refusing to
4 provide Plaintiffs' files concerning Plaintiffs including, without limitation, all information
5 concerning the IPR and related patents and other intellectual property protection, without
6 receiving additional payments and compensation, despite not having any grounds for any
7 additional compensation; and (iv) other intentional and improper acts alleged herein.

8 851. As a result of the above-named Third-Party Defendants' tortious breaches of the
9 implied covenant of good faith and fair dealing, Plaintiffs have been damaged in an amount in
10 excess \$15,000.00 to be proven at trial.

11 852. The above-named Third-Party Defendants' actions as alleged herein were
12 fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

13 853. As a direct result of all of the foregoing, Counter-Claimants have been required
14 to retain the services of an attorney to prosecute this claim and therefore are entitled to
15 reasonable attorney's fees and costs.

16 **THIRTY-FIRST CLAIM FOR RELIEF**

17 **(Intentional Misrepresentation against Newman, Newman Law, and CBL)**

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20 854. Counter-Claimants repeat and re-allege the allegations contained in each and
21 every preceding paragraph as though set forth fully herein.

22 855. The above-named Third-Party Defendants made several misrepresentations to
23 Counter-Claimants on multiple occasions as alleged herein. Specifically, Newman represented
24 that the IPR and the FGI-IP were fully protected and that the pending patent applications and
25 other intellectual property applications were being properly prosecuted and handled.

26 856. These representations were false, and the above-named Third Party Defendants
27 knew that the representations were false when they were made, as alleged more specifically
28 herein.

857. Counter-Claimants reasonably relied on the representations made by the above-named Third-Party Defendants on several occasions as alleged more specifically herein.

858. Specifically, Counter-Claimants continued to carry on their business operations, expending funds, and seeking investors, with the understanding that the primary asset upon which all the business operations were based was being prosecuted and properly protected.

859. Counter-Claimants have suffered damages in excess of \$15,000 as a result of Plaintiffs' reliance on the false representations made by the above-named Third-Party Defendants.

860. The above-named Third-Party Defendants' actions as alleged herein were fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

861. As a direct result of all of the foregoing, Counter-Claimants have been required to retain the services of an attorney to prosecute this claim and therefore are entitled to reasonable attorney's fees and costs.

THIRTY-SECOND CLAIM FOR RELIEF

(Negligent Misrepresentation against Newman, Newman Law, and CBL)

862. Counter-Claimants repeat and re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

863. In performing services for Counter-Claimants under several different agreements over the years, the above-named Third-Party Defendants were acting within their normal business operations and taking actions in which they had a pecuniary interest.

864. Among other representations alleged herein, the above-named Third-Party Defendants failed to exercise reasonable care or competence in representing that Third-Party Defendants represented that the IPR and the FGI-IP were fully protected and that the pending patent applications and other intellectual property applications were being properly prosecuted and handled.

865. These representations were false, and the above-named Third-Party Defendants knew that the representations were false when he made them, as alleged more specifically herein.

866. Counter-Claimants reasonably relied on the representations made by the above-named Third-Party Defendants on several occasions as alleged more specifically herein. Specifically Counter-Claimants continued to carry on their business operations, expending funds, and seeking investors, with the understanding that the primary asset upon which all the business operations were based was being prosecuted and properly protected.

867. Counter-Claimants have suffered damages in excess of \$15,000 as a result of Plaintiffs' reliance on the false representations made by the above-named Third-Party Defendants.

868. The above-named Third-Party Defendants' actions as alleged herein were fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

869. As a direct result of all of the foregoing, Counder-Claimants have been required to retain the services of an attorney to prosecute this claim and therefore are entitled to reasonable attorney's fees and costs.

THIRTY-THIRD CLAIM FOR RELIEF

(Fraudulent Concealment by Newman, Newman Law, and CBL)

870. Counter-Claimants repeat and re-allege by this reference, the allegations contained in each and every preceding paragraph as though set forth fully herein.

871. As a fiduciary to Counter-Claimants as more specifically alleged herein, the above-named Third-Party Defendants owed specific duties to disclose the information available to him concerning the prosecution of patents and other intellectual property protection available to Plaintiffs for the IPR and the FCG-IP.

872. As more specifically alleged herein, the above-named Third-Party Defendants actively took steps to conceal the information they had concerning the status of the patent

1 applications and other intellectual property applications. Specifically, Defendants sought to
2 conceal the fact that many patents had been abandoned and other applications had been rejected.

3 873. The above-named Third-Party Defendants knew that Plaintiffs relied upon them
4 to disclose all information he had concerning the patents applications and intellectual property
5 protection.

6 874. Counter-Claimants reasonably relied on the fraudulent concealment of the
7 above-named Third-Party Defendants on several occasions as alleged more specifically herein.
8 Specifically Plaintiffs continued to carry on their business operations, expending funds, and
9 seeking investors, with the understanding that the primary asset upon which all the business
10 operations were based was being prosecuted and properly protected.

11 875. Counter-Claimants have suffered damages in excess of \$15,000 as a result of
12 Plaintiffs' reliance on fraudulent concealment of the above-named Third-Party Defendants.

13 876. The above-named Third-Party Defendants' actions as alleged herein were
14 fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

15 877. As a direct result of all of the foregoing, Counter-Claimants have been required
16 to retain the services of an attorney to prosecute this claim and therefore are entitled to
17 reasonable attorney's fees and costs.

18 **THIRTY-FOURTH CLAIM FOR RELIEF**

19 **(Equitable Indemnity against Counter-Defendants and Third-Party**
20 **Defendants on behalf of IPH, FCGNA, FCGG, and JPL)**

21
22 878. Counter-claimants repeat and re-allege the allegations contained in each and
23 every preceding paragraph as though set forth fully herein.

24 879. As alleged herein, Counter-Defendants and Third-Party Defendants committed
25 multiple tortious and racketeering acts damaging FCGI.

26 880. As alleged herein, Counter-Defendants and Third-Party Defendants have
27 committed breaches of fiduciary duties and contractual duties to FCGI.
28

1 881. Counter-Claimants are informed and believe that Counter-Defendants' and
2 Third-Party Defendants' intentional and tortious actions, omissions, negligence, breaches of
3 fiduciary and other duties, failures and/or other faults constitute the sole, proximate, and
4 primary cause of the damages, if any, alleged on behalf of FCGI by Plaintiffs. Counter-
5 Defendants and Third-Party Defendants should bear the entire responsibility for the damages
6 allegedly suffered by FCGI and fully and totally indemnify Counter-Claimants for any and all
7 damages, if any are proven, sustained by FCGI as alleged by Plaintiffs.

8 882. As a direct result of Counter-Defendants' and Third-Party Defendants' actions,
9 omissions, negligence, failures, breaches of fiduciary and other similar duties, Counter-
10 claimants have been damaged in an amount in excess of \$15,000.00, the specific amount to be
11 proven at trial.

12 883. In addition, Counter-claimants have been forced to defend a lawsuit for alleged
13 damages that, if awarded, were caused by Counter-Defendants' and Third-Party Defendants'
14 actions, omissions, negligence, failures, breaches of fiduciary and other duties.

15 884. As a direct result of all of the foregoing, Counter-claimants have been caused to
16 retain the services of an attorney to prosecute this claim for indemnification and therefore are
17 entitled to reasonable attorney's fees and costs.

18 **THIRTY-FIFTH CLAIM FOR RELIEF**

19 **(Contribution and Indemnity against Counter-Defendants and Third-Party**
20 **Defendants actions on behalf of IPH, FCGNA, FCGG, and JPL)**

21
22 885. Counter-claimants repeat, re-allege the allegations contained in each and every
23 preceding paragraph as though set forth fully herein.

24 886. Counter-Defendants' and Third-Party Defendants' intentional and tortious
25 actions, omissions, negligence, failures, breaches of fiduciary and other duties constitute the
26 sole, proximate, and primary cause of the damages, if any are proven, alleged by Plaintiffs on
27 behalf of FCGI.
28

1 887. Counter-Defendants' and Third-Party Defendants' actions should bear the entire
2 responsibility for any and all damages arising from the events as alleged by Plaintiffs in their
3 Second Amended Complaint.

4 888. Counter-Claimants are entitled to contribution from Counter-Defendants and
5 Third-Party Defendants as a result of their actions causing damages awarded to FCGI and
6 against the other Defendants and Counter-Claimants to the extent that such damages were
7 caused by Counter-Defendants' and Third-Party Defendants' actions, omissions, negligence,
8 failures, breaches of fiduciary and other duties and/or other faults caused and/or contributed to
9 the damages Plaintiffs pled on behalf of FCGI.

10 889. As a direct result of Counter-Defendants' and Third-Party Defendants' actions,
11 omissions, negligence, failures, breaches of fiduciary and other duties and/or other faults,
12 Plaintiffs allege damages on behalf of FCGI in an amount in excess of \$15,000.00, the specific
13 amount to be proven at trial.

14 890. In addition, Counter-claimants have been forced to defend a lawsuit for alleged
15 damages that, if awarded, were caused by Munger's actions, omissions, negligence, failures,
16 breaches of fiduciary, and other duties and/or other faults.

17 891. As a direct result of all of the foregoing, Counter-claimants have been caused to
18 retain the services of an attorney to prosecute this claim for contribution and therefore are
19 entitled to reasonable attorney's fees and costs.

20
21 **PRAYER FOR RELIEF**

22 WHEREFORE, the Counter-Claimants respectfully demands that judgment be entered
23 in its favor and against Counter-Defendants and Third-Party Defendants as follows:

- 24 1. For a declaration that the Counter-Defendants either were never shareholders of
25 FCGI or are no longer shareholders of FCGI.
26 2. For compensatory damages in an amount in excess of \$15,000 to be determined
27 at trial on each breach of contract claim;
28

- 1 3. For general, special, and compensatory damages in excess of \$15,000 to be
- 2 determined at trial, jointly and severally, against each Counter-Defendant and
- 3 Third-Party Defendant on all tort claims.
- 4 4. For general, special, and compensatory damages in excess of \$15,000 to be
- 5 determined at trial, jointly and severally, against each Counter-Defendant and
- 6 Third-Party Defendant found liable for each Federal RICO claim and Nevada
- 7 RICO claim.
- 8 5. For exemplary and punitive damages in an amount to be determined at trial on all
- 9 applicable claims;
- 10 6. For treble damages on all applicable claims.
- 11 7. Preliminary and Permanent Injunctive Relief enjoining Munger, Bastian, the
- 12 Bastian Casino Gaming Enterprise, Spin, Bragg, Oryx, AAA, LEGI and Mazij
- 13 from continuing to possess and utilize confidential information disclosed to them
- 14 under their respective agreements and from competing or interfering with
- 15 Mahon, FCG LLC, FCGI, IPH, or any other affiliated entities business interests
- 16 in the use and commercialization of the Full Color IP.
- 17 8. Disgorgement of profits against Munger, Bastian, the Bastian Casino Gaming
- 18 Enterprise, Spin, Bragg, Oryx, AAA, LEGI and Mazij for violations of their
- 19 respective agreements.
- 20 9. For reasonable attorneys' fees; and

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10. For such other and further relief as the Court may deem just and proper.
DATED this 9th day of January, 2020.

HUTCHISON & STEFFEN, PLLC

/s/ Todd W. Prall
Mark A. Hutchison (4639)
Todd W. Prall (9154)

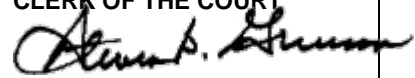
*Attorneys for Defendants David Mahon;
Glen Howard, Intellectual Properties
Holding, LLC; Full Color Games, LLC;
Full Color Games, N.A., Inc.; Full Color
Games Group, Inc.; Jackpot Productions,
LLC; and Full Color Games, Inc.*

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MDSM

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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,

Defendants.

Case No.: A-17-759862-B

Dept. No.: XIII

**THIRD-PARTY DEFENDANTS' MOTION
TO DISMISS, AND IN THE
ALTERNATIVE, MOTION FOR MORE
DEFINITE STATEMENT**

(HEARING REQUESTED)

1
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;
an individual; PLAYTECH SYSTEMS LTD, a

1 Bahamian limited company;
2 ISANDLUCK.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 JEFFREY CASTALDO; an individual; MARA
12 H. BRAZER, an individual; TERESA MOORE,
13 an individual; LARRY MOORE, an individual;
14 B.L. MOORE CONSTRUCTION INC., a
15 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,

16 Third-Party Defendants.

17
18 COMES NOW, Third-Party Defendants, RICHARD NEWMAN, NEWMAN LAW, LLC
19 AND COOPER BLACKSTONE, LLC (collectively referred to as “Defendants”), by and through their
20 attorneys of record, the law firm Newman Law, LLC, and submits its Motion to Dismiss the Amended
21 Answer, Counterclaim and Third Party Complaint, and, in the Alternative, Motion for More Definite
22 Statement.

23 This Motion is made and based upon all papers and pleadings on file herein, supporting
24 exhibits, and upon such other oral and documentary evidence as may be presented to the court at the
25 hearing on this motion.

26 DATED this 30th day of January, 2020.

27 Respectfully submitted,
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NEWMAN LAW LLC



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

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 In light of the substantial motion practice and hearings that have taken place it is believed the Court
4 is familiar with the circumstances of this Action. However, to summarize, on August 11, 2017, various
5 shareholders of Full Color Games, Inc. (“FCGI”) filed suit against David Mahon and Glen Howard for,
6 among other things, defrauding investors and embezzling money from FCGI while serving as its CEO and
7 President, respectively.

8 In response, and finally after much motion practice, David Mahon and Glen Howard filed an
9 Answer on or about February 4, 2019 which included a Third-Party Complaint. The Third-Party
10 Complaint included a litany of wrongdoing and dubious allegations against numerous Defendants. Mahon
11 separately filed suit against Richard Newman, Newman Law, LLC and Cooper Blackstone, LLC (Case
12 No. A-18-779686-C). Richard Newman, Newman Law, LLC and Cooper Blackstone recently filed a
13 Motion to Dismiss in this case, and David Mahon and related parties have now filed for a voluntary
14 dismissal of that action.

15 In the meantime, Counter-Claimants (excluding David Mahon) filed this Second Amended Third-
16 Party Complaint (the “Amended Complaint”) in which even more Defendants have been newly named.

17 While the Amended Complaint is well over 200 pages, it contains numerous deficiencies in its
18 allegations against Defendants Richard Newman, Newman Law, LLC and Cooper Blackstone, LLC which
19 subject the Complaint to dismissal for at least the reasons explained herein.

20 Even under the standard of NRCP 12(b)(5) wherein the Court will accept well-pled facts as true
21 for purposes of this Motion only, the Amended Complaint fails to plead any of the Federal RICO claims,
22 The Hobbs Act claim, Nevada RICO claims or fraud claims with the requisite specificity.

23 For example, while the Amended Complaint includes claims that the “Counter-Claimants and
24 Third-Party Plaintiffs” (identified on Page 46 of the Amended Complaint as being Full Color Games, Inc.,
25 Intellectual Properties Holdings, LLC, Full Color Games, N.A., Inc., Full Color Games Group, Inc., and
26 Jackpot Productions, LLC) were harmed by each of Richard Newman, Newman Law, LLC and Cooper
27 Blackstone, LLC (referred to as “the Newman Group” in the Complaint), the Complaint is devoid of any
28 pleading of the requisite “when, where and how” each of Richard Newman, Newman Law, LLC and

1 Cooper Blackstone, LLC violated the RICO with respect to each of Full Color Games, Inc., Intellectual
2 Properties Holdings, LLC, Full Color Games, N.A., Inc., Full Color Games Group, Inc., and Jackpot
3 Productions, LLC.

4 Other allegations, such as a breach of fiduciary duty, is also subject to dismissal because none of
5 Defendants Newman Law, LLC, Cooper Blackstone, LLC and Richard Newman were officers of any of
6 Counter-Claimants Full Color Games, Inc., Intellectual Properties Holdings, LLC, Full Color Games,
7 N.A., Inc., Full Color Games Group, Inc., and Jackpot Productions, LLC. The Amended Complaint lumps
8 together IP Counsel and Board Advisor, with Chief Legal Officer, Director and Chief Operating Officer,
9 in order to give the appearance of the existence of a duty. However, Richard Newman was never a Chief
10 Legal Officer, Director or Chief Operating Officer of any of Counter-Claimants, Full Color Games, Inc.,
11 Intellectual Properties Holdings, LLC, Full Color Games, N.A., Inc., Full Color Games Group, Inc., and
12 Jackpot Productions, LLC.

13 Furthermore, even if the Court accepts this allegation as true, no actual harm to the Counter-
14 claimants is pled based on Richard Newman's alleged role with respect to the Counter-Claimants. The
15 Amended Complaint alleges that Richard Newman violated a fiduciary duty to the Counter-Claimants
16 with respect to the handling and prosecution of the pending patents, trademarks and copyrights. Since all
17 intellectual property is owned by David Mahon (*See* Amended Complaint ¶ 72), any duty Richard
18 Newman owed would be to David Mahon, and thus none of the Counter-Claimants have standing to claim
19 damages against Richard Newman with respect to the handling of such matters. Furthermore, the
20 Amended Complaint fails to plead that Counter-Claimants had any rights which were lost or what any of
21 the other alleged "acts and omissions, negligence, gross negligence and other failures" were that caused
22 harm and how they were caused by Richard Newman. Such allegations fail to give Richard Newman and
23 the other Defendants fair notice of the nature and basis of a legally sufficient claim of breach of fiduciary
24 duty against them relative to each of the Counter-Claimants.

25 Other claims in the Amended Complaint, such as those based on breach of contract, should be
26 dismissed because no such relevant contract alleged to be breached ever existed between Defendants
27 Newman Law, LLC, Cooper Blackstone, LLC and Richard Newman and Counter-Claimants Full Color
28 Games, Inc., Intellectual Properties Holdings, LLC, Full Color Games, N.A., Inc., Full Color Games

1 Group, Inc., and Jackpot Productions, LLC. Moreover, almost all the other claims in the Amended
2 Complaint are based on the same acts, namely the provision of legal services by Richard Newman and as
3 such are properly dismissed or subsumed into a claim for professional negligence, if not dismissed
4 outright.

5 Finally, it should be noted that the Amended Complaint purposely misstates and omits
6 information, groups parties together, refers to parties that are not included either as Counter-Claimants
7 and contradicts itself, in addition to including unnecessary, irrelevant and impertinent information and
8 allegations. For example, in Paragraph 820 of the Amended Complaint, it is alleged that Counter-
9 Claimants had established an attorney-client relationship with Richard Newman, Newman Law, LLC and
10 Cooper Blackstone, LLC to perform legal services in connection with protecting the IPR that Mahon
11 owned. “IPR” is defined in Paragraph 306 of the Amended Complaint as Mahon’s intellectual property
12 including the Full Color IP, the FCGS and his Multi-Play™ Bingo game. Paragraph 820 then states that
13 “Newman, Newman Law, CBL and H2 had all agreed to handle and manage Plaintiffs’ pending patent
14 applications.” In contradiction to Paragraph 820, in Paragraphs 309-311 Mahon alleges that Newman and
15 Mahon entered into the “AGRI” Agreement by which Newman would provide certain legal services
16 relating to the IPR owned by Mahon. None of the other Defendants or Counter-Claimants are included in
17 the AGRI.

18 Since David Mahon is not a Counter-Claimant, Richard Newman, Newman Law, LLC and Cooper
19 Blackstone, LLC’s respective representation of the Counter-Claimants in connection intellectual property
20 owned by Mahon is entirely obscured and unclear, as Mahon would be the client.

21 The Amended Complaint is full of poorly-written allegations that do not give Richard Newman,
22 Newman Law, LLC or Cooper Blackstone, LLC fair notice of the nature and basis of a legally sufficient
23 claim and relief requested by each of the Counter-Claimants. The result is that each of the Defendants,
24 Richard Newman, Newman Law, LLC and Cooper Blackstone, LLC are left to make its best guess at the
25 basis for and scope of the claims they face in the Amended Complaint relative to each of the Counter-
26 Claimants Full Color Games, Inc., Intellectual Properties Holdings, LLC, Full Color Games, N.A., Inc.,
27 Full Color Games Group, Inc., and Jackpot Productions, LLC.

28 The Amended Complaint is full of such issues and failings which subject it to dismissal pursuant

1 to this Motion, or at the very least, Counter-Claimants should be made to provide a more definitive
2 statement so that Richard Newman, Newman Law, LLC and Cooper Blackstone, LLC are provided with
3 fair notice of the nature and basis of a legally sufficient claim against each of them from each of the
4 Counter-Claimants and the respective relief requested.

5 6 **II. ALLEGED FACTS**

7 All factual statements are taken from the Amended Complaint. While Defendants disagrees
8 with the factual statements, they will be taken as true for purposes of this Motion. The relevant alleged
9 facts are as follows, Richard Newman provided legal services to David Mahon involving the
10 prosecution of patents, trademarks and copyrights pursuant to an agreement between David Mahon
11 and Richard Newman (the “AGRI”), by which Richard Newman was to receive an assignment of
12 gross revenue interest. *See* Amended Complaint ¶¶111, 309 and 311. On August 15, 2015, Richard
13 Newman and David Mahon terminated the AGRI and Richard Newman entered into a Share Issuance
14 Agreement with Full Color Games, Inc., by which 1,000,000 shares of Full Color Games, Inc. were
15 issued to Cooper Blackstone, LLC, a entity solely owned by Richard Newman and created as a non-
16 operating holding company for these shares. *See* Amended Complaint ¶¶318-319. On August 19,
17 2016, Mahon alleges to have first “an intellectual property crisis of unparalleled proportions” and on
18 August 25, 2016, Mahon send Newman an email terminating Newman from all roles and duties. *See*
19 Amended Complaint ¶¶ 327-329.

20 21 **III. ARGUMENT**

22 **A. Plaintiffs Lack Standing to Pursue Their Complaint against Defendants; No Injury-** 23 **In-Fact Has Been Alleged.**

24 Standing is a prerequisite for plaintiffs to seek relief from any court. When plaintiffs lack
25 standing to pursue their claims, the court lacks jurisdiction over these claims and must dismiss them.
26 *See Heller v. Legislature of Nev.*, 120 Nev. 456, 461, 93 P.3d 746, 749-50 (2004); *Baldonado v. Wynn*
27 *Las Vegas, LLC*, 124 Nev. 951, 969, 194 P.3d 96, 107 (2008); *Liberty Mut. v. Thomasson*, 130 Nev.
28 Adv. Op. 4, 317 P.3d 831, 836 (Nev. 2014). In order to have standing, a plaintiff must have suffered

1 an injury. *See Miller v. Ignacio*, 112 Nev. 930, 936 n.4, 921 P.2d 882, 885 n.4 (1996) (“the irreducible
2 constitutional minimum of standing requires that a plaintiff have suffered an injury in fact.”).

3 Without an injury, a plaintiff cannot demonstrate a controversy for resolution before a court.
4 *See Fondo v. State*, No. 65277, 2016 Nev. unpublished disposition, LEXIS 45, at *11 (Jan. 15, 2016);
5 *accord, Exel, Inc. v. S. Refrigerated Transp., Inc.*, 807 F.3d 140, 148 (6th Cir. 2015)⁴ (citations
6 omitted); *In re C. W Mining Co.*, 508 B.R. 746, 753 (Bankr. D. Utah 2014) (“TV A paid the Debtor
7 the full amount of the Garnished Accounts, and the Estate is not entitled to receive more. The Trustee
8 has failed to articulate any ‘injury in fact’ that satisfies the first criterion necessary to establish
9 standing.”); *Rivera v. Wyeth-Ayerst Labs.*, 283 F.3d 315, 320-21 (5th Cir. 2002) (same).

10 And, assuming a plaintiff properly alleges an injury-in-fact, the plaintiff must also allege
11 causation. To satisfy the causation element of standing, a plaintiff must demonstrate “a causal
12 connection between the injury and the conduct complained of -- the injury has to be ‘fairly . . . trace
13 [able] to the challenged action of the defendant, and not . . . th[e] result [of] the independent action of
14 some third party not before the court.’” *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992)
15 (*quoting Simon v. Eastern Ky. Welfare Rights Org.*, 426 U.S. 26, 41-42, 96 S. Ct. 1917, 48 L. Ed. 2d
16 450 (1976)).

17 While the Amended Complaint references patent and trademark applications which have
18 allegedly become abandoned, the Amended Complaint fails to plead that the abandonment was the
19 cause of misconduct of Richard Newman, Newman Law, LLC, or Cooper Blackstone, LLC, as
20 opposed to other reasons, such as being rejected by the US Patent & Trademark Office for failing to
21 present subject matter eligible for protection. In fact, this is exactly what has happened, and continues
22 to happen in each of Mahon’s patent applications, all of which have benefited from the patent
23 applications cited in the Amended Complaint, which by the technical term “abandoned” does not
24 mean that potential rights are lost.

25 Nonetheless, the Amended Complaint fails to plead that an injury in fact was suffered by the
26 Counter-Claimants as a result of any acts of Richard Newman, Newman Law, LLC, or Cooper
27 Blackstone, LLC.

28 The Amended Complaint includes statements that there was economic harm to the Counter-

1 Claimants. However, the fact that the only allegations of wrongdoing relate to intellectual property
2 owned by another makes such statements hollow. Even if such wrongdoing occurred, the Amended
3 Complaint does not include any causal connection of the alleged economic harm alleged to be suffered
4 by any or each of the Counter-Claimants with any actions of any or each of Richard Newman,
5 Newman Law, LLC or Cooper Blackstone, LLC.

6 The issue as to the cause of the alleged harm is particularly salient in light of the fact that
7 David Mahon and Glen Howard are being accused of causing fraud to at least some of the Counter-
8 Claimants through embezzlement and fraud. Thus, each of the Counter-Claimants lack standing to
9 pursue claims against each of Richard Newman, Newman Law, LLC and Cooper Blackstone, LLC,
10 and the Complaint should be dismissed accordingly.

11
12 **B. Plaintiffs Complaint Fails to State a Claim Upon Which Relief May Be Granted**

13 A party may assert by motion the defense that the plaintiff failed to state a claim upon which
14 relief may be granted. Nev. R. Civ. P. 12(b)(5). Pursuant to Rule 12(b)(5), dismissal of a claim is
15 appropriate if it appears with certainty that a plaintiff can prove no set of facts which would entitle
16 him or her to relief under the claim. *Edgar v. Wagner*, 101 Nev. 226, 228, 699 P.2d 110, 112 (1985).
17 A court should dismiss a claim if it lacks a cognizable legal theory or if there are insufficient facts
18 alleged under a cognizable legal theory. *Johnson v. Riverside Healthcare Sys., LP*, 534 F.3d 1116,
19 1122 (9th Cir. 2008). Put simply, a complaint must contain some “set of facts, which, if true, would
20 entitle [the plaintiff] to relief.” *Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev. 224, 228, 181 P.3d
21 670, 672 (2008).

22 In ruling on a motion to dismiss for failure to state a claim, the court must construe the
23 pleadings liberally and accept all factual allegations in the complaint as true. *See Blackjack Bonding*
24 *v. City of Las Vegas Mun. Ct.*, 116 Nev. 1213, 1217, 14 P.3d 1275, 1279 (2000) (citing *Simpson v.*
25 *Mars Inc.*, 113 Nev. 188, 190, 929 P.2d 966, 967 (1997)). However, “conclusory allegations of law
26 and unwarranted inferences are insufficient to defeat a motion to dismiss for failure to state a claim.”
27 *Halkin v. VeriFone Inc. (In re VeriFone Sec. Litig.)*, 11 F.3d 865, 868 (9th Cir. 1993).

1 **The Federal RICO Claims**

2 Counter-claimants allege that Richard Newman, Newman Law, LLC and Cooper Blackstone,
3 LLC violated 18 U.S.C. §162(b), the Hobbs Act and through fraud in violations of 18 U.S.C. § 1346,
4 frauds by wire, 18 U.S.C. § 1951, interference with commerce by threats or violence, 18 U.S.C. § 1341,
5 frauds and swindles and allege damages as a result.

6 As predicate acts, the Amended Complaint alleges that Richard Newman, Newman Law, LLC and
7 Cooper Blackstone, LLC engaged in frauds by wire and attempted extortion with the wrongful taking of
8 Mahon’s property, and that Richard Newman used the AGRI as the means to obtain FCGI corporate stock,
9 and that Richard Newman had not done the work but rather engaged in a “patent scheme” that allowed
10 him to get shareholder rights in FCGI and its affiliates. The Amended Complaint further alleges that
11 Richard Newman, Newman Law, LLC and Cooper Blackstone made unlawful and wrongful threats in
12 order to wrongfully exert control over Counter-Claimants and wrongfully profit therefrom based on
13 extortionate threats in communications of a Settlement Agreement, Settlement Proposal and Mutual
14 termination and release as well as an email in which terms for settlement were changed. *See*, Amended
15 Complaint ¶¶ 538-585.

16 The elements of a civil RICO claim are “(1) conduct (2) of an enterprise (3) through a pattern
17 (4) of racketeering activity (known as ‘predicate acts’) (5) causing injury to plaintiff’s ‘business or
18 property.’” *Living Designs, Inc. v. E.I. Dupont de Nemours and Co.*, 431 F.3d 353, 361 (9th Cir. 2005),
19 *cert. denied*, 547 U.S. 1192 (2006); *Grimmett v. Brown*, 75 F.3d 506 (C.A.9 (Nev.), 1996); 18 U.S.C.
20 §§ 1964(c), 1962(c).

21 For purposes of RICO “racketeering activity” means: (1) “any act or threat involving murder,
22 kidnapping, gambling, arson, robbery, bribery, extortion, dealing in obscene matter, or dealing in a
23 controlled substance or listed chemical... which is chargeable under State law and punishable by
24 imprisonment for more than one year”; and (2) any act indictable under a number of specified federal
25 criminal statutes. *See* 18. U.S.C. 1961(1).

26 A plaintiff advancing a civil RICO claim must also establish that the acts complained of were
27 part of a pattern and were related. A pattern consists of at least two acts of racketeering activity, with
28 the last act coming in the last 10 years. 18 U.S.C. § 1961(5). Racketeering acts are related if they

1 “have the same or similar purposes, results, participants, victims, or methods of commission, or
2 otherwise are interrelated by distinguishing characteristics and are not isolated events.” *U.S. v.*
3 *Bingham*, 653 F.3d 983, (2011).

4 To advance a RICO claim, not only must a plaintiff satisfy the elements above, a plaintiff must
5 also establish standing. A plaintiff establishes standing by showing: (1) that his alleged harm qualifies
6 as injury to his business or property; and (2) that his harm was “by reason of” the RICO violation,
7 which requires the plaintiff to establish proximate causation. *Holmes v. Sec. Investor Prot. Corp.*, 503
8 U.S. 258, 268 (1992).

9 Civil RICO claims are required to be pled with specificity. A plaintiff must “state the time,
10 place and specific conduct of the false representations as well as the identities of the parties to the
11 misrepresentation.” *Schreiber Distrib. Co. v. Serv-Well Furniture Co.*, 806 F.2d 1393, 1401 (9th Cir.
12 1986); see also *Yourish v Cal. Amplifier*, 191 F.3d 983, 993 (9th Cir. 1999). Additionally, the most
13 common acts of racketeering are fraud-based acts, with the most common of those acts being wire
14 fraud or mail fraud. Because these are fraud-based claims, they are subject to the heightened pleading
15 standard. Thus, in addition to the already heightened standard of pleading, a RICO claim based on
16 fraud must also “set forth an explanation as to why the statement or omission complained of was false
17 and misleading.” *Id.*, quoting *In re GlenFed, Inc. Sec. Litig.*, 42 F.3d 1541, 1548 (9th Cir. 1994) (en
18 banc).

19 **RICO claims must be plead with specificity yet no RICO predicate acts of Richard**
20 **Newman, Newman Law, LLC or Cooper Blackstone, LLC are alleged**

21 The RICO claims incorporate the lengthy description of many different alleged wrongs by
22 various named Defendants. However, there are no RICO predicate acts of Newman Law, LLC or
23 Cooper Blackstone, LLC identified. Instead, Mahon simply incorporates his previous allegations and
24 alleged conclusions of law. While the Complaint alleges that the “Third-Party Defendants... engaged
25 in frauds by swindle, frauds by wire and attempted extortion and the wrongful taking of Mahon’s
26 property” in Paragraph 585, no facts are alleged or pleaded as to how Newman Law, LLC or Cooper
27 Blackstone, LLC engaged in any such alleged acts.

28 Such “shotgun” pleading is insufficient to plead a RICO claim. Courts have demanded

1 specificity in pleading the racketeering acts in a civil RICO cause of action. *See e.g., Hale v.*
2 *Burkhardt*, 104 Nev. 632, 764 P.2d 866 (1988). The Court in *Hale* expressed its concern that “civil
3 RICO actions be pleaded with sufficient specificity because of the very serious consequences attached
4 to the allegations of criminal conduct that are the essence of this kind of law suit, because “[n]ot only
5 is a civil RICO defendant accused of committing a criminal offense which carries with it the potential
6 for considerable social stigma such a defendant is also confronted with the possibility of an adverse
7 treble damages judgment.” *Id. at 869*.

8 As stated above, the Complaint fails to plead the RICO claims with sufficient specificity. The
9 failure of the Complaint to include any pleading of a predicate act committed by Newman Law, LLC
10 or Cooper Blackstone is noted above. With regard to Richard Newman, the Complaint includes
11 allegations that Richard Newman failed to perform pursuant to an agreement, engaged in a patent
12 scheme that allowed him to get shareholder rights in FCGI and after being terminated, the “Newman
13 Group” made unlawful and wrongful threats in order to wrongfully exert control over Counter-
14 Claimants. The Complaint fails to provide support for these conclusory statements with sufficient
15 specificity. The Amended Complaint fails to specify how each of Newman Law, LLC, Cooper
16 Blackstone, LLC and Richard Newman engaged in the alleged patent scheme, or what a “patent
17 scheme” actually is and how does such a scheme constitute a requisite predicate act under the RICO
18 statute relative to Counter-Claimants.

19 Even if believed, none of the acts alleged as wrongdoings relate to claims of professional
20 negligence rather than predicate acts under the RICO statute, let alone satisfying the requirement of a
21 pattern of activity. To satisfy the definition of a pattern of racketeering activity, a mere showing of
22 two criminal predicate acts would not suffice; rather, the plaintiff must show both “relationship” and
23 “continuity”-that the racketeering predicate crimes are related, and that they either constitute or
24 threaten long-term criminal activity. *H.J. Inc. v. Northwestern Bell Telephone Co.*, 492 U.S. 229,
25 109 S.Ct. 2893, 106 L.Ed.2d 195 (1989)

26 Both the RICO claims and Paragraph 586 alleges a violation of the Hobbs Act, a federal law
27 that criminalizes the wrongful use of fear in robbery and extortion, based on prelitigation
28 communications in an attempt to settle a dispute.

1 The statute defines “extortion” as “the obtaining of property from another, with his consent,
2 induced by wrongful use of actual or threatened force, violence, or fear, or under color of official
3 right.” 18 U.S.C. §1951(b)(2). No facts have been plead that describe how Newman Law, LLC, Cooper
4 Blackstone, LLC, or Richard Newman obtained property by “wrongful use of actual or threatened force,
5 violence, or fear, or under color of official right” as required by the Hobbs Act. While Mahon again refers
6 to economic harm, the pleadings fail to specify how Richard Newman’s attorney demand letter and
7 settlement proposal would have actually caused harm to the Counter-Claimants with the requisite
8 specificity. Furthermore, not all economic threats are outlawed by federal law and the Hobbs Act
9 intercedes in private dealings only when economic threats are used for a wrongful purpose. *See United*
10 *States v. Clemente*, 640 F.2d 1069, 1077 (2d Cir.1981). For example, a “straightforward example of
11 a lawful economic threat is where one party threatens litigation in order to persuade another party to
12 honor a contract which the first party believes has been breached.” *United States v. Kattar*, 840 F.2d
13 118, 123 (1st Cir.1988). The use of a fear of economic loss as leverage in bargaining is not made
14 unlawful by the Hobbs Act. *See United States v. Capo*, 791 F.2d 1054 (2d Cir. 1992).

15 The Complaint’s allegations of attempts by Richard Newman to seek redress for a breach of
16 contract fail to specify violations of the Hobbs Act. Furthermore, any property rights in shares had already
17 been granted, and therefore there was no property being “wrongfully demanded” as alleged in the
18 Complaint. The Complaint fails to include any allegations that support that Newman Law, LLC, Cooper
19 Blackstone, LLC or Richard Newman made a claim of ownership or demand for ownership of any
20 intellectual property, licensing income or stock ownership rights (alleged in Paragraph 590), or how any
21 act alleged caused “the loss of millions of dollars of real money” (alleged in Paragraph 589) or any other
22 of Mahon’s conclusory and unsupported allegations in the Complaint.

23 **The State RICO Claims**

24 To advance a civil RICO claim in Nevada, a plaintiff must allege that a defendant “engag[ed]
25 in at least two crimes related to racketeering that have the same or similar pattern, intents, results,
26 accomplices, victims or methods of commission, or are otherwise interrelated by distinguishing
27 characteristics and are not isolated incidents.” NRS 207.390.

28 A civil RICO claim in Nevada must be pled with sufficient specificity. A civil RICO pleading

1 must contain information as to “when, where [and] how” the underlying criminal acts occurred. *Hale*
2 *v. Burkhardt*, 764 P.2d 866, 869 (1988). If the RICO claim is based on a fraud, it must also satisfy the
3 heightened pleading standard of NRCP 9(b).

4 The Complaint alleges as predicate acts that Newman Law, LLC, Cooper Blackstone, LLC and
5 Richard Newman acquired an interest in and control of Counter-Claimants lawful enterprises through
6 racketeering activity. As stated above, the Complaint fails to plead “when, where and how” each of
7 Newman Law, LLC, Cooper Blackstone, LLC and Richard Newman acquired an interest in and control
8 of each of the Counter-Complainants through any racketeering activity. In contradiction to this allegation,
9 Paragraph 650 of the Amended Complaint alleges that “Newman and Newman Law’s positions of power
10 and title of authority, along with his GCGI corporate share were canceled, terminated and repurchased.”

11 As stated above, the Complaint fails to plead the RICO claims with sufficient specificity. The
12 failure of the Complaint to include any pleading of a predicate act committed by Newman Law, LLC
13 or Cooper Blackstone is noted above. With regard to Richard Newman, the Complaint includes
14 allegations that Richard Newman failed to perform pursuant to an agreement, engaged in a patent
15 scheme that allowed him to get shareholder rights in FCGI and after the “Newman Group” was
16 terminated, the “Newman Group” made unlawful and wrongful threats in order to wrongfully exert
17 control over “Counter-Claimants”. The Complaint fails to provide support for these conclusory
18 statements with sufficient specificity. The Amended Complaint fails to specify how each of Newman
19 Law, LLC, Cooper Blackstone, LLC and Richard Newman engaged in the alleged patent scheme, or
20 what a “patent scheme” actually is and how does such a scheme constitute a requisite predicate act
21 under the RICO statute relative to Counter-Claimants.

22 The pleadings allege “extortionate threats” including communications made to settle a dispute
23 consisting of a Settlement Agreement, a Settlement Proposal and a Mutual Termination and Release.
24 In addition to being inadmissible as communication sent to resolve a dispute, it is unclear how the
25 “Newman Group with its extortionate demands, held Counter-Claimants’ property rights and
26 corporate stock ransom in order to prevent the Counter-Claimants from being able to obtain a UKGC
27 casino gaming license and prevent them from obtaining revenue streams.” None of the Counter-
28 Claimants allege to have applied for a UKGC casino gaming license (and in fact, none of the Counter-

1 Claimants did apply). Furthermore, there is no sufficient connection pled that supports prelitigation
2 communications sent by Richard Newman to resolve a dispute as being the cause of Counter-
3 Claimants from being able to obtain a UKGC casino gaming license or prevent them from obtaining
4 revenue streams.

5 Furthermore, courts have held that a threat to bring civil action, even if action would be entirely
6 frivolous or brought in bad faith, does not constitute extortion. *I.S. Joseph Co. Inc. v J. Lauritzen*
7 *A/S*, 751 F.2d 265, 267-268 (8th Cir. 1984). “[e]ven accepting Plaintiff’s allegations as true, the Court
8 finds that a threat of suit generally does not constitute a predicate act of extortion upon which to stake
9 a RICO claim.” *Id. G.K. Las Vegas Ltd. Partnership v. Simon Property Group Inc.*, 460 F. Supp. 2d
10 1246, 1256 (D. Nev. 2006) (citing *First Pacific Bancorp, Inc. v. Bro*, 847 F.2d 542, 547 (9th Cir.
11 1988); *American Nursing Care of Toledo v. Leisure*, 609 F. Supp. 419, 430 (N.D. Ohio 1984) (stating
12 that the threat of litigation is not a predicate act for RICO purposes)).

13 Thus, the state and Federal RICO claims fail to state a claim and should be dismissed.
14

15 **Plaintiffs fail to state a claim for contract-based relief against Richard Newman,**
16 **Newman Law, LLC or Cooper Blackstone, LLC**

17 To succeed on a claim for breach of contract, a plaintiff must demonstrate: (1) the existence
18 of a valid contract; (2) that plaintiff performed or was excused from performance; (3) that the
19 defendant breached the terms of the contract; and (4) that the plaintiff was damaged as a result of the
20 breach. *Callaway v. City of Reno*, 116 Nev. 250, 993 P.2d 1259, 1263 (2000) (“a breach of contract
21 may be said to be a material failure of performance of a duty arising under or imposed by agreement”).
22 A breach of contract claim cannot be stated simply by alleging the existence of a contract and a breach.
23 *See, e.g., Mass. Highway Dep’t v. Walsh Constr. Co.*, 2002 Mass. Super. 2002 WL 1489866 at *2
24 (Mass. Super. Ct. June 18, 2002). And, to provide a defendant sufficient notice of a breach of contract
25 claim, a plaintiff must properly allege the basic details of the claim, including the specific provision(s)
26 upon which the plaintiff bases the allegations. *See, e.g., In re Anthem, Inc. v. Data Breach Litig.*, 162
27 F. Supp. 3d 953, 979 (N.D. Cal. 2016) (dismissing plaintiff’s claim for failure to identify specific
28 contractual provision breached); *Progressive West. Ins. Co. v. Yolo County Superior Ct.*, 37 Cal.

1 Rptr.3d 434, 440, n. 1 (Cal. Ct. App. 2005); *Roddenberry v. Roddenberry*, 51 Cal.Rptr.2d 907 (Cal.
2 Ct. App. 1996); *Utility Metal Research, Inc. v. Generac Power Systems, Inc.*, 2004 U.S. Dist. LEXIS
3 23314 (E.D.N.Y. 2004); and *Wolf v. Rare Medium, Inc.*, 171 F.Supp.2d 353, 358 (S.D.N.Y. 2001).

4 Here, Plaintiffs pled that each of Newman Law, LLC, Cooper Blackstone, LLC and Richard
5 Newman had agreements with each of Counter-Claimants at different time to perform legal work, and
6 allege contractual based breaches in Paragraphs 829, 837, 844 of the Amended Complaint. However,
7 the only contract allegedly breached is the AGRI, which admittedly was terminated in August of 2015 and
8 did not include any of the Counter-Claimants as parties, nor did it include Newman Law, LLC or Cooper
9 Blackstone, LLC as parties. Thus, there is no contract actually plead in the Amended Complaint which
10 for the performance of legal work.

11 Likewise, it is well-settled that claims premised upon the covenant of good faith and fair
12 dealing fail in the absence of a valid contract. *See, e.g., Peshek v. Litton Loan Servicing*, 2012 U.S.
13 Dist. LEXIS 87240, *10 (D. Nev. 2012) (stating that there can be no breach of contract or breach of
14 the implied covenant of good faith and fair dealing where there was no valid contract). “When no
15 contractual relationship exists, no recovery for bad faith is allowed.” *United Fire Ins. Co. v.*
16 *McClelland*, 105 Nev. 504, 511, 780 P.2d 193, 197 (1989) (citation omitted); *see also Nevada Ins.*
17 *Guar. Ass’n v. Sierra Auto Center*, 108 Nev. 1123, 1127, 844 P.2d 126, 128 (1992) (“The implied
18 covenant of good faith and fair dealing can only arise out of a contractual relationship.”); *Herrera v.*
19 *Toyota Motor Sales, U.S.A.*, 2010 WL 3385336, at *1 (D. Nev. Aug. 23, 2010) (“[B]ecause there was
20 no contract between a Toyota defendant and Salvador, there could not have been any implied covenant
21 of good faith in fair dealing.”); *Wilson v. KRD Trucking West*, 2012 U.S. Dist. LEXIS 72259, *10-11
22 (D. Nev. 2012) (“A valid contract is a prerequisite to a claim for breach of the covenant of good faith
23 and fair dealing...no contract was formed in this case. Without a valid contract, Plaintiff cannot
24 recover for breach of the covenant of good faith and fair dealing.”).

25 Since there is no contract between any of the Defendants and the Counter-Claimants, there is
26 no covenant of good faith and fair dealing. Thus, like the breach of contract claim, claims for breach
27 of the covenant of a good faith and fair dealing also fail to state a claim and should be dismissed.

1 **The Complaint fails to provide the specificity required by NRCP 9(b).**

2 In Nevada, a claim for fraud requires the plaintiff to prove each of the following elements: (1)
3 defendant made a false representation; (2) with knowledge or belief that the representation was false
4 or without a sufficient basis for making the representation; (3) the defendant intended to induce the
5 plaintiff to act or refrain from acting on the representation; (4) the plaintiff justifiably relied on the
6 representation; and (5) the plaintiff was damaged as a result of his reliance. *J.A. Jones Const. Co. v.*
7 *Lehrer McGovern Bovis, Inc.*, 120 Nev. 277, 290–91, 89 P.3d 1009, 1018 (2004).

8 A claim of fraud is held to a higher burden from the pleading stage through the proof stage at
9 trial. *See* Nev. R. Civ. P. 9(b) (requiring a claim of fraud to plead the time, place, identity of the parties
10 involved, and the nature of the fraud). A plaintiff has the burden of proving each element of fraud
11 claim by clear and convincing evidence. *Albert H. Wohlers & Co. v. Bartgis*, 114 Nev. 1249, 1260,
12 969 P.2d 949, 957 (1998); *Bulbman, Inc. v. Nevada Bell*, 108 Nev. 105, 110–11, 825 P.2d 588, 592
13 (1992); *Lubbe v. Barba*, 91 Nev. 596, 540 P.2d 115 (1975). “Fraud is never presumed; it must be
14 clearly and satisfactorily proved.” *J.A. Jones Const. Co.*, 120 Nev. at 291, 89 P.3d at 1018 (emphasis
15 added) (quoting *Havas v. Alger*, 85 Nev. 627, 631, 461 P.2d 857, 860 (1969)).

16 “In actions involving fraud, the circumstances of the fraud are required by NRCP 9(b) to be
17 stated with particularity. The circumstances that must be detailed include averments to the time, the
18 place, the identity of the parties involved, and the nature of the fraud or mistake. 5 *Wright and Miller*,
19 *Federal Practice and Procedure* § 1297 at p. 403 (1969).” *Brown v. Kellar*, 97 Nev. 582, 583-84, 636
20 P.2d 874 (1981). Stated another way, the Rule requires that claims of fraud be accompanied by the
21 “who, what, when, where, and how” of the conduct charged, *Vess v. Ciba- Geigy Corp., USA*, 317
22 F.3d 1097, 1106 (9th Cir. 2003) (quoting *Cooper v. Pickett*, 137 F.3d 616, 627 (9th Cir. 1997)), so
23 that the complaint may not simply “lump multiple defendants together[.]” *Destfino v. Reiswig*, 630
24 F.3d 952, 958 (9th Cir. 2011). This requirement ensures that the defendants are on “notice of the
25 particular misconduct . . . so that they can defend against the charge and not just deny that they have
26 done anything wrong.” *Vess*, 317 F.3d at 1106. Accordingly, “the complaint would need to state the
27 time, place, and specific content of the false representations as well as the identities of the parties to
28 the misrepresentation.” *Sanford v. MemberWorks, Inc.*, 625 F.3d 550, 558 (9th Cir. 2010); *see also*

1 *FDIC v. Jones*, 2014 U.S. Dist. LEXIS 131738, *20-21 (D. Nev. 2014) (“A breach of fiduciary duty
2 is fraud.”) (quoting *Nevada State Bank v. Jamison Family P’ship*, 106 Nev. 792, 801 P.2d 1377, 1382
3 (Nev. 1990)); see *In re Amerco Derivative Litig.*, 252 P.3d 681, 703 (Nev. 2011); see *Smith v.*
4 *Accredited Home Lenders*, 2016 U.S. Dist. LEXIS 33206, *5-6 (D. Nev. 2016) (construing a
5 complaint “liberally” and applying the Rule 9(b) pleading standards to claims “based in fraud”
6 including fraudulent misrepresentation and concealment). Here, Plaintiffs’ claims for professional
7 negligence, breach of fiduciary duty, tortious interference, tortious breach of the covenant of good
8 faith and fair dealing, intentional misrepresentation, negligent misrepresentation, and fraudulent
9 concealment each involve express allegations of fraud; thus, each of these claims is required to be
10 pled with specificity pursuant to NRCP 9(b) and the foregoing case law authorities. Despite more than
11 200 pages of allegations, Plaintiffs’ Complaint fails to meet the requirements of the foregoing legal
12 authorities.

13 First, the Complaint improperly lumps all of the defendants together in each of the
14 aforementioned examples of Counter-Claimants’ allegations sounding in fraud. The Counter-
15 Claimants’ failure to separate its allegations of fraud is improper and necessitates dismissal of these
16 fraud-based claims. *Destfino*, 630 F.3d at 958; *Vess*, 317 F.3d at 1106.

17 Second, the Complaint also fails to consistently identify which of Richard Newman, Newman
18 Law, LLC and Cooper Blackstone, LLC committed the allegedly fraudulent acts against which of the
19 Counter-Claimants, when the alleged acts occurred for each of the Counter-Claimants, where such
20 allegedly fraudulent acts occurred for each of the Counter-Claimants, in what form or fashion the
21 alleged conduct occurred for each of Counter-Claimants, and how. In order for Defendants to fairly
22 assess and respond to allegations of fraudulent conduct, Counter-Claimants are required to do more
23 than they have done in this Amended Complaint.

24 As a result of Plaintiffs’ failure to properly plead the fraud-based claims, the Court should
25 dismiss the claims pursuant to NRCP 9(b) and the foregoing legal authorities.

26
27 **Claims are all subsumed in a Claim of Professional Negligence**

28 As the Nevada Supreme Court explained in *Stalk v. Muskin* 199 p.3d 838 (2009) “we first must

1 determine the true nature of the claim for breach of fiduciary duty before determining the applicable
2 statute of limitations. *See Hartford Ins. v. Statewide Appliances*, 87 Nev. 195, 197, 484 P.2d 569, 571
3 (1971) (explaining that the object of the action, rather than the legal theory under which recovery is
4 sought, governs when determining the type of action for statute of limitations purposes).

5 A claim for breach of fiduciary duty arising from an attorney-client relationship is a legal
6 malpractice claim subject to NRS 11.207(1)'s limitation period. *Id.* A cause of action for legal
7 malpractice encompasses breaches of contractual as well as fiduciary duties because both "concern[]
8 the representation of a client and involve [] the fundamental aspects of an attorney-client
9 relationship." 2 Ronald E. Mallen & Jeffrey M. Smith, *Legal Malpractice* § 14:2 (2007). Thus, NRS
10 11.207, which sets forth the statute of limitations for "[m]alpractice actions against attorneys," is
11 applicable to legal malpractice claims, whether based on breach of contractual obligations or breach
12 of fiduciary duties.

13 Thus, all of the claims based on an attorney client relationship should be dismissed, and if
14 anything subsumed in a single professional negligence claim.

15 **In the Alternative Only, Plaintiff Should Be Ordered to Provide a More Definite**
16 **Statement.**

17 Rule 12(e) provides that "[a] party may move for a more definite statement of a pleading to
18 which a responsive pleading is allowed but which is so vague or ambiguous that the party cannot
19 reasonably prepare a response." NRCP 12(e); *see also Finn v. City of Boulder City*, 2015 U.S. Dist.
20 LEXIS 60770 (D. Nev. 2015) (granting a motion for motion definite statement); *Cascade Invs., Inc.*
21 *v. Bank of Am., N.A.*, 2000 U.S. Dist. LEXIS 21474, *10 (D. Nev. 2000). A motion for a more definite
22 statement "must point out the defects complained of and the details desired." *Id.*; *see also Crescent*
23 *Woodworking Co., Ltd. v. Accent Furniture, Inc.*, 2005 U.S. Dist. LEXIS 45840, *11-12 (C.D. Cal.
24 2005) (holding that, because the plaintiff failed to specifically identify the duty owed by the defendant
25 to the plaintiff, the motion for more definite statement would be granted). Intelligibility is the
26 touchstone: "Something labeled a complaint but written more as a press release, prolix in evidentiary
27 detail, yet without simplicity, conciseness and clarity as to whom plaintiffs are suing for what wrongs,
28 fails to perform the essential functions of a complaint." *McHenry v. Renee*, 84 F.3d 1172, 1180 (9th

1 Cir. 1996). When a court orders a more definite statement, if “the order is not obeyed . . . within the
2 time the court sets, the court may strike the pleading or make such order as it deems just.” NRC
3 12(e).

4 In the alternative only, if the Court is not inclined to dismiss the claims against Defendants as
5 requested pursuant to the separately-stated bases above, Defendants request an order from this Court
6 requiring Counter-Claimants to plead a more definite statement. First, the contract-based claims fail
7 to identify the nature of the agreement between each of the Counter-Claimants and each of the
8 Defendants. If the contract-based claims are not dismissed, Counter-Claimants should be required to
9 re-plead the Complaint by specifically identifying the nature of the agreement between each of the
10 Defendants and each Counter-Claimant, the scope of each agreement between the respective parties
11 (and over what time period(s)), what term or provision of such agreement is allegedly breached (again,
12 as to each of the Counter-Claimants and Defendants), and when.

13 Second, as to the fraud-based claims, if the Court does not dismiss such claims pursuant to
14 NRC 9(b), Counter-Claimants should be required to identify the who, what, where, when, and how
15 for each allegation of fraudulent conduct by each Defendant. Lumping three defendants together is
16 wholly improper. For purposes of allowing Defendants to respond to the multiple claims for relief
17 based in fraud, Counter-Claimants should be required to comply with Nevada law by separately
18 stating the allegedly fraudulent acts and providing the mandatory specifics such that each Defendant
19 can meaningfully defend against the same.

20 Third, this Court should order Counter-Claimants to provide a more definite statement as to
21 their alleged injury-in-fact and causation. Specifically, Counter-Claimants should be required for each
22 of the Counter-Claimants to provide an identification of the specific rights lost or harm caused, when
23 such rights were lost or harm caused, and the casual connection between such alleged loss or harm
24 and specific conduct by each of the Defendants. Without this information, the Complaint fails to meet
25 the basic pleading requirements of Rule 8(a) and 9(b) and, thereupon, justifies a more definite
26 statement pursuant to Rule 12(e).

27 **IV. CONCLUSION**

28 Accordingly, this Court should grant this motion in its entirety by dismissing the Amended

1 Complaint for lack of standing and failure to state a claim. In the alternative only, Defendants request
2 an order that Counter-Claimants must make a more definite statement regarding the specific factual
3 allegations and claims for relief.

4
5 DATED this 30th day of January, 2020.

6 Respectfully submitted,

7 **NEWMAN LAW LLC**

8 

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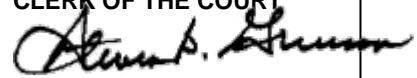
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LLC; and Full Color Games, Inc.*

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; 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

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

**ORDER DENYING THIRD-PARTY
DEFENDANTS' RICHARD
NEWMAN, NEWMAN LAW, LLC,
AND COOPER BLACKSTONE,
LLC'S MOTION TO DISMISS OR
MOTION FOR MORE DEFINITE
STATEMENT**

1 GAMES GROUP, INC., a Nevada corporation;
2 JACKPOT PRODUCTION, LLC, a Nevada
3 limited liability company; Nominal Defendant
4 FULL COLOR GAMES, INC., a Nevada
5 corporation; DOES I through X; and ROE
6 CORPORATIONS I through X,
7
8 Defendants.

9
10 AND ALL RELATED CLAIMS
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13 The Court has reviewed Third-Party Defendants' Richard Newman, Newman Law,
14 LLC, and Cooper Blackstone, LLC's Motion to Dismiss or Motion for More Definite Statement
15 (the "Motion"), the opposition to the Motion and all papers submitted by counsel concerning
16 the Motion without oral argument pursuant to EDCR 2.23(c).

17 Based on the Court's review, the Court finds, without any further evaluation of the
18 allegations and factual arguments by the parties, that Third-Party Plaintiffs have sufficiently
19 stated a claim under the standards of NRCP 12(b)(5) and NRCP 9(b) and the related case law.
20 Based on the foregoing,

21 IT IS HEREBY ORDERED that Third-Party Defendants' Richard Newman, Newman
22 Law, LLC, and Cooper Blackstone, LLC's Motion to Dismiss or Motion for More Definite
23 Statement thereto is DENIED.

24 DATED: July 22, 2020

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DISTRICT COURT JUDGE

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Submitted by:

HUTCHISON & STEFFEN, PLLC

 /s/ Todd W. Prall
Mark A. Hutchison
Todd W. Prall
Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145

*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.*

Approved as to form and content:

NEWMAN LAW, LLC

 /s/ Richard Newman
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*

Maddy Carnate-Peralta

From: Richard Newman <rich@newmanlawlv.com>
Sent: Tuesday, July 21, 2020 1:20 PM
To: Maddy Carnate-Peralta
Cc: Todd W. Prall
Subject: RE: Full Color Games adv. Munger (6333-003)

I authorize you to affix my e signature, thank you

---- On Tue, 21 Jul 2020 13:07:00 -0700 Maddy Carnate-Peralta<mcarnate@hutchlegal.com> wrote -

Good afternoon, Mr. Newman:

Please see attached revised Order Denying Third-Party Defendants' Richard Newman, Newman Law, LLC, and Cooper Blackstone, LLC's Motion to Dismiss or Motion for More Definite Statement for your review, approval, and authorization to affix your esignature. Thank you.

From: Todd W. Prall
Sent: Tuesday, July 21, 2020 12:56 PM
To: Maddy Carnate-Peralta <mcarnate@hutchlegal.com>
Subject: FW: Full Color Games adv. Munger (6333-003)

Go ahead and accept his changes, finalize and send it to him again asking him to authorize us to affix his electronic signature.

From: Richard Newman [<mailto:rich@newmanlawlv.com>]
Sent: Tuesday, July 21, 2020 11:53 AM
To: Maddy Carnate-Peralta <mcarnate@hutchlegal.com>
Cc: Todd W. Prall <TPrall@hutchlegal.com>
Subject: Re: Full Color Games adv. Munger (6333-003)

Thank you. Proposed changes are shown in the attached document.

---- On Fri, 17 Jul 2020 10:45:08 -0700 Maddy Carnate-Peralta <mcarnate@hutchlegal.com> wrote

Good morning, Messrs. Newman and Clough:

Attached are the (1) Order Denying Third-Party Defendant Multislot, Ltd.'s Motion to Dismiss and (2) Order Denying Third-Party Defendants' Richard Newman, Newman Law, LLC, and Cooper Blackstone, LLC's Motion to Dismiss or Motion for More Definite Statement for your review, approval, and authorization to affix your esignature. Thank you.

Maddy Carnate-Peralta
Legal Assistant



HUTCHISON & STEFFEN, PLLC
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Maddy Carnate-Peralta
Legal Assistant



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