

IN THE SUPREME COURT OF THE STATE OF NEVADA

DAVID MAHON, AN INDIVIDUAL;
INTELLECTUAL PROPERTIES
HOLDING, LLC, A NEVADA LIMITED
LIABILITY COMPANY; FULL COLOR
GAMES, N.A.; A NEVADA
CORPORATION; JACKPOT
PRODUCTIONS, LLC, A NEVADA
LIMITED LIABILITY COMPANY; AND
FULL COLOR GAMES, INC., A
NEVADA CORPORATION,

Appellants,

vs.

SPIN GAMES, LLC, A NEVADA
LIMITED LIABILITY COMPANY;
KENT YOUNG, AN INDIVIDUAL; AND
KUNAL MISHRA, AN INDIVIDUAL;
AND BRAGG GAMING GROUP, LTD.

Respondents.

Supreme Court No. 84335
District Court Case No. A-17-759862-B
Electronically Filed
Mar 29 2022 06:39 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

**DOCKETING STATEMENT
CIVIL APPEALS**

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

Attorneys for Appellants
David Mahon, Intellectual Properties Holding, LLC,
Full Color Games, N.A., and Jackpot Productions, LLC

GENERAL INFORMATION

Appellants must complete this docketing statement in compliance with NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, identifying issues on appeal, assessing presumptive assignment to the Court of Appeals under NRAP 17, scheduling cases for oral argument and settlement conferences, classifying cases for expedited treatment and assignment to the Court of Appeals, and compiling statistical information.

WARNING

This statement must be completed fully, accurately and on time. NRAP 14(c). The Supreme Court may impose sanctions on counsel or appellant if it appears that the information provided is incomplete or inaccurate. *Id.* Failure to fill out the statement completely or to file it in a timely manner constitutes grounds for the imposition of sanctions, including a fine and/or dismissal of the appeal.

A complete list of the documents that must be attached appears as Question 27 on this docketing statement. Failure to attach all required documents will result in the delay of your appeal and may result in the imposition of sanctions.

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. *See KDI Sylvan Pools v. Workman*, 107 Nev. 340, 344, 810 P.2d 1217, 1220 (1991). Please use tab dividers to separate any attached documents.

1. **Judicial District: Eighth Judicial District Court, State of Nevada**
Department: 11 County: Clark
Judge: Mark R. Denton District Ct. Docket No. A-17-759862-B
2. **Attorney filing this docketing statement:**

Attorney: Todd W. Prall Telephone: (702) 385-2500
Firm: Hutchison & Steffen, PLLC
Address: 10080 W. Alta Dr., Suite 200,
Las Vegas, Nevada 89145

Client(s): Attorneys for Appellants David Mahon,
Intellectual Properties Holding, LLC,
Full Color Games, N.A., and Jackpot Productions, LLC

Attorney: Jeffrey Hulet Telephone: (702) 800-5482 ext. 101
Firm: Hogan Hulet PLLC
Address: 1140 North Town Center Drive, Suite 300
Las Vegas, Nevada 89144

Clients: Attorneys for Appellant Full Color Games, Inc.

If this is a joint statement by multiple applicants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.

3. Attorney(s) representing respondent(s):

Attorney: Rory T. Kay Telephone: (702) 634-5000
Tara U. Teegarden

Firm: McDonald Carano LLP
Address: 2300 West Sahara Avenue, Suite 1200
Las Vegas, NV 89102

Client(s): Attorney for Respondents Spin Games, LLC, Kent Young,
and Kunal Mishra

Attorney: Steven A. Caloiaro Telephone: (702) 258-8200
Brooks T. Westergard

Firm: Dickinson Wright PLLC

Address: 100 W. Liberty Street, Suite 940

Reno, NV 89601

Client(s): Attorneys for Respondent Bragg Gaming Group, Ltd.

4. **Nature of disposition below (check all that apply):**

Judgment after bench trial		Grant/Denial of NRCP 60(b) relief
Judgment after jury verdict	XX	Grant/Denial of Injunction
Summary Judgment		Grant/Denial of declaratory relief
Default Judgment		Review of agency determination
Dismissal		Divorce Decree
Lack of Jurisdiction		Original Modification
Failure to State a Claim		Other disposition (specify):
Failure to Prosecute		Other (specify):

5. **Does this appeal raise issues concerning any of the following:** No.

Child custody (visitation rights only)
Venue
Termination of parental rights

6. **Pending and prior proceedings in this court.** List the case name and docket number of all appeals or original proceedings presently or previously pending before this court which are related to this appeal:

Although neither of these cases have any substantive relation to the issues on appeal here, both of these cases were prior appeals from the same underlying case.

Marcus v. Full Color Games, Inc., Case No. 79512
Newman et al. v. Full Color Games, Inc., Case No. 79395

7. **Pending and prior proceedings in other courts.** List the case name, number and court of all pending and prior proceedings in other courts which are related to this appeal (e.g., bankruptcy, consolidated or bifurcated proceedings) and their dates of disposition:

None.

8. **Nature of the action.** Briefly describe the nature of the action and the result below:

This action arises from a complex business dispute. The original action was a derivative lawsuit brought by shareholders of Full Color Games, Inc. against several entities and officers of Full Color Games, Inc. Full Color Games, Inc. and the defendants in the derivative lawsuit have commenced third-party claims against several different sets of entities, only some of which are involved on this appeal. This appeal relates to a motion for preliminary injunction that the Court denied. Third-Party Plaintiffs sought to enjoin the sale of Spin Games, LLC to another Third-Party Defendant because the sale would violate Spin Games, LLC's agreements with the Third-Party Plaintiffs and would involve divulging trade secrets and other intellectual property rights to the purchaser, Bragg Gaming Group, Ltd. The Court denied the motion for preliminary injunction based on laches and did not address the merits of the claim.

9. **Issues on appeal.** State concisely the principal issue(s) in this appeal (attach separate sheets as necessary):

- I. Whether the district court erred in determining that laches barred Third-Party Plaintiffs' (Appellants) motion for preliminary injunction without even evaluating the likelihood of success on the merits.
- III. Other issues under investigation.

10. **Pending proceedings in this court raising the same or similar issues.** If you are aware of any proceeding presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket number and identify the same or similar issues raised:

None

11. **Constitutional issues.** If this appeal challenges the constitutionality of a statute, and the state, any state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?

N/A **X** Yes No

If not, explain

12. **Other issues.** Does this appeal involve any of the following: No.

Reversal of well-settled Nevada precedent (on an attachment, identify the case(s))

An issue arising under the United States and/or Nevada Constitutions

A substantial issue of first-impression

An issue of public policy

An issue where en banc consideration is necessary to maintain uniformity of this court's decisions

A ballot question

If so, explain:

13. **Assignment to the Court of appeals or retention in the Supreme Court.**

Briefly set forth whether the matter is presumptively retained by the Supreme Court or assigned to the Court of appeals under NRAP 17, and cite the subparagraph(s) of the Rule under which the matter falls. If appellant believes that the Supreme Court should retain the case despite its presumptive assignment to the Court of Appeals, identify the specific issue(s) or circumstances(s) that warrant retaining the case, and include an explanation of their importance or significance:

This appeal is from a case originating in business court and therefore the Supreme Court retains jurisdiction under NRAP 17(a)(9).

14. **Trial.** If this action proceeded to trial, how many days did the trial last?

N/A

Was it a bench or jury trial?

15. **Judicial disqualification.** Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal. If so, which Justice?

No.

TIMELINESS OF NOTICE OF APPEAL

16. Date of entry of written judgment or order appealed from:

The district court's order denying the motion for preliminary injunction was entered on January 28, 2022.

If no written judgment or order was filed in the district court, explain the basis for seeking appellate review:

17. Date written notice of entry of judgment or order served:

Notice of entry of the district court's order denying the motion for preliminary injunction was served on January 28, 2022 via the district court's e-service system.

18. If the time for filing the notice of appeal was tolled by a post-judgment motion (NRCP 50(b), 52 (b), or 59)

None

(a) Specify the type of motion, and the date and method of service of the motion, and date of filing.

NRCP 50(b)	Date of filing_____
NRCP 52(b)	Date of filing_____
NRCP 59	Date of filing_____

Note: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the time for filing a notice of appeal. See AA Primo Builders v. Washington, 126 Nev., 245 P.3d 1190 (2010).

(b) Date of entry of written order resolving tolling motion:

(c) Date of written notice of entry of order resolving motion served:_____

Was service by delivery _____ or by mail _____.

19. **Date notice of appeal was filed:** February 28, 2022.

If more than one party has appealed from the judgment or order, list date each notice of appeal was filed and identify by name the party filing the notice of appeal: N/A

20. **Specify statute or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a) or other:**

NRAP 4(a).

SUBSTANTIVE APPEALABILITY

21. **Specify the statute or other authority granting this court jurisdiction to review the judgment or order appealed from:**

NRAP 3A(b)(1)	NRS 38.205
NRAP 3A(b)(2)	NRS 233B.150
XX NRAP 3A(b)(3)	NRS 703.376
Other (specify)	_____

Explain how each authority provides a basis for appeal from the judgment or order:

Order denying motion for preliminary injunctive relief.

22. **List all parties involved in the action in the district court:**

(a) Parties:

Below are the parties who are actively involved in the litigation below as of today.

David Mahon
Intellectual Properties Holding, LLC
Full Color Games, LLC

Third-Party Plaintiff
Third-Party Plaintiff
Third-Party Plaintiff

Full Color Games, N.A., Inc.	Third-Party Plaintiff
Jackpot Productions, LLC	Third-Party Plaintiff
Full Color Games, Inc.	Third-Party Plaintiff
Bragg Gaming Group, Ltd.	Third-Party Defendant
Oryx International Gaming, LLC	Third-Party Defendant
Spin Games, LLC	Third-Party Defendant
Kent Young	Third-Party Defendant
Kunal Mishra	Third-Party Defendant
Brian Marcus	Third-Party Defendant
Brian Newman	Third-Party Defendant
Newman Law, LLC	Third-Party Defendant
Cooper Blackstone, LLC	Third-Party Defendant
Legacy Eight, LLC (Bahamas)	Third-Party Defendant

Note: There are a number of other Third-Party Defendants who were recently added to this lawsuit most of whom have not been served or who have not yet appeared. There are also a number of parties including the derivative plaintiffs and other Third-Party Defendants who were dismissed from this case in a settlement agreement about one year ago. There are few Third-Party Defendants who were dismissed from the case for lack of personal jurisdiction.

(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal e.g., formally dismissed, not served, or other:

There are many parties before the district court that are not part of this appeal as the motion for preliminary injunction only involved Spin Games, LLC and its owners Kent Young and Mishra Kunal who were selling Spin Games, LLC to Bragg Gaming Group, Ltd. Further, some of the parties are still being served. Finally several parties have been dismissed from the lawsuit as part of a settlement agreement.

23. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims or third-party claims, and the date of formal disposition of each claim.

Third-Party Plaintiffs' have claims for breach of contract, fraud, conspiracy, intentional interference with contractual relations, Nevada and Federal RICO claims, and other similar claims against the Third-Party Defendants Spin Games,

LLC, Kent Young, Mishra Kunal, Bragg Gaming Group, Ltd., Oryx Gaming International, LLC, and several other Third-Party Defendants. Among these claims were requests for injunctive relief based on the mutual nondisclosure, non-circumvent, and noncompete agreements between Spin Games, LLC and others on this appeal. These claims form the basis for the requested preliminary injunctive relief that was denied. Spin Games, LLC has brought claims against Full Color Games, Inc. and David Mahon.

24. **Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below:**

Yes _____ No X

25. **If you answered “No” to question 24, complete the following:**

- (a) Specify the claims remaining pending below:

Because this appeal relates only to the denial of injunctive relief all claims for damages and other types of relief remain below between all the parties that remain below.

- (b) Specify the parties remaining below:

Because this appeal relates only to the denial of injunctive relief all claims for damages other types of relief against all parties, including those on appeal remain below.

- (c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b):

Yes _____ No X

- (d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment:

Yes _____ No X

26. **If you answered “No” to any part of question 25, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):**

This is an appealable order under NRAP 3A(b)(3), a court order granting or denying preliminary injunctive relief.

27. **Attach file-stamped copies of the following documents:**

- The latest-filed complaint, counterclaims, cross-claims, and third-party claims
- Any tolling motion(s) and order(s) resolving tolling motion(s)
- Orders of NRCP 41(a) dismissals formally resolving each claim, counterclaims, cross-claims and/or third-party claims asserted in the action or consolidated action below, even if not at issue on appeal
- Any other order challenged on appeal
- Notices of entry for each attached order

VERIFICATION

I declare under penalty of perjury that I have read this docketing statement, that the information provided in this docketing statement is true and complete to the best of my knowledge, information and belief, and that I have attached all required documents to this docketing statement.

Name of Appellant:

David Mahon, Intellectual Properties Holding, LLC,
Full Color Games, N.A., and Jackpot Productions, LLC

Name of counsel of record: Todd W. Prall

Date: March 29, 20022

/s/ Todd W. Prall, Esq.

Signature of counsel of record

Clark County, Nevada

State and county where signed

Name of Appellant: Full Color Games, Inc.

Name of counsel of record: Jeffrey Hulet

Date: March 29, 2022

/s/ Jeffrey Hulet

Signature of counsel of record

Clark County, Nevada

State and county where signed

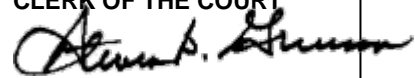
CERTIFICATE OF SERVICE

I certify that I am an employee of HUTCHISON & STEFFEN, PLLC and that on this date the **DOCKETING STATEMENT CIVIL APPEALS** was filed electronically with the Clerk of the Nevada Supreme Court, and therefore electronic service was made to all parties on the service list.

DATED this 29th day of March, 2022.

/s/ Bobbie Benitez

An employee of Hutchison & Steffen, PLLC



AMEN

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

*Attorneys for Third-Party Plaintiffs David Mahon;
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 SECOND
AMENDED 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. AND
JACKPOT PRODUCTION, LLC**

AND

**THIRD AMENDED
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; JACKPOT PRODUCTIONS, LLC,
11 a Nevada limited liability company, and FULL
12 COLOR GAMES, INC., a Nevada corporation,

Counter-claimants,

vs.

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

Counter-defendants.

17 FULL COLOR GAMES, INC., a Nevada
18 corporation; INTELLECTUAL PROPERTIES
19 HOLDINGS, LLC, a Nevada limited liability
20 company; FULL COLOR GAMES, N.A., INC.,
21 a Nevada corporation; JACKPOT
22 PRODUCTIONS, LLC, a Nevada limited
23 liability company, and DAVID MAHON, an
24 individual,

Third-Party Plaintiffs,

v.

24 VALCROS, LLC, a Nevada limited liability
25 company; G. BRADFORD SOLSO, an
26 individual; DAVID ECKLES, an individual;
27 TERESA MOORE, an individual; LARRY
28 MOORE, an individual; B.L. MOORE
CONSTRUCTION INC., a California
corporation; BRIAN MARCUS, and individual;
JOHN BROCK III, an individual;; JOHN
BROCK IV an individual; MUNGER &

1 ASSOCIATES, INC., a Nevada Corporation;
2 SPIN GAMES, LLC, a Nevada limited liability
3 company; KENT YOUNG, an individual;
4 KUNAL MISHRA, an individual; BRAGG
5 GAMING GROUP, INC., a Canadian
6 corporation; ORYX GAMING
7 INTERNATIONAL, LLC, a Delaware limited
8 liability company; ADAM ARVIV, an
9 individual; YANIV SPIELBERG, an individual;
10 LEGACY EIGHT, LLC, a Florida limited
11 liability company; LEGACY EIGHT LTD, a
12 Bahamas international business company;
13 LEGACY EIGHT CURACAO N.V., a Curacao
14 company; LEGACY EIGHT GROUP LTD, an
15 Ontario business corporation; LEGACY EIGHT
MALTA LIMITED, a Maltese company;
ALFRED SEARS, an individual; KAVO
HOLDINGS LIMITED, a Cyprus company;
BRAGG ORYX HOLDINGS, INC. fka AA
ACQUISITION GROUP, INC., a Canadian
special purpose vehicle or Canadian company;
MATEYZ MAZIJ, an individual; RICHARD
NEWMAN, an individual; NEWMAN LAW,
LLC, a Nevada limited liability company;
Cooper Blackstone, LLC, a Nevada limited
liability company; DOES I through X; and ROE
CORPORATIONS I through X,

Third-Party Defendants.

16 **NOTE: THIRD-PARTY PLAINTIFFS HAVE REACHED A SETTLEMENT WITH THE**
17 **COUNTER-DEFENDANTS AND SOME OF THE THIRD-PARTY DEFENDANTS.**
18 **THE COURT HAS DISMISSED SOME THIRD-PARTY DEFENDANTS HAVE BEEN**
19 **DISMISSED PURSUANT TO A SETTLEMENT AGREEMENT. OTHER THIRD-**
20 **PARTY DEFENDANTS HAVE BEEN DISMISSED BY THE COURT BASED ON**
21 **OTHER GROUNDS. THIRD-PARTY PLAINTIFFS ARE ONLY REMOVING THE**
22 **THIRD-PARTY DEFENDANTS FROM THE COMPLAINT WHO WERE DISMISSED**
23 **FROM THE CASE BY THE COURT PURSUANT TO A SETTLEMENT**
24 **AGREEMENT. SEE ORDER FILED ON JULY 16, 2021. TO THE EXTENT ANY OF**
25 **THESE THIRD-PARTY DEFENDANTS WHO WERE DISMISSED PURSUANT TO A**
26 **SETTLEMENT AGREEMENT ARE IDENTIFIED AS PARTIES HEREIN, THIS IS IN**
27 **ERROR. COUNTER-DEFENDANTS AND SOME OTHER SETTLING THIRD-**
28

1 **PARTY DEFENDANTS WHO HAVE SETTLED HAVE NOT YET BEEN DISMISSED,**
2 **BUT A FORMAL DISMISSAL OF THE COUNTER-DEFENDANTS AND CERTAIN**
3 **COUNTER-DEFENDANTS IS STILL FORTHCOMING. IN ORDER TO PRESERVE**
4 **ANY APPELLANT RIGHTS, ENSURE THAT THE TO BE FILED STIPULATION**
5 **FOR DISMISSAL OF THE PLAINTIFFS, COUNTER-DEFENDANTS, AND RELATED**
6 **THIRD-PARTY DEFENDANTS, AND TO ENSURE THAT THE CLAIMS ARE**
7 **AGAINST BOTH DISMISSED PARTIES AND PARTIES THAT REMAIN IN THE**
8 **CASE, THIRD-PARTY PLAINTIFFS ARE INCLUDING ALL CLAIMS IN THIS**
9 **CONSOLIDATED SECOND AMENDED COUNTERCLAIM AND THIRD-PARTY**
10 **COMPLAINT OF DEFENDANTS INTELLECTUAL PROPERTIES HOLDING, LLC,**
11 **FULL COLOR GAMES, LLC, FULL COLOR GAMES, N.A., INC., DAVID MAHON,**
12 **AND JACKPOT PRODUCTION, LLC AND THIRD AMENDED COUNTERCLAIM**
13 **AND THIRD-PARTY COMPLAINT OF FULL COLOR GAMES, INC. OTHER THAN**
14 **CLAIMS AGAINST PARTIES WHO HAVE BEEN DISMISSED PURSUANT TO A**
15 **SETTLEMENT AGREEMENT.**
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24 **PRAYER FOR RELIEF 200**

25 Third-Party Plaintiffs Full Color Games, Inc., Intellectual Property Holdings, LLC, Full
26 Color Games, N.A. and Jackpot Productions, LLC, and David Mahon (“Third-Party Plaintiffs”)
27 allege against the Counter-Defendants and Third-Party Defendants identified herein as follows:
28

1 **NATURE OF AMENDED COUNTER-COMPLAINT AND THIRD-PARTY**
2 **COMPLAINT**
3 **Summary Overview**

4 1. This Action is brought third-party complaint because its primary purpose is to
5 bring into this action the parties Third-Party Plaintiffs believe are responsible for any damages
6 that the Plaintiffs were seeking derivatively on behalf of Full Color Games, Inc., including
7 Plaintiffs own culpability for the damages they claim. The primary claims are claims for
8 indemnity and contribution by all Third-Party Plaintiffs, except Full Color Games, Inc.
9 (“FCGI”) and its claims against all Counter-Defendants and Third-Party Defendants, essentially
10 asserting that these other parties are the parties responsible for any damages incurred by FCGI,
11 and not the Third-Party Plaintiffs. In the interest of judicial economy, the other Third-Party
12 Plaintiffs, aside from FCGI, also assert claims against the Counter-Defendants and Third-Party
13 Defendants other than contribution and indemnity that coincide with FCGI’s claims.

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

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

19 4. David Mahon (“Mahon”) invented an entirely new and proprietary class of
20 casino gaming intellectual property, applied for certain federal registration protections through
21 the United States Trademark and Patent Office (“USPTO”) and the United States Copyright
22 Office (“USCO”), obtained independent math certifications for real money game play for over
23 450 casino gaming jurisdictions worldwide through BMM Testlabs (“BMM”) and Gaming
24 Laboratories, Inc. (“GLI”), all of which are poised to disrupt the entire industry and shift
25
26
27
28

1 billions of dollars of annual revenue and profits away from the oligarchs of the industry and into
2 the coffers of Mahon, his licensees, and investors, which include Third-Party Plaintiffs and
3 others.

4 5. As explained in more detail below, Mahon issued a master license agreement
5 licensing all of his intellectual property rights to Intellectual Properties Holding, LLC (“IPH”)
6 in exchange for its agreement to protect enforce and maintain the intellectual property rights.
7

8 6. In addition to breaching their agreements and other related duties to Third-Party
9 Plaintiffs, Counter-Defendants and Third-Party Defendants have conspired with each other to
10 engage in a pattern of criminal racketeering activity that began with billing fraud, wire fraud
11 and money laundering for the purposes of tax evasion to conceal the purchase of FCGI’s
12 securities and culminating in extortionate threats in violation of the Hobbs Act (18 U.S.C.
13 §1951) against FCGI, its principals and affiliates, including the Third-Party Plaintiffs, in an
14 attempt to wrongfully coerce Mahon and IPH into giving up his property interests in his
15 intellectual property and otherwise destroying Mahon’s business.
16

17 7. Specifically, and as more specifically alleged herein, some or all of the Counter-
18 Defendants and Third-Party Defendants:
19

- 20
- 21 i. *installed themselves into the positions of trust and authority as the Board*
22 *of Advisors, directors, and officers, and obtained shares of FCGI in order*
23 *to sabotage Mahon’s business interests, and take over the business and*
24 *licenses to intellectual property as their own;*
 - 25 ii. *sabotaged the commercial viability of FCGI and the other Third-Party*
26 *Plaintiffs, and their ability to commercialize the licenses Mahon had*
27 *bestowed for the use of his inventions and bring his inventions to the*
28 *marketplace;*
 - iii. *wrongfully interfered, circumvented and competed against Full Color*
 Games, Inc. and the other Third-Party Plaintiffs in violation of their
 contracts and fiduciary duties;

- 1 iv. *deleted and destroyed company assets, emails and digital files that would*
2 *reveal their wrongful activities;*
- 3 v. *deliberately framed Mahon as unsuitable to run and manage FCGI to*
4 *other investors and industry partners and vendors by falsely claiming he*
5 *embezzled money out of FCGI;*
- 6 vi. *engaged in a willful character assassination in an effort to destroy*
7 *Mahon's ability to be found suitable for casino gaming licensing in order*
8 *to render FCGI's attempted commercialization of the Full Color IP*
9 *worthless, and force Mahon to sell or divest the intellectual property for*
10 *fractions of pennies on the dollar;*
- 11 viii. *disparaged Mahon to partners, vendors, suppliers and governmental*
12 *regulatory agencies in further attempts to destroy his reputation and*
13 *harm Third-Party Plaintiffs;*
- 14 ix. *made false representations concerning services and accepted payment for*
15 *services based on false pretenses;*
- 16 x. *collectively conspired to file false claims with the United States Securities*
17 *Exchange Commission asserting all of the above in order to get the*
18 *Defendants wrongfully indicted for the securities fraud;*
- 19 xi. *collectively conspired to file false claims with the USPTO in order to*
20 *interfere with Third-Party Plaintiffs' ability to protect their own*
21 *intellectual property rights;*
- 22 xii. *engaged in slandering, defaming and libeling of Third-Party Plaintiffs in*
23 *order to facilitate the sale of over \$40 million of securities as a counter to*
24 *the Third-Party Defendants failed securities disclosures that has led to*
25 *additional direct unjust enrichments and insider trading;*

26 8. As more fully set forth herein, the Third-Party Plaintiffs have been directly and
27 irreparably harmed by the Counter-Defendants' and Third-Party Defendants' improper,
28 wrongful, and unlawful conduct for which the Third-Party Plaintiffs seek:

- a. general and compensatory damages.
- b. treble damages for all wrongful acts through which the Counter-

1 Defendants and Third-Party Defendants exploited the Third-Party
2 Plaintiffs committed acts or involved themselves in schemes that warrant
3 treble damages under any statute or law;

- 4 c. disgorgement of profits or other benefits wrongfully obtained as a result
5 of Counter-Defendants' and Third-Party Defendants' wrongful acts,
6 including usurpation of FCGI's and the other Third-Party Plaintiff's
7 corporate opportunities; and
8 d. other equitable and legal remedies, including restitution; attorney's fees;
9 compensatory and punitive damages for loss of commercial revenue to
10 the Third-Party Plaintiffs and Third-Party Defendants for: (1) securities
11 fraud; (2) interference with FCGI's legitimate business rights; (3)
12 defamation per se, reputational and brand damage, and (4) usurpation of
13 corporate opportunities.

14 **JURISDICTION AND VENUE**

15 9. This Court has jurisdiction over this matter pursuant to Section 964(c) of the
16 Racketeer Influenced and Corrupt Organizations Act (the "Federal RICO Act"), the Nevada
17 Racketeer Influenced and Corrupt Organizations Act ("Nevada RICO") [NRS 207.400 et seq.];
18 and NRS 14.065 because Counter-Defendants and Third-Party Defendants transact business in
19 this judicial district, or the actions arise from specific transactions that occurred in this district.

20 10. The claims asserted herein arise under Section 1962 of the Federal RICO Act
21 [18 U.S.C. § 1962(a)-(c)]; Nevada Racketeer Influenced and Corrupt Organizations Act
22 ("Nevada RICO") [N.R.S. § 207.400 et seq.]; and Nevada common law.

23 11. Venue is proper in this district pursuant to NRS 13.030.

24 **PARTIES**

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

1 13. Counter-Claimant and Third-Party Plaintiff Intellectual Properties Holdings,
2 LLC (“IPH”) is a limited liability company formed under the laws of State of Nevada, and is
3 doing business in Clark County, Nevada.

4 14. Counter-Claimant and Third-Party Plaintiff Jackpot Productions, LLC (“JPL”) is a limited liability company organized under the laws of the State of Nevada, which, at all
5 relevant times, was and is doing business in Clark County, Nevada.

6 15. Counter-Claimant and Third-Party Plaintiff Full Color Games, Inc., N.A.
7 (“FCGNA”) is a corporation formed under the laws of the State of Nevada, and, at all relevant
8 times, was doing business in Clark County, Nevada.

9 16. Upon information and belief Sebastian J. Bastian (“Bastian”) is an individual
10 who resides in Nassau, New Providence, Bahamas and does business in Clark County, Nevada.

11 17. Upon information and belief Dirk Simmons (“Simmons”) is an individual who
12 resides in Nassau, New Providence, Bahamas and does business in Clark County, Nevada.

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

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

18 20. Upon information and belief, Playtech Systems Ltd. (“Playtech”) is a limited
19 company organized under the laws of the Bahamas owned by Bastian, which is, or was at all
20 relevant times, doing business Bahamas, or does business in Clark County, Nevada.

21 21. Upon information and belief, IslandLuck.com (“Island Luck”) is a subsidiary,
22 fictitious business name and or an operating entity under the control of Playtech owned by
23 Bastian operating under the laws of the Bahamas.

24 22. Upon information and belief, Davinci Trading Group (“DTG”) is a corporation
25 owned by Bastian, which is, or was at all relevant times, doing business in the Cayman Islands.

26 23. Upon information and belief, Davinci Holding Ltd (“DHL”) is an Isle of Man
27 company formed under the 2006 Companies Act owned by Bastian, which is, or was at all
28

1 relevant times, doing business in the Isle of Man or does business in Clark County, Nevada.

2 24. Upon information and belief, ILG Software (“ILG”) is an Isle of Man company
3 formed under the 2006 Companies Act owned by Bastian, which is, or was at all relevant times,
4 doing business in the Isle of Man, Bahamas, Costa Rica or does business in Clark County,
5 Nevada.

6 25. Upon information and belief, Multislot, LTD (“Multislot”) an Isle of Man
7 Company formed under the 2006 Companies Act, which is, or was at all relevant times, doing
8 business in the Isle of Man, Costa Rica, and Clark County, Nevada.

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

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

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

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

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

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

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

27 33. Upon information and belief, Bragg Gaming Group, Inc. (“Bragg”) is a
28 corporation organized under the laws of the Canada and publicly traded on the Toronto stock

1 exchange, and does business in Clark County, Nevada via its several subsidiaries, including
2 Oryx Gaming International, LLC.

3 34. Upon information and belief, Oryx Gaming International, LLC (“Oryx”) is a
4 limited liability company organized under the laws of the State of Delaware and does business
5 in Clark County, Nevada with international headquarters and offices located at 1810 E Sahara
6 Ave Suite 556 Las Vegas, NV 89104, according to the Oryxgaming.com website.

7 35. Upon information and belief, Bragg Oryx Holdings, Inc. fka AA Acquisition
8 Group, Inc., (“Bragg Holdings”) is a Canadian limited company that was originally
9 “amalgamated special purpose entity” that was formed to acquire all of the global subsidiaries
10 of Oryx pursuant to a public securities filing dated August 17, 2018. Upon information and
11 belief, Bragg Holdings was initially called AA Acquisition Group, Inc. but then became Bragg
12 Holdings after the transaction was completed through what Bragg calls a “reverse merger.”
13 Bragg Holdings, which is a wholly owned subsidiary of Bragg, wholly and only owns Oryx, a
14 company headquartered in Clark County, Nevada.

15 36. Upon information and belief, Adam Arviv is an individual and resident of
16 Canada, who is the founder, creator, primary owner, manager, member, officer, director,
17 principal and or ultimate beneficial owner of several entities that are identified herein, identified
18 herein collectively as “Legacy 8” (which is further defined below), and through one or more of
19 these entities owns a primary and controlling interest in Bragg, Bragg Holdings, Oryx, Legacy
20 8, and now as of May 13, 2021, Third-Party Defendant Spin Games, LLC, and who transacts
21 business in Clark County, Nevada.

22 37. Upon information and belief, Yaniv Spielberg is an individual and resident of
23 Canada, who is the lawyer, founder, creator, primary owner, manager, member, officer, director,
24 principal and or ultimate beneficial owner of several entities that are identified herein as
25 “Legacy 8,” and through one or more of these entities owns primary and or controlling interest
26 in Bragg, Bragg Holdings, Oryx, Legacy 8 (which is further defined below), and now as of May
27 13, 2021, Third-Party Defendant Spin Games, LLC, and who transacts business in Clark
28 County, Nevada.

1 38. Upon information and belief, Mateyz Mazij (“Mazij”) is an individual, a
2 European Union citizen who resides in Slovenia and is the founder, director, officer, managing
3 member and or original beneficial owner of Oryx, who now owns an entity referred to herein as
4 “KAVO,” which now owns a significant interest in Bragg, Bragg Holdings, Oryx and now as of
5 May 13, 2021, also owns Spin, and who transacts business in Clark County, Nevada.

6 39. Upon information and Alfred Sears, is an individual who resides in Bahamas
7 and is a beneficial owner of Legacy Eight, Ltd. in the Bahamas with Adam Arviv, Yaniv
8 Spielberg and Sebastian Bastian, who are the founders, creators, primary owners, managers,
9 members, officers, directors, principals and or ultimate beneficial owners of several other
10 entities identified herein collectively as “Legacy 8” (which is further defined below), and who
11 through one or more of these entities is a beneficial owner of Bragg, Bragg Holdings, and Oryx,
12 and doing business as Oryx in Las Vegas, Nevada.

13 40. Upon information and belief, KAVO Holdings Limited is a Cyprus company
14 formed on or about September 26, 2016 as a shelf company (“KAVO”). Mazij formed,
15 purchased, acquired and or came into control of KAVO on or about April 12, 2018, in order
16 conceal the sale and or transfer of Oryx and all of its affiliates, parents and or subsidiaries to
17 Bragg via Bragg Holdings fka AA Acquisitions Group, Ltd., and is doing business in Clark
18 County, Nevada. KAVO now, as of May 12, 2021, also owns Spin through its ownership in
19 Bragg, Bragg Holdings, and Oryx.

20 41. Upon information and belief, Legacy Eight, LLC., (“Legacy 8 USA”) is a
21 Florida based limited liability company, formed on or about June 1, 2015 by Adam Arviv and
22 Yaniv Spielberg who are the founders, creators, primary owners, managers, members, officers,
23 directors, principals and or ultimate beneficial owners of Legacy 8 USA, and the other entities
24 referred to herein as “Legacy 8,” and who through one or more of these entities own a primary
25 and controlling interest of Bragg, Bragg Holdings, Oryx and now, as of May 12, 2021, also
26 owns Spin, through its ownership in Bragg, Bragg Holdings, and Oryx, and is doing business in
27 Clark County, Nevada.

28 42. Upon information and belief, Legacy Eight Ltd., (“Legacy 8 Bahamas”) is a

1 Bahamian international business corporation, formed on or about July 26, 2016 and owned by
2 Adam Arviv, Yaniv Spielberg, Sebastian Bastian and or Alfred Sears, who, through Legacy 8
3 Bahamas or one or several entities referred to herein as “Legacy 8,” own a primary and
4 controlling interest in Bragg, Bragg Holdings, Oryx and now Spin who is doing business in Las
5 Vegas and Reno Nevada.

6 43. Upon information and belief, Legacy Eight Curacao N.V., (“Legacy 8
7 Curacao”) is a Curacao limited liability company, formed and owned by Legacy 8 USA, Legacy
8 8 Bahamas, Sebastian Bastian, Adam Arviv and or Alfred Sears, who through Legacy 8
9 Curacao or one or more of several entities referred to herein as “Legacy 8” own a primary or
10 controlling interest Bragg, Bragg Holdings, Oryx and Spin, and who is doing business in Las
11 Vegas and Reno Nevada.

12 44. Upon information and belief, Legacy Eight Group, Ltd. is a limited Canadian
13 company incorporated under the laws of the Province of Ontario (“Legacy 8 Canada”) formed
14 and owned Sebastian Bastian, Adam Arviv and or Alfred Sears, who through Legacy 8 Canada
15 or one or more of several entities referred to herein as are the owners of beneficial owners of
16 Bragg, Bragg Holdings, Oryx and Spin who is doing business in Las Vegas and Reno Nevada
17 Indeed, pursuant to a material change report filed on August 22, 2018 in a public securities
18 filing, Legacy 8 Canada owned 44% of AAA or Bragg Holdings, which owns Oryx 100% of
19 Oryx, and is doing business in Las Vegas and Reno, Nevada.

20 45. Upon information and belief, Legacy Eight Malta Ltd., is a Maltese limited
21 company (“Legacy 8 Malta”) owned by Adam Arviv and Yaniv Spielberg who are the founders,
22 creators, primary owners, managers, members, officers, directors, principals and or ultimate
23 beneficial owners of several entities referred to herein as the “Legacy 8,” and through one or
24 more of these entities holds a primary and controlling interest in Bragg, Bragg Holdings, and
25 Oryx, and does business in Clark County, Nevada.

26 46. Third-Party Plaintiffs are informed and believes and alleges that the Third-Party
27 Defendants Arviv, Spielberg, Sears, Bastian and Mazij are the agents and/or representatives of
28 KAVO, Bragg, Bragg Holdings, and Oryx (hereinafter collectively, “Bragg/Oryx”), and Legacy

1 8 USA, Legacy 8 Bahamas, Legacy 8 Curacao, Legacy 8 Canada and Legacy 8 Malta,
2 (collectively hereinafter, and previously, referred to as “Legacy 8”), and that Arviv, Spielberg,
3 Sears, and Mazij did not separate their various corporate entities nor observe corporate
4 formalities intended to differentiate among the various entities, and that at all times relevant to
5 this Counter-Claim and Third-Party Complaint each thus acted either for himself or itself or in
6 his or its capacity as agent and/or representative of the others.

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

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

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

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

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

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

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

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

28 55. Upon information and belief, Third-Party Defendant John Brock III (“Brock

1 Sr.”) is an individual who resides in Georgia or does business in Clark County, Nevada.

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

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

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

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

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

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

16 62. The identities of Third-Party Defendants Does and Roe Corporations, are
17 unknown at this time and may be individuals, corporations, associations, partnerships,
18 subsidiaries, holding companies, owners, predecessor or successor entities, joint venturers,
19 parent corporations or other related business entities of Counter-Defendants or Third-Party
20 Defendants, inclusive, who were acting on behalf of or in concert with, or at the direction of
21 Defendants and may be responsible for the injurious activities of the other Counter-Defendants
22 and Third-Party Defendants. Third-Party Plaintiffs allege that each named and Doe and Roe
23 Corporation negligently, willfully, intentionally, recklessly, vicariously, or otherwise, caused,
24 directed, allowed or set in motion the injurious events set forth herein. Each named Doe and
25 Roe Corporation is legally responsible for the events and happenings stated in this Counter-
26 Claim and Third-Party Complaint, and thus proximately caused injury and damages to Third-
27 Party Plaintiffs. Counter-Claimant requests leave of the Court to amend this Counter-Claim and
28 Third-Party Complaint to name the Doe and Roe Corporation specifically when their identities

1 become known.

2 63. Bastian, Simmons, Munger, Jungels, and Horan are the agents and/or
3 representatives of Playtech, Island Luck DTG, DHL, M&A, Valcros and Multislot are
4 collectively be referred to as the “Bastian Casino Gaming Enterprise.” Upon information and
5 belief, some or all of the principals and entities of the Bastian Casino Gaming Enterprise are
6 also principals, controlling parties, benefactors and or ultimate beneficial owners of some or all
7 of the Legacy 8 entities.

8 64. Third-Party Plaintiffs are informed and believe, and therefore allege that Third-
9 Party Defendants Young and Mishra are the agents and/or representatives of Spin, and that
10 Young and Mishra did not separate Spin as a corporate entity nor observe corporate formalities
11 intended to differentiate among Young, Mishra, and Spin, and that at all times relevant to this
12 Counter-claim and Third-Party Complaint each thus acted either for himself or itself or in his or
13 its capacity as agent and/or representative of the others. All corporate, partnership, and
14 individual Counter-Defendants named herein this paragraph will collectively be referred to as
15 the “Spin.”

16 65. Third-Party Plaintiffs are informed and believe, and therefore allege that Third-
17 Party Defendants Bragg Oryx, Legacy 8, Arviv, Speilberg, and Mazij have not separated
18 themselves or observed corporate formalities intended to differentiate among themselves, and
19 that at all times relevant to this Counter-claim and Third-Party Complaint Bragg and Oryx acted
20 in their joint capacities as agents and/or representatives of each other.

21 66. Third-Party Plaintiffs are informed and believe that Bragg/Oryx are also owned
22 in part by Bastian via other entities in the Bastian Gaming Enterprise, or other unknown entities
23 not named herein. Based on these allegations, Bragg/Oryx, Legacy 8, Arviv, Spielberg, and
24 Mazij will be considered as part of the individuals and companies identified in the Bastian
25 Casino Gaming Enterprise.

26 67. Third-Party Plaintiffs are informed and believe, and therefore allege that
27 Counter-Defendant Munger is the agent and/or representative of Third-Party Defendant M&A
28 and Valcros, that Munger did not separate himself or observe corporate formalities intended to

1 differentiate among himself and M&A and Valcros, and that at all times relevant to this
2 Counter-claim and Third-Party Complaint Munger has acted either for himself or in their or his
3 capacity as agent and/or representative of the M&A and Valcros. All corporate, partnership,
4 and individual Counter-defendants named herein this paragraph will collectively be referred to
5 as the “Munger Group.”

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

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

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

Group.”

FACTS COMMON TO ALL RACKETEERING & GENERAL CLAIMS

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

71. The casino gaming industry a highly regulated and privileged industry. Whether a person is performing as an affiliate marketer, game developer, equipment manufacturer, or an actual operator, all are required to obtain and maintain a license and or independent certifications in the regulated jurisdictions where they operate by being found “suitable” to transact business in the real money casino gaming industry.

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

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

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

75. As such, an invention of an entirely new proprietary gaming format, much more, any new mathematical formula that could create a new class of gaming, would disrupt the entire gaming industry on a global scale similar to what Google did with information, Paypal

1 did with banking, Facebook did with media, Uber did with transportation, and AirBnb did with
2 housing.

3 76. In November of 2008, Mahon became the sole creator, inventor and owner of
4 the world's first and only entirely new, unique and proprietary class of card and casino gaming
5 ultimately called the Full Color® Gaming System ("FCGS").

6 77. What is most unique about Mahon's invention in the FCGS is that it is not just a
7 new format that Mahon created; it is a new mathematical paradigm that creates the world's first
8 alternative to every existing popular gaming format in existence. Among other things, Mahon's
9 new deck of Full Color® Cards adds a "5th suit" or color to a traditional deck of cards, creating
10 a negative suit value --- a new mathematical paradigm.

11 78. As a result of Mahon's inventions and mathematical evolution, the FCGS
12 consists of unique and proprietary intellectual property rights that consist of intellectual
13 property rights that may be protected via copyright, trademark, and patent. This intellectual
14 property, whether legally protected by copyright, trademark, and patent or not, including all
15 related intellectual property are collectively known as the Full Color® Games Intellectual
16 Property ("Full Color-IP").

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

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

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

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

26 83. On November 7, 2012, Mahon released Full Color® Solitaire on the iTunes App
27 Store. It has been downloaded in over 160 countries and played in over 60 languages. It
28 reached #1 on over 40 different countries app store game charts and proved that the entire world

1 could and would adopt an entirely new and universal deck of cards despite only be translated in
2 13 languages.

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

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

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

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

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

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

23 90. On October 1, 2015, Munger introduced Mahon to Bastian.

24
25 **II. MUNGER GAINS TRUST OF FCGI AND**
26 **MAHON AND EMBEDS HIMSELF IN FCGI'S BUSINESS**

27 91. Third-Party Plaintiffs are informed and believe, and therefore allege that
28 Munger, in addition to the other tortious conduct alleged herein, engaged in a 7 ½ year-long

1 scheme of racketeering predicate acts against FCGI and the other Third-Party Plaintiffs in
2 violation of 18 U.S.C. §1961 et seq. including misrepresenting his knowledge and status as a
3 potential investor in order to obtain an interest in and trust of FCGI, Mahon, and the other
4 Third-Party Plaintiffs, sabotaging and interfering with FCGI's business interests, aiding and
5 abetting others to engage in mail and wire fraud, and money laundering through FCGI and its
6 affiliated entities, setting up a false narrative about Mahon's business practices and failures, and
7 spreading that narrative to FCGI investors to poison them against Mahon, culminating
8 extortionate threats against Mahon to wrest him of his intellectual and corporate property rights,
9 and FCGI's ability to continue business.

12 92. Munger's scheme and pattern took place in more than two states and four
13 different countries, and ultimately caused the loss of millions of dollars' worth of FCGI's
14 investments into the licensing and commercialization of Mahon's Full Color IP, and later
15 involved Bragg/Oryx, Legacy 8, and Spin.

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

19 94. On July 19, 2011, Munger first entered into a "Relationship" with Third-Party
20 Plaintiffs or their predecessors in interest by way of a Non-Disclosure, Non-Circumvent, Non-
21 Compete & Confidentiality Agreement Munger executed ("NDACA") with the FCGI's
22 predecessor affiliate, ultimate beneficial owner and majority in interest shareholder of the
23 Company for the benefit of the Full Color® Games Intellectual Property ("Full Color-IP") all of
24 which continues to be in full force and effect.

26 95. On July 19, 2011, after executing the NDACA, Munger received confidentially
27 disclosed information concerning all of the Full Color IP, including but not limited to trade
28

1 secrets, formulas, company business plans, and know how in a comprehensive email sent
2 directly from Mahon's casino gaming and intellectual property law firm of Howard & Howard,
3 PLLC ("H2").

4 96. The confidential disclosures Munger received included a complete list of all
5 Full Color® Games copyright, trademark and patent applications that were filed, to be filed,
6 pending, or fully issued, including but not limited to Mahon's "Full Color" trademark that is not
7 only the name, branding, image and likeness of all of the Full Color IP and the FCGS, but the
8 namesake of the corporations Mahon founded.
9

10 97. The NDACA expressly provided that Munger and any company, affiliates,
11 agents, and representatives would not:
12

13 directly or indirectly circumvent or create, work for or engaged in any
14 work for hire, consulting or employment in any businesses or with any
15 companies that competes, markets, sells, distributes, publishes or licenses
16 games that are similar or in any way shape or form in likeness to any of
17 the casino or non-casino style games or intellectual property owned,
18 controlled, licensed, developed, published, distributed or licensed to or
19 from FCG or any of its affiliates, partners, contractors, distributors,
20 publishers, employees, agents, attorneys, clients, customers, licensees or
21 licensors or communicate, transact business or interfere with any of its
22 business relationships as related to any and all of its enterprises and its
23 confidential information related to the FCG's licenses or copyrights,
24 trademarks, patents pending or any of its derivatives, its software code,
25 statistics or methodologies that it owns or controls or has rights to during
26 the term of this agreement whereas such would be deemed a material
27 breach of this agreement.
28

23 98. Between July of 2011 and July 2012, Munger utilized the NDACA and
24 promises of funding Mahon's inventions in the Full Color IP to continue to gain confidential
25 information, business plans, relationships, trade secrets and the trust of Mahon. Over time,
26 Munger also received all of Mahon's and FCGI's trade secrets, including mathematical
27 formulas and even had access to the software FCGI obtained via several vendors including, but
28

1 not limited to Spin and Bragg/Oryx.

2 99. On July 2, 2012, a year later, Munger deposited \$10,000 into the FCGI bank
3 account, without any written contract or understanding establishing a financial relationship with
4 Mahon and FCGI. Munger informed Mahon that the \$10,000 was a “gift” to Mahon, as a first
5 step to obtain his trust and good will. There were no demands upon the use of the money or
6 obligations to repay. It was highly unusual. Mahon sought to tie the \$10,000 to a financial
7 instrument and emailed Munger a Promissory Note. Munger ignored the note and stating he
8 “did not care if he ever saw the money again,” and that “he just thought Mahon’s inventions
9 were genius and claimed he just wanted to see it succeed.” This was the modus operandi
10 Munger employed over and over to gain Mahon’s trust and infiltrate Mahon’s business
11 endeavors.

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

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

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

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

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

27 105. Ultimately, Munger only provided \$37,500 of the total of the promised
28 \$100,000, and never signed the ANPI Agreement.

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

4 107. After Mahon invented 21 or Nothing® and Full Color® Baccarat in April of
5 2014, Munger became a non-stop fixture in Mahon’s life trying to learn everything about
6 Mahon’s work, the FCGS, and the secrets, formulas, and methodologies applying to the FFGS
7 games. Knowing that Mahon needed new capital to produce his product and launch it, Munger
8 made promises that he could raise additional money from other investors and claimed to have a
9 deep network of high net worth individuals through his “Gold membership” at the Foundation
10 Room in Las Vegas. Munger failed at every attempt until Munger recruited his sister, T. Moore
11 and her husband L. Moore, who invested \$50,000 in cash into a convertible note through their
12 construction company, BLM, during the first week of October 2014.

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

17 109. Prior to Munger receiving any shares, on or about April 15, 2014, Mahon
18 requested in a text message that Munger affirm that he was an accredited investor under the
19 United States securities laws, and Munger affirmed in a responsive text that he was an
20 accredited investor.

21 110. FCGI and Mahon only agreed to distribute any shares to Munger based on his
22 representations, both in the written documents and verbally and in other writings, that Munger
23 was in fact an accredited investor.

24 111. On August 1, 2015, FCGI formally updated its corporate mandate and adopted
25 its Amended & Restated Bylaws dated August 1, 2015. In so doing FCGI unified all of its
26 varied investments, contracts, net profit participation agreements, common stock issuances,
27 convertible notes and stock vesting plans including the \$37,500 of cash that Munger had given
28 FCGI between 2012 and 2013, despite Munger’s failure to complete his full investment in the

1 ANPI. Both Mahon and FCGI acted in good faith and upon reliance of the same from Munger,
2 converted the prior \$37,500 payments from the failed ANPI Agreement into FCGI common
3 shares.

4 112. On August 1, 2015, as a result of the Amended & Restated Bylaws, Munger and
5 FCGI entered into a Mutual Termination and Exchange Agreement of the original grant of the
6 171,041 common stock shares and converted the \$37,500 of cash from Munger into an
7 additional 50,125 shares of common stock for a single share Certificate CS-08 for 221,166 that
8 FCGI issued in Munger's name.

9 113. Thereafter, Munger signed a Termination and Exchange Agreement,
10 a new 2015 Stock Incentive Plan ("SIP"), Share Repurchase Agreement ("SRA"), and a Share
11 Issuance Agreement ("SIA"). As part of these new agreements, Munger again certified in
12 writing that he was an accredited investor.

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

17 115. Munger immediately changed his mark@fullcolorgames.com email address
18 footers to include his new title as an Officer of FCGI in addition to his previous and ongoing
19 roll as member of the Board of Advisors of FCGI.

20 116. FCGI is informed and believes that Munger's representations about his status as
21 an accredited investor were false.

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

26 ///

27 ///

28 ///

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

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

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

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

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

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

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

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

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

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

3 127. On or about March 1, 2015, upon information and belief, Munger began to work
4 for a casino gaming entity named Whitesand Gaming LLC (“Whitesand”) without informing
5 Mahon or the Third-Party Plaintiffs.

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

8 129. When the GBB began the process of licensing web shop applicants, it
9 contracted with Whitesand and requested that Maureen Williamson (“Williamson”), one of
10 Whitesand’s key executives and main attorneys at the time, to lead Whitesand’s administrative
11 duties to the GBB. Williamson was most famous for being the deputy attorney general for the
12 New Jersey Division of Gaming Enforcement (“NJDGE”), a jurisdiction, like Nevada Gaming
13 Control Board (“NVGCB”) who is the gold tip standard of the world in licensing enforcement
14 of suitability standards by its applicants and licensees, is famous for its having no limits on how
15 far back into the past they can look to determine an applicant’s source of wealth and general
16 suitability. Indeed, the NJDGE is most famous for rejecting Hugh Hefner’s application in the
17 1980’s based on his involvement in a scheme to bribe two New York state officials to obtain a
18 liquor license in the early 1960s, nearly 20 years before.

19 130. Upon information and belief, Munger was directly hired by Williamson for
20 Whitesand’s contract with the GBB because he began to work for the GBB in Nassau, Bahamas
21 immediately upon his employ with Whitesand.

22 131. Upon information and belief, as part of his employment with Whitesand and the
23 GBB, Munger participated in the regulation of well over 100 GBB individual and corporate
24 casino gaming licensees and applicants, including Bastian, Playtech, Island Luck, ILG, and
25 other entities affiliated with Bastian; Multislot; and Third-Party Defendants Spin and Legacy 8
26 Bahamas.

27 132. On information and belief, between March and October 2015, unbeknownst to
28 FCGI, Munger, began a working/employment relationship with the Bastian Casino Gaming

1 Enterprise in violation of the NDACA, while at the same time continuing to work for Whitesand
2 and the GBB (which violated GBB's internal conflicts of interests policies). During this same
3 time, Munger continued to work for FCGI.

4 133. Indeed, beginning as early as October 19, 2015, Whitesand not only became
5 fully aware of Munger's conflicts, Williamson herself, as an attorney, began providing written
6 and oral legal counsel to Munger advising him on employment duties and liabilities as related to
7 the conflicts between his ownership and work for FCGI, his employment and duties with
8 Whitesand and the GBB, and his fraternization and business dealings with the GBB's
9 applicants, specifically the Bastian Casino Gaming Enterprise and Legacy 8. However, this
10 advice appeared to be done with feigned ignorance of Munger's actual conflicts in an effort to
11 protect Williamson and Whitesand, rather than investigating the matter to protect the public
12 from these conflicts.

13 134. Upon information and belief, the GBB and Bahamian gaming licensing laws are
14 not as strict or as inclusive with respect to checking the background of its licensees, limiting the
15 "look back" period to a specific time period, a stark departure from most new regulatory and
16 anti-money laundering rules, laws and standards being implemented and enforced worldwide in
17 the casino gaming industry to ensure licensees have appropriate ethical restraint and keep any
18 proceeds of crime from entering the casino gaming industry.

19 135. Despite the Bahamas from wanting to hire Whitesand attorneys with casino
20 gaming history famous for its "cleaner than bleach white" reputations for enforcement
21 standards, the Bahamas licensing laws do not allow the licensors to go further back than ten
22 years for the purpose of determine whether the applicant's character and/or source of wealth
23 may be rooted in acts of moral turpitude or proceeds of crime. Every longstanding and
24 reputable licensing authority like Nevada and New Jersey (where the Third-Party Plaintiffs are
25 seeking to be licensed) does not have any time limit on how far they can look back into an
26 applicant's past to determine suitability. For example, the Third-Party Plaintiffs' efforts to
27 obtain licenses in these jurisdictions would be forever barred if their investment proceeds, such
28 as proceeds from Bastian, were the proceeds of crime.

1 136. Upon admission by Bastian himself admitted to Munger, Whitesand, GBB and
2 the Third-Party Plaintiffs, that Bastian's millions of dollars in his source of wealth was derived
3 from illegally defrauding dish networks in the 2000's based on Bastian's \$7,000 purchase of an
4 illegal black market "satellite black box descrambler" that allowed him to descramble and
5 permanently unlock thousands of satellite dish owner's service for a one-time fee to Bastian
6 with kickback fees to the Best Buy co-conspirator sales associates in Southern Florida. Bastian
7 admitted that he was making so much money from his illicit "descrambler" operations that he
8 dropped out of tech school, moved back to the Bahamas, and opened up an electronics store
9 chain he called The Electronic Doctors to legitimize his illicit satellite descrambling business
10 by selling all kinds of electronics like phones, iPods and other hardware. Bastian's own CV
11 that he published to the UKGC in FCGLTD's remote casino gaming license application (in
12 Bastian's abandoned FCGLTD Annex A application), states that the his "annual sales [from]
13 Electronic Doctors chain peaked at just over \$2 million" between 2002 and 2009.

14 137. Bastian has further admitted that he then parlayed his illicit operations and
15 funds into a nationwide pre-paid phone card business where "He was able to generate annual
16 sales of around \$12 million a year before exiting that business."

17 138. Bastian didn't stop there, as he parlayed his activities and funds that had by then
18 exceeded tens of millions of dollars even further by opening up illegal web shops in the
19 Bahamas based on selling lottery tickets to local Bahamians tied to the outcome of the United
20 States Powerball and MegaMillions lotteries for over a decade. Bastian spent millions of dollars
21 in the profits from these businesses attempting to change Bahamian gambling laws prohibiting
22 his web shops through a 2013 public referendum in that was rejected by Bahamian voters.

23 139. Immediately after the 2013 public referendum failure, the U.S. State
24 Department put out publications placing the The Bahamas on a "watch list" noting that "[i]llicit
25 gaming operations based on U.S. based lottery results and the internet [through] locally owned
26 . . . 'web shops' flourish in The Bahamas." The publication further states that "*The major
27 sources of laundered proceeds are drug trafficking, gun trafficking, illegal gambling, and
28 human smuggling.*" Because Bastian controlled 75% of these web shops in the Bahamas, these

1 statements are clear references to Bastian's illicit "web shops."

2 140. Bastian admitted that he used that U.S. State Department publication and the
3 threats of The Bahamas and their central banking system that felt threatened by a potentially full
4 blacklisting by the international banking laws system (that were clearly targeting his web shops)
5 based on global money laundering rules and laws to push statutes in parliament to legalize his
6 business operations. Upon information and belief, based on admissions from Bastian, he was
7 able to persuade members of the Bahamian parliament and Prime Minister's office by funding
8 their political campaigns and providing other forms of bribery from the profits of his illicit
9 enterprises and web shops to ensure that he could carefully craft and control the language of the
10 gambling act that would legalize his enterprises ensuring that that the "look back" period on
11 Bastian's original source of wealth and questionable moral past would not be examined by or
12 submit to any newly formed gaming control board so that once the newly formed GBB
13 approved his application under that law, we would be granted a permanent gaming license
14 without having to disclose or answer questions about his past.

15 141. At the time that Whitesand took the contract with GBB to manage its licensing,
16 it was aware of the fact that many GBB licensees, like the Bastian Casino Gaming Enterprise,
17 Bragg, Oryx or Legacy 8 Bahamas, may have been suitable for a casino gaming license by
18 statutes in the Bahamas where there is a ten years limit on how far the licensing authority looks
19 back into the applicants past character and activities, they would not be suitable in any of the
20 other longstanding and reputable licensing authority jurisdictions that have no statute of
21 limitations. The purpose of an unlimited lifetime lookback period (as well as an unlimited
22 purview into continue ongoing reviews and investigations) of an applicant's suitability is to
23 ensure that no criminal mind, activity or history could ever seep into a licensed individual or
24 their casino gaming enterprise and to keep racketeering influenced and corrupt organizations
25 and the individuals behind them out of the gaming industry.

26 142. Williamson's background and work in New Jersey is the exact opposite from
27 the GBB's complicit and lax licensing process. Knowing of the GBB's lax standards it seems
28 ludicrous that Williamson, an attorney general and someone from a longstanding gaming

1 authority with a ruthless history on suitability investigations and hearings would agree to work
2 for the GBB and administer such lax rules and regulations.

3 143. Indeed, Williamson's and Whitesand's willingness to contract with the GBB
4 and oversee licensing with such lax standards is what permits individuals with dubious pasts
5 that are not apparent within the last ten years. Once licensed in the Bahamas, such dubious
6 characters can distance themselves from their past illegal activities, wrongdoings and true
7 unsuitability, making it easier for them to obtain future licenses via deception.

8 144. Williamson's and Whitesand's desire to expand their work and revenue led
9 them to abandon the standards employed in longstanding jurisdictions such as New Jersey in
10 favor of lucrative contracts.

11 145. Whitesands and its partners lax attitude bled into its hiring practices by failing
12 to complete their due diligence on Munger's many conflicts, which in turn has led to the
13 damages incurred in this case at the hands of Munger and the current Third-Party Defendants
14 Bragg, Bragg Holdings (or AAA), Legacy 8, Oryx, KAVO, Majiz, Arviv, and Sears.

15 146. Further, even if Munger's work for the GBB were not fraught with conflict,
16 Munger's work there means that he, along with Whitesand, knew that Bastian would be
17 unsuitable for a gaming license in most longstanding jurisdictions, including the United States,
18 and yet Munger still recommended Bastian to Mahon and Third-Party Plaintiffs as a suitable
19 investor/partner despite knowing he may not meet suitability requirements in other jurisdictions.

20 147. Similarly, Williamson allowed Munger to stay on with the GBB, giving lip-
21 service to Munger's conflicts, but never really confronting him with them. Instead, she
22 attempted to advise him on how to "sugar coat" them and avoid the optics without having to
23 disclose or avoid them entirely, even after Munger's departure turned into Bahamian tabloid
24 news on the front page of The Punch on April 7, 2016. This allowed Munger to leverage his
25 conflicting positions against one another with his knowledge.

26 148. Not only did Munger fraternize with Bastian and his affiliates, he also
27 fraternized with Mahon's lawyer, Newman and Newman Law whereby they both secretly
28 started a new business called Gambling with the Stars, which included building a virtual and

1 real money live dealer casino gaming studio in Las Vegas that would directly compete with
2 FCGI had it been functional, another violation of the NDACA. Newman and Newman law
3 knew Munger's obligations and secretly encouraged him to breach those duties in their
4 ventures.

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

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

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

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

15 152. Thereafter, on or about October 16, 2015, Bastian formally agreed to invest \$1
16 million in cash into FCGI through his Cayman Island entity, DTG, and further agreed to launch
17 21 or Nothing® through his 62 IslandLuck.com casinos in the Bahamas, and thereafter signed a
18 formal term sheet agreeing to accept 7.65% of FCGI for the \$1 million investment.

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

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

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

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

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

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

24 159. Ultimately, Bastian agreed to invest \$1 million into an Isle of Man entity in
25 cash, another \$1 million in kind, and agreed to guarantee release of 21 or Nothing® as built by
26 Multislot at no direct cost to FCGI in all the Bastian Casino Gaming Enterprise. Bastian
27 represented that he would do all of the above if FCGI agreed to move FCGI's business
28 operations to the Isle of Man.

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

6 161. In order to facilitate the contemplated transfer to Isle of Man, two new entities,
7 Full Color Games, Ltd. ("FCGLTD") and an entity owned by Mahon, Intellectual Properties
8 Holding, Ltd. ("IPHLTD"), would be established in Isle of Man. IPH would issue a license to
9 IPHLTD, and IPHLTD would issue a new "Commercial License Agreement" to FCGLTD [and
10 its respective CLA-FCGNA to FCGNA]. FCGI would release its limited license in exchange
11 being issued 100% of the interest initially in FCGLTD, and Bastian would invest directly in
12 FCGLTD in exchange for shares purchased from FCGI. As required by Isle of Man law, a
13 Registered Agent in the Isle of Man would act as the escrow agent to facilitate the new
14 corporation formations, contractual releases, IP transfers and share issuances to effectuate all
15 the terms and conditions of the transaction as set forth in the escrow instructions.

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

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

26 164. Mahon, who had only met Bastian on two other occasions before this meeting,
27 and was meeting Simmons for the first time, could not believe they suggested engaging in
28 billing fraud, wire fraud and money laundering to conceal the purchase of FCGI's securities in

1 FCGLTD for the purposes of avoiding the BIT.

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

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

10 167. Immediately thereafter, Bastian agreed to increase his investment by investing
11 \$1 million in cash into FCGLTD, and also affirmed the that he would invest an additional \$1
12 million of cash-in-kind to guarantee the marketing, promotion, licensing, live dealer studio
13 space, and other expenses related to bringing the Full Color IP to the market. In exchange,
14 Mahon agreed, among other concessions, to grant a larger ownership interest to Bastian in
15 FCGLTD raising the interest from 7.65% to 15%.

16 168. In December, Mahon had agreed to retain the global firm of Equiom, the most
17 reputable Registered Agent in Isle of Man to handle the escrow and corporation transfers. Based
18 on this decision, Equiom had already reserved and secured the names of FCGLTD and IPHLTD
19 with the Isle of Man.

20 169. On January 21, 2016, Linham suddenly abandoned Equiom and commissioned a
21 completely unknown startup operation and Registered Agent named Corporate Options Ltd. and
22 another entity owned by Lee Murphy (“Murphy”) and his partner Paul Chase (“Chase”), called
23 Chase Nominees Ltd. (“Chase Nominees”) both of based in Isle of Man to file and form
24 FCGLTD and IPHLTD, and appoint Murphy as an independent director.

25 170. Mahon had never met Murphy, knew nothing of him, Chase, Corporate Options
26 nor Chase Nominees. Mahon wanted to use Equiom, but Linham insisted on using Murphy,
27 Chase, Corporate Options and Chase Nominees (falsely) stating the costs were significantly less
28 than global conglomerate of Equiom. Linham’s suggestion was the beginning of his own efforts

1 to manipulate and control FCGI which was, on information and belief, in collusion with
2 Munger, Bastian, and others.

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

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

9 173. Linham further informed Mahon that the purpose of Chase Nominees was to
10 provide a local Director as required by the 2006 Act.

11 174. In addition to FCGLTD and IPHLTD, on or about January 21, 2016, Linham
12 directed Corporate Options and Chase Nominees to form Bastian's new entity, Davinci
13 Holdings Ltd under the 2006 Act (previously referred to as "DHL") that Bastian would
14 purportedly use to make his \$1 million dollar cash investment to purchase the 15% interest in
15 FCT LTD from FCGI.

16 175. On or about January 21, 2016, Linham directed Corporate Options and Chase
17 Nominees to form another new Bastian entity, ILG Software Ltd under the 2006 Act ("ILG"),
18 which was organized to move Bastian's Bahamian remote gaming software, including the
19 banking and revenue streams, off shore from the Bahamas allowing FCGLTD to integrate into
20 the server and distribute the Full Color IP in the Bahamas and Jamaica.

21 176. Upon formation of FCGLTD and IPHLTD, all companies' initial sole director
22 was Murphy and Chase Nominees was the sole subscriber for both FCGLTD and IPHLTD.
23 Murphy, Chase, Corporate Options and Chase Nominees prepared board resolutions for Linham
24 to be appointed as the CFO and Director, Mahon to be appointed as the CEO and Director,
25 Newman to be appointed as the CLO and Director, and Munger to be appointed as the CTO of
26 FCGLTD.

27 177. Upon formation of DHL and ILG, both companies' initial sole director was
28 Murphy, and Chase Nominees was the sole subscriber for both DHL and ILG.

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

6 179. Between January 21 and February 2, 2016, Mahon drafted Amended & Restated
7 Memorandum of Articles for IPHLTD and directed Murphy, Chase, Corporate Options and
8 Chase Nominees to file it with the Isle of Man Companies Registry to ensure that IPH owned
9 100% of the shares of IPHLTD.

10 180. On February 2, 2016, the first formal FCGLTD Board of Directors meeting was
11 held and dealt with the corporate structuring where it was resolved, among other things, to
12 appoint Newman, Mahon, Linham, and Murphy as the bank signatories and directors of
13 FCGLTD.

14 181. The proposed transaction whereby FCGI moved its primary asset, the Limited
15 License issued from IPH to Isle of Man by releasing its limited license so that IPHLTD could
16 issue the full CLA to FCGLTD [and its respective CLA-FCGNA] in exchange for 100% of the
17 shares in FCGLTD, which would be followed by Bastian's purchase, through DHL, of shares in
18 FCGLTD from FCGI, could not occur without the majority consent of the C-Note holders, and
19 the C-Note would have to be amended a second time to allow the C-Note holders to convert
20 their interest into FCGI shares upon completion of the transaction (hereinafter, "Amendment
21 No. 2").

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

26 183. Bastian lead everyone to believe that he will follow through with his promises,
27 his investments and the launch of the Full Color IP.

28 184. After a company-wide FCGI call with its shareholders and then C-Note holders

1 on April 11, 2016, 84.49% of the C-Note holders all agreed to and executed Amendment No.2,
2 which allowed FCGI to relinquish the limited license from IPH in exchange for the issuance of
3 a new CLA to FCGLTD [and its respective CLA-FCGNA] who would initially issue 100% of
4 FCGLTD shares to FCGI. FCGI would thereafter agree to issue portions of its shares in
5 FCGLTD to IPHLTD in exchange for the CLA'S, and Bastian in exchange for his \$2 million
6 overall investment.

7 185. On May 31, 2016, Bastian signed the documents between FCGLTD and DHL
8 for the overall \$2 million investment.

9 186. To legally effectuate all the terms and conditions of Amendment No. 2 and
10 voluntary trigger the C-Note, an actual legal transfer the shares of FCGLTD to FCGI had to be
11 fully effectuated.

12 187. On April 11, 2016, Murphy, Chase, Corporate Options and Chase Nominees
13 were directed to file Amended Articles with the Isle of Man Companies Registry that would
14 formally divide the shares and allow FCGLTD to issue that FCGI 100% of the divided shares of
15 FCGLTD that formed the basis for FCGI releasing the limited license and IPHLTD issuing the
16 CLA to FCGLTD [and its respective CLA-FCGNA] as agreed to in the Amendment No. 2 of
17 the C-Note. This division of and issuance of shares to FCGI would, in turn, allow FCGI to issue
18 shares to DHL (Bastian's company) and IPHLTD to complete the transaction.

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

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

26 190. Because the transaction whereby FCGI's license and business would be
27 transferred to Isle of Man was never completed, the C-Note never legally converted into the
28 issuance of any FCGI shares to Plaintiffs DHWT, the Millennium Trust, the Moore Trust, and

1 Castaldo, and Third-Party Defendant/Counter-Defendant Marcus (“C-Note Parties”). As such,
2 the C-Note Parties were never shareholders of FCGI.

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

8 **V. BASTIAN, MUNGER, LINHAM, AND SIMMONS,**
9 **ALONG WITH THE RELATED ENTITIES ENGAGES IN**
10 **ATTEMPTED WIRE AND MAIL FRAUD AND MONEY LAUNDERING**

11 192. By June 2016, FCGI had been funding the entire transaction to transfer its
12 business to the Isle of Man based on Bastian’s agreement and promises to invest in FCGLTD
13 for six months, and FCGI’s funding was nearly depleted. Bastian had delayed executing the
14 documents for his investment and delayed his funding for several months thereby delaying
15 FCGI’s efforts to get its product to market.

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

19 194. DHL and FCGLTD both had their bank accounts set up at Nedbank Private
20 Wealth, in Douglas, Isle of Man, and Mahon informed Linham to give notice to Nedbank that a
21 \$1 million dollar transfer should be occurring shortly once Bastian returns to Bahamas the next
22 day, however as of June 6, 2016, no wire transfer had been received.

23 195. On June 7, 2016, Third-Party Plaintiffs are informed and believe that Simmons
24 had a skype conference with Linham to discuss Bastian’s investment and discussed creating a
25 false invoice for Bastian’s investment to avoid the BIT tax. Linham, however, never informed
26 Mahon concerning this discussion other than to say that he expected the wire transfer for
27 Bastian’s investment to be coming soon.

28 196. Upon information and belief, when Simmons spoke to Linham on June 7, 2016,
he directed Linham to create an invoice to IslandLuck.com on FCG LTD letterhead for

1 \$444,070.01 in computer equipment whereby Simmons would submit it to the Bank of Bahamas
2 as a way to for Simmons to transfer part of the money to FCG LTD for the purchase of FCGI'S
3 securities in FCGLTD, and avoid paying the 12% BIT rather than complete the wire transfer of
4 the full \$1 million investment to Nedbank by way of DHL.

5 197. Upon information and belief, after the Skype call, Simmons informed Linham to
6 coordinate with Munger to obtain a list of equipment, put it on a FCGLTD letter head and email
7 it to Simmons.

8 198. Upon information and believe, after getting off the Skype call with Simmons,
9 Linham communicated with Munger outside of the email chains on the fullcolorgames.com
10 servers to get information to put together an IslandLuck.com equipment invoice because
11 Munger did in fact send an email with a prepared IslandLuck.com list of equipment and a total
12 cost of \$444,070.01 to Linham.

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

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

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

25 202. Upon learning of a potential fraudulent invoice, Mahon immediately informed
26 Linham that issuing such an invoice for the transfer was fraudulent, such an act could disqualify
27 FCGLTD for any casino gaming licensing, and that Linham would be terminated if the
28 transaction was completed using the invoice Linham created.

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

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

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

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

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

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

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

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

10 211. By June 21, 2016, Bastian has still failed to wire transfer the \$1 million
11 investment to FCGLTD.

12 212. On June 22, 2016, Bastian again engaged in money laundering of \$500,000 of
13 funds in a wire transfer through a false "Purpose of Funds" statement to Wells Fargo Bank,
14 N.A. for the fraudulent claim of an "Investment for Davinci Trading," a Cayman Islands
15 company that Bastian owns as the beneficiary of Full Color Games Ltd. through interstate and
16 foreign commerce.

17 213. FCGLTD has no contract for the sale of securities to "Davinci Trading," which
18 is Davinci Trading Group, previously referred to as "DTG," in Cayman Islands.

19 214. Upon information and belief, the true "Purpose of Funds" is tax evasion to
20 avoid application of the BIT by using his Cayman Islands entity of DTG to conceal his purchase
21 of FCGI's ownership shares of FCGLTD's stock and further to avoid reporting it to the
22 Bahamian Government as required by the Exchange Control Reporting if the money had come
23 out of the Bahamas.

24 215. This purchase of securities is a false statement by Bastian to induce WFB to
25 wire the funds as falsely state "Purpose of Funds" is for "Investment for Davinci Trading" with
26 the beneficiary being "Full Color Games Ltd," which is money laundering through wire fraud
27 and further a criminal act of securities fraud.

28 216. On June 23, 2016, at 1:54am PST, Kim Quirk at Nedbank emailed Linham and

1 confirmed that FCGLTD did in fact receive the \$500,000 into its Nedbank account in ISLE OF
2 MAN, meaning DGT and Bastian obtained their interest in FCGLTD through fraud by wire
3 violating 18 U.S.C §1962(b), (c) and (d) through the two predicate acts of 18 U.S.C. §1956 and
4 §1343.

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

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

13 219. FCGLTD did not charge Bastian, Simmons, Playtech or Island Luck any
14 “commission,” did not buy any “advertising subscription, purchase any “professional service,”
15 or any other “miscellaneous items, e.g., visa or pay any Bahamian abroad.”

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

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

21 222. On October 3, 2016, at 8:53am PST, Linham confirmed that FCGLTD did in
22 fact receive 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 U.S.C §1962(b), (c) and
24 (d) through the two predicate acts of 18 U.S.C. §1956 and §1343.

25 26 **VI. MULTISLOT’S FIRST ACT OF RACKETEERING**

27 223. Per Bastian’s prior instructions that Multislot would complete the real money
28 version of 21 or Nothing® (“FC21”) for release through the Bastian Casino Gaming Enterprise

1 in the Bahamas with Multislot's existing Real Gaming Server ("RGS") that was integrated into
2 global distributors including but not limited to Every Matrix, BetConstruct and Videoslots,
3 Mahon supplied Multislot with all the game assets, rule sets, game logic, and math certifications
4 necessary to complete FC21 in 2016.

5 224. A Tier 1 online developer, distributor and or operator is considered to be one
6 that is licensed by the Gibraltar Regulatory Authority ("GRA") where their operations are
7 required to be based in Gibraltar and their servers are located, literally, deep inside the tunnels
8 of the world famous Rock of Gibraltar where they safely feed the world with high quality
9 gaming content.

10 225. There are, according to CasinoCity.com, 4,434 online casinos in the world that
11 they track on a daily basis. In contrast to the world, there are only 33 Gibraltar Licensees and of
12 them, less than 20 of them are operators. Those 20 Licensees account for well over 80% of all
13 regulated online casino gaming revenue, and as such, doing business with a Tier 1 Licensee and
14 being sheltered under one of their licenses as a supplier is highly coveted in the industry.

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

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

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

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

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

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

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

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

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

27 235. However, since 2000, Flash has lost all of its appeal and value because it cannot
28 be run on the mobile phones and tablets dominating the world today as neither iOS (Apple

1 iPhone) or (Google) Android will run it. All universal content today is coded natively or
2 universally using WebGL and HTML5.

3 236. As a result of Multislot's own limitations, Multislot only offered to produce the
4 Full Color IP in "Flash," a dying language on desktops and a dead language on mobile and
5 tablet applications.

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

10 238. Multislot, however, wanted to avoid the initial costs of building FC21 and other
11 Full Color IP games by building the games initially in Flash to be released with Bastian,
12 Multislot wanted its "cake and eat it too" with its work on the Full Color system. Multislot
13 wanted the content but did not want to build it at Tier 1 level, nor did they want to build it on
14 HTML 5 as a build once and deploy everywhere model. Multislot wanted to mitigate their costs
15 using skill sets they had and a rapid development time and code the Full Color IP in the
16 dying/dead Flash format.

17 239. Unbeknownst to Mahon and FCGI, Multislot was completely beholden to its
18 largest customer by volume and revenue, Bastian and was really part of the Bastian Casino
19 Gaming Enterprise. Ultimately, Multislot was at the mercy of the Bastian.

20 240. Because Bastian was investing in FCGI, Mahon and FCGI believed that this
21 would be to their advantage. It was not until much later that they came to learn that Bastian and
22 Munger had different plans to sabotage FCGI through both Multislot and later Spin, and attempt
23 to take over Mahon's business and abscond with the Full Color IP.

24 241. Multislot's low-cost choice to develop in Flash inherently conflicted with the
25 Tier 1 demand to code in HTML5 and further created conflicts of frustration between Mahon,
26 FCGI, and FCGLTD, and Multislot. Multislot wanted to just "throw the game out and release
27 it" via Bastian and Mahon demanded that it meet the quality control, user interface ("UI") and
28 the user experience ("UX") that the Tier 1 distributors and operators echoed for top priority

1 content. Unbeknownst to FCGI and Mahon at the time, this conflict appeared concocted and
2 planned by Bastian and Munger to FCGI's detriment.

3 242. Beginning in February of 2016 when the Full Color IP was exhibited at the ICE
4 2017 Totally Gaming Convention in London, Multislot began to arrange for its Flash based
5 distributors and operators to introduce the Full Color IP to them.

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

10 244. Multislot's inexplicable decision to build the Full Color IP on a desktop only in
11 Flash would prevent them from going beyond Multislot's existing Tier 2 / Tier 3 integrations
12 but worse, preventing them from being able to even get Multislot's RGS integrated into the Tier
13 1 distributors and operators.

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

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

25 247. As a result, the Third-Party Plaintiffs, primarily through FCGNA, contracted
26 with Spin to provide the HTML5 content with the promises and assurance they were integrated
27 into Nektan and NYX in Gibraltar and could release to Bet365, WilliamHill, BetVictor,
28 Ladrokes, Gala, Coral, Rank and all the other GRA Tier 1 distributors and operators that wanted

1 the Full Color IP.

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

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

10 250. On December 19, 2016, Mahon approves and signs Multislot's distribution
11 contract to go live worldwide through the Bastian Casino Gaming Enterprise through Island
12 Luck, Videoslots, Every Matrix, Betconstruct and others. Multislot's response was that it would
13 sign the contract once it completes a final legal review.

14 251. The parties' intention was to have FC21 live through the above networks on
15 Multislot's RGS before the ICE Totally Gaming London casino gaming convention in the first
16 week of February 2017.

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

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

27 254. On January 31, 2017, upon information and belief, Bastian spoke with
28 Multislot and its principals, but did not inform FCGI or Mahon about the full context of their

1 conversation.

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

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

10 257. Multislot refused and failed to distribute FC21 live anywhere.

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

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

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

28 261. Further, Bastian failed to exert any influence or pressure on Multislot to release

1 the FC21 through Videoslots.com and other outlines. The fact that Bastian did not exert his
2 influence on Multislot to release FC21 through Videoslots.com made absolutely no sense. It
3 was Bastian's money that had been wasted on the ICE 2017 convention. Bastian knew that if
4 FC21 was not released the company was likely to run out of money and his investment would
5 be lost.

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

10 **VII. SPIN'S FIRST ACT OF RACKETEERING**

11
12 263. On May 31, 2016, after the formal execution of the agreement with Bastian and
13 the confirmation of the \$2 million investment, the Third-Party Plaintiffs believed that they were
14 finally in a position to truly obtain some quantifiable financial and relational control over their
15 own destiny and obtain control of their own branded Full Color RGS to deliver their own Live
16 Dealer and RNG product through a certified RGS that they could fully control.

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

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

25 266. Unbeknownst to Mahon or the Third-Party Plaintiffs at the time, Munger also
26 had a prior relationship with Spin as they obtained a critical game supplier license at the GBB
27 while Munger was employed with Whitesand and regulated their GBB license, a relationship
28 that Munger would go on to use to his advantage in his scheme to usurp Third-Party Plaintiffs'

1 business opportunities and ultimately Mahon's Full Color IP by getting hired by Arviv and
2 Bastian through Legacy 8 and the Bastian Casino Gaming Enterprise in the spring of 2017,
3 usurping Third-Party Plaintiffs' business opportunities with Oryx with Arviv, Bastian and
4 Legacy 8's acquisition, obtaining a directorship with Bragg as a result, and, on information
5 belief, instigating and/or assisting in Bragg's purchase of Spin as set forth in greater detail
6 below.

7 267. On June 13, 2016, in a meeting between Spin's CEO Young and Mahon in Las
8 Vegas, Nevada and in follow up emails, Young represented to Mahon and FCGI that they had
9 the HTML5 Tier 1 solution for the Full Color IP. Specifically, Young represented that Spin was
10 integrated into NYX and Nektan, both GRA Licensees, among others. Further, Young assured
11 Mahon that SPIN would license them a copy of their RGS, called the ROC™ RGS, which could
12 be integrated into any other global distributors or operator's RGS. Therefore, in addition to
13 Spin releasing the Full Color IP directly through their existing distribution and operator
14 platforms, Full Color could control its own fate and global distribution of the Full Color IP
15 through its own copy of the ROC™ RGS to deliver games.

16 268. In late June, 2016, Munger and Mahon met with a new company named
17 Virtuasoft to discuss obtaining licensing of its global Live Dealer and RNG Content Delivery
18 Network Platform ("CDN") through the Third-Party Plaintiff's acquisition of its own copy of
19 Virtuasoft's proprietary RGS and wallet system called "Kingfisher." Virtuasoft granted a
20 license to Kingfisher with absolutely no upfront costs whatsoever for it except for a backend
21 revenue share agreement upon release of the Full Color IP. Based on this license grant, FCGI
22 was able to create a master stand-alone turn key bespoke Full Color® Games branded solution
23 and actually become an aggregator platform of its own to deliver both the Live Dealer Full
24 Color IP software Mahon produce and the RNG Full Color IP Spin was contracted to produce as
25 well as third party casino gaming software, including Spin's gaming content so they could be
26 distributed and monetized throughout the world.

27 269. More importantly, the Kingfisher CDN, relationship and license would allow
28 FCGI and its affiliates to obtain their own copy of the Kingfisher platform, rebrand it as the Full

1 Color RGS and allow them to take other 3rd Party content and deliver other product through
2 their own RGS as a way to obtain additional revenue.

3 270. From the day Mahon met Bastian, Bastian wanted a Live Dealer solution to
4 deliver through his own software platform in the Bahamas, which he called RSL (RSL later
5 converted and turned into ILG).

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

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

21 273. With FCGI and its affiliates being able to develop its own Full Color RGS
22 version of Kingfisher, and his ownership interests in FCGI’s affiliated enterprises that obtained
23 it, Bastian could then, afford to get a sub-licensed copy of it for the mere cost of a revenue share
24 and use it in the Bahamas to feed his Bastian Casino Gaming Enterprise and earn profits at
25 incredibly low amortized costs.

26 274. Mahon obtained a license contract with Virtuasoft so the Full Color IP could
27 have a customized RGS branded as the FULL COLOR KINGFISHER RGS that would allow
28 the delivery of the Full Color IP to both Live Dealer and RNG games, and also serve as the

1 central distribution point for all Full Color IP. The FULL COLOR KINGFISHER RGS would
2 also serve as a Third-Party distribution platform, allowing the Full Color IP to obtain revenue
3 streams from both its own content, the Full Color IP, and other third-Party distribution fees,
4 unlocking the Full Color IP's full financial revenue making power. The Full Color IP drive the
5 opportunities for integration into high end and Tier 1 distribution platforms and operators where
6 others who all deliver the same public domain driven formatted content could not.

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

15 276. FCGI, FCGNA, or another of their affiliates would require their own UKGC
16 "Remote Gaming Software License" in order to deliver the Full Color IP through GRA. It was
17 therefore imperative that whoever ultimately constructed the real money games utilizing the
18 Full Color IP on behalf of FCGI, FCGNA, or another of its affiliates, was already integrated
19 into GRA systems and allow the Full Color IP to shelter under while applying for their own
20 licenses.

21 277. Mahon and all of the Full Color IP licensees also knew that timing would be
22 very important in the development of the games, integration of the games, and release of the
23 games to ensure that they would reach revenue without running out of investment funds.
24 Mahon and all of the Full Color IP licensees knew that if a company was not already integrated
25 with Tier 1 operators on Gibraltar, the integration process could take between 12 and 18
26 months, which would be too long. Of course, both the "licensed and regulated" market revenue
27 streams and the "unlicensed and unregulated" market revenue streams could not be realized
28 without Spin's completion and release of 21 or Nothing® software development, which Spin

1 has failed to do or has in fact completed and refused to ever deliver to the Third-Party Plaintiffs
2 to this day, even 4 ½ years later.

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

11 279. Spin, therefore had significant incentive to do and say whatever was necessary
12 to be able to build the Full Color games and content.

13 280. As set forth above, Mahon met with Spin's CEO, Young in June 2016. During
14 that meeting Mahon made it clear that he needed a vendor who was already integrated into
15 NYX, Nektan and BWIN and could deliver content directly to Tier I operators in Gibraltar.
16 Mahon also informed Young that he needed a company that already had the proper licensing
17 and/or integration to allow the Full Color IP licensees to shelter their operations until they had
18 obtained their own license.

19 281. Finally, based on these conversations, Young knew that Mahon intended to
20 distribute the Full Color IP content Spin was paid to produce, including 21 or Nothing®, for
21 release through both licensed and unlicensed, regulated and unregulated territories, real and
22 virtual money markets. Once the produce was delivered, FCGNA would be able monetize the
23 product both through Spin and its own efforts on FCGNA's copy of Spin's ROC™ RGS.

24 282. Before, during and after the consummation and payment to Spin's Proposal
25 v1.4, Young specifically represented, and continued to represent, to Mahon that Spin was
26 already integrated with Nektan and others on Gibraltar, and that Spin would be able to release
27 the Full Color IP game software it was developing immediately upon completion. On
28 information and belief, Young knew that these representations were false.

1 283. Further, knowing that Mahon needed the games built quickly and that the
2 agreement required the Full Color IP to have the capability of being distributed in 24 languages
3 and 35 currencies, Young failed to disclose to Mahon that its current software was incapable of
4 handling the integration of the number of languages and currencies Mahon requested, and that
5 Spin would be required to build out and upgrade their software to handle such an integration,
6 something that would take additional time that the Full Color IP licensees did not have.

7 284. In addition to the conditions set forth above, Mahon, on behalf of FCGNA and
8 the other Third-Party Plaintiffs made it unequivocally clear that the Spin ROC™ RGS must
9 have a UKGC license to be integrated with Tier I operators. Mahon had already been working
10 on a license having completed a submission to the UKGC on behalf of Linham, Mahon,
11 Murphy, Munger, and Bastian for certified Personal Management License (“PML”) Applications
12 and a Remote Software Application for casino gaming license, and knew how
13 long it could take. Therefore, an active UKGC license for Spin’s ROC™ RGS was imperative
14 to allow Mahon or his affiliated entities to be able to run games through any shelter under any
15 GRA Licensee (Tier I operators). To be clear, both Spin and Young knew that Spin, Young and
16 Spin’s ROC™ RGS needed to hold current UKGC licenses. Both Spin and Young failed to
17 disclose that they did not have even have a UKGC application started, much more issued.

18 285. Based on the misrepresentations and concealment of Spin and its officers, to
19 FCGI and FCGNA, began negotiating a contract with Spin and bypassed opportunities to have
20 the games built by other vendors, such as MGS.

21 286. As a result, Spin’s Proposal v1.4 which required Spin to develop the RNG
22 versions of 21 or Nothing® (“FC21”), Full Color Baccarat (“FCB”) and Full Color Poker
23 (“FCP”) so they could be released to all non-regulated markets throughout the world through
24 their own copy of the Spin ROC™ RGS as well as simultaneously integrated into Tier 1
25 operators was a fraud from the start. In addition to generating revenue from the Full Color IP,
26 the fully negotiated Proposal v1.4 with Spin would be bi-directional so that both Spin and the
27 Full Color IP licensees could deliver their games through each other’s respective remote gaming
28 servers to each of their own respective game distributors and casino operators whereby FCGNA

1 could generate revenue from Spin content as well and create even more revenues for FCGI and
2 FCGNA. Bastian and the other investors approved of the basic arrangement which would allow
3 both Bastian Casino Gaming Enterprise and the Full Color IP licensed affiliates to utilize the
4 FULL COLOR KINGFISHER RGS to distribute its content, Third-Party content, and any
5 Bastian Casino Gaming Enterprise owned or developed content.

6 287. On July 22, 2016, Mahon formed FCGNA as a Nevada corporation in order to
7 contract with and pay Spin. Mahon became the CEO and sole Director. FCGNA's sole purpose
8 was to conduct all business on behalf of all Full Color IP licensees, including but not limited to
9 FCGLTD and FCGI in North America. Indeed, FCGLTD could not have functioned as planned
10 or expected unless FCGNA was formed to complete contracts and conduct business in North
11 America.

12 288. To further FCGNA's important role as the legal entity to transact all business in
13 North America, On August 26, 2016, IPH entered into a separate Commercial License
14 Agreement with FCGNA (a Full Color IP licensing agreement hereinafter referred to as the
15 "CLA-FCGNA").

16 289. On October 20, 2016 Spin and FCGNA had agreed to all terms and conditions
17 of the Spin Proposal v1.4 via emails.

18 290. By mid-October, Bastian had approved the contract with Spin. Under the
19 proposal, Spin would first produce the HTML5 version of FC21 and then the FCB and FCP for
20 release on their ROC™ RGS and to integrate the stand-alone Full Color IP ROC RGS server
21 into the Full Color branded Kingfisher RGS.

22 291. On October 26, 2016, Spin sent out Invoice #295001 in the amount of
23 \$54,000.00 to pay on the **Proposal v1.4**.

24 292. On October 27, 2018, FCGNA, pursuant to the terms and conditions of its CLA-
25 FCGNA, wired \$54,000 from its Wells Fargo Bank account to Spin's Bank of America account
26 and paid the Invoice #295001 in full.

27 293. On November 7, 2016, Munger, as the CTO, was tasked head up and coordinate
28 the Spin to Kingfisher RGS bi-directional integration, which was promised to take only about 3-

1 4 weeks max. However, all the later emails, in person meetings and calls ultimately revealed
2 that Spin had fraudulently misrepresented and concealed the true facts about Spin's integrations
3 and its ROC™ RGS. Mahon was unaware of any v1.0, v2.0 or v3.0 versions of the ROC™
4 RGS. Spin's proposals and contracts are designed to dupe people into believing that Spin has
5 the capabilities and capacities that do not yet exist in order to get companies like FCGI, FCGNA
6 and their affiliates under a contract and tie up their IP, their funds, and control their content.

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

13 295. On January 27, 2017, Spin revealed its schedule changed the completion of the
14 integration until March 31, 2017.

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

22 297. On January 27, 2017, Gameiom emailed Mahon the specifics of the
23 confirmation of the deal to move forward with the FULL COLOR KINGFISHER RGS with the
24 Spin produced Full Color IP game software on it in a direct integration for release into all of
25 their unlicensed and non-regulated markets in addition to all the Tier 1 Operators through their
26 GRA License based on Spin having their ROC™ RGS UKGC fully certified and licensed. This
27 would be a Spin build of the Full Color IP in HTML5 through their ROC RGS directly
28 integrated into the FULL COLOR KINGFISHER RGS directly integrated into Gameiom's fully

1 licensed GRA Tier I servers that were directly integrated into WilliamHill, BetVictor, Gala and
2 Coral's Tier I servers all in Gibraltar with Spin's servers being sheltered under Nektan or NYX
3 per and FCGI and their affiliates servers sheltered under Gameiom.

4 298. In February 2017, during the ICE Totally Game 2017 convention in London,
5 Mahon had a conversation with Bastian about looking for new ways to get to revenue based on
6 the belief that the Spin could perform as it had agreed to perform.

7 299. Mahon asked Bastian why he could not just immediately integrate the FULL
8 COLOR KINGFISHER RGS into his RSL that the 62 casinos his IslandLuck.com received all
9 of its games through and take the Spin built games and deliver them in HTML5 since Spin was
10 one of the very few content providers in the Bahamas that had applied for and was expected to
11 be granted a permanent supplier license. Bastian reiterated that his own developers were too
12 busy with a launch of casinos in Jamaica, but also explained that Spin has long been on
13 Bastian's "shit list" because when Spin had applied for licensing in the Bahamas after the GBB
14 was established, Spin jumped into the market without acknowledging Bastian's preeminent role
15 in the Bahamas market and began offering games to Bastian's competitors without approaching
16 or going through him, the way that Multislot and other game distributors did.

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

21 301. Mahon, as a partner with Bastian was able to convince Bastian, on behalf of
22 Young, Mishra and Spin, to allow Spin to integrate onto his Bahama RSL platform with the Full
23 Color games and the Kingfisher RGS because the integration would allow Bastian to not only
24 gain increased revenue from the Full Color IP, but also make additional Las Vegas casino styled
25 games that Spin had developed available for Bastian's casinos. Bastian had never had any
26 Vegas based slot machine content and he would finally secure some of it through Spin.

27 302. That same day, February 7, 2017, Bastian, on behalf of Island Luck and other
28 members of the Bastian Casino Gaming Enterprise, Mahon on behalf of FCGI, FCGLTD and

1 FCGNA, and Kent Young, on behalf of Spin agreed to have Spin integrate the FULL COLOR
2 KINGFISHER RGS onto Bastian's RSL (ILG) platform to deliver both the Full Color IP games
3 and Spin games to IslandLuck.com, something Spin was not previously able to secure. Spin
4 would pay royalties for use of Kingfisher RGS integrations, and FCGI and its affiliates would
5 pay Spin for delivering Full Color IP content to its integrated operators.

6 303. However, on February 22, 2017, NYX confirmed that Spin was not integrated
7 on NYX Gibraltar, but was only integrated with NYX New Jersey, finally confirming Spins
8 fraudulent misrepresentation and concealment their lack of integration into NYX Gibraltar.

9 304. Spin had also represented that it was already integrated with another Tier 1
10 operator on Gibraltar called Nektan. This turned out to be only partially true. Spin had been
11 integrated on a Nektan server with their ROC 1.0 software, but it had never been certified and
12 deployed. More importantly, Spin had built Full Color® Games on ROC 3.0, which had never
13 been integrated into any of the operators in Gibraltar, including Nektan. More importantly
14 Spin's ROC™ SERVER was required by law to be certified with a critical game supplier
15 license from the UKGC before any Full Color® Games IP could be legally released to regulated
16 jurisdictions. Spin's failure to have this UKGC license in place was a concealment, material
17 misrepresentation of facts, and fraud all of which led to the Third-Party Plaintiffs inability to
18 timely obtain revenue.

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

21 306. In addition, Spin also claimed that that it was not required to provide the games
22 in any language but English and that any additional language would be at an additional cost.
23 However, **Proposal v1.4** identified the 24 languages FC21 was being translated into for
24 delivery.

25 307. Further, Spin failed to tell FCGLTD that their ROC RGS did not include the
26 ability to support all major languages and currencies required for global real money gaming,
27 something that nearly every other real money gaming RGS in the world includes. Spin, in
28 attempt to obtain more money FCGI and FCGNA over the "language" translation capabilities

1 they clearly did not have, added an additional \$18,000 backend charge (24 languages at \$750
2 per language) with the promise of the immediate release in English and then a Phase II release
3 of the other languages. Spin has, to this day, 4+ years later, failed to ever deliver even a version
4 in English, yet alone any of the other 23 languages.

5 308. On March 9, 2017, FCGNA paid the Spin Invoice #295002 \$10,000 for the
6 KINGFISHER integration, and also noted in the same email that they were interested in
7 exploring delivering Full Color Games to all of Bastian's casinos in the Bahamas through the
8 RSL platform already maintained by Bastian in the Bahamas.

9 309. Later, on March 9, 2017, Munger sent an email about scheduling a phone
10 conference Young's CEO to discuss integration on Bastian's RSL platform in the Bahamas.
11 The email also suggested integrating the Full Color KINGFISHER system and releasing the Full
12 Color games on the Island Luck casino platform. Mahon, however, was not informed of the
13 phone conference notification.

14 310. On March 14, 2017, Mahon emails Spin, Young, Mishra, and others at Spin and
15 formally informs him of the misrepresentations concerning Spin's lack of integration with
16 Gibraltar operators such as Nektan and NYX, the ongoing and constant delays with the finished
17 games, the failure to start the KINGFISHER integration, and their inability to release in Europe
18 despite the contract's requirements. Mahon informed Spin that its failures were costing Third-
19 Party Plaintiffs massive losses caused by their fraud, concealments and misrepresentations.

20 311. On the same day, via interoffice emails discovered later by Mahon, Linham and
21 Munger began secret communications with Spin and Young without Mahon. First, Linham
22 notified Munger secretly of Mahon's email concerning his fury about Spin's delays, a point that
23 clearly accelerated the racketeering scheme between the two of them in their plot to frame
24 Mahon extort him out of his Full Color IP for their personal gain.

25 312. On March 15, 2017, Mahon emailed Young and other Spin employees, along
26 with Bastian, Munger, and Linham notifying them of the ongoing damages incurred every
27 month that the games are not released at an amount totaling nearly \$60,000 a month in overhead
28 losses alone in order to attempt to get Spin to realize the damage their willful actions were

1 causing not to mention the liability in revenue losses due not releasing the product. Mahon also
2 reconfirms that understanding between the parties that Bastian will integrate Spin's ROC
3 SERVER into KINGFISHER, which will in turn be integrated into ILG /RSL so Spin can
4 release their games in addition to Full Color games noting the benefit that all parties will obtain
5 if the integrations were completed and both the Full Color games and Spin's other games can be
6 released. Mahon further expressed ongoing frustration and damages that this work has not been
7 completed.

8 313. During this same time period, Spin, through Young and others, continued secret
9 communications with Munger, which Munger forwarded to Bastian secretly for ongoing
10 discussion.

11 314. On March 31, 2017, Spin's Staff Accountant emails another invoice, Invoice
12 #295-03, in the amount of \$10,000 to be paid for the FULL COLOR KINGFISHER RGS
13 integration.

14 315. By the end of March 2017, Spin was still not completing the integration work
15 and the produced games were still not ready for release. Spin was also refusing to complete all
16 of the tasks required for a commercial release and unilaterally changing the work they would
17 complete thereby disrupting the Full Color IP's Licensees' business and marketing plans.
18 However, Spin was not really communicating with Mahon, but instead was secretly
19 communicating with Munger and others. It appears that once Spin realized they were going to
20 be able to integrate with Bastian's casinos in the Bahamas, they were focused only on getting
21 that accomplished and ignoring their obligations to the Full Color IP Licensees to complete the
22 Full Color games and integrate the Full Color KINGFISHER RGS.

23 316. On April 7, 2017, Spin finally released the full integration schedule listing of all
24 SPIN Games ROC RGS integrations. Based on this schedule, the Full Color Licensees learned
25 for the first time that the ROC v.3, on which the Full Color games were built, had not been
26 integrated with any of the main operator systems, something that had been concealed from
27 Mahon, FCGI, FCGNA, and all the Full Color Licensees.

28 317. Even more disturbing, Spin revealed that during the last several months, while

1 it repeatedly blamed others for its delay in completing Full Color work, Spin had already
2 secretly completed a direct integration between Spin and Bastian's RSL (ILG) platform,
3 completely bypassing Full Color's KINGFISHER RGS, which was still in a long queue for later
4 integration. This could have only been accomplished by Spin's conspiracy with Munger and
5 Bastian as it inescapably proves the circumvention of FCGI and FCGNA's interests over their
6 own as it bypassed FCGI and FCGNA in their entirety and the first incontrovertible proof of
7 their scheme to cause FCGI and FCGNA's insolvency and frame Mahon to complete their
8 scheme to extort him out of his Full Color IP.

9 318. On information and belief, Spin and Bastian had furthered their conspiracy to
10 circumvent FCGI, FCGNA, and the other Full Color Licensees with Munger's assistance via
11 secret emails and meetings in March and April, 2017, including a meeting that Mahon later
12 discovered that took place on April 26, 2017, at the Aria Hotel in Las Vegas, Nevada (on the
13 very same day that the Plaintiffs has solidified their written plans to extort Mahon and circulated
14 it amongst each other as Mahon discovered later as detailed in the racketeers updated **FCG plan**
15 **v1.2.docx**). Despite not speaking to Mahon for 23 days, Bastian flew all the way from the
16 Bahamas for this secret meeting with Munger, Young and Spin.

17 319. Spin never completed the integration of KINGFISHER RGS as promised nor
18 did they complete the bi-directional integration under the FCGNA or other Full Color
19 Licensees' contracts. Once they had circumvented Full Color and directly integrated into
20 Bastian's RSL (ILG) in the Bahamas, they lacked any motivation to complete their obligations
21 to the FCGI, FCGNA, and the other Full Color Licensees.

22 320. In addition to Munger's secret meetings with Spin and Bastian to circumvent
23 the Third-Party Plaintiffs, Munger began secretly sending Linham, FCGI's CFO, versions of a
24 "burn down" budget from his private personal email. Specifically, on April 2, 2017, Munger
25 began secretly sending Linham versions of a "burn down" budget from his private personal
26 email and Linham secretly responded back with his own thoughts and comments.

27 321. On information and belief, Munger also sent this budget to Bastian. In
28 February, 2017, Bastian had agreed to put additional money into FCGLTD and FCGNA, but

1 had still not done so, and Mahon was in the Bahamas for a meeting with Bastian to discuss the
2 budget and his additional investment to maintain the company's cash flow until they can realize
3 additional revenue streams.

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

8 323. By April 4, 2017, Bastian had still not shown up for their final funding meeting.
9 Mahon was perplexed and began to do a comprehensive review of the budget Munger had
10 wrongfully sent to Bastian. Immediately Mahon discovered that Munger unapproved budget
11 included obvious errors to show a negative cash flow thereby misrepresenting the actual status
12 of the company. Munger had therefore provided false information to Bastian, which had
13 apparently resulted in Bastian's failure, or refusal, to appear for meetings with Mahon.

14 324. Based on Bastian's failure to put in the additional capital he had promised
15 earlier in the year, the Full Color Licensees, were in a financial crisis.

16 325. On April 17, 2017, Mahon notified the FCGI investors, which included Munger,
17 of a company investor call for FCGI to address the financial crisis of FCGLTD and FCGNA.

18 326. On April 19, 2017, Mahon had a company-wide call with FCGI investors and
19 outlined the progressive complications and failures detailed above, including the failures of
20 Linham, Newman, Multislot, Bastian and Spin in meeting their obligations. Munger was on this
21 call.

22 327. Before the call, Mahon and Howard, did not know that Munger, Bastian, and
23 Linham had all been contacting FCGI investors and business partners, including Spin, behind
24 the scenes in secret calls and meetings planting the false narrative that Mahon had embezzled
25 hundreds of thousands of dollars out of FCGLTD and FCGNA, and that Mahon's actions were
26 the reason the company had run out of funds and was failing. On information and belief,
27 Munger and Linham began to spread the story that Mahon, as the CEO was the cause of FCGI
28 and FCGLTD's failures, and began sharing strategies that could be utilized to attempt to render

1 Mahon unsuitable for casino gaming licenses by character assassination and thereby wrongfully
2 remove Mahon from FCGI via coercive threats of frivolous litigation as set forth in more detail
3 below, with the goal of framing Mahon as unsuitable to obtain a casino gaming licenses from
4 governmental regulatory bodies around the world in order to render his inventions in Full Color
5 IP worth less than pennies on the dollar and completely inhibiting Mahon or any of the Full
6 Color licenses from earning any revenue in any licensed or unlicensed regulated or unregulated
7 markets all of which led to the inescapable insolvency of FCGI and FCGNA.

8 328. Spin failed to deliver and release the Full Color IP on their own ROC™ RGS or
9 on FCGNA's promised copy of Spin's ROC™ RGS. Up through today, for over four years,
10 Spin has still failed to deliver any software it agreed to deliver, be it in one language and one
11 currency, much more all 24 languages and 35 currencies as agreed creating inescapable
12 liabilities for the damages sought herein and worse than that, now Spin has sold itself to Bragg
13 who is now in control of full working copies of the Full Color IP setting the stage for even more
14 damage and losses all of which must be stopped without an further

15 329. Further, Spin did not receive a UKGC license until November 16, 2017, proving
16 that their contract with the Third-Party Plaintiffs was a fraud on its face. This fact makes it
17 impossible for Spin to have released any Full Color IP through NEKTAN and all the other
18 licensed entities it has promised by contract the Full Color IP could instantly monetize on. The
19 Spin Proposal v1.4 promised to go live in licensed distributors in March of 2017. However,
20 Spin did not even obtain its own license to fulfill its agreement until November 16, 2017, a solid
21 8 months later and 5 months after it caused FCGNA's insolvency by failing to release any Full
22 Color IP in any language, any currency on any ROC™ RGS. Had the Third-Party Plaintiffs
23 known these facts that Spin knowingly, willingly and intentional concealed and misrepresented,
24 the Third-Party Plaintiffs never would have entered into any contract with Spin and much more,
25 never would have paid them the \$74,000 and moreover, never would have suffered the rest of
26 the injuries as a result of their participation in the racketeering schemes as detailed herein.

27 330. With or without Spin's fraud that induced the Third-Party Plaintiffs into a
28 contract that Spin knew it could not perform, Spin still could have completed and released the

1 Full Color IP software to FCGNA so FCGNA, FCGI, and the other Third-Party Plaintiffs could
2 monetize it and save themselves from insolvency. Instead, Spin allowed its own desires to find
3 a greater profit from the participation in the racketeering schemes initiated by Munger, Linham,
4 Bastian, and others to put its own interests above the fulfillment of its contractual duties. This
5 scheme now directly ties into the scheme involving Bragg and Oryx orchestrated by Arviv,
6 Speilberg, Majiz, Munger, and Bastian to obtain the Full Color IP. Indeed, as alleged further
7 below, Spin, who still has all of the Full Color IP necessary for it to build games and still has
8 the games that it never released, has been purchased by Bragg, which further evidences ultimate
9 scheme to usurp the Full Color IP as set forth in greater detail below.

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

11
12 331. Between November of 2008 and March of 2010, Mahon had met many potential
13 investors who had seen his inventions in the Full Color IP and the FCGS. Everyone that would
14 see his inventions would become mesmerized with its potential and attempt to promise him
15 money, relationship, and launch plans to make billions off of his inventions if they could only
16 get a piece of the pie.

17 332. During that time Mahon began to file for copyright, trademark and patent
18 applications in his name as the sole inventor in order to protect his inventions, proprietary and
19 ownership rights.

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

26 334. At all times between March of 2010 and ending on or about October 21, 2014,
27 Newman was employed as an attorney for Howard & Howard Attorneys ("H2").

28 335. H2's website advertised Newman as an attorney licensed to practice in New

1 York (2000), Connecticut (2000), Nevada (2008), and licensed to practice before the USPTO
2 (1997), and touted Newman as an attorney “with over 10 years of experience working with
3 clients of all types (such as large corporate entities, start-ups, emerging and established
4 businesses as well as investors) to develop, acquire and enforce worldwide patent, trademark,
5 copyright and trade secret rights, negotiating collaborations and transactions involving
6 intellectual property, preparing patentability, invalidity, clearance and non-infringement
7 opinions, evaluating patent portfolios, providing design-alternative advisement, and performing
8 due diligence for mergers and acquisitions.”

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

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

18 338. Newman informed Mahon that he had never worked on a sweat equity deal for
19 legal services before, but that he would be interested in working for a sweat equity deal in the
20 Mahon’s IPR. Newman told Mahon that he would be willing to do all of his USPTO and USCO
21 work at no upfront legal cost to Mahon if Mahon was willing to pay the “hard costs” in filing
22 fees with the governmental agencies, the USCO, and the USPTO in exchange for 5% interest in
23 the net profits realized from the IPR.

24 339. On March 24, 2010, Mahon sent Newman a draft copy of an Assignment of
25 Gross Revenue Interests (“AGRI”) agreement to Newman’s newman@howardandhoward.com
26 email address at H2.

27 340. Although the AGRI speaks for itself, the agreement ensures that H2 and
28 Newman will perform all necessary legal representation to obtain, prosecute, execute and

1 defend the IPR that includes but is not limited to the copyright, trademark and patent work in
2 perpetuity in exchange for a 5% assignment of gross revenue interests and tag-a-long rights to
3 the IPR.

4 341. On or about April 1, 2010, Newman and Mahon fully executed the AGRI.

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

11 343. The total billing amounts ranged from as small as \$35.00 to as large as
12 \$5,345.00.

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

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

18 346. Even though Newman had no offices, no employees, no support staff of any
19 kind, and no infrastructure, Newman aggressively reassured Mahon that everything would be
20 fine. Mahon's patent portfolio was then over 6 years old and not a single patent had been
21 issued. Mahon wanted to stay with H2 because he wanted the protection of what he believed
22 was a major law firm with full support staff but had no choice in the matter but to agree to
23 request that H2 transfer all of his files to Newman Law due to the AGRI agreement.

24 Unbeknownst to Mahon or any of his entities, both H2 and Newman had already caused grave
25 and irreparable harm to his inventions and businesses due to the abandonments of his IPR that
26 had already occurred to date.

27 347. On or about August 1, 2015, all necessary documents included but not limited to
28 the Amended and Restated Bylaws of August 1, 2015 whereby FCGI implemented the new

1 Share Repurchase Agreement (“SRA”) that was an attachment and condition to any and all
2 Share Issuance Agreements (“SIA”) were executed by all common stock shareholders of FCGI.

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

14 349. On or about August 1, 2015, Newman requested that his FCGI shares to be
15 issued in the name his alter ego Cooper Blackstone, LLC, previously identified as “CBL,” and
16 they were in fact issued to CBL.

17 350. On or about August 1, 2015, Newman further entered into an additional Non-
18 Disclosure and Confidentiality Agreement with FCGI.

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

24 352. In or about July 2016, Newman approached Mahon because he was in need of
25 money and Newman pointed to the work Newman had done for the Full Color IP and all of its
26 licensees. Mahon was in need of several pieces of additional legal work at the time and agreed
27 to advance Newman Law \$10,000 in order to complete some additional tasks during the next
28 month.

1 353. On or about August 17, 2016, FCGLTD submitted RSGL Application #3949 to
2 the UKGC with Mahon, Linham, Newman, Munger and Murphy's attached PML. These
3 applications included Newman as a Director and an Officer of FCGLTD, FCGNA and a
4 shareholder of FCGI.

5 354. After the UKGC applications were submitted, Linham contacted Newman on
6 the status of the Full Color IP, which was needed as part of the due diligence, and major
7 investors were requesting the information.

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

11 356. On August 19, 2016, a day later, Newman responded to Linham with a demand
12 for an additional \$10,000 on the first of every month. Considering that Newman had been paid
13 \$10,000 on July 29, 2016 not even 21 days before his email, Newman's unexpected response
14 forced Mahon to look more closely at Newman's activities for the last 6 years.

15 357. On or about August 19, 2016, as a result of Newman's defiant and extortionate
16 stance, Mahon began an audit on Newman's Full Color IP protection work. By the end of the
17 night, Mahon had taught himself how to work through the USPTO TESS and PAIR search
18 engines in the USPTO and discovered the abandonment of 5 patent applications (12/776,273,
19 12/776,336, 12/776,342, 13/083,408 and 13/747,727), the end of 2 PCT applications
20 (PCT/US11/31836 and PCT/US11/31826), the abandonment of two trademark applications
21 (85503833 and 86258846) and the inexplicable suspension of another trademark application
22 (86258846). A public search of the USCO also revealed failures equally as bad as H2 and
23 Newman had further failed to obtain a single copyright on any of the 12 Full Color® Cards
24 applications, setting off an intellectual property crisis of unparalleled proportions for Mahon and
25 his entities.

26 358. On August 25, 2016, Mahon, Linham and Murphy, after a series of emergency
27 FCGLTD BOD meetings, concluded that they must immediately terminate Newman in every
28 capacity he had with FCGLTD and FCGNA, the Full Color IP and the UKGC license

1 application, and that FCGI do the same.

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

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

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

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

15 363. Newman's email demanded immediate cash payment, or he threatened to "lien"
16 Mahon's Full Color IP assets. Given the nature of the relationship, the indisputable history and
17 inescapable facts, FCGI and Mahon believed the threat to lien the Full Color IP was an act of
18 extortion considering that Newman had already received 1,000,000 shares of stock, a full 5% of
19 FCGI as consideration for his work, despite having failed to complete most of the work
20 assigned him.

21 364. Because of the recent licensing application with the UKGC, however, Newman
22 knew that he could exploit FCGI and the other affiliated entities if they did not settle with him
23 because he knew he could hold up FCGLTD's licensing application and injure the Third-Party
24 Plaintiffs for years with ongoing litigation and dispute.

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

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

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

6 368. Pursuant to the SRA, FCGI had the right to trigger the cancellation, repurchase
7 and termination of his shares for engaging in a multitude of “non-compliance events,” but FCGI
8 could not do so as FCGI did not have the funds to buy them back based on the current share
9 value. Further, even if it did, Newman had threatened to lien the Full Color IP which would
10 have ensured litigation causing even greater damage. Newman was fully aware of the
11 conundrum he had created for Mahon and FCGI and used this to leverage in making
12 extortionate demands.

13 369. On or about November 17, 2016, Linham, as a Director of FCGLTD sent a
14 formal written notice from Isle of Man to the investors in the United States at FCGI and warned
15 FCGI to remove Newman as an individual shareholder or be removed as a whole entity for
16 failing to remove their bad actor and wrongfully causing the delay of FCGLTD’S licensing
17 application.

18 370. On November 17, 2016, Mahon learned or new conditions for settlement,
19 including threats of liens and litigation, and other demands. Newman’s demands demonstrated
20 that he knew he could hold Mahon and FCGI hostage with his threats. Mahon could not and
21 would not agree to Newman’s conditions for settlement because he was still evaluating the
22 damage caused by Newman’s failures. As a result, Newman’s FCGI shares issued to CBL
23 remained in limbo. On one hand, Newman was in violation of the SRA he executed because of
24 non-compliance events, but FCGI did not have the funds to purchase CBL’s shares. On the
25 other hand, CBL had wrongfully obtained the shares in the first place via Newman’s
26 misrepresentations concerning the work he was supposed to complete for the company. But the
27 UKGC required a disposition, one way or the other. Newman knew this and exploited it with
28 his ongoing extortionate threats.

1 371. By the end of February 2017, Newman's affiliation with FCGI through CBL's
2 shares was still not resolved. Unbeknownst to Mahon and the Full Color IP Licensees the
3 racketeering schemes by Munger the Bastian Casino Gaming Enterprise, Spin Games prevented
4 the Full Color IP from being launched causing FCGLTD to begin to run out of money as a
5 result and furthered by the crisis that Newman had created with his extortionate demands and
6 adding yet another level of progressive complications to the overall challenge of trying to obtain
7 proper licensing and release product.

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

14 373. Between February and March 2017, Bastian, Munger, and other investors
15 pushed Mahon to attempt a settlement resolution with Newman while Newman increases his
16 demand and continuously harassed Mahon. Newman would explode in yelling expletives at
17 Mahon on the phone and, when Mahon refused to speak to him, he would send him strings of
18 harassing emails. Mahon ultimately left the settlement discussions to Bastian. Although
19 Bastian agreed to \$50,000 at one point to resolve matters, they were never resolved because
20 Bastian ultimately refused to put more money into the company, making it impossible to settle
21 and impossible to resolve Newman's shares in a way that would satisfy the UKCG.

22 **IX. NEWMAN'S WILLFUL FRAUD,**
23 **MISREPRESENTATION AND CONCEALMENT OF**
24 **ABANDONMENT OF THE FULL COLOR IP PORTFOLIO.**

25 374. Between 2011 when Newman and H2 were retained via the AGRI and August,
26 2016, when Newman was discharged, Mahon and his other entities, including Third-Party
27 Plaintiffs, ensured that the invoices of H2 for the hard costs of prosecuting the patents were
28 paid, including invoices of Patent Applications 13/083,408, PCT/US11/31836,

1 PCT/US11/31826, Trademark of Full Color™ Serial Number 85070534 for all matters of
2 060857-00015, -00016, -00017 and -00005 and others.

3 375. Newman and H2, however, repeatedly failed to ensure the prosecution of the
4 patents, and failed to keep Third-Party Plaintiffs informed. For example, on November 1, 2012,
5 the USPTO sent H2 and Newman an official notice of the abandonment of Mahon's Color
6 Solitaire™ trademark Serial Number 85503833 due to H2 and Newman's & H2'S "Failure to
7 Respond to Office Action."

8 376. H2 and Newman failed to notify Third-Party Plaintiffs of the Color Solitaire™
9 abandonment.

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

13 378. H2 and Newman failed to notify Mahon or any of the Third-Party Plaintiffs of
14 the Color Solitaire™ abandonment.

15 379. In March, 2013, H2 and Newman abandoned the 12/776,342 patent without any
16 notice to Mahon or any other Third-Party Plaintiffs.

17 380. In June, 2013, H2 and Newman abandoned the 12/776,273 patent without any
18 notice to Mahon or Third-Party Plaintiffs.

19 381. On or about March 19, 2013, new investors came into FCGI and wanted to form
20 a Board of Advisors for FCGI ("BOA") upon their investment. As a result, Mahon formally
21 formed the new BOA and appointed Newman as one of five members of the BOA formally
22 expanding his roles and taking on the fiduciary roles beyond his ongoing IP Legal Counsel
23 duties.

24 382. On or about March 22, 2013, just days after Newman's new fiduciary roles were
25 formally in place, new investors that began to fully rely on Newman and his representations of
26 the status all Mahon's IPR and the Full Color IP, both H2 and Newman failed to disclose that
27 they had abandoned of Mahon's original USPTO filed patent application 12/776,336 for
28 "Failure to Respond to Office Action."

1 383. On or about March 22, 2013, H2 and Newman abandoned of Mahon's original
2 USPTO filed patent application 12/776,342 for "Failure to Respond to Office Action."

3 384. H2 and Newman failed to notify Mahon or any of the Third-Party Plaintiffs of
4 the abandonments USPTO patent applications 12/776,336 and 12/776,342 making these the 3rd
5 and 4th abandoned application without their knowledge or consent.

6 385. On or about May 3, 2013, after hundreds of thousands of dollars of new investor
7 funds came in, relying upon H2 and Newman's representations of the good standing of all of the
8 IPR and the Full Color IP, H2 and Newman secretly abandoned yet another one of Mahon's
9 original USPTO filed patent applications, this time, 12/776,273 for "Failure to Respond to
10 Office Action."

11 386. H2 and Newman failed to notify Mahon or any of the Third-Party Plaintiffs of
12 the abandonment of the USPTO patent application 12/776,273 making this the 5th abandoned
13 application without their knowledge or consent.

14 387. On or about September June 6, 2013, H2 and Newman represented Mahon and
15 JPL by providing a comprehensive legal analysis and opinion on The Jackpot™ Project for
16 Mahon and JPL.

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

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

22 390. On or about September 28, 2014, H2 and Newman permitted the USPTO to
23 abandon yet another one of the patents, application 13/747,727, for "Failure to Respond to
24 Office Action."

25 391. H2 and Newman fail to notify Mahon or any of the Third-Party Plaintiffs of the
26 abandonment of the USPTO patent application 13/747,727 making this the 6th abandoned
27 application without their knowledge or consent.

28 392. On or about October 20, 2014, Newman notices Mahon, completely out of the

1 blue, that he has terminated his working employment and partnership relationships with H2 and
2 that Mahon must transfer all of his legal representation of IPH, JPL, FCGI and the FCG-IP over
3 to his new company, Newman Law.

4 393. Newman claimed that Art Rogers (“Rogers”), his boss at H2 was a shady,
5 unethical and untrustworthy lawyer and he can no longer tolerate the things Rogers is asking
6 him to do at H2. Newman painted H2 as a company that Mahon cannot work with and
7 convinced Mahon, the other represented Defendants [and now Third-Party Plaintiffs] that they
8 had to move all legal work to Newman’s new law firm, Newman Law.

9 394. Mahon expressed his concerns about the transfer of the files to Newman Law.
10 Newman assured Mahon his IPR is safe with him as a solo practitioner. Even though Newman
11 has no offices, no employees, no support staff of any kind, no infrastructure, no planning of any
12 kind or any sort, Newman aggressively reassured Mahon everything is just fine. Mahon’s
13 patent portfolio was now over 6 years old and not a single patent has been issued. Mahon wants
14 to stay with H2 because he wants the protection of what he believed was a major law firm with
15 a full staff and support but has absolutely no choice in the matter but to agree to discharge H2
16 and ask to transfer all of his files due to the AGRI agreement. Unbeknownst to Mahon or any
17 of his entities, both H2 and Newman had already caused grave and irreparable harm to his
18 inventions and businesses due to the abandonments of his IPR that have already occurred to
19 date.

20 395. On October 27, 2014, at 12:53pm PST, Newman and Newman Law sent out a
21 mass mail to all of Newman’s clients, including Mahon announcing his new law firm and
22 website (that Mahon created) from his new email address rich@newmanlawlv.com and attaches
23 a PDF entitled “Directive for File Transfer.pdf” to be sent to H2 so that they may turn over all
24 of the client files to Newman and Newman Law.

25 396. On or about October 27, 2014, Mahon executes the Directive for File Transfer
26 And sent to H2. However, H2 would not accept it and demanded that Mahon authorize them on
27 H2’s letterhead to release all of Mahon’s intellectual property work and files to Newman.

28 397. On October 28, 2014, at 1:07pm PST, Kimberly Konie (“Konie”), an employee

1 of H2, emails Mahon a formal H2 file transfer directive notice from James R. Yee, the senior
2 intellectual property rights attorney and licensed Practitioner before the USPTO (“Yee”), with
3 specific details of all copyright, patent and trademark applications with their H2 Matter No. next
4 to the title of each file with the demand to formally executes their directive releasing H2 from
5 “professional liability” as detailed in the letter.

6 398. Mahon signed the H2 release and transfer letter as requested.

7 399. At the time the letter was executed, neither Mahon nor any of the Third-Party
8 Plaintiffs knew that six (6) of Mahon’s patent applications and one (1) of his trademarks had
9 already been fully abandoned by H2 and Newman.

10 400. Mahon trusted that the H2 letter was accurate and it would include all files and
11 that H2 would release not only the files but all matters. Further, Mahon trusted that Newman
12 would ensure that 100% of all files were transferred as well, since he had worked on 100% of
13 all of them.

14 401. H2 failed to transfer Mahon’s Client Matters 060857: 00002, 00003, 00004,
15 00016, 00017, 00018, 00999.

16 402. Newman and Newman Law failed to ensure receipt of Mahon’s Client Matters
17 060857: 00002, 00003, 00004, 00016, 00017, 00018, 00999.

18 403. Newman and Newman Law failed to verify the receipt of Mahon’s client
19 matters and further failed to inform Mahon.

20 404. On or about November 24, 2014, nearly a month after Newman received
21 Mahon’s Client Matters from H2, Newman finally notices the USPTO of his change of address,
22 change of attorney and claims he has a new POA on Mahon’s trademark of Full Color® on
23 behalf of Mahon™.

24 405. On or about November 24, 2014, nearly a month after Newman received
25 Mahon’s Client Matters from H2, Newman notices the USPTO of his change of address, change
26 of attorney and falsely claimed he held a new POA on Mahon’s IPR and Full Color IP under
27 Newman Law.

28 406. All filings that Newman and Newman Law made with the USPTO that required

1 any of the Plaintiffs' signed declarations or POA are false and fraudulently filed from October
2 27, 2014 until January 25, 2016.

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

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

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

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

13 411. Newman and Newman Law failed to disclose all of Mahon's abandoned patents
14 and trademark applications.

15 412. Newman and Newman Law failed to disclose the status of Mahon's USCO
16 application status of 12 different sets of Full Color® Cards.

17 413. In November 2015, Mahon and Third-Party Plaintiffs became aware of
18 additional delays to trademark protection for 21 or Nothing™ and Full Color® Baccarat
19 applications. When Mahon and other Third-Party Plaintiffs by reassuring Mahon and Third-
20 Party Plaintiffs that everything will be fine expressly stating: "I'll be coming in with that so we
21 can get it filed and to do a lot of other things as well, including making sure that personally
22 avoid liability and can maintain licensure in the gaming industry."

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

28 415. Any controversy would delay the licensing and jeopardize and or cause an

1 application to be refused due to lack of an Applicant's suitability. In this case, any delay would
2 cause FCGI to run out of money based on its inability to get to the marketplace and obtain
3 legitimate revenue streams, not to mention the additional expenses for the UKGC complete its
4 investigation and clear the Applicant's controversy.

5 416. On information and belief, Newman also knew that additional investigations
6 into Newman's undisclosed wrongful abandonments of Mahon's IPR would create further non-
7 compliance events that would result in an inescapable unsuitability problem for Newman.

8 417. As noted above, in the Fall of 2015, FCGI changed its ownership structure and
9 began having discussion with Bastian concerning the move of FCGI to the Isle of Man. During
10 these negotiations, Newman was under extraordinary pressure to provide a full disclosure of all
11 of Mahon's IPR, which would require him to finally disclose all of his abandonments,
12 misfeasance and malpractice at both H2 and Newman Law. As a result, Newman continued to
13 actively conceal his incompetence and malpractice his duties in getting a single patent issued in
14 nearly over 5 ½ years.

15 418. Newman began to prepare and file all subsequent applications now upping the
16 level of his deceit and misrepresentations by willfully concealing them in the non-public
17 provisional applications of 62/003,468, 62/033,563 by filing them in the USPTO Private PAIR
18 filings system utilized by attorneys only through their accounts, between, for non-provisional
19 applications of 14/723,440, 15/006,113, 15/067,022. Although attorneys sometimes use this
20 system which allows them to complete filings without publication to the public, it also puts a
21 greater onus on the attorney to keep their clients fully informed as it makes it all but effortless
22 upon filing for the attorney to conceal their work. The true nature of what Newman filed
23 collectively through H2 and Newman Law via the Private PAIR system is still unknown to this
24 date in time as it's still locked up on that system to this day as Newman is still controlling it.

25 419. Newman was the only person in control of and complete knowledge of with
26 Regards to the true legal IPR status of the copyrights, trademarks and patent applications,
27 issuances, registrations.

28 420. On December 8, 2015, at 8:10pm, PST, Newman emailed Mahon and noticed

1 him that Newman was ready to file the 21 or Nothing® patent and needed a Declaration signed.
2 The application was not even remotely complete, and Mahon did not sign it and send it back.

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

5 422. After Newman was terminated in 2016, an audit of Newman's draft, revealed
6 for the first time what is now known as a secret USPTO Private PAIR application number of
7 14/723,440 claiming priority 62/033,563. To this day, no such application can be found and if it
8 does exist it must be locked up in Newman's USPTO Private PAIR account where Mahon and
9 the other Third-Party Plaintiffs cannot obtain access.

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

14 424. A review of the Declaration page and POA on file with the USPTO for
15 15/067,022 reveals that Newman forged and falsely filed the declaration and forged the POA for
16 the new secret application Newman filed. Newman uses a forged document that he dated
17 December 19, 2014 which, even if it wasn't forged, it was one year and 4 months old, making it
18 unequivocally clear it is not approved for the new secret filing.

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

22 426. On April 6, 2016, at 4:00pm PST, Newman sent out Appendix A, the single
23 most important investor document that is attached to the IPR-MA and the CLA [and its
24 respective CLA-FCGNA] which lists all the current IPR and its status that is owned by Mahon,
25 licensed to IPH and will soon formally end the LIMITED LICENSE and become the IPR
26 licensed to FCGLTD through IPHLTD in the CLA [and its respective CLA-FCGNA].

27 427. On April 11, 2016 at 1:00pm PST, Newman joins the FCGI conference call and
28 talks about the good standing of all the FCG-IP and that new case law would allow the patents

1 to be issued. Newman, however, knew the information he was providing about the status of the
2 IPR patent application he was making was false. Newman knew at the time that most of the
3 patents had been abandoned and worse, combined two completely different classes of patents
4 together that have nothing to do with each other claiming priority of one to another akin to
5 trying to mix oil and water and claim there is a new liquid substance once combined, when in
6 fact, oil and water will never mix, no matter how much Newman tries to claim he can.

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

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

17 430. On or about February 21, 2018, after Mahon and the Third-Party Plaintiffs had
18 repeatedly requested that Newman remove himself as the attorney with the USPTO, Newman
19 filed a false statement and declaration with the USPTO claiming he has withdrawn as the POA
20 on Mahon's trademark of 21 or Nothing®. Newman does not notify Mahon of his release nor
21 does Newman follow through with his statutory requirements on communications or a
22 withdrawal of representation as required by the USPTO. Therefore, although Newman finally
23 releases the POA, fraudulently renames himself as the new correspondent, using his own name,
24 and his own emails to ensure that Mahon never receives any notices from the USPTO.

25 431. On or about July 7, 2018, Mahon and the Third-Party Plaintiffs receive an
26 unsolicited piece from a USPTO monitoring service in the USPS mail notifying him that his
27 FULL COLOR® registration had been cancelled. This is impossible to Mahon as the mark has
28 been in perfect standing for 8 years without a single claim against it as it has been in non-stop

1 commerce in 13 languages and 160 countries around the world, sending Mahon and all of the
2 Defendants into an epic and unparalleled corporate crisis.

3 432. On or about July 10, 2018, Mahon was forced to file a “2.146 Petition to the
4 Director” with the USPTO seeking to immediately reinstate the cancelled Full
5 Color® trademark.

6 433. On or about July 10, 2018, after Mahon and the Third-Party Plaintiffs had
7 contacted the USPTO concerning the cancellation, the USPTO suggested that a new application
8 for the “Full Color” trademark be filed while the 2.146 Petition was under consideration. The
9 USPTO technical advisors, however, did not believe it could be reinstated because of the
10 statutory laws that have been violated by the inescapable professional negligence of the attorney
11 of record, which was, Newman and Newman Law.

12 434. On or about July 10, 2018, based on the information and direction received from
13 the USPTO, Mahon taught himself how to use the USPTO filing system and did indeed
14 immediately submit a new application to re-register the “Full Color” trademark (the
15 “Application”) that mirrored the original registered one in addition to the Petition to the
16 Director as informed by the USPTO support help lines.

17 435. On September 10, 2018, the USPTO did in fact statutorily deny Mahon’s 2.146
18 Petition whereby the USPTO’S Director notice explicitly “imputed Newman’s errors,
19 malfeasance and malpractice to the client [Mahon] as its first basis for denying the instant
20 reinstatement of Mahon’s “Full Color” trademark and not because of any other claim of right as
21 quoted from the Dismissal notice noting that errors of Newman as the attorney were imputed to
22 the client and the client was bound by the consequences.

23 436. The new second application for the “Full Color” trademark to restore the Full
24 Color trademark in the new application Serial Number 88032641 was approved by the USPTO
25 and it went to publication for opposition, which there could be none based on the history of
26 perfect standing that existed prior to the cancelation marking over 8 solid years of use of the
27 mark without a single claim of infringement or interference or confusion in any marketplace in
28 over 160 countries.

1 437. During the same time periods, the “Full Color” trademark was scheduled to be
2 returned back to its full federally registered status on October 24, 2018 in Mahon’s sole
3 ownership as it has always been in since June 24, 2010 and under license to all licensees.

4 438. On or about August 30, 2019, Mahon filed complaints with the USPTO, Nevada
5 State Bar, Connecticut State Bar and New York State Bar where Newman was licensed seeking
6 discipline for Newman’s ethical violations and breaches of his fiduciary duties on Mahon’s IPH
7 and Full Color IP, including but not limited to the cancelation of his most valuable and coveted
8 trademark, the namesake of his company, “Full Color”, whereby, upon information and belief,
9 Newman began tracking Mahon’s new “Full Color” trademark application . Upon information
10 and belief, Newman, in a retaliatory action of Mahon’s disciplinary complaints that were filed,
11 contacted Munger whereby they began to conspired together and did in fact begin to frivolously
12 opposed and block the reissuance of Mahon’s “Full Color” trademark whereby Newman agreed
13 to “ghostwrite” the highly technical and legal USPTO Opposition if Munger would
14 “individually” verify it and sign it and Newman would file it for him. Munger then conspired
15 with the Plaintiffs to pay, as proven in the Plaintiff’s Opposition to Defendant’s Motion to
16 Dismiss Munger as a derivative shareholder, proving beyond the shadow of any doubt that a
17 full-blown racketeering scheme was in play.

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

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

27 441. In the Notice of Opposition, [Newman and] Munger asserted that a derivative
28 action had been commenced against Mahon and others by certain shareholders of FCGI wherein

1 it was alleged that Mahon had committed deceptive trade practices and fraudulent acts
2 “including fraudulently converting and illegally transferring property rights for his own personal
3 use, including the FULL COLOR mark.”

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

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

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

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

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

17 447. The Opposition continues to persist, proving that the racketeering and
18 professional negligence by all of the Counter-defendants and relevant third Parties is ongoing
19 forcing the Third-Party Plaintiffs to seek relief. Newman still, to this day, despite being served
20 demands to cease and desist and withdraw from the USTPO as the attorney of record on
21 Mahon’s Full Color IP with the USPTO, and continues to wrongfully control Mahon’s IP with
22 whereby Newman maintains his “power of attorney” and sole “attorney of record for
23 correspondence” as USPTO counsel on Mahon’s patent applications USPTO 13/083,408,
24 PCT/US11/31836, PCT_US11_31826, 15/006,113 and 14/723,440, forcing Mahon to seek
25 relief from this Court.

26 **X. LINHAM RACKETEERING SCHEME**

27
28 448. On April 3, 2017, when FCGLTD began running out of money due to all of the

1 facts set forth herein, Mahon sent an official notice to Bastian and Simmons stating that
2 FCGLTD was in breach of the CLA with IPHLTD and breach of the CLA-FCGNA with IPH.

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

10 450. On April 5, 2017, Linham emailed Mahon and formally noticed him that he had
11 resigned as the Director and the CFO of FCGLTD. In his resignation, he noted he had been
12 made aware that Mahon, as the principle of IPH or IPHLTD had sent out notice of a breach of
13 the CLA [and its respective CLA-FCGNA] which, if true, would put FCGLTD into insolvency.
14 Linham, therefore was resigning his position.

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

20 **XI. MUNGER'S RACKETEERING SCHEME**

21
22 452. Because of Linham's resignation, on April 7, 2017, Mahon took over the UKGC
23 license applications where Linham had previously been the sole point of contact and
24 representative, and was able to get in contact with the UKGC contact overseeing FCGLTD's
25 applications and explained that, as they had previously informed the UKGC that the company
26 was still in the process of utilizing the share buy-back provisions in the SRA to divest
27 Newman/CBL of the shares they fraudulently obtained in FCGI. In this scenario, however, the
28 option of divesting Newman/CBL of the shares issued in their name required his voluntary

1 surrender, the filing of this lawsuit or utilizing the share repurchase options. Since Newman
2 was extorting Mahon and FCGI, the latter two options could take years and as such, kill FCGI,
3 FCGNA and FCGLTD by delaying the issuance of the UKGC licensed application. It was clear
4 that reaching a settlement with Newman, was impossible because neither FCGI nor FCGLTD
5 had the funds to pay Newman's ransom demands.

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

13 454. Because of the precarious situation they were in, Mahon and Howard
14 immediately began to prepare a report to all FCGI investors and advise them of the complete
15 situation as they understood it, and discuss what relief could be sought against the bad actors
16 whom Mahon and Howard were currently aware who were responsible for FCGI's precarious
17 circumstances.

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

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

27 457. Upon information and belief, Linham, Munger, and Bastian, among others,
28 knew that their activities were going to get exposed, and, in anticipation, had already begun to

1 recruit the existing FCGI investors to revolt against Mahon and Howard by planting the false
2 narrative that FCGLTD and FCGNA were running out of money because Mahon had embezzled
3 money and was shutting down the company to run off with their money and the Full Color IP.

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

10 459. On April 19, 2017, as Mahon began to lead a call on FCGI's conference line to
11 address the progressive complications as already detailed herein and the urgent need to deal
12 with FCGLTD's inability to comply with the outstanding compliance issues that were
13 ultimately discovered to be caused by the racketeering scheme against the Full Color IP
14 Licensees for the UKGC RSLA, he was verbally attacked by Solso.

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

22 461. While still on the call, Mahon also released all of the documents and
23 information Solso was requesting for the FCGI investors to review.

24 462. Between April 19, 2017 and April 24, 2017, Solso and Eckles engaged in series
25 of acrimonious and caustic emails with Mahon, insuring that all the investors were copied on
26 each email to make sure that all of the false and misleading accusations were panned before
27 every other investor to convince them that Mahon needed to be removed and replaced, and that
28 they should obtain control of not only FCGI, but the Full Color IP. The instant flaw in their

1 conspiracy was and still is the fact that Mahon invented the Full Color IP, Mahon owned the
2 Full Color IP, and any attempt to obtain ownership of the Full Color IP, whether by legal
3 process or other means, would be wrongful taking of his property.

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

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

11 465. On April 21, 2017, FCGLTD received correspondence from UKGC putting it
12 on final notice that failure to respond with full compliance of the RSLA application by April 28,
13 2017 from the October 10, 2016 notice, would result in an automatic refusal and permanent
14 denial of the application.

15 466. The correspondence from the UKGC was forwarded on to everyone, including
16 Bastian in order to ensure that everyone knew that what would occur if FCGLTD ran out of
17 funding and had its RSLA application denied, which would cause the CLA [and its counter-part
18 of the CLA-FCGNA] to be terminated.

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

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

27 469. Starting on April 21 and going through April 23, Brock Jr. and Brock Sr. reach
28 out to Howard privately seeking a solution to the dispute with the shareholders. They held a

1 phone conference with Howard and later sent an initial draft of some proposals for reaching a
2 resolution.

3 470. On April 23, 2017, Brock Jr. emailed Howard an “updated draft” with a new
4 attachment entitled “**FCG plan v1.2.docx**,” which outlines the basics of potential proposals for
5 resolving the parties’ differences.

6 471. The “**FCG plan v1.2.docx**” is visual organogram that acknowledges Mahon’s
7 ownership of the Full Color-IP and that it is licensed to FCGLTD [and FCGNA] from Mahon’s
8 holding company IPH. The organogram also acknowledges the believed current structure where
9 IPH or IPHLTD has a 50% revenue share with FCGLTD [and FCGNA], and further
10 acknowledges that IPH owns 68% of FCGI with 51 other investors, including themselves
11 owning the other 32%, all but affirming that they had no legal standing to effectuate any of their
12 plans to get Mahon to surrender any of his rights with or without coercion.

13 472. The organogram makes several suggestions about restructuring the business
14 which would require Mahon to give up his ownership interest in FCGI, but maintain ownership
15 of the Full Color IP and IPH, and issue a perpetual license to FCGI with a revenue share.
16 However, the organogram suggests that Mahon give up his 68% ownership in FCGI and 100%
17 of his ownership interests in FCGLTD [and FCGNA] despite having to issue a CLA [and its
18 counterpart of the CLA-FCGNA] for all known and unknown Full Color-IP for no upfront
19 licensing fees and no future rights.

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

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

1 475. Immediately after the conference, Howard contacted Mahon with Brock Sr.'s
2 request to speak with him and Mahon agreed. Thereafter, Brock Sr. sent an introductory email
3 to Mahon requesting a phone conference.

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

12 477. On information and belief Brocks then circled back with Solso, Eckles, Munger,
13 Linham and others and reported the details of their call with Mahon.

14 478. On information and belief, between April 25, 2017 and April 26, 2017, Brock
15 Sr. and Brock Jr., Solso, Munger, and others continued to hold conference calls and develop the
16 demands that Brock Sr. had initially brought to Mahon including both Brock's written plan as
17 set forth in FCG plan v1.2.docx and an additional prepared documents including the
18 "Recapitalization" plan that Brock Sr. read from and revisions thereto were developed during
19 these calls.

20 479. On information and belief, On April 26, 2017, Solso took everything that Brock
21 Sr. and Brock Jr. had concocted in **FCG plan v1.2.docx** and **explicitly** memorialized all of their
22 calls, plots, plans and racketeering schemes over the previous two days, and incorporated it into
23 a single writing that was called "**Principles_2017 04 26 v 2.pdf.**" This document included all
24 of the Brocks' original scheme and demands already outlined above while adding a host of new
25 demands, identifying most of them as "non-negotiable."

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

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

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

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

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

17 485. Essentially, the demands that Solso, Munger, decided to push on Mahon
18 through Brock Sr. is that he is to give up completely the Full Color IP, his life’s work, and
19 property that he owned before any of the investors were a part of any company, in order for
20 Mahon to avoid years of frivolous litigation that would tie up the Full Color IP and potentially
21 ruin his chances for obtaining gaming licenses.

22 486. Importantly, the demand that Mahon give up his shares in every company he
23 owns and the Full Color IP was not something that could rightfully be obtained in litigation, or
24 any other method unless the shares were purchased for value. Such threats are extortion.
25 During this same time period, also on April 26, 2017, Munger set up a secret meeting with Spin
26 and Bastian and their principles to meet. On information and belief, this meeting was not only
27 to consider the best way to extort concession from Mahon, but was also to discuss Spin’s and
28 Bastian’s desire to get Spin’s ROC 3 server with the Full Color IP integrated on Bastian’s RSL /

1 ILG RGS so they could exploit it once they extorted everything from Mahon.

2 487. On April 26, 2017, one hour after Munger's secret meeting, and after receiving
3 the updated **Principles_2017 04 26 v 2.pdf**, Brock Sr. and Brock Jr. sought to have another
4 follow-up conversation with Mahon.

5 488. In this follow-up phone call, Brock Sr. and Brock Jr. reasserted just how
6 amazing the Full Color IP was in an attempt to "prime" Mahon with who and why he should go
7 along with their (unconscionable and extortion) plans. Brock Jr. went on and on about "just
8 how much money could be made" if Mahon would agree to their new plans (as if Mahon was
9 not aware of the value of his own inventions). Brock Sr. then made it unequivocally clear just
10 how bad it would be for Mahon if he did not agree with their plan, and was sued.

11 489. Brock Sr. repeated the list of conditions that go even beyond the prior
12 conditions set forth in the FCG plan v1.2.docx, which are identical to those in the
13 **Principles_2017 04 26 v 2.pdf** plan. Despite this, Brock Sr. continued to assert in the phone
14 call that he did not have anything writing.

15 490. Not only does Brock Sr. verbally request Mahon resign from his positions with
16 FCGI, FCGNA and FCGLTD, Brock Sr. tells Mahon to grant FCGI all title, rights and
17 ownership in the Full Color IP and relinquish his shares in with any the Full Color IP Licensees
18 in exchange for a smaller revenue share.

19 491. Above all else, the proposal demanded that Mahon give up his property rights,
20 including both his intellectual property rights and his ownership rights in the company, which
21 he held long before any investor put money into FCGI, or endure endless litigation tying up his
22 property rights that they admit Mahon would likely win.

23 492. Brock Sr. was suggesting that Mahon give up valuable property rights at the
24 threat of litigation that would likely not succeed, and could not result in Mahon losing the very
25 property rights that Brock Sr. was asking him to concede.

26 493. On April 27, 2017 at 9:15am PST, Brock Sr. had another call with Mahon. In
27 an email to Mahon after the last call, Brock Sr. kept reiterating how litigation was not a good
28 course and that Mahon should "avoid imminent litigation." Brock Sr. made it unequivocally

1 clear that the “investor group” wasn’t offering Mahon an opportunity to negotiate. His message
2 was these were the terms, or “this is the way it’s going to be” if you wish to “avoid the
3 litigation.”

4 494. On April 28, 2017, Brock Sr. continued to email Mahon and requests another
5 phone call continue the conversations with the hope that “we can find some kind of solution to
6 our issues with FCG.”

7 495. On April 28, 2017, Mahon responds to Brock Sr. that he wanted their plans that
8 they had repeated during their phone call in writing and further explained that the companies are
9 officially beginning to shut down and cancel contracts since there is no funding and the Full
10 Color IP Licensees cannot pursue the UKGC license.

11 496. On April 29, 2017, Brock Sr. responds in an email and again (falsely) reiterates
12 that there is nothing writing yet and that Mahon’s not agreeing to the requests coming from the
13 investors leads “down a tortuous path that will likely result in FCG shutting down and then
14 imminent litigation” solidifying the threat that if Mahon refuses the terms and conditions
15 already proposed, tortuous and frivolous litigation will ensue.

16 497. The communications engendered by Solso, Brock Sr., Brock Jr., Munger and
17 others were an attempt to coerce Mahon into giving up property rights that they could not
18 succeed in obtaining in litigation with the threat of frivolous and unending litigation that,
19 although it could never achieve what was demanded, would tie up Mahon’s property rights for
20 years to come and potentially destroy his career. Such a threat can only be designed to instill
21 fear in Mahon and wrongfully obtain Mahon’s property rights, and the rights if FCGI and its
22 other shareholders who were not aligned with Munger. Mahon could not be voted out of office
23 as he had the voting shares and owned a majority interest. Yet Brock Sr., Brock Jr., Solso,
24 Eckles, Castaldo, Moores, Munger, and others demands on Mahon were designed to wrongfully
25 obtain property rights that they could not legally obtain, with the threat of endless, frivolous,
26 career-ending litigation.

27 ///

28 ///

**XII. BRAGG/ORYX/ARVIV/SPIELBERG/
MAZIJ/LEGACY 8 TORTS OF INTERFERENCE, AND
RACKETEERING SCHEME WITH MUNGER & BASTIAN CASINO ENTERPRISE**

498. On August 6, 2019 Munger, Bragg/Oryx, and Legacy 8 admit to their [wrongful] relationship with each other in a joint statement in their Court ordered supplement entitled Plaintiffs' Second Supplemental Opposition to Defendants' Motion for Partial Summary Judgment against Mark Munger on all Derivative Claims, filed on August 6, 2019 (the "Supplement").

499. On page 9 lines 20-21 of the same brief, Munger states, as of August 6, 2021:

"Munger is one of the "outside directors" having no involvement within the day-to-day operations of Bragg or its subsidiary, Oryx.

500. On January 7, 2020, the Court approved the Third-Party Plaintiff's Second Amended Complaint adding Bragg, Oryx, Mazij and Legacy 8 as Third-Party Defendants.

501. On January 14, 2020. Bragg publishes a news release SEDAR.com proclaiming that Mark Munger resigned from Bragg on August 2, 2019, directly contradicting statements made to the Court in the Supplement filed on August 6, 2019.

502. In May 2017, Munger held the fiduciary roles of CTO and a member of the Board of Advisors of FCGI; the CTO of FCGNA and the CTO of FCGTLD and as a result, was contractually barred from engaging in any business or economic interference with Bragg/Oryx, Legacy 8, Arviv, Spielberg, and Mazij, as explicitly stated in his contracts with Third-Party Plaintiffs as stated in whole:

¶2.5 Non-Circumvention, Non-Compete & Secrecy: Mark Munger, his company, its affiliates, brokers, agents and representatives covenant not to directly or indirectly circumvent or create, work for or engaged in any work for hire, consulting or employment in any businesses or with any companies that competes, markets, sells, distributes, publishes or licenses games that are similar or in any way shape or form in likeness to any of the casino or non-casino style games or intellectual property owned, controlled, licensed, developed, published, distributed or licensed to or from. FCG or any of its affiliates, partners, contractors, distributors, publishers, employees, agents, attorneys, clients, customers, licensees or licensors or communicate, transact business or interfere with any of its business relationships as related to any

1 and all of its enterprises and its confidential information related to the FCG'S
2 licenses or copyrights, trademarks, patents pending or any of its derivatives,
3 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.

4 503. Munger admits in pages 7-9 of the Supplement that he began to violate the
5 terms and conditions of his signed contracts with the said Third-Party Plaintiffs in May of 2017
6 as he began to facilitate the sale of Oryx to Bragg breaching his loyalty and fiduciary duties to
7 the said Third-Party Plaintiffs.

8 504. Throughout the entire Supplement, Munger, Bragg/Oryx, Legacy 8, Arviv,
9 Spielberg, and Mazij misrepresented their true relationships with each other and purposefully
10 omitted the true identities of the "business partner of Munger from Canada," who the Third-
11 Party Plaintiffs, upon information and belief, believe are Arviv and Spielberg, and their many
12 companies referred to collectively as Legacy 8.

13 505. Munger's relationship with Oryx stems back to September 27, 2016, when
14 Munger sent Mahon a text message inquiring if he was aware of a real money casino game
15 developer and distribution platform competitor of FCGI named Oryx Gaming. Mahon affirmed
16 that he was aware of Oryx, and in October 2016 Mahon had in-person meetings with Oryx's
17 then CEO, Mazij, in Berlin, Germany. During the meeting in Berlin, Mahon demonstrated the
18 Full Color IP to Mazij. Mazij also informed Mahon that he needed to find investors for his
19 Oryx platform, or he was interested in selling it altogether. Mahon informed Mazij that he and
20 his partner, Bastian were in fact looking for a platform like Oryx and would like to invest and or
21 buy the Oryx platform for global distribution of the Full Color IP. Mazij and Mahon agreed to
22 enter a verbal agreement to move forward and enter into a formal global distribution deal that
23 would, first, place the Full Color IP on the Oryx platform, and second, increase the value of the
24 Oryx platform to any investors be it Mahon and Bastian or others. The advantage of having the
25 Full Color IP on the platform would make any Mahon / Bastian investment / purchase of it all
26 the easier as it would be a purpose driven purchase rather than a passive investment model.
27 Mahon and Mazij also agreed that a bi-directional integration and distribution agreement
28 through the new Kingfisher Full Color IP Remote Gaming Server could be a financial revenue

1 stream for each other whereby each party would receive pay each other a platform fees from the
2 other for the distribution of their games through their separate and unique distribution networks.
3 For starters, Mahon assured Mazij the he could get Oryx integrated into the Bahamas and
4 Jamaica through the partnership with Bastian and IslandLuck.com casino gaming network with
5 the Full Color IP games on it and Bastian would be most certainly take the lead in investment
6 and or purchase of Oryx (all of which did indeed ultimately occur, but in a racketeering scheme
7 instead of a proper business transaction). In summary, Mahon and Mazij agreed that Mahon
8 would assist Mazij in getting new funding with Bastian, and Oryx would become a licensed
9 distributor Full Color® Games. Munger was involved in these discussions and directly
10 involved in carrying out Mahon's and the Full Color licensees acts to fulfill the arrangement.

11 506. On November 15, 2016, at 6:07pm PST, Munger, titling himself as the "CTO /
12 Board of Advisors" of FCGLTD and FCGI, completed the first phase of the Oryx agreement
13 and emailed out a 14 page document entitled "Full Color Games Development and Distribution
14 Status R3.docx" that detailed plans to distribute Full Color® Games through several vendors
15 including Multislot, Spin, and Oryx to the players involved with FCGNA and FCGLTD.

16 507. Mahon and Munger had already begun to arrange for Oryx to meet with Bastian
17 and provide a multimillion-dollar investment and purchase agreement with Oryx.

18 508. Unbeknownst to Mahon and the Third-Party Plaintiffs, the racketeering scheme
19 between Munger, the Bastian Casino Gaming Enterprise et al., Arviv, Legacy 9, Spielberg, and
20 the other Third-Party Defendants was already being setup to usurp all Third-Party Plaintiffs'
21 rights, revenue, and business opportunities. Munger and Bragg's Supplemental Brief to this
22 Court admits that Munger's unlawful relationships with Arviv, Spielberg and Legacy 8 began in
23 May 2017 when he admits to having a "Canadian business partner" that ended up buying Oryx.

24 509. Munger's undisclosed "Canadian business partner" was Arviv. Arviv is the co-
25 founder of Bragg, founder, principle and Chairman of the Legacy 8 consortium with Bastian
26 and also, upon information and belief, AAA --- the "AA" "AA Acquisitions Group, Inc." stands
27 for Adam Arviv --- the company that acquired Oryx through KAVO in its publicly announced
28 amalgamation through a reverse merger with Breaking Data Corp on the Toronto Venture Stock

1 Exchange.

2 510. Munger deceives the Court into believing Munger had nothing to do with his
3 Arviv other than engaging in a few “*conversations and emails with development staff at Oryx*
4 *about creating the iLuck Live Lotto games*” as detailed in Lines 14-28 on Page 8 of the Bragg
5 Supplemental Brief when in fact that while Munger was still an officer, member of the Board of
6 Advisors and fiduciary at FCGI, FCGNA and FCGLTD in May 2017 when both Bastian and
7 Arviv recruited Munger and began paying Munger \$7,500 a month each (for a total of \$15,000 a
8 month) to produce the iLuck Live Lotto Games for the Oryx platform. The truth directly
9 contradicts to Munger’s statements to this Court. Munger was in fact working for Arviv and
10 Bastian on a daily basis, which was specifically prohibited in Munger’s NDACA as well as
11 Bastian’s MNDA.

12 511. According to the Supplemental Brief (Page 9), Munger and Bragg admit that on
13 April 12, 2018, after the exhibitions of the iLuck Live Lotto games in London, Arviv’s AAA
14 was formed for the sole purpose of acquiring Oryx Gaming on the exact same day KAVO, a
15 shelf company in Cyprus, was acquired by Mazij to transfer all of his holdings in Oryx.

16 512. The funding and distribution relationship between Oryx, Arviv, and Munger,
17 which was coordinated with the Bastian Casino Gaming Enterprise did in fact occur and did
18 later close as evidenced on public record through the ultimate merger / sale into Bragg
19 [TSVX:BRAG] through the Toronto Stock Exchange on December 18, 2018.

20 513. Bragg’s acquisition of Oryx was orchestrated via Munger and other who had
21 fiduciary duties to FCGI, FCGNA, and the other Third-Party Plaintiffs.

22 514. On June 5, 2017, Munger was terminated for cause as to all relationships with
23 Mahon and the Third-Party Plaintiffs pursuant to the ARCC Report of Mark Munger dated May
24 27, 2017 and the ARCC Report of the Racketeers dated May 29, 2017, Munger was sent a
25 Cease and Desist notice to end all business relationships with Bastian and any other gaming
26 enterprises he may have been working with, including Oryx and Mazij. Although Munger’s
27 official roles and fiduciary duties with the Third-Party Plaintiffs were terminated, Munger’s
28 contractual duties of non-compete, non-circumvent and non-interference survived. Despite

1 Munger's duty to cease and desist, not to compete, not to circumvent and not compete, Munger
2 did not stop working with Bastian, Arviv, Legacy 8, AAA, KAVO and Oryx.

3 515. On October 3, 2017, after this lawsuit commenced, Mazij emailed Munger five
4 months after Munger had been terminated and served his Cease & Desist notice and three
5 months after Munger had already filed this derivative lawsuit in which he thanked Munger for
6 that day's meeting, making it clear that Munger was still meeting, producing games, working
7 with Oryx and still profiting from payments from Arviv, Bastian, Legacy 8, Oryx while
8 usurping the Third-Party Plaintiffs' business opportunities.

9 516. According to public record, Legacy Eight USA was formed by Arviv in Florida
10 on June 1, 2015.

11 517. According to public record, Legacy Eight Curacao was formed in Curacao on
12 February 26, 2016 and upon information and belief, owned by Arviv and Bastian.

13 518. According to public record, Legacy Eight Malta was formed in Canada on
14 March 8, 2016 owned by Legacy Eight Curacao.

15 519. According to public record, Legacy Eight Bahamas was formed in Bahamas on
16 July 26, 2016 by Alfred Sears, further tying Bastian and Arviv together.

17 520. According to public record, Legacy Eight Canada was formed in Canada on
18 November 16, 2016 further tying.

19 521. According to public record published by the Law Society of Ontario, Legacy
20 Eight Gaming Ltd is owned by Yaniv Spielberg tying Sears, Bastian, Arviv and Spielberg
21 together.

22 522. According to public record, Legacy Eight Bahamas purchased Lottokings.com,
23 WinTrillions.com, Trillionario.com and Lotosena.com on June 7, 2017 tying Sears, Arviv,
24 Bastian, Spielberg and Multislot together with the work that Munger was doing on a daily basis
25 for the iLuck Live Lotto Games, again contradicting Munger's statements to the Court in the
26 Supplement of August 6, 2019.

27 523. Between April 12, 2018 and May 29, 2017, according to Lines 1-14 on Page 9
28 of Bragg's Supplemental Brief filed with this court, further validated by public record, AAA,

1 KAVO, Legacy Eight, Bragg (fka Breaking Data Corp (“BKD”)), Arviv, Bastian, Sears,
2 Multislot, Spielberg and Munger acquired Oryx.

3 524. On information and belief, Munger had been working for and being paid by
4 Arviv, Bastian and Legacy 8 while he was still working for FCGI and FCGNA in violation of
5 his contractual and fiduciary duties. Munger then continued to work for and act on behalf of
6 Legacy 8 as an appointed member of Board of Directors of Bragg.

7 525. On February 6, 2018, Munger, Bastian and Mazij debut the IslandLuck and
8 Oryx booth to distribute Bastian gaming products at the ICE Totally Gaming 2018 convention
9 in London, England.

10 526. On February 7, 2019, a year later, on the last day of the ICE Totally Gaming
11 2019 convention, Third-Party Defendants Kent Young and Spin were also seen with Munger.

12 527. Upon information and belief as alleged herein, Munger, Bragg/Oryx, Spin,
13 Legacy 8, and each company’s principals (Young, Kunal, Mazij, Arviv, Spielberg, and Sears)
14 were conspiring to continue to usurp the corporate opportunities of Third-Party Plaintiffs, and
15 further conspired to ultimately obtain right to the Full Color IP via the frivolous and extortionate
16 actions alleged herein.

17 528. Thereafter, upon information and belief, Bastian, Arviv, and Munger applied
18 with multiple gaming Boards, including but not limited to the United Kingdom Gambling
19 Commission, the Malta Gaming Authority, the Gaming Board of the Bahamas as part of their
20 ownership, directorship and control of Oryx, and by Munger’s own admission filings with the
21 Court has not only obtained gaming licenses through and on behalf of Bragg/Oryx, but just
22 recently renewed them, again making it unequivocally clear that Munger, who started working
23 for one or more of the Legacy 8 entities while still working for FCGI and FCGNA and other
24 Third-Party Plaintiffs, not only usurped the Third-Party Plaintiffs’ and Third-Party Plaintiffs’
25 business opportunities but clearly had supplanted himself into Bragg/Oryx and Legacy 8 setting
26 up the distribution platform which would allow him to wrongfully exploit the Full Color IP to
27 the detriment of the Third-Party Plaintiffs’ and Third-Party Plaintiffs’ property rights and
28 business opportunities.

1 529. Upon information and belief, on or about August 22, 2018, Munger, Bastian,
2 Arviv, Spielberg, Sears, and Mazij completed the transfer of Oryx, through one or more of the
3 Legacy 8 entities and a the company now called Bragg Holdings invested in to a publicly traded
4 company on the Toronto Stock Exchange called “Breaking Data Corp.,” which on or about
5 December 18, 2018, changed its name to Bragg Gaming Group, Inc. with the Toronto Stock
6 Exchange and now trades under the symbol of (TSXV: BRAG), referred to as herein as
7 “Bragg.”

8 530. On May 12, 2021, Bragg publicly announced their purchase of Spin for \$30
9 million, which includes the purchase of the Spin ROC™ RGS. Upon the closing of this
10 transaction, Bragg will wrongfully possess the completely built 21 or Nothing® Full Color IP
11 on its Spin ROC™ RGS that the Third-Party Defendants paid Spin to build, but never received.
12 Now Bragg, possesses the unique and proprietary software and trade secrets of the Full Color IP
13 that they can nefariously and surreptitiously release at any time, further usurping Third-Party
14 Plaintiffs business opportunities and infringing on Third-Party Plaintiffs’ proprietary intellectual
15 property rights. Bragg and Spin’s own press states that “*The combined offering of Spin and*
16 *Bragg’s wholly owned subsidiary ORYX Gaming (“Oryx”), positions the Company to deliver an*
17 *enhanced full turnkey iGaming, sports betting and player engagement platform*” that includes
18 over 9,000 card and casino games. These statements, again, directly contradict the statements
19 Munger and Bragg submitted to this Court in their Supplement filed on August 6, 2019.

20 531. Based on these indisputable facts on public record Third-Party Plaintiffs allege
21 that Munger’s directorship and ownership of Oryx and Bragg and the transactions identified
22 herein were all part of Arviv’s, Spielberg’s, Sears’, Bastian’s, Munger’s, and Mazij’ and the
23 other Third-Party Defendants are and were all part of the scheme to prevent the Full Color IP all
24 along from getting to the market and abscond with all the contractual benefits from the Oryx
25 business transactions.

26 532. On information and belief, Munger, Arviv, Bastian, Spielberg, Sears, Mazij,
27 Bragg/Oryx, and Legacy 8 intended to utilize Bragg, Oryx and Spin in order to disseminate the
28 Full Color games once they had successfully usurped control and power over Mahon via the

1 racketeering schemes alleged herein.

2 533. On information and belief, Munger, Bastian, Arviv, Spielberg, Sears, Mazij,
3 Bragg/Oryx, and Legacy 8 obtained ownership interests and/or other benefits from Bragg, Oryx
4 and Spin including a directorship for Munger and ultimate ownership through one or more of
5 the Legacy 8 entities based on their representations that they could obtain the Full Color IP for
6 Oryx distribution.

7 534. Bragg's recent purchase of Spin is the last move of the conspiracy to usurp
8 Third-Party Plaintiffs' rights to the Full Color IP because Spin could have instantly
9 commercialized the Full Color IP games it still holds through Oryx, and thereby improperly
10 enrich Bragg/Oryx, Legacy 8, Arviv, Spielberg, Sears, Mazij, and others with the revenues and
11 profits that rightfully belong to the Third-Party Plaintiffs via their rights to the Full Color IP.
12 Indeed, there is no way to know whether Spin has released Full Color games through Oryx or
13 on the black market.

14 535. Although neither the Plaintiffs nor the Third-Party Defendants succeeded in
15 their racketeering scheme to extort the Full Color IP ownership from Mahon at the outset,
16 Third-Party Defendants continue to plot against Mahon, FCGI, FCGNA, and other Third-Party
17 Plaintiffs by seeking ways to obtain, whether through improper use of legal process or not, use
18 of the Full Color IP, and thereby preventing Mahon and the Third-Party Plaintiffs from going to
19 the marketplace or usurping revenue through Spin, Oryx, or Legacy 8, causing the Third-Party
20 Plaintiffs to lose years of business opportunities, create incalculable setbacks and lose hundreds
21 of millions if not billions of dollars in lost revenue and reputational damage.

22
23 **XIII. MUNGER & LINHAM CONSPIRE TO DEFRAUD INVESTORS**
24 **FOR \$320,000 IN FALSE "BACK SALARY" EMPLOYMENT CLAIMS**

25 536. Munger filed individual claims, verifying four different times in the verified
26 pleadings submitted to the Court in this litigation claims he is owed back pay between 2015 and
27 2017 for alleged work for FCGI.

28 537. Munger was paid in full by both FCGI and FCGNA.

538. Munger was even loaned \$5,225.00 from FCGNA as an emergency loan to pay his property taxes in December of 2015 that he failed to pay back.

539. Munger and Linham conspired to claim Munger was an employee accruing \$20,000 a month in “Back Salary” through a fraudulent billing scheme starting on January 1, 2016 as detailed in full below.

540. On November 23, 2016, Munger and Linham conspired to defraud FCGI and future investors by claiming that Munger was accruing 80% a month of unpaid salary with the (fraudulent) intent to collect it upon a successful closing of FCGLTD'S Series A funding round as witnessed in a letter that Linham, signed, and sent to Munger, requesting that Munger keep the letter between Linham and Munger.

541. The fraudulent letter attached to the email created and signed by Linham and Munger suggested that Munger's current remuneration was at a reduced rate and was only 20% of his appropriate salary. Since Munger was receiving \$5,000 a month for his services, this letter suggested that Munger should be receiving \$25,000 a month.

XIV. MARCUS SUPPORTS BASTIAN
CASINO GAMING RACKETEERING ENTERPRISES

542. Marcus is a licensed attorney by the State Bar of California and before the USPTO. Marcus is further a self-certified accredited investor. Marcus has marketed himself as highly skilled in the legal fields of copyright, trademark and patent law, especially with respect to due diligence concerning intellectual property protection and licensing. Marcus invested in FCGI by way of the C-Note on three different occasions, on April 3, 2015, June 12, 2015 and again on November 9, 2015.

543. Marcus personally met with Mahon and other investors sometime in late 2015, prior to making his last investment. At that time Mahon learned that Marcus was skilled in intellectual property protection and licensing and even suggested that Marcus assist in the intellectual property protection issues.

544. On November 23, 2017, Marcus makes three perjurious statements in a sworn Declaration before this Court in ¶7 and ¶9, specifically, “...*I had no knowledge that the*

1 *company I was investing in merely had a revocable license, and did not own, the intellectual*
2 *property or assets I was investing to develop and market” furthered with “The first I learned of*
3 *the existence of the license agreement, defining the ownership of the assets I invested to develop*
4 *and market, was on June 29, 2017.*

5 545. Because of Marcus’ background as an intellectual property attorney, it seems
6 impossible to believe that Marcus would not be aware of the fact that FCGI had a license to use
7 the Full Color IP and not ownership. It also seems impossible to believe that Marcus would not
8 have carefully read the documents he was signing that state that FCGI held a license for use of
9 the Full Color IP.

10 546. Although Marcus is not being named as a Third-Party Defendant based on his
11 submission of a sworn declaration to this Court, the sworn declaration indicated to Third-Party
12 Plaintiffs that Marcus was in fact involved with the racketeering activities alleged herein of
13 Munger, Bastian and the rest of the Bastian Casino Gaming Enterprise and continues to
14 tortiously interfere with the Third-Party Plaintiffs’ rights.

15 547. On January 12, 2018, Marcus was notified on his wrong doings and sent a
16 Notice of Non-Compliance Events, and thereafter provided with access to the full 305-page
17 ARCC Report.

18 548. On information and belief, Marcus has been directly involved with assisting
19 Munger in seeking to unlawfully wrest the Full Color IP from Mahon and is therefore involved
20 in the racketeering alleged herein.

21 549. On information and belief, either Marcus or Newman have been assisting
22 Munger in submitting filings to the USPTO to improperly challenge Mahon’s registered
23 trademark, “Full Color.”

24 **XV. ARVIV/SPIELBERG/MAZIJ/LEGACY EIGHT/BRAGG/ORYX/BRAGG**
25 **HOLDINGS/RWS CYPRUS/BULLEG CYPRUS/BASTIAN/SEARS/SEARS &**
26 **CO./MUNGER/SPIN/YOUNG/MISHRA ENGAGE UNJUST ENRICHMENT,**

27 550. Beginning in October of 2016, Mazij sought business relationships and
28 investments from Mahon and his business partners in Bastian.

1 551. On August 6, 2019, in the Supplemental identified herein, Munger admitted that
2 while still an Officer, Member of the Board of Advisors and fiduciary of FCGI, an Officer of
3 FCGNA, and Officer in FCGLTD, he began working for and facilitating the investments for
4 Legacy 8 and other entities associated with Bastian and Arviv. Munger breached his contractual
5 and fiduciary duties to Third-Party Plaintiffs by facilitating the ultimate purchase of Oryx by
6 Bragg giving beneficial ownership and unjustly enriching Munger, Bastian, Arviv, Spielberg,
7 Mazij, Sears, Bragg/Oryx, and Legacy 8. As a result, Third-Party Plaintiffs believed that
8 Munger was successfully completing the integration with Oryx, and Bastian and Mahon would
9 purchase Oryx together for the benefit of Full Color IP global distribution, only to discover
10 Munger not only usurped the Third-Party Plaintiffs business opportunities, as part of a larger
11 racketeering scheme to steal the Full Color IP from Mahon, which ultimately interfered with the
12 Full Color IP Licensees ability to reach revenue and ultimately drove FCGI and FCGNA into
13 insolvency.

14 552. On information and belief, Arviv, Spielberg, Sears, Mazij, Bragg/Oryx, and
15 Legacy 8 admit to directly and intentionally interfering and competing against Third-Party
16 Plaintiffs and the Full Color IP licensees and usurping Third-Party Plaintiffs' rights and
17 business opportunities.

18 553. As a result of the unjust enrichment, the above named Third-Party Defendants
19 have been able to prevent the Third-Party Plaintiffs from obtaining any revenue and driving
20 FCGI, FCGNA and FCGLTD into insolvency while the Third-Party Defendants have enjoyed
21 billions of dollars in casino gaming wagering and increasing their market cap of only a few
22 million dollars to over \$300 million dollars while further cashing out tens of millions of dollars
23 in stocks by selling them to unsuspecting investors through private and public stock sales to the
24 complete detriment of the Third-Party Defendants and all of the Full Color IP Licensees good
25 name, character, brand and reputation.

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**XVI. ARVIV/SPIELBERG/MAZIJ/LEGACY 8/
BRAGG/ORYX SLANDER, LIBEL AND DEFAMATION PER SE
AGAINST MAHON AND ALL THE FULL COLOR IP LICENSEES**

554. Upon information and belief, beginning on April 1, 2017 while Mahon was out of the country, Munger moved out of the FCGI and FCGNA offices and the housing that was provided for him in the corporate condominium property in Las Vegas and then shortly thereafter moved to the Bahamas and began working full time with and for Bastian Casino Gaming Enterprise, Arviv, Spielberg, Mazij, Oryx, and Legacy 8, all in violation of his original NDACA and other agreements with the Full Color Parties as admitted in the Supplemental filed with this Court on August 6, 2019.

555. By April 2017, Munger had moved to Bahamas and began working full time with Bastian, Arviv (his Canadian business partner as admitted to in Munger's Supplemental Brief filed with this Court on August 6, 2019). Third-Party Plaintiffs have been informed that Munger was being paid \$7,500 per month by Arviv's Legacy 8 entities in Bahamas and \$7,500 per month from Bastian's Island Luck entities in Bahamas (and potentially others), all in complete violation of his original NDACA and other agreements with the Full Color Parties. On June 7, 2017, as a result of Munger's racketeering activities, FCGI and FCGLTD formally terminated. Munger from all his roles with the companies and canceled and repurchased all shares he might have claimed to own by way of a Share Repurchase Agreement.

556. On or about June 7, 2017, pursuant to public record, LottoKings.com, Trillionario.com, WinTrillions and Lotosena.com were purchased by Legacy 8 Bahamas. Upon information and belief, Munger began working for Bastian, Arviv, Spielberg and Mazij as the Legacy 8 consortium expanded into the online casino gaming in a business to consumer format operating online casinos even before leaving FCGI and FCGNA and continued to work after leaving all in violation of his contracts. This also began to include other Legacy 8 shell companies of RWS Cyprus, Azteca Messenger Services S.A (Mexico) (hereinafter "Azteca"), Bulleg Cyprus that are not currently named in the suit but are, upon information and belief also unjustly enriching themselves in proportionate shares as the payment service providers to the Legacy 8 consortium's online gaming activities.

1 557. As Munger did before he was terminated from FCGI and FCGNA, Munger
2 continued to assist the Bastian Casino Gaming Enterprise, Oryx, Legacy 8, in developing the
3 iLuck product that, upon information and belief, has become part of the newly discovered series
4 of Maltese entities of Quik Gaming Ltd, Quik Group Ltd, Quick Tech Ltd, Quik UK Gaming
5 Ltd found pursuant to the Maltese Business Registry and further published on the
6 Qwikgaming.com in Malta, all in violation of his original NDACA and other agreements with
7 the Full Color Parties as admitted in the Supplement filed on August 6, 2019.

8 558. On August 11, 2017, Munger, acting in order to fulfill his part of the
9 racketeering conspiracy to bring the Full Color IP into the racketeering enterprise of the Third-
10 Party Defendants that included the Legacy 8 consortium of Bastian, Arviv, Spielberg and Mazij,
11 and Sears, revealed more details in their collective plot to the racketeering scheme, by naming
12 himself as the lead Plaintiff in a “derivative shareholders” lawsuit filed against Mahon, JPL,
13 IPH, FCGL, FCGI, FCGLTD, IPHLTD, FCGNA, Full Color Games Group, Inc. (“FCGG”),
14 and Glen Howard (“Howard”) in Nevada District Court, as this Case No. A-17-758962-B
15 (“Derivative Lawsuit”). Among other things, this Derivative Lawsuit sought to control, usurp,
16 or extort Mahon out of his inventions by frivolously claiming rights to the Full Color IP, using
17 all of his relationships he obtained through the Full Color Parties, including the Legacy Eight
18 and Bragg Parties as set forth in full herein.

19 559. Upon information and belief, through public records and testimony of those
20 inside of Legacy 8, it is owned and controlled by Arviv, Spielberg and others, including Sears
21 and Bastian.

22 560. On information and belief, Munger’s facilitation of these investments and
23 acquisitions in violation of his agreements and fiduciary duties also usurped additional and
24 substantial business opportunities from Third-Party Plaintiffs and unjustly enriched the owners
25 of Legacy 8.

26 561. Arviv, Bastian, Sears, Mazij, Bragg/Oryx, and Legacy 8 knew that Munger’s
27 participation and facilitation of these investments opportunities and growth were a violation of
28 his duties and contractual obligations to Third-Party Plaintiffs.

1 562. Between May and October 17, 2017, Mazij, Munger and Bastian met in Nassau
2 Bahamas and began to formalize a business relationship for unique and proprietary game
3 developments, game distribution, sales and business investments from Arviv, Spielberg and
4 Bastian through a complex series of business contracts as admitted by Munger in his
5 Supplemental Brief to this Court on August 6, 2019 and as alleged herein.

6 563. On October 3, 2017, after Munger initially filed suit against Third-Party
7 Plaintiffs, Mazij emails Munger at mark@fullcolorgames.com confirming their meeting and
8 affirming their plans to circumvent FCGI, FCGLTD, and FCGNA and ultimately resulted in the
9 sale of Oryx to Arviv, Sears, and others through Legacy 8 and Bragg Holdings.

10 564. On February 6, 2018, Munger was photographed working at the ICE Totally
11 London 2018 real money casino gaming convention booth with Oryx and other Bastian-related
12 entities. It was at this event that the Legacy 8 released the iLuck Lotto games through the Oryx
13 RGS that Munger had worked on in violation of the NDACA.

14 565. April 12, 2018, according to Bragg public securities disclosures on
15 SEDAR.com, AA Acquisition, Inc. (“AAA”) was formed as a special purpose vehicle
16 incorporated under the Ontario Business Corporations Act, with the primary purpose of
17 acquiring share capital, trade and assets of Oryx, and its wholly-owned subsidiaries. Upon
18 information and belief AA stands for Adam Arviv.

19 566. On August 22, 2018, Breaking Data Corp. (TSXV:BKD) acquired 100% of
20 Oryx by way of acquiring all of AAA via a reverse merger by issuing 21 million common
21 shares of BKD to the shareholders of the AAA in exchange for all the shares of AAA. Legacy 8
22 owned 44% of the shares of AAA, and upon completion of the transaction owned approximately
23 19% of the shares of BKD. Legacy 8, in a press release of the same date, claimed to be a
24 company incorporated under the laws of the Province of Ontario. The principal shareholder of
25 Legacy 8 is Adam Arviv, a resident of Toronto, Ontario.

26 567. On November 9, 2018, Munger becomes a Director of BKD, the publicly traded
27 company and now sole owner of Oryx. Munger’s only connection to anything relating to Oryx,
28 AAA, Legacy 8, and Bragg are through his relationship with FCGI and FCGNA.

1 568. As noted above, on December 20, 2018, Breaking Data Corp. [TSVX: BKD]
2 legally changed its name to Bragg Gaming Group Inc. [TSVX: BRAG] and completed a
3 C\$13,800,000 subscription. This subscription was led by Eight Capital, Haywood Securities,
4 Inc and Canaccord Genuity Corp for the upfront purchase of Oryx.

5 569. On March 11, 2019, Bragg issues a Prospectus to complete a C\$13,800,000
6 subscription lead by Eight Capital, Haywood Securities, Inc and Canaccord Genuity Corp
7 without any mention or disclosure of their Director Munger being sued for racketeering
8 including clearly identified claims against his for billing fraud, wire fraud, money laundering,
9 tax evasion and securities fraud related to Bastian and the Bastian Entities, despite Munger's
10 duty to disclose the lawsuit to every casino gaming licensing board and Bragg's fiduciary duty to
11 report the lawsuit to its shareholders, and every securities exchange they offer and sell their
12 securities to and through.

13 570. On March 11, 2019, Folger Rubinoff, LLP, securities counsel for Bragg (and
14 service agent for Munger) files notice with Canadian Securities Exchanges that there are no material
15 misrepresentations in the March 11, 2019 (the "Prospectus") despite the lawsuit naming Bragg's
16 Director Munger.

17 571. On March 11, 2019, Wildeboer Dellelce, LLP, the underwriter's legal counsel
18 for Bragg files notice with Canadian Securities Exchanges that there are no material
19 misrepresentations in the March 11, 2019 (the "Prospectus") despite the lawsuit naming Bragg's
20 Director Munger.

21 572. On March 11, 2019, MNP, LLP, the certified public accounts and auditors for
22 Bragg files notice with Canadian Securities Exchanges that there are no material
23 misrepresentations in the March 11, 2019 (the "Prospectus") despite the lawsuit naming Bragg's
24 Director Munger.

25 573. On May 30, 2019, Bragg files an Interim financial statements, reports and
26 Management Disclosures & Analysis (MD&A's) on public record with the Toronto Stocks
27 Venture Exchange marking the FIRST QUARTERLY REPORT with absolutely no mention of
28 any risk factors to Bragg in the Lawsuit naming their Director Munger.

1 574. Beginning in June of 2019, Bragg acknowledges relationship with Munger in
2 Nevada courts without ever disclosing to stock exchanges or its shareholders by hiring Nevada
3 counsel and making court appearances.

4 575. On July 22, 2019, during oral arguments in motions before the Nevada District
5 Court, the Court Ordered Munger to provide a supplement brief as to his relationship with
6 Bragg and Oryx. Munger failed to meet the initial August 2, 2019 deadline and requested
7 additional time, ultimately filing its response on August 6, 2019.

8 **576.** In the Supplement filed on August 6, 2019, Munger sets forth, among other
9 things, his relationship with Bragg/Oryx, Bastian, and an unnamed “Canadian business partner.”
10 Munger’s declarations to the Court in the Supplement reveals a long timeline, in a voluntary
11 admission by Bragg and Munger that he was deeply involved with every single aspect of the
12 Bragg/Oryx transaction as early as May, 2017, all while Munger was still an Officer of FCGI,
13 FCGNA and FCGLTD. In the Supplement, Munger takes credit for his accomplishments in
14 Bragg/Oryx’s success, revealing his participation in these companies and the underlying
15 racketeering scheme making it clear that Bragg’s acquisition of Oryx could not have happened
16 without Munger’s consultation further demonstrating Third-Party Defendants’ interference with
17 Munger’s contractual duties.

18 577. On August 27 2019, just weeks after Munger’s appearance in Court as the
19 current and valid Director of Bragg, and again on November 12, 2019, Bragg files an Interim
20 financial statements, reports and Management Disclosures & Analysis (MD&A’s) on public
21 record with the Toronto Stocks Venture Exchange marking the SECOND and THIRD
22 QUARTERLY REPORTS with absolutely no mention of the Bragg/Munger Supplement and
23 oral arguments listing any risk factors to Bragg in the Lawsuit or the alleged termination of
24 Munger as a Director. The reports also ignore disclosing the threats of the lawsuit made to
25 Bragg’s counsel of Folger & Rubinoff on July 10, 2019. And worse, there is no mention that
26 Munger had [allegedly voluntarily] resigned from his directorship at Bragg.

27 578. On August 27 2019, just weeks after Munger’s appearance in Court as the
28 current and valid Director of Bragg, and again on November 12, 2019, Bragg files an Interim

1 financial statements, reports and Management Disclosures & Analysis (MD&A's) on public
2 record with the Toronto Stocks Venture Exchange marking the SECOND and THIRD
3 QUARTERLY REPORTS with absolutely no mention of the Bragg/Munger supplemental brief
4 and oral arguments listing any risk factors to Bragg in the Lawsuit or the alleged termination of
5 Munger as a Director. The reports also further ignore disclosing the threats of the lawsuit made
6 to Bragg's counsel of Folger & Rubinoff on July 10, 2019. And worse, there is no mention that
7 Munger had [allegedly voluntarily] resigned from his directorship at Bragg.

8 579. On November 13, 2019, the Full Color Parties filed a Motion to Amend
9 Answer, Counterclaims and Third-Party Complaint in Order to Consolidate Counterclaims and
10 Third-Party Claims of All Defendants naming all of the known Bragg Parties as Third-Party
11 Defendants ("Amended Third-Party Claims"). Upon information and belief, Bragg hired
12 Dickinson Wright, PLLC, ("DWP") as Nevada counsel (although they may have been hired as
13 early as July 10, 2019 when Bragg's Canadian counsel, Fogler Rubinoff, LLP was sent the legal
14 notice or shortly thereafter in order to provide Nevada legal opinions made in the Supplement
15 Brief by Munger as Director of Bragg in the August 6, 2019 hearing with the Court). Regardless
16 of when, it simply reveals more fraud, concealment and misrepresentations on the part of
17 Munger, Bragg, Arviv, Mazij, Spielberg, Legacy 8, et al.

18 580. On December 16, 2019, DWP, was in this Courtroom observing the entire
19 events from the gallery but chose not to formally appear while Munger / Bragg attempted to
20 prevent Bragg, Legacy Eight, Oryx, Mazij, AAA et. al from being added to the lawsuit. DWP
21 approached the legal counsel for Full Color Parties and notified them that they had been
22 formally hired by Bragg parties to represent them, and to reach out to them when the Bragg
23 parties are served. At this point, it is indisputable that Bragg, Legacy 8, Arviv, Spielberg, Mazij,
24 Bastian, Sears, Sears & Co., AAA, KAVO were all fully aware of the pending lawsuit actions
25 against them and their agents, yet for the next solid year, Bragg and their agents, not only fail to
26 disclose the existence of the Lawsuit to any securities exchange commission and continued to
27 sell securities to the public without proper public disclosure of the risk factors associated with
28 any potential liability related thereto, you all claim it didn't even exist.

1 581. On January 9, 2020, the Full Color Parties Amended Third-Party Complaint was
2 formally entered by the Court formally commencing a legal action against the Bragg Parties by
3 joining them as Third-Party Defendants in this Lawsuit.

4 582. On January 21, 2020, immediately after Bragg was sued, Bragg filed a “press
5 release” fraudulently backdating their claim that Munger had “resigned” on August 2, 2019,
6 four days before their August 6, 2019 public claim in the Supplemental Brief in the Lawsuit
7 declared otherwise that Munger “is” still a Director. This press release filed over 5 1/2 months
8 after Munger and Bragg represented to the Nevada Court that Munger was a Director, now
9 claimed he was not a director.

10 583. On June 2, 2020, Oryx was formally served the Amended Third-Party
11 Complaint and given 21 days to Answer.

12 584. On June 25, 2020, DWP, as Nevada counsel finally formally appeared in the
13 Lawsuit on behalf of Bragg and Oryx but did not make any other appearances for any of the
14 other Bragg Parties named in the Second Amended Third-Party Complaint.

15 585. On July 7, 2020, Bragg Nevada Lawsuit Counsel files a formal answer to the
16 Nevada Court in the Lawsuit.

17 586. Although Bragg and Oryx formally answered the lawsuit without moving to
18 dismiss any claims, Bragg still did not disclose the lawsuit, and doctors the facts to mitigate
19 these failures. Bragg’s agents engage in more securities fraud by failing to acknowledge this or
20 make any reports with all securities exchange commissions in any public filings.

21 587. Further, on May 14, 2020 and June 30, 2020 respectively, Bragg filed an
22 Annual report of financial statements and Management Disclosures & Analysis (MD&A’s) on
23 public record with the Toronto Stocks Venture Exchange marking the FOURTH and FIFTH
24 QUARTERLY REPORT with absolutely no mention of any risk of Bragg in the Lawsuit or the
25 termination of Munger as a director.

26 588. Indeed, the June 30, 2020 quarterly report was issued a full month after Oryx
27 was served and after Bragg and Oryx hired Nevada counsel to defend the lawsuit, yet still does
28 not mention the Lawsuit, yet Bragg, their securities lawyers, auditors and underwriters continue

1 to secure tens of millions of funds of investor funds without disclosing the lawsuit filed against
2 Bragg.

3 589. Later, on August 27, 2020, Bragg files an Interim financial statements, reports
4 and Management Disclosures & Analysis (MD&A's) on public record with the Toronto Stocks
5 Venture Exchange again making no mention of the Lawsuit against Bragg or the termination of
6 Munger as a director while Bragg continued to omit any disclosure of the Lawsuit and its
7 defense thereof, even when it sought to raise additional capital.

8 590. On October 26, 2020, Bragg filed a Material Change notice to make an offering
9 of 17,860,000 shares of the company to raise \$12,500,000 in cash allowing the shares to be
10 offered in both Canada and in the USA as a Private Placement Memorandum avoiding the
11 registration of the securities by the United States SEC, but not avoiding the liability to disclose
12 risk factors in the Lawsuit to the SEC creating an even greater liability to Bragg.

13 591. These amounts appear to be changed by a second notice a day later on October
14 27, 2020 to 25,715,000 to raise \$18,000,500 plus an over-allotment of 3,857,250 shares for an
15 additional amount to their underwriters for \$2,700,075.

16 592. On October 30, 2020, Bragg's underwriters filed an Underwriting Agreement
17 for the amount in the Material Change Report. Despite there actually being a Lawsuit and
18 claims against Bragg and its affiliates, Section 4.1 (g) Representations and Warranties falsely
19 states:

20 [Bragg] has not received notice of any pending or, to the knowledge of the
21 Company, threatened claim, suit, proceeding, charge, hearing,
22 enforcement, audit, investigation, arbitration or other action from any
23 Governmental Authority or Third-Party alleging that any operation or
24 activity of the Company, the Material Subsidiaries or any of their directors,
25 officers and/or employees is in violation, in any material respect, of any
26 applicable Laws or Authorizations and has no knowledge or reason to
believe that any such Governmental Authority or Third-Party is
considering or would have reasonable grounds to consider any such claim,
suit, proceeding, charge, hearing, enforcement, audit, investigation,
arbitration or other action;

27 ///

28 ///

1 593. On November 13, 2020, Bragg files final Short Form Prospectus in which it
2 finally, and for the first time, discloses the Lawsuit, buried on page 41 of 44. In that disclosure,
3 Bragg, by way of its agents, (Bragg, their securities lawyers, auditors and underwriters, brokers,
4 dealers and all of their related securities affiliates) falsely states that “Mahon used the
5 shareholders’ money for his own personal use.” Bragg also falsely stated that the Lawsuit
6 alleged that Mahon had “defrauded” shareholders even though all fraud claims had been
7 dismissed in 2018. Although these statements only directly identified Mahon, they also directly
8 implicated the Third-Party Plaintiffs including IPH, JPL, and FCGG, all of whom are directly
9 implicated in receiving funds from shareholders and in defrauding shareholders.

10 594. Bragg made these statements, knowing that there had not been any actual
11 evidence presented to show that he had used any money for his personal use or defrauded
12 shareholders. Indeed, the fraud claims had already been dismissed at that time. Bragg either
13 knew these statements were false or made the statements with reckless disregard for the truth.

14 595. On November 13, 2020, on the exact same day as the Bragg Short Form
15 Prospectus filing, the “Amended and Restated Underwriting Agreement” for the Bragg
16 Prospectus falsely claims there are no risks, no lawsuits, no actions, no threats that are disclosed
17 in the Prospectus.

18 596. On November 13, 2020, on the exact same day as the Bragg Short Form
19 Prospectus filing, the Bragg Legal clearance of Bennett Jones, LLP, Bragg Legal Clearance,
20 McMillan, and Bragg’s accounting firm MNP LLP all filed statement with all securities
21 exchanges confirming that they had no reason to believe there were any misrepresentations in
22 the “Bragg Gaming Group, Inc. – Final Short Form Prospectus dated November 13, 2020”
23 despite the fact that their casino gaming licenses are in fact, in jeopardy and they have not only
24 engaged in filing false securities disclosures, they have knowingly and willingly not filed any at
25 all in order to conceal and mispresent to the investing public their liabilities in this lawsuit to
26 unjustly enrich themselves by selling securities in violation of securities law requirements.

27 597. Despite finally disclosing the Lawsuit in a misleading way in its prospectus, on
28 November 23, 2020, Bragg files an Interim financial statements, reports and Management

1 Disclosures & Analysis (MD&A's) on public record with the Toronto Stocks Venture Exchange
2 and again fails to disclose the existence of the Lawsuit in this document.

3 598. And again, on December 10, 2020, Bragg insiders announce purchase of
4 discounted shares in PPM without any disclosure of the Lawsuit to shareholders.

5 599. On January 13, 2021, Bragg completed yet another non-brokered private
6 placement (the "Offering"). The Corporation raised C\$3,000,000 through the issuance of
7 2,479,335 common shares (the "Common Shares") at a price of C\$1.21 per Common Share
8 once again with no disclosures of the Lawsuit. It is followed by a Material Change Report that
9 once again, does not mention Material Adverse Effects in Risk factors of the Lawsuit or the
10 false, misleading, concealed or misrepresented facts related thereto, all which started with the
11 false statements concerning Mahon an.

12 600. On February 23, 2021, Bragg published a press released entitled, "Bragg Takes
13 in \$16M on Forced Conversion and Expiry of All Outstanding Warrants". This completes the
14 full course of the insider trading to the benefit of Bragg insiders to the detriment of general
15 public shareholders and the Full Color Parties as quoted, "Proceeds of warrants contribute to
16 balance sheet, providing increased liquidity and flexibility for future growth".

17 601. On November 20, 2020, Third-Party Plaintiffs and certain Third-Party
18 Defendants reached what Mahon believed was a settlement between the Full Color Parties,
19 Plaintiffs and certain Third-Party Defendants including all the Bragg parties now named herein.
20 Unbeknownst to Third-party Plaintiffs However, the Bragg Parties delayed their response to
21 proposed settlement.

22 602. On January 12, 2021, however, after the Mahon's, Howard's, and the Third-
23 Party Plaintiffs' counsel informed Bragg/Oryx that it was revoking any settlement with the
24 Bragg/Oryx or any other related party due to their delays unless they paid more to the settlement
25 funds and because they learned of the false, misleading, and defamatory statements made
26 concerning Mahon and the related Third-Party Plaintiffs, and demanded that Bragg/Oryx rectify
27 the misrepresentations.

28 603. On January 15, 2021, FCGI sent the Bragg Compliance team at

1 info@bragg.games public email address per the disclosures and press releases on public record
2 requesting additional and full information on the PPM documents, details, terms, conditions,
3 underwriters, brokers, etc. Bragg still has not responded to FCGI's request as of the date of this
4 letter. Further proof that Bragg has absolutely no respect for or concern for compliance with
5 securities regulations.

6 604. On January 16, 2021, Mahon's lawyers sent a lengthy letter to Bragg's Nevada
7 counsel concerning the false, misleading and fraudulent representations in Bragg's securities
8 disclosures and reiterated an earlier demand that Bragg immediately correct the public record
9 and retract misrepresentations concerning Mahon and the facts concerning the Lawsuit, and to
10 further correct Bragg's repeated failures to adequately disclose the Lawsuit in its public
11 disclosures with a deadline of January 20, 2021 to comply or face this legal action.

12 605. On January 20, 2021, Bragg's Nevada Lawsuit lawyers responded by refusing
13 to rectify the misrepresentations.

14 606. The public record demonstrates that Bragg has sold securities in both public and
15 private offerings in violation of well-established securities and accounting laws, not only in
16 Canada through the Toronto Stock Exchange but through many other countries and their
17 affiliated public exchanges, including in the United States stock exchanges, subjecting Bragg
18 enforcement actions against them by the United States and Canadian Securities Exchange
19 Commissions.

20 607. Bragg and their agents that include but may not be limited to Canaccord
21 Genuity Corp., Cormark Securities, Inc., Haywood Securities Inc., Paradigm Capital Inc., Eight
22 Capital, Bennett Jones, LLP, McMillan, LLP and MNP, LLP were repetitively given the chance
23 to collectively and completely correct the public records by rescinding all of their false
24 statements concerning Mahon and the Third-Party Plaintiffs and replace them corrected and
25 compliant filings. Bragg/Oryx have knowingly willingly and deliberately chose not to rectify
26 the false and misleading statements, forcing Third-Party Plaintiffs to seek relief in this Court
27 based on Bragg's slander, libel and defamation per se of that has caused incalculable and
28 irreparable damage to the name, reputation and character of Mahon and all of his Full Color IP

1 Licensees represented by the Third-Party Plaintiffs.

2 **XVII. THE NEXUS BETWEEN THE LEGACY EIGHT GAMING**
3 **LTD SHELLS, BASTIAN PARTIES AND TARGETING ORYX**
4 **GAMING, LEGACY EIGHT SHELLS, AA ACQUISITIONS & KAVO HOLDINGS**

5 608. Bragg has a long history with many name changes that will not be set forth here.
6 All told, over 17 years, Bragg had been five different publicly traded corporations that are all,
7 essentially one and the same, publicly trading under the names of “RKL.P”, then “SII”, then
8 “SPY”, then “BKD” and now “BRAG.” This is the textbook definition of a shell game as is the
9 creation of “special purpose acquisition companies” also known as a “SPAC” used to facilitate
10 their securities fraud consists of a cadre after another that “legally” hides the actual ultimate
11 beneficial owners. The entire process is a shell game designed to obtain investors and often
12 fleece the company at the right time. Upon information, and belief, this appears to be Arviv’s
13 *operandus modi* and will be demonstrated at trial that Arviv has engaged in this practice many
14 other times before leading to hundreds of millions of dollars in financial losses to investors
15 through other private and publicly traded entities with his last one being Green Growth Brands
16 that went insolvent in December of 2020 leaving a trail of over \$65 million dollars in losses to
17 investors while Arviv and his racketeering schemes continue to engage in unjust enrichment.

18 609. The nexus between the Third-Party Plaintiffs and Oryx is detailed in the Third-
19 Party Complaint herein throughout this entire complaint and is incorporated by reference.

20 610. Among other damages, Third-Party Plaintiffs have lost investors and business
21 opportunities because of these false statements made by Bragg.

22
23 **FEDERAL RACKETEERING CLAIMS**
24 **(VIOLATIONS OF FEDERAL RACKETEERING STATUTE)**
(18 U.S.C. § 1961 et seq.)

25 **Allegations Common to First, Second, Third, Fourth,**
26 **Fifth and Sixth Claims for Relief**

27 **A. The Federal RICO Enterprise**

28 611. Counter-Defendants and Third-Party Defendants are each involved in an

1 “enterprise” as defined in 18 U.S.C. §1961 (4).

2 612. With respect to all allegations common to the First, Second, Third and Fourth
3 Claims of violations of sections 18 U.S.C. §§ 1962(b), (c) and (d), Counter-Defendants’ and
4 Third-Party Defendants’ “enterprise” includes Bastian, Simmons, Munger, Linham, Playtech,
5 Island Luck, DTG, DHL, ILG, M&A, Valcros, Jungels, Horan and Multislot, collectively
6 known as the “Bastian Gaming and Casino Enterprise.”

7 613. With respect to all allegations common to Fifth and Sixth Claims of violations
8 of sections 18 U.S.C. §§ 1962(b), (c) and (d) Counter-Defendants’ and Third-Party Defendants’
9 “enterprise” includes Munger , M&A, Valcros, Eckles, DHWT, Solso, Millennium Trust, BLM,
10 T Moore, L Moore, Moore Family Trust, Brock Sr., Brock Jr., Castaldo, and Marcus, known as
11 the “Investor Enterprise.”

12 614. With respect to all allegations common to the Fifth Claim in the violations of
13 sections 18 U.S.C. §§ 1962(b), (c) and (d), Counter-defendant’s “enterprise” includes the
14 Bastian Casino Gaming Enterprise, and the Investor Enterprise.

15 615. With respect to all allegations common to the Sixth Claim in the violations of
16 sections 18 U.S.C. §§ 1962(b), Counter-defendant’s “enterprise” includes Newman, Newman
17 Law, and CBL, collectively hereinafter identified as the “Newman Law Group.”

18 616. Counter-Defendants or Third-Party Defendants Bastian, Simmons, Munger,
19 M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles, DHWT, Solso,
20 958 Partners, Millennium Trust, BLM, T Moore, L Moore, Moore Family Trust, Brock Sr.,
21 Brock Jr., Castaldo, Marcus, Newman, Newman Law and CBL are “persons” within the
22 meaning of 18 U.S.C. § 1961(3).

23 617. Counter-Defendants and/or Third-party Defendants Bastian, Simmons, Munger,
24 M&A, Valcros, Linham, Playtech, Island Luck, DTG, DHL, Multislot, Eckles, DHWT, Solso, ,
25 Millennium Trust, BLM, T Moore, L Moore, Moore Family Trust, Brock Sr., Brock Jr.,
26 Castaldo Marcus, Newman, Newman Law, CBL, and Bastian Casino Gaming Enterprise are
27 each an “enterprise that affects interstate commerce” pursuant to 18 U.S.C. § 1961(4) and
28 §1962(b), (c) and (d).

618. Each of the Counter-Defendants and Third-Party Defendants are associated with or are in fact members of the Bastian Casino Gaming Enterprise that engages in legitimate and illegitimate activities, including the racketeering activities herein alleged and pursuant to 18 U.S.C. § 1961 et. seq.

619. Bastian is the head of the Bastian Casino Gaming Enterprise, and adds the following paragraphs and facts in how the Counter-Defendants and Third-Party Defendants have engaged in violating the federal RICO Acts of 18 U.S.C. §§1961 (b), (c) and (d) and have engaged in a continuing and concerted course of conduct involving with the purpose and effect of willfully causing injury to the Third-Party Plaintiffs, especially Mahon and FCGI, and interfering with their interstate and foreign commerce as set forth herein and further here below.

620. 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, CBL, Arviv, Spielberg, Sears, Bragg/Oryx, and Legacy 8 with the approval and/or acquiescence of Bastian, exercised authority over the conduct and activities, both legitimate and illegitimate.

B. Federal RICO Predicate Acts

621. 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);

622. 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):

623. 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)

624. 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)

625. 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

626. 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

627. 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.

///

1 **(2) 18 U.S. Code § 1956 – Laundering of Monetary Instruments (money laundering)**

2 Scheme or Artifice

3 628. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
4 1956, which states in pertinent part:

5 (1) Whoever, knowing that the property involved in a financial transaction
6 represents the proceeds of some form of unlawful activity, conducts or
7 attempts to conduct such a financial transaction which in fact involves the
proceeds of specified unlawful activity—

8 (A)

9 (i) with the intent to promote the carrying on of specified unlawful
10 activity; or

11 (ii) with intent to engage in conduct constituting a violation of section
12 7201 or 7206 of the Internal Revenue Code of 1986; or

13 (B) knowing that the transaction is designed in whole or in part—

14 (i) to conceal or disguise the nature, the location, the source, the
15 ownership, or the control of the proceeds of specified unlawful
activity; or

16 (ii) to avoid a transaction reporting requirement under State or Federal
17 law

18 **(3) 18 U.S. Code § 1951 – Interference with commerce by threats or violence**

19 629. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
20 1951, which states in pertinent part:

21 (a) Whoever in any way or degree obstructs, delays, or affects commerce or the
22 movement of any article or commodity in commerce, by robbery or
23 extortion or attempts or conspires so to do, or commits or threatens physical
24 violence to any person or property in furtherance of a plan or purpose to do
anything in violation of this section shall be fined under this title or
imprisoned not more than twenty years, or both.

25 (b) As used in this section—

26 (2) The term “extortion” means the obtaining of property from another, with
27 his consent, induced by wrongful use of actual or threatened force,
28 violence, or fear, or under color of official right.

1 (3) The term “commerce” means commerce within the District of Columbia,
2 or any Territory or Possession of the United States; all commerce
3 between any point in a State, Territory, Possession, or the District of
4 Columbia and any point outside thereof; all commerce between points
5 within the same State through any place outside such State; and all other
6 commerce over which the United States has jurisdiction.

7 **(4) 18 U.S. Code § 1832 – Theft of trade secrets**

8 630. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
9 1832, which states in pertinent part:

10 (a) Whoever, with intent to convert a trade secret, that is related to a product or
11 service used in or intended for use in interstate or foreign commerce, to the
12 economic benefit of anyone other than the owner thereof, and intending or
13 knowing that the offense will, injure any owner of that trade secret,
14 knowingly—

15 (1) steals, or without authorization appropriates, takes, carries away, or
16 conceals, or by fraud, artifice, or deception obtains such information;

17 (2) without authorization copies, duplicates, sketches, draws, photographs,
18 downloads, uploads, alters, destroys, photocopies, replicates, transmits,
19 delivers, sends, mails, communicates, or conveys such information;

20 (3) receives, buys, or possesses such information, knowing the same to
21 have been stolen or appropriated, obtained, or converted without
22 authorization;

23 (4) attempts to commit any offense described in paragraphs (1) through (3);
24 or

25 (5) conspires with one or more other persons to commit any offense
26 described in paragraphs (1) through (3), and one or more of such
27 persons do any act to effect the object of the, shall, except as provided
28 in subsection (b), be fined under this title or imprisoned more than 10
years, or both.

(5) 18 U.S. Code § 1341 – Frauds and swindles

631. The Counter-defendants have violated the Federal RICO statute 18 U.S.C. §
1341, 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

1 pretenses, representations, or promises, or to sell, dispose of, loan,
2 exchange, alter, give away, distribute, supply, or furnish or procure for
3 unlawful use any counterfeit or spurious coin, obligation, security, or other
4 article, or anything represented to be or intimated or held out to be such
5 counterfeit or spurious article, for the purpose of executing such scheme or
6 artifice or attempting so to do, places in any post office or authorized
7 depository for mail matter, any matter or thing whatever to be sent or
8 delivered by the Postal Service, or deposits or causes to be deposited any
9 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.

10 **C. Federal Pattern of Racketeering**

11 632. The predicate acts form a pattern of racketeering activity in that:

- 12 (i) they were all done by the members Counter-Defendants and Third-Party
13 Defendants at the direction of Bastian on behalf of the Bastian Casino
14 Gaming Enterprise for their individual and collective benefit;
- 15 (ii) they all included individual Counter-Defendants and Third-Party
16 Defendants as directed by Bastian, with the approval/and or acquiescence
of Bastian and/or Simmons;
- 17 (iii) they were all performed by each individual Counter-Defendants and
18 Third-Party Defendants outside of the scope of the legitimate authority of
19 their office or employment and/or for their personal and / or to the benefit
of their individual entity or entities;
- 20 (iv) they were all performed by such corporations in a manner that favored
21 their individual, corporate, partnership, trust, enterprising or collective
22 benefit to the disadvantage of Third-Party Plaintiffs including FCGI and
its non-party shareholders;
- 23 (v) they were all directed to operate in such a manner that they each knew
24 that their actions, if discovered, would cause the Third-Party Plaintiffs,
including FCGI ultimate harm or injury;
- 25 (vi) they all related to each other as part of a common course of conduct, plan,
26 and objective to engage in a continued and concerted course of conduct
27 with the purpose and effect of defrauding Third-Party Plaintiffs;
- 28 (vii) they all included acts of concealment, conversion, and/or coercion, the

1 illegitimate economic effect of which was the act of acquiring,
2 maintaining and controlling security interests and income from Mahon's
3 Full Color IP, as well as from FCGI, FCGNA and FCGLTD upon the
4 successful completion of their criminal racketeering activities;

5 (viii) they had sufficient continuity, repetition and duration in that they
6 occurred at least since 2015 up to and including 2019; and

7 (ix) they each posed a threat of continued repetition against the FCGI,
8 FCGNA, and other Third-Party Plaintiffs and did indeed do so as set forth
9 further here below in the other Claims of racketeering.

10 **D. Federal RICO Injury**

11 633. Third-Party Plaintiffs and Third-Party Plaintiffs have been injured by the
12 actions of the Bastian Casino Gaming Enterprise and the individual members of the enterprise
13 and the individual members of the Investor Enterprise, both as a direct result of the individual
14 predicate acts committed by the Counter-Defendants and Third-Party Defendants individually
15 and acting collectively in the Bastian Casino Gaming Enterprise or the Investor Enterprise
16 whereby Third-Party Plaintiffs and Third-Party Defendants have sustained losses as direct result
17 of the individual predicate acts and the racketeering activity, in an amount to be determined at
18 trial as:

19 (a) intentionally and willfully depriving Mahon, FCGI and the other Third-
20 Party Plaintiffs from the ability to be found suitable for licensing before any
21 regulated casino gaming control board with the UKGC (and others) by
22 causing them to reluctantly and against their will become a part of Bastian's
23 and the Bastian Casino Gaming Enterprise's criminal activities by aiding
24 and abetting them in billing fraud, wire fraud and money laundering for the
25 purpose of tax evasion through the wrongful purchase of securities;

26 (b) Causing the loss of Mahon's property rights interests in the profits of their
27 investments into the Full Color IP due to the failure of FCGLTD [and
28 FCGNA] 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;

(c) Damage to Counter-Claimant's entities good name, brand, reputation,
stature and likeness;

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1 (“RICO”), 18 U.S.C. § 1961 et seq., in its pertinent part states:

2 “It shall be unlawful for any person to conspire to violate any of the
3 provisions of subsection (a), (b), or (c) of this section”

4 641. The below named Counter-Defendants and Third-Party Defendants have
5 conspired to violate 18 U.S.C. §1962(b) which is a violation of 18 U.S.C. § 1962(d) as set forth
6 fully herein.

7 642. The predicate acts alleged above constituted substantial acts of money
8 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of
9 monetary instruments (money laundering).

10 643. Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham,
11 Munger, Playtech, Island Luck, DHL, DTG are “persons” within the meaning of 18 U.S.C. §
12 1961(3).

13 644. Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham,
14 Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTL, Multislot, Horan, and Jungels are
15 an “enterprise” within the meaning of 18 U.S.C. § 1961(4) and §1962(a).

16 **Conspiracy to violate 18 U.S.C. §1962(b)**

17 645. Counter-Defendants and Third-Party Defendants have conspired to violate the
18 18 U.S.C. §1962(b) and in order to succeed on this claim under 18 U.S.C. §1962(d) the Third-
19 Party Plaintiffs hereby prove each of the following three facts by a preponderance of the
20 evidence and is hereby detailed with specificity and particularity already fully set forth herein:

21 (1) **Counter-Defendants and Third-Party Defendants engaged in a pattern of**
22 **racketeering activity beginning:**

- 23
- 24 a. On October 1, 2015 when Munger introduced Bastian to the FCGI and
25 Mahon in complete conflict of his NDACA and his fiduciary duties to FCGI.
- 26 b. November 11, 2015 the Counter-defendants racketeering activity began with
27 the signed contract to invest \$1 million into FCGI and then canceling the
28 investment under the guise and scheme of tax evasion;

- 1 c. On November 17, 2015 when Bastian directed Multislot to produce the Full
2 Color IP on their RGS to the benefit of the Bastian Casino Gaming Enterprise
3 at no cost to FCGI or its affiliates as part of his scheme to begin to control
4 and influence FCGI;
- 5 d. On November 18, 2015 when Bastian demanded that FCGI change its entire
6 corporate structure and move its assets and operations to a foreign country
7 that would ultimately facilitate the Bastian's tax evasion scheme;
- 8 e. On December 8, 2015 when Third-Party Defendants Bastian, Simmons,
9 Playtech, and Island Luck, first attempted to get Mahon to conspire with
10 them to avoid \$120,000 in BIT in order to conceal the purchase of their
11 securities in FCGI and gain rights to the Full Color IP;
- 12 f. On June 7, 2016 when Bastian, Simmons, and Munger seduced, corrupted
13 and conspired with Linham, CFO of FCGI and FCGLTD, to engage in a
14 scheme of creating a fraudulent billing invoice for the sale of computer
15 equipment that neither FCGI nor FCGLTD owned, would sell nor ship to the
16 Bastian Casino Gaming Enterprise, so the Bastian Casino Gaming Enterprise
17 could submit the fraudulent commercial invoice to the Bank of Bahamas and
18 get the funds fraudulently wire transferred to FCGLTD'S bank account in the
19 Isle of Man, concealing Bastian's purchase of 15% of FCGI'S securities
20 interest in FCGLTD and avoiding the \$120,000 in BIT.
- 21 g. On June 7, 2016 when Bastian, Simmons, and Munger, the CTO of FCGI,
22 FCGNA and FCGLTD conspired to aid and abet Linham in taking an Island
23 Luck quote in the amount of \$444,770.01 and assist him in creating the false
24 billing invoice;
- 25 h. On June 7, 2016 when Linham did in fact produce the fraudulent invoice in
26 the amount of \$444,770.00 and did in fact email it back to Simmons and the
27 Bastian Casino Gaming Enterprise;

28 ///

1 (2) Counter-defendants acquired or maintained, directly or indirectly, an interest
2 in or control of an enterprise.

3 Third-Party Plaintiffs re-allege and incorporate subsection (1) of this paragraph
4 and its sub-references herein and indisputably prove that Bastian and his Bastian
5 Casino Gaming Enterprise attempted to wrongfully conspire to acquire the
6 ownership interests of FCGI's ownership interests in FCGLTD and FCGNA;

7 (3) Counter-claimant's enterprise engaged in, or had some effect on, interstate
8 or foreign commerce.

9 a. Third-Party Plaintiffs re-allege and incorporate subsections (1) and (2) of this
10 paragraph and their sub-references herein allege that Bastian and his Bastian
11 Casino Gaming Enterprise attempted to wrongfully conspire to acquire
12 FCGI's ownership interests in FCGLTD and FCGNA;

13 b. The conspired transactions include using the internet to communicate, send
14 copies of the Island Luck quote, the false FCGLTD invoice, the coordination
15 of the scheme, the cancelation of it and the affirmation of it all that consisted
16 between FCGI a USA entity, the Bahamian Bastian Casino Gaming
17 Enterprise and the Isle of Man FCGLTD proving the engagement of
18 interstate and foreign commerce.

19 646. As a collective result, the certain Counter-Defendants and Third-Party
20 Defendants identified in this claim are guilty of violating the federal RICO Acts of 18 U.S.C.
21 §§1961(b) whereby they conspired to:

22 acquire or maintain, directly or indirectly, any interest in or control of any
23 enterprise which is engaged in, or the activities of which affect, interstate or
24 foreign commerce.

25 647. Counter-Defendants and Third-Party Defendants willfully conspired to and did
26 in fact engage in a continuing and concerted course of conduct with the purpose and effect,
27 whose actions, had they completed would have caused irreparable and incalculable harm to
28 Third-Party Plaintiffs knowingly depriving them from being found suitable for licensing before

1 the UKGC and all the other 450+ jurisdictions around the world that Third-Party Plaintiffs
2 could seek, and their investors investments relied upon prior to making their investments to
3 FCGI.

4 648. Third-Party Plaintiffs' business and property interests have suffered and
5 continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-
6 Defendants' and Third-Party Defendants' individual predicate acts as well as the racketeering
7 activity alleged herein. Accordingly, Third-Party Plaintiffs seek an award of treble damages
8 from the racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as
9 provided by 18 U.S.C. 1964(d).

10 **SECOND CLAIM FOR RELIEF**
11 **(Wells Fargo Money Laundering)**

12 **VIOLATION OF FEDERAL RACKETEERING STATUTE (18 U.S.C. 1962(b))**

13 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants**
14 **and Third-Party Defendants Linham, Munger, M&A, and Valcros)**

15 649. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
16 preceding paragraphs herein with specificity and particularity as though set forth fully herein.

17 650. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
18 ("RICO"), 18 U.S.C. § 1961 et seq. in its pertinent part states:

19 "It shall be unlawful for any person through a pattern of racketeering
20 activity or through collection of an unlawful debt to acquire or maintain,
21 directly or indirectly, any interest in or control of any enterprise which is
22 engaged in, or the activities of which affect, interstate or foreign
commerce."

23 651. The above-named Counter-Defendants and Third-Party Defendants have
24 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

25 652. The predicate acts alleged above constituted substantial acts of money
26 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of
27 monetary instruments (money laundering).

28 653. Counter Defendants and Third-Party Defendants Bastian, Simmons, Linham,

1 Munger, Playtech, Island Luck, DHL, and DTG are “persons” within the meaning of 18 U.S.C.
2 § 1961(3).

3 654. Counter-Defendants and Third-Party Defendants Bastian, Simmons, Linham,
4 Munger, M&A, Valcros, Playtech, Island Luck, DHL, DTG, Multislot, Horan, and Jungels are
5 an “enterprise” within the meaning of 18 U.S.C. § 1961(4) and §1962(a).

6 655. At all times relevant to this Third-Party Complaint, Counter-Defendants and
7 Third-Party Defendants Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL, and
8 DTG were associated with, and participated in the affairs of the Bastian Casino Gaming
9 Enterprise through a pattern of racketeering activity.

10 656. Third-Party Plaintiffs do business in interstate and foreign commerce.

11 657. The above-named Counter-Defendants and Third-Party Defendants continued
12 their scheme to engage in wire fraud and money laundering in an ongoing racketeering pattern
13 except this time the conspiracy actually successfully completed their racketeering acts.

14 658. As such, Third-Party Plaintiffs, in order to succeed on this claim under 18
15 U.S.C. §1962(b) the Third-Party Plaintiffs re-allege and incorporate by reference the allegations
16 set forth in paragraphs herein with specificity and particularity as though set forth fully herein
17 and allege as follows:

18 (1) Counter-Defendants and Third-Party Defendants engaged in a “pattern of
19 racketeering activity” whereby:

- 20 a. On June 22, 2016, Bastian, a Bahamian citizen, who self admittedly
21 refuses to do business in the United States for the purpose of avoiding
22 paying United States taxes, surprisingly not only has a United States bank
23 account, but has over \$500,000 United States dollars in the account.
- 24 b. On June 22, 2016, Bastian ordered Wells Fargo Bank, N.A., through a
25 “Wire Transfer Service – Outgoing Wire Transfer Request,” through
26 bank account number 1010173095067, in the account holder’s name of
27 Sebastian Bastian, made a fraudulent wire transfer to the Beneficiary of
28 FCGLTD in the Isle of Man to their Nedbank account 2260060590 for

1 the fraudulently stated "Purpose of Funds" as "INVESTMENT FOR
2 DAVINCI TRADING" in the amount of \$500,000 for the purposes of
3 avoiding paying the \$120,000 in BIT taxes and, more importantly, the
4 concealment of the DHL's purchase of 15% FCGI's securities interest in
5 FCGLTD.

- 6 c. Davinci Trading, already established as DTG, is Bastian's Grand Cayman
7 Island entity as detailed here above.
- 8 d. DTG has no contact or dealings with FCGLTD.
- 9 e. The statement of the "purpose of funds" by Bastian is fraudulent.
- 10 f. On June 23, 2016, FCGLTD did in fact receive a \$500,000 USD
11 incoming wire transfer from Bastian's United States Wells Fargo
12 Account.
- 13 g. Bastian fraudulently used the US Federal Reserve banking system to
14 perpetuate his wire fraud and engaged in money laundering rather than
15 having DHL make a single \$1 million wire transfer from DHL's Isle of
16 Man bank account to FCGLTD's Isle of Man bank account as
17 contemplated by the agreement between the parties.

18 (2) Through the pattern of racketeering activity, Counter-Defendants and Third-
19 Party Defendants acquired or maintained, directly or indirectly, an interest in
20 or control of an enterprise whereby.

21 Third-Party Plaintiffs re-allege and incorporate subsection (1) of this
22 paragraph and its sub-references herein that Bastian and his Bastian Casino
23 Gaming Enterprise attempted to engaged in Claim One and now, repeating to
24 a full fruition in Claim Two, the Counter-Defendants and Third-Party
25 Defendants have indeed began to acquire FCGI's ownership interests in
26 FCGLTD;

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1 (3) Third-Party Plaintiffs' enterprise engaged in, or had some effect on, interstate
2 or foreign commerce.

3 Bastian's Wells Fargo Outgoing Wire Transaction includes using the internet
4 and telecommunications systems in order to complete the fraudulent wire
5 transfer, further to communicate with others, to send copies of the wire
6 transfer details, to coordinate the scheme, consisted between the United
7 States entity in Wells Fargo Bank, FCGI a USA entity, the Bahamian Bastian
8 Casino Gaming Enterprise and the Isle of Man FCG LTD demonstrating the
9 engagement of interstate and foreign commerce.

10 659. As a result, Counter-Defendants and Third-Party Defendants set forth herein are
11 guilty of 18 U.S.C. §1962(b) herein this Second Claim.

12 660. Third-Party Plaintiffs' business and property interests have suffered and
13 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, Third-Party Plaintiffs seek an award of treble damages
16 from the racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as
17 provided by 18 U.S.C. 1964(d).

18 **THIRD CLAIM FOR RELIEF**
19 **(Bank of Bahamas Money Laundering)**

20 **VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))**

21
22 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants**
23 **and Third-Party Defendants Linham, Munger, M&A, and Valcros)**

24 661. Third-Party Plaintiffs repeat and re-allege the allegations set forth in preceding
25 paragraphs herein with specificity and particularity as though set forth fully herein.

26 662. 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

1 activity or through collection of an unlawful debt to acquire or maintain,
2 directly or indirectly, any interest in or control of any enterprise which is
3 engaged in, or the activities of which affect, interstate or foreign
commerce.”

4 663. The above-named Counter-defendants and Third-Party Defendants have
5 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

6 664. The predicate acts alleged above constituted substantial acts of money
7 laundering in violation of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1356, laundering of
8 monetary instruments (money laundering).

9 665. Defendants Bastian, Simmons, Linham, Munger, Playtech, Island Luck, DHL,
10 and DTG are “persons” within the meaning of 18 U.S.C. § 1961(3).

11 666. Defendants Bastian, Simmons, Linham, Munger, M&A, Valcros, Playtech,
12 Island Luck, DHL, DTG, Multislot, Horan, and Jungels are an “enterprise” within the meaning
13 of 18 U.S.C. § 1961(4) and §1962(b).

14 667. Third-Party Plaintiffs, in order to succeed on this claim under 18 U.S.C.
15 §1962(b), re-alleges the allegations set forth in preceding paragraphs with specificity and
16 particularity as though set forth fully herein and further alleges the following:

17 (1) Counter-Defendants and Third-Party Defendants continued to engaged in a
18 continued “pattern of racketeering activity” whereby:

- 19 a. Nearly 9 months after the formation of DHL in the Isle of Man, Bastian
20 still had failed to put his own investment funds into DHL in order to
21 make a direct bank to bank transfer from DHL to FCGLTD in their
22 Nedbank accounts in Isle of Man.
- 23 b. On or about September 20, 2016, Bastian ordered the Bank of Bahamas,
24 through the Shirley Street branch in Nassau, New Providence, Bahamas,
25 to engage in an “External Payment Request” (“EPR”), through bank
26 account number 3310002822, in the Applicant’s name of Sebastian
27 Bastian and made a fraudulent bank wire transfer request to beneficiary
28 of FCGLTD in the Isle of Man to their Nedbank account 2260060590.

- 1 c. On September 22, 2015, the EPR was stamped by BOB as received,
2 whereby the "Signature of the Applicant" line includes one known
3 signature of Bastian, whereby the signatures directed the BOB to make an
4 EPR in the form of a bank wire transfer in the amount of \$500,000
5 payable to Full Color Games Ltd in the Isle of Man.
- 6 d. The EPR makes clear false declarations to BOB, who is regulated by the
7 Central Bank of Bahamas ("CBB"), in the CBB'S Exchange Control
8 Reporting ("ECR") section of the EPR as CAT Code 2084 (Commission,
9 Advert. Subscript., Prof Service, Misc., e.g. visas, pay Bahamians
10 abroad) all of which was indisputably false and in fact, was truly for the
11 purposes of ECR CAT Code 5010 (Share Purchase).
- 12 e. FCGLTD did not charge Bastian or any party in the Bastian Casino
13 Gaming Enterprise any "commission," did not buy any "advertising
14 subscription, purchase any "professional service," or any other
15 "miscellaneous items, e.g., visa or pay any Bahamian abroad."
- 16 f. The false ECR CAT CODE declaration as stated in the BOB EPR is for
17 the purpose for tax evasion of the BIT by Bastian, Simmons, Playtech,
18 and/or Island Luck in order to conceal DHL'S purchase of FCGI's
19 ownership shares of FCGLTD's stock and further to avoid reporting it to
20 the Bahamian Government as required by the ECR which in that controls
21 the "Outward Direct Investments" in purchases of securities as further
22 detailed in the Bahamas Exchange Control Reporting Act of 1952.
- 23 g. This purchase of securities is a false statement by Bastian and the second
24 signatory in order to induce BOB to wire the funds as a falsely stated
25 ECR CAT CODE.
- 26 h. On October 3, 2016, Linham confirmed that FCGLTD did in fact receive
27 the \$500,000 into its Nedbank account in Isle of Man validating the act of
28 racketeering of money laundering through fraud by wire violating 18

1 U.S.C §1962(b) through the two predicate acts of 18 U.S.C.§1956 and
2 §1343.

- 3 i. Bastian fraudulently used BOB who then used the Central Bank of the
4 Bahamas (“CBOC”) who then used the US Federal Reserve banking
5 system to perpetuate the wire fraud and engaged in money laundering
6 rather than having DHL make a proper wire transfer from DHL’s Isle of
7 Man bank account to FCGLTD’s Isle of Man bank account.
- 8 j. FCGLTD did not engage in any business with Bastian or the Bastian
9 Casino Gaming enterprise pursuant to their declaration under ECR CAT
10 CODE 2084.
- 11 k. The statement of the “purpose of funds” by Bastian is fraudulent.
- 12 l. This BOB EPR in the amount of \$500,000 was for the continued and
13 ongoing pattern of racketeering activities for the purposes of avoiding
14 paying the \$120,000 in BIT taxes and more importantly the concealment
15 of the DHL’S purchase of 15% of FCGI’S securities interest in FCGLTD.

16 (2) Through the pattern of racketeering activity, Counter-Defendants and Third-
17 Party Plaintiffs acquired or maintained, directly or indirectly, an interest in or
18 control of an enterprise whereby.

19 Third-Party Plaintiffs re-allege and incorporate subsection (1) of this
20 paragraph and its sub-references herein and indisputably prove that Bastian
21 and his Bastian Casino Gaming Enterprise attempted to engaged in Claim
22 One, Claim Two now, repeating to a full fruition in Claim Three, the
23 Counter-Defendants and Third-Party Defendants have indeed continued to
24 wrongfully acquire more of the FCGI’S ownership interests in FCGLTD and
25 FCGNA;

26 (3) Third-Party Plaintiffs’ enterprise engaged in, or had some effect on, interstate
27 or foreign commerce:

- 28 a. Third-Party Plaintiffs re-allege and incorporate subsections (1) and (2) of

1 this paragraph and their sub-references herein and indisputably prove that
2 Bastian and his Bastian Casino Gaming Enterprise attempted to engage in
3 Claim One, Claim Two and now, repeating to a full fruition in Claim
4 Three, the Counter-defendants have indeed continued to wrongfully
5 acquire FCGI's ownership interests in FCGLTD and FCGNA;

6 b. Bastian's Bank of Bahamas Outgoing Wire Transaction includes using
7 the internet and telecommunications systems in order to complete the
8 fraudulent wire transfer, further to communicate with others, to send
9 copies of the wire transfer details, to coordinate the scheme, consisted
10 between the Bahamian bank of BOB, the USA Federal Reserved banking
11 system to facilitate the wire, FCGI a USA entity, the Bahamian
12 BASTIAN casino gaming enterprises and the Isle of Man FCGLTD
13 demonstrating the engagement of interstate and foreign commerce.

14 668. As a result, Third-Party Plaintiffs have alleged with specificity and particularity
15 that the Counter-Defendants and Third-Party Defendants are guilty of 18 U.S.C. §1962(b)
16 herein this Third Claim.

17 669. Third-Party Plaintiffs' business and property interests have suffered and
18 continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-
19 Defendants' and Third-Party Defendants' individual predicate acts as well as the racketeering
20 activity alleged herein. Accordingly, Third-Party Plaintiffs seek an award of treble damages
21 from the racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as
22 provided by 18 U.S.C. 1964(d).

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1 **FOURTH CLAIM FOR RELIEF**

2 **(Multislot Extortion)**

3 **VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))**

4
5 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants**
6 **and Third-Party Defendants Munger, Linham, M&A, and Valcros)**

7 670. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
8 preceding paragraphs with specificity and particularity as though set forth fully herein.

9 671. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
10 (“RICO”), 18 U.S.C. § 1961 et seq. in its pertinent part states:

11 “It shall be unlawful for any person through a pattern of racketeering
12 activity or through collection of an unlawful debt to acquire or maintain,
13 directly or indirectly, any interest in or control of any enterprise which is
14 engaged in, or the activities of which affect, interstate or foreign
15 commerce.”

16 672. The above-named Counter-Defendants and Third-Party Defendants have
17 conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

18 673. The predicate acts alleged above constituted substantial acts of extortion in
19 violation of the Hobbs Act in violations of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1951,
20 interference with commerce by threats or violence.

21 674. Third-Party Plaintiffs, in order to succeed on this claim under 18 U.S.C.
22 §1962(b), re-allege the allegations set forth in the preceding paragraphs herein with specificity
23 and particularity as though set forth fully herein, hereby allege facts concerning each of the
24 following three elements with new and additional specificity and particularity already as
25 follows:

26 (1) Counter-Defendants and Third-Party Defendants continued to engaged in a
27 continued “pattern of racketeering activity” whereby:

- 28 a. On January 31, 2017, as fully detailed in ¶252, Multislot, engaged in
extortion when they attempted to wrongfully extort the FCGI and its

1 affiliates out of their HTML5 property rights to the Full Color IP and
2 prevent them from globally releasing FCG21 through Videoslots as
3 expected if the Third-Party Plaintiffs and their affiliates did not comply
4 with Multislot demands, ultimately depriving Third-Party Plaintiffs re-
5 allege and incorporate and its affiliates of all income.

- 6 b. By contract, Multislot attempted to acquire or maintain, directly and
7 indirectly, an interest in and control of the Full Color IP, specifically
8 FC21 which is the property of Mahon and licensed FCGI and other
9 Third-Party Plaintiffs, all of whom have their own beneficial property
10 rights in the Full Color IP.
- 11 c. The Full Color IP could not be released on its own without the GBB or
12 UKGC license of Multislot while on their RGS that they controlled and in
13 so doing, controlled Third-Party Plaintiffs and their affiliates.
- 14 d. Third-Party Plaintiffs, which are engaged in, or the activities of which
15 affect, interstate or foreign commerce would generate revenue that
16 Multislot controlled through their contracts with Videoslots.com,
17 BetConstruct, EveryMatrix, et al., who would then charge a fee for their
18 control and pay Third-Party Plaintiffs. Multislot was, therefore, in every
19 step of the commerce, in control and attempted to wrongfully extort
20 Third-Party Plaintiffs out of their free rights to give certain revenue
21 streams property rights of the Full Color IP commerce, specifically, the
22 HTML5 rights to the Tier 1 operators, which constitute approximately
23 80% of all future revenues in which Multislot had no rightful claim to.

24 (2) Through the pattern of racketeering activity, the above named Counter-
25 defendants and Third-Party Defendants acquired or maintained, directly or
26 indirectly, an interest in or control of an enterprise whereby.

- 27 a. The Third-Party Plaintiffs re-allege and incorporate subsection (1) of this
28 paragraph and its sub-paragraphs herein that Multislot not only threatened

1 to pull the release of the Full Color IP to Videoslots, BetConstruct,
2 EveryMatrix for failing to comply with the Multislots' demands, but
3 Multislot repeated its threats by failing to release it on BetConstruct,
4 EveryMatrix, and even failed to ever release the Full Color IP on
5 Bastian's IslandLuck.com.

6 b. Despite the fact that Third-Party Plaintiffs have paid to have the games
7 fully certified for release through BMM and translated into 24 languages,
8 over \$110,000, and 15 months of direct development time invested into
9 the build and release, Multislot deliberately refused to release the product
10 at all, showing a pattern of extortion by wrongfully owning and
11 controlling the interests and property rights of Third-Party Plaintiffs and
12 their lawful enterprises.

13 (3) Third-Party Plaintiffs' enterprise engaged in, or had some effect on, interstate
14 or foreign commerce:

15 Third-Party Plaintiffs re-allege and incorporate subsections (1) and (2) of this
16 paragraph and their sub-paragraphs that the failure to globally release the Full
17 Color IP of FC21 on Videoslots.com, BetConstruct, EveryMatrix,
18 IslandLuck.com or anywhere, ever, even to this day, demonstrate that the
19 above-named Counter-Defendants and Third-Party Defendants have
20 interfered with interstate and foreign commerce.
21

22 675. Third-Party Plaintiffs further allege that Multislot violated 18 U.S.C. §1951
23 through interference with commerce by threats or violence or better known as the "Hobbs Act
24 extortion by the wrongful use of actual or threatened force, violence, or fear."

25 676. More specifically, Multislot wrongfully demanded that Third-Party Plaintiffs
26 give up all HTML5 property rights they had already assigned to another party.

27 677. Multislot demanded that Third-Party Plaintiffs give up control of the Full Color
28 IP and give up the HTML5 Tier 1 rights or they would pull the product releases to all other

1 operators which would cause great economic harm to the Third-Party Plaintiffs if they refused
2 to give in to Multislot's threats.

3 678. Multislot not only wrongfully obstructed the release of the Third-Party Plaintiffs
4 Full Color IP that they spent approximately \$110,000 in corporate funds, over 15 months of
5 time developing in good faith, but they permanently delayed the release of all Full Color IP not
6 just through the Island Luck platform, but to all other interstate and foreign commerce through
7 Videoslots, Betconstruct, EveryMatrix and Pinnacle after getting the games fully certified and
8 translated for global release because FCGI and its affiliates would not give in to the extortion
9 demands. Multislot knew that the Third-Party Plaintiffs would fail to reach revenue as a result,
10 would run out of money and go out of business within months and believed that Third-Party
11 Plaintiffs would succumb to their wrongful demands as the only alternative to save themselves.
12 Third-Party Plaintiffs did not give into the wrongful demands and subsequently did in fact go
13 out of business and experience a total loss of all of its investments that exceeded \$3 million cash
14 and nearly 10 years of business development as a result.

15 679. Multislot's actions and threats were wrongful because Multislot had no lawful
16 claim to the property. Multislot had no lawful claim to the property rights of the HTML5 rights
17 in either oral or written contract. In fact, Multislot turned down the opportunity to the HTML5
18 rights to the Tier 1 product. Multislot retained all other distributors and operators that only
19 wanted FLASH developed Full Color IP product and those that were already integrated into the
20 MULTISLOT RGS. Only Mahon and his licensees owned all rights to its revenue streams from
21 the Full Color IP pursuant to their respective licensing agreements with Mahon.

22 680. Third-Party Plaintiffs' business and property interests have suffered and
23 continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-
24 defendant's individual predicate acts as well as the racketeering activity alleged herein.
25 Accordingly, Third-Party Plaintiffs seek an award of treble damages from the racketeering
26 activity, costs of this litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C.
27 1964(d).

28 ///

FIFTH CLAIM FOR RELIEF
(Munger, Bastian, Brock Sr.,
Brock Jr., Eckles & Solso Extortion)

VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))

**(FCGI, IPH, FCGNA, and JPL against all
Counter-Defendants and all Third-Party Defendants)**

681. Third-Party Plaintiffs repeat, re-allege, and incorporate by reference the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein.

682. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961 et seq. in its pertinent part states:

“It shall be unlawful for any person through a pattern of racketeering activity or through collection of an unlawful debt to acquire or maintain, directly or indirectly, any interest in or control of any enterprise which is engaged in, or the activities of which affect, interstate or foreign commerce.”

683. The above named Counter-Defendants and Third-Party Defendants have conspired to violate 18 U.S.C. §1962(b) as set forth fully herein.

684. The predicate acts alleged above constituted substantial acts of extortion in violation of the Hobbs Act in violations of 18 U.S.C. § 1346, frauds by wire; 18 U.S.C. § 1951, interference with commerce by threats or violence; 18 U.S.C. § 1832, theft of trade secrets; 18 U.S.C. § 1589, forced labor.

685. Third-Party Plaintiffs, in order to succeed on this claim under 18 U.S.C. §1962(b), re-allege the allegations set forth in paragraphs herein with specificity and particularity as though set forth fully herein as follows:

(1) Counter-defendants and Third-Party Defendants continued to engaged in a continued “pattern of racketeering activity” whereby:

a. Beginning on or about April 19, 2017, in here above, Counter-

1 Defendants and Third-Party Defendants, and each of them, engaged
2 in frauds by wire, attempted extortion with the wrongful taking of
3 FCGI's and its affiliates property rights and interests in the IPR and
4 Full Color IP in order to acquire and maintain an interest in it in order
5 to wrongfully profit off of it through interstate and foreign commerce
6 as detailed in their racketeering activities in written documents "**FCG**
7 **plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf**"
8 and furthered by verbal assertion and reaffirmation of it by Brock Jr.
9 in order for the Counter-Defendants and Third-Party Defendants to
10 maintain their extorted interests to continue their racketeering activity
11 in perpetuity.

12 b. The Counter-Defendants and Third-Party Defendants further
13 attempted to extort Mahon out of his rightful property rights of his
14 stock ownership in the FCGI and affiliated entities in order to obtain
15 the voting shares and majority interest in order to wrongfully force
16 Mahon to unlawfully relinquish his employment, directorships and
17 positions with FCGI and its affiliates that he spent a lifetime building
18 in order to lawfully obtain and maintain.

19 c. The Counter-Defendants and Third-Party Defendants conspired to
20 extort Mahon out of his Full Color IP, other intellectual property
21 rights and stock ownership property and FCGI and its affiliates
22 relevant revenue and licensing rights by acting on their threats to
23 engage in tortuous litigation for the sole intent of depriving Mahon
24 and the other Third-Party Plaintiffs of their property rights and
25 revenue streams by filing a baseless, meritless, frivolous and
26 wrongful lawsuit as conceived in and detailed in no less than four
27 different schemes as detailed in **FCG plan.docx, FCG plan**
28 **v1.2.docx, Principles_2017 04 26 v 2.pdf** and over a long period of

1 time showing an ongoing pattern in their racketeering activity.

2 d. FCGI and its affiliates, with respect to their property interest and
3 rights in the IPR, are engaged in, or the activities of which affect,
4 interstate or foreign commerce would generate revenue that the
5 Counter-Defendants and Third-Party Defendants controlled through
6 their contracts with Multislot, Spin, Videoslots.com, BetConstruct,
7 Every Matrix, et al., who would then charge a fee for their control and
8 pay FCGI and its affiliates proving that Counter-Defendants and
9 Third-Party Defendants in acquiring rights and interests in the IPR
10 and stock securities in FCGI and its affiliates, in every step of the
11 commerce, was in control and attempted to wrongfully extort Third-
12 Party Plaintiffs out of their free rights to give certain revenue streams
13 property rights of the IPR in commerce and the rightful ownership of
14 the property that Counter-Defendants and Third-party Defendants
15 racketeering activity sought to illegally and improperly obtain all of
16 which was explicitly detailed in FCG plan.docx, FCG plan v1.2.docx,
17 Principles_2017 04 26 v 2.pdf.

18 (2) Through the pattern of racketeering activity, Counter-Defendants and Third-
19 Party Defendants acquired or maintained, directly or indirectly, an interest in
20 or control of an enterprise whereby.

21 Third-Party Plaintiffs re-allege and incorporate subsection (1) of this
22 paragraph and its sub-paragraphs herein that the Counter-Defendants and
23 Third-Party Defendants have wrongfully engaged in racketeering activity to
24 acquire and maintain, both directly and indirectly an interest in and control of
25 the IPR property and stock in their enterprises.

26 (3) Third-Party Plaintiffs' enterprise engaged in, or had some effect on, interstate
27 or foreign commerce:

28 Third-Party Plaintiffs alleges and incorporates subsections (1) and (2) of this

1 paragraph and their sub-paragraphs herein that their plans were well known
2 and admitted to in advance as explicitly detailed in FCG plan.docx, FCG plan
3 v1.2.docx, Principles_2017 04 26 v 2.pdf and it would affect and or deprive
4 Third-Party Plaintiffs of their rights of income through interstate and foreign
5 commerce showing that Counter-Defendants and Third-Party Defendants
6 have interfered with interstate and foreign commerce and equally as
7 damaging designed to ensure that their racketeering activities *“will cost him*
8 *[MAHON] years of revenue and ... cost him his career”*.

9 686. Third-Party Plaintiffs further allege that Counter-Defendants and Third-Party
10 Defendants violated 18 U.S.C. §1951 through interference with commerce by threats or
11 violence or better known as the “Hobbs Act extortion by the wrongful use of actual or
12 threatened force, violence, or fear.”

13 687. Counter-Defendants and Third-Party Defendants explicitly demanded in their
14 “non-negotiable” demands **FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v**
15 **2.pdf** have wrongfully demanded that Mahon give up his property rights and the other Third-
16 Party Plaintiffs’ rights to revenues related thereto that the Counter-Defendants and Third-Party
17 Defendants did not have any lawful rights beyond their already explicitly agreed to terms and
18 conditions of their stock ownership rights in any of the named entities but sought to obtain
19 100% ownership Mahon’s IPR and Mahon’s (majority in interest) stock ownership in FCGI, his
20 100% voting control in FCGI not only without paying for it but under the threat of extortion if
21 they did not give into Counter-Defendants’ and Third-Party Defendants’ demands and were
22 threatened with the damage that would ensure in a tortuous lawsuit that would follow if they did
23 not comply with their demands.

24 688. Third-Party Plaintiffs re-allege all preceding paragraphs herein that Counter-
25 Defendants and Third-Party Defendants, through their explicitly detailed plans in **FCG**
26 **plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf**, their threats to cause Mahon
27 harm was designed to and did obstruct, delay and affect interstate and foreign commerce in
28 quantifiable means that caused the Third-Party Plaintiffs’ business to fail in their entirety

1 causing the loss of millions of dollars of real money by Third-Party Plaintiffs.

2 689. Counter-Defendants' and Third-Party Defendants' actions of threats were
3 wrongful. Counter-Defendants and Third-Party Defendants had no lawful claim to the property
4 rights to the demands that they explicitly made in **FCG plan.docx, FCG plan v1.2.docx,**
5 **Principles_2017 04 26 v 2.pdf.** Only Mahon owned all Full Color IP property and had owned
6 all this property for years as further evidenced in licensing contracts, on public record, in
7 product manufactured, published and distributed in over 160 countries in over 13 languages and
8 all rights to its revenue streams were the property of Third-Party Plaintiffs pursuant to their
9 respective licensing agreements with Mahon as the master licensor. Counter-Defendants' and
10 Third-Party Defendants' actions therefor had no lawful claim to Mahon's property much more
11 to Third-Party Plaintiffs' respective licensing and stock ownership rights afforded each of them
12 in their respective licensing agreements.

13 690. After Mahon refused to succumb to the extortion and ransom demands
14 explicitly made in the **FCG plan.docx, FCG plan v1.2.docx, Principles_2017 04 26 v 2.pdf,**
15 the Counter-Defendants' and Third-Party Defendants, followed through on those threats and
16 secretly acquired an ownership interest in Legacy 8 and Bragg/Oryx in order to exploit the Full
17 Color IP through it whereby they have successfully caused the cancelation of Mahon's federally
18 registered trademark of "Full Color" with the USPTO, successfully filed individual and
19 derivative lawsuits and filed opposition claims to Mahon's re-registration of the "Full Color"
20 trademark with the USPTO and continue to hold it hostage and for ransom with this frivolous,
21 vexatious and meritless lawsuit until Mahon gives in to their extortion demands with the intent,
22 upon information and belief, to exploit it through Legacy 8 and Bragg/Oryx platforms all of
23 which has been orchestrated by Munger, Bastian, Young, Mishra Arviv, and Mazij.

24 691. As a result, Third-Party Plaintiffs' business and property interests have suffered
25 and continue to suffer injury as a direct, proximate, and foreseeable result of the Counter-
26 Defendants' and Third-Party Defendants' individual predicate acts as well as the racketeering
27 activity alleged herein. Accordingly, Third-Party Plaintiffs seek an award of treble damages
28 from the racketeering activity, costs of this litigation, and further, reasonable attorneys' fees as

1 provided by 18 U.S.C. 1964(d).

2 **SIXTH CLAIM FOR RELIEF**
3 **(Newman Securities Extortion)**

4 **VIOLATION OF FEDERAL RACKETEERING STATUTE 18 U.S.C. 1962(b))**

5 **(FCGI, IPH, FCGNA, and JPL against**
6 **Third-Party Defendants Newman, Newman Law, and CBL)**

7 692. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
8 preceding paragraphs herein with specificity and particularity as though set forth fully herein.

9 693. Section 1962(b) of the Racketeer Influenced and Corrupt Organizations Act
10 (“RICO”), 18 U.S.C. § 1961 et seq. in its pertinent part states:

11 “It shall be unlawful for any person through a pattern of racketeering
12 activity or through collection of an unlawful debt to acquire or maintain,
13 directly or indirectly, any interest in or control of any enterprise which is
14 engaged in, or the activities of which affect, interstate or foreign
commerce.”

15 694. The above-named Third-Party Defendants have conspired to violate 18 U.S.C.
16 §1962(b) as set forth fully herein.

17 695. The predicate acts alleged above constituted substantial acts of extortion in
18 violation of the Hobbs Act and through fraud in violations of 18 U.S.C. § 1346, frauds by wire;
19 18 U.S.C. § 1951, interference with commerce by threats or violence; 18 U.S.C. § 1341, frauds
20 and swindles.

21 696. Third-Party Plaintiffs, in order to succeed on this claim under 18 U.S.C.
22 §1962(b), re-allege the allegations set forth in the preceding paragraphs herein with specificity
23 and particularity as though set forth fully herein as follows:

24 (1) Third-Party Defendants continued to engaged in a continued “pattern of
25 racketeering activity” whereby:

26 a. Beginning on or about March 17, 2010, the above-named Third-Party
27 Defendants and each of them engaged in frauds by swindle, frauds by
28 wire and attempted extortion with the wrongful taking of Mahon’s

1 property in the IPR that H2 and Newman were hired to protect and used
2 the AGRI as the means and methods for Newman to obtain FCGI and,
3 purportedly, FCG LTD corporate stock interests. Had Newman truly
4 done the work, he would have been entitled to the shares, but instead he
5 engaged in a patent scheme that allowed him to get shareholder rights in
6 FCGI and its affiliates. When his failures were discovered and the
7 Newman Group was terminated, the Newman Group made unlawful and
8 wrongful threats in order to wrongfully exert control over Third-Party
9 Plaintiffs and wrongfully profit therefrom through interstate and foreign
10 commerce as detailed in the Newman Group's extortionate demands for
11 money on the threat of liening and/or destroying Third-Party Plaintiffs'
12 IPR and profits derived therefrom. The extortionate threats include the
13 following communications by Newman as set forth below:

- 14 (1) On August 27, 2016 at 4:04pm PST, in a document entitled
15 **"Settlement Agreement.pdf"**;
16 (2) On November 17, 2016 at 5:50pm PST after Newman's phone call
17 with Linham and Howard memorialized in the emailed document
18 entitled **"2016 11 17 Rich Newman Settlement Proposal.docx"**;
19 (3) On February 21, 2017, Newman emailed document titled **"Mutual**
20 **Termination and Release-2-21-2017.docx"**;
21 (4) On March 8, 2017 at 1:41am PST, in an email from Newman to
22 Mahon changing his terms back to a new demand of \$50K to \$75K.

- 23 b. The Newman Group, with its extortionate demands, held Third-Party
24 Plaintiffs' property rights and corporate stock ransom in order to prevent
25 the Third-Party Plaintiffs from being able to obtain a UKGC casino
26 gaming license and prevent them from obtaining revenue streams through
27 interstate and foreign commerce.

28 ///

1 (2) Through the pattern of racketeering activity, Third-Party Defendants acquired
2 or maintained, directly or indirectly, an interest in or control of an enterprise
3 whereby:

4 Third-Party Plaintiffs re-allege and incorporate subsection (1) of this
5 paragraph and its sub-paragraphs and herein allege that Third-Party
6 Defendants have wrongfully engaged in racketeering activity to acquire and
7 maintain, both directly and indirectly an interest in and control of the Third-
8 Party Plaintiffs, including FCGI, and its property rights and they would not
9 return the fraudulently obtained stock until Third-Party Plaintiffs paid them a
10 ransom in order to deprive Third-Party Plaintiffs the right to obtain a UKGC
11 casino gaming license, release the Full Color IP and obtain revenue in
12 interstate and foreign commerce.

13 (3) Third-Party Plaintiffs' enterprise engaged in, or had some effect on, interstate
14 or foreign commerce:

15 Third-Party Plaintiffs re-allege and incorporate subsections (1) and (2) of this
16 paragraph and their sub-references herein and alleges that their plans were
17 well known and admitted to in advance as explicitly detailed Newman's
18 repetitive pattern of ever changing extortion demands as witnessed in his
19 emails, settlement proposals seeking to interfere with and/or destroy Third-
20 Party Plaintiffs' rights of income through interstate and foreign commerce.

21
22 697. The above-named Third-Party Defendants have a violated of 18 U.S.C. §1951
23 through interference with commerce by threats or violence or better known as the "Hobbs Act
24 extortion by the wrongful use of actual or threatened force, violence, or fear."

25 698. Third-Party Defendants, as explicitly demanded in their "non-negotiable"
26 demands in the emails and wires communications explicitly detailed in the "Settlement
27 Agreement.pdf", "2016_11_17_Rich_Newman_Settlement_Proposal.docx", and "Mutual
28 Termination and Release-2-21-2017.docx" have wrongfully demanded that Third-Party

1 Plaintiffs give up their property rights as defined in the related licenses to the IPR and the shares
2 that Newman Group wrongfully obtained and was holding hostage that Third-Party Defendants
3 did not have any lawful right the shares which were obtained by fraud and/or failed to meet the
4 conditions for stock ownership, and sought to wrongfully assert influence over Third-Party
5 Plaintiffs by making extortionate threats against the IPR and FCGI's business if they did not
6 comply with their demands.

7 699. Third-Party Plaintiffs re-allege all preceding paragraphs that the Third-Party
8 Defendants not only intended to inflict fear and cause economic harm in perpetuity, but
9 intended to cause the fear of the loss of the protection of his inventions due to the Newman
10 Group's fraud and they inflicted economic damages on FCGI and the other Third-Party
11 Plaintiffs, which inhibited Third-Party Plaintiffs from obtaining the UKGC license and
12 wrongfully deprives Mahon and Third-Party Plaintiffs of other revenue streams.

13 700. Third-Party Plaintiffs re-allege all preceding paragraphs herein that Counter-
14 Defendants, their threats, coercion and attempted extortion did in fact obstruct, delay and affect
15 interstate and foreign commerce in quantifiable means that caused the Third-Party Plaintiffs'
16 businesses to fail in their entirety causing the loss of millions of dollars of real money by the
17 Third-Party Plaintiffs entities individually and as investing shareholders.

18 701. Third-Party Defendants' actions of threats were wrongful because Third-Party
19 Defendants have no lawful claim to the property rights to the demands because Newman
20 fraudulently obtained the money and shares from the Third-Party Plaintiffs and as such had no
21 legal right to the shares. Only Mahon invented all Full Color IP and had owned all this property
22 for years before even meeting Newman as further evidenced in the original copyright,
23 trademark and patent filings by Mahon. Third-Party Defendants' actions therefor had no lawful
24 claim to Third-Party Plaintiffs' property much more to Third-Party Plaintiffs' licensing income
25 and stock ownership rights afforded each of them in their respective licensing agreements.

26 702. Third-Party Plaintiffs' business and property interests have suffered and
27 continue to suffer injury as a direct, proximate, and foreseeable result of Third-Party
28 Defendants' individual predicate acts as well as the racketeering activity alleged herein.

1 Accordingly, Third-Party Plaintiffs seek an award of treble damages from the racketeering
2 activity, costs of this litigation, and further, reasonable attorneys' fees as provided by 18 U.S.C.
3 1964(d).

4 **NEVADA RACKETEERING CLAIMS**
5 **(VIOLATIONS OF NEVADA RACKETEERING STATUTE)**
6 **(N.R.S. § 207.400, et seq.)**

7 **Allegations Common to Seventh, Eighth, Ninth,**
8 **Tenth, Eleventh and Twelfth Causes of Action**

9 **A. The Nevada RICO Enterprise**

10 703. Counter-Defendants and Third-Party Defendants have operated as an enterprise
11 as defined in N.R.S. § 207.380 whereby "Enterprise" defined

12 Enterprise" includes:

13 (1) Any natural person, sole proprietorship, partnership, corporation, business
14 trust or other legal entity; and

15 (2) Any union, association or other group of persons associated in fact although
16 not a legal entity.

17 —> The term includes illicit as well as licit enterprises and governmental as well
18 as other entities.

19 704. With respect to all allegations common to the Seventh, Eighth, Ninth, Tenth,
20 Eleventh and Twelfth Claims of violations of sections N.R.S. § 207.400. et sq. all Counter-
21 Defendants' and Third-Party Defendants' "enterprise" includes all named Counter-Defendants
22 and Third-Party Defendants, and named or identified in each relevant section here above and
23 here below as appropriate or relevant to each Claim

24 **B. Nevada RICO Predicate Acts**

25 705. To succeed on claims under state racketeering laws, FCGI must allege two or
26 more predicate acts that have the same or similar pattern, intent, results, accomplices, victims
27 and or methods of commission as has clearly been set forth herein.

28 706. Unlike the Federal RICO Act that requires a "pattern of racketeering" at 18
U.S.C: 1961(5), there is no pattern/continuity requirement as is required under federal law.

707. The predicate acts of racketeering and the specific Nevada statutes involved

those crimes are set forth herein pursuant to N.R.S. §207.360 whereby “Crime related to racketeering” means the commission of, attempt to commit or conspiracy to commit any of the following crimes sections:

- (9) Taking property from another under circumstances not amounting to robbery, including theft and larceny (N.R.S. § 205.380);
 - a. Obtaining possession of money or property by means of false pretenses (N.R.S. § 205.380);
- (10) Extortion (N.R.S. § 205.320);
- (25) Embezzlement (N.R.S. § 205.300)
 - 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);

(6) Taking Property from Another under Circumstances Not Amounting to Robbery, including Theft and Larceny

708. The Omnibus Theft Crime statute, N.R.S. § 205.0832 et. seq., which states in part:

a person commits theft if, without lawful authority, he knowingly

- (a) Controls any property of another person with the intent to deprive that person of the property.
- (b) Converts, makes an unauthorized transfer of an interest in, or without authorization controls any property of another person, or uses the services or property of another person entrusted to him or placed in his possession for a limited use.
- (c) Obtains real, personal or intangible property or the services of another person by a material misrepresentation with intent to deprive that person of the property or services.

(7) Extortion

709. The Nevada's extortion statute, N.R.S. § 205.320, which states in pertinent part:

A person who, with the intent to extort or gain any money or other property ... , or to do or abet ... any illegal or wrongful act, whether or not the purpose is accomplished, threatens directly or indirectly ...to injure a person or property ...is guilty of a category B felony ...

///

1 **(8) Obtaining Possession of Money or Property by Means of False Pretenses**

2 710. The Nevada N.R.S. § 205.380, which states in part:

3 A person who knowingly and designedly by any false pretense obtains from
4 any other person any chose in action, money, goods, wares, chattels, effects
5 or other valuable thing ...with the intent to cheat or defraud the other person,
 is a cheat, and, unless otherwise prescribed by law, shall be punished ...

6 **(9) Grand Larceny**

7 711. The Nevada's grand larceny statute, N.R.S. § 205.220, which states the:
8 following in pertinent part:

9 Except as otherwise provided in NRS 205.226 and 205.228, a person commits
10 grand larceny if the person:

- 11 1. Intentionally steals, takes and carries away, leads away or drives away:
- 12 (a) Personal goods or property, with a value of \$650 or more, owned by
13 another person;
- 14 (c) Real property, with a value of \$650 or more, that the person has
15 converted into personal property by severing it from real property owned
16 by another person.

17 **(10) Embezzlement**

18 712. The Nevada's embezzlement statute, N.R.S. § 205.300, which states the:
19 following in pertinent part:

20 Any bailee of any money, goods or property, who converts it to his or her
21 own use, with the intent to steal it or to defraud the owner or owners thereof
22 and any agent, manager or clerk of any person, corporation, association or
23 partnership, or any person with whom any money, property or effects have
24 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...

25 **(11) e Securities Fraud**

26 713. The foregoing acts of state securities fraud constitute a violation of N.R.S. §
27 90.570 and thereby constitute a predicate act under Nevada RICO Statute, N.R.S. §207.360(32),
28 which states in pertinent part:

1 In connection with the offer to sell, sale, offer to purchase or purchase of a
2 security, a person shall not, directly or indirectly:

- 3 1. Employ any device, scheme or artifice to defraud;
4 3. Engage in an act, practice or course of business which operates or
5 would operate as a fraud or deceit upon a person.

6 **(12) Statement made in declaration under penalty of perjury.**

7 714. The foregoing acts of perjury constitute a violation of N.R.S. § 199.145 and
8 thereby constitute a predicate act under Nevada RICO Statute, N.R.S. §207.360(19) which
9 states in pertinent part: "Makes a willful and false statement in a matter material to the issue or
10 point in question."

11 **(13) Involuntary servitude; penalties.**

12 715. The Nevada's embezzlement statute, N.R.S. § 200.463, which states the:
13 following in pertinent part:

- 14 (1) A person who knowingly subjects, or attempts to subject, another person to
15 forced labor or services by
16 (a) Causing or threatening to cause physical harm to any person;
17 (b) Physically restraining or threatening to physically restrain any person;
18 (c) Abusing or threatening to abuse the law or legal process;
19 (d) Knowingly destroying, concealing, removing, confiscating or
20 possessing any actual or purported passport or other immigration
21 document, or any other actual or purported government identification
22 document, of the person;
23 (e) Extortion; or
24 (f) Causing or threatening to cause financial harm to any person,

25 **(14) Multiple transactions involving fraud or deceit in course of enterprise or**
26 **occupation; penalty.**

27 716. The Nevada's fraud statute, N.R.S. § 200.377, which states the: following in
28 pertinent part:

- (1) A person shall not, in the course of an enterprise or occupation, knowingly
and with the intent to defraud, engage in an act, practice or course of
business or employ a device, scheme or artifice which operates or would

operate as a fraud or deceit upon a person by means of a false representation or omission of a material fact that:

- (a) The person knows to be false or omitted;
- (b) The person intends another to rely on; and
- (c) Results in a loss to any person who relied on the false representation or omission

(2) Each act which violates subsection 1 constitutes a separate offense.

(3) A person who violates subsection 1 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$10,000.

(4) In addition to any other penalty, the court shall order a person who violates subsection 1 to pay restitution.

(5) A violation of this section constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

(6) As used in this section, "enterprise" has the meaning ascribed to it in NRS 207.380.

(15) Theft of trade secrets prohibited; criminal penalties

717. The Nevada's fraud statute, N.R.S. § 600A.035, which states the: following in pertinent part:

A person who, with intent to injure an owner of a trade secret or with reason to believe that his or her actions will injure an owner of a trade secret, without limitation:

- (1) Steals, misappropriates, takes or conceals a trade secret or obtains a trade secret through fraud, artifice or deception;
- (2) Wrongfully copies, duplicates, sketches, draws, photographs, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates or conveys a trade secret;
- (3) Receives, buys or possesses a trade secret with knowledge or reason to know that the trade secret was obtained as described in subsection 1 or 2;
- (4) Attempts to commit an offense described in subsection 1, 2 or 3;
- (5) Solicits another person to commit an offense described in subsection 1, 2 or 3; or
- (6) Conspires to commit an offense described in subsection 1, 2 or 3, and one of the conspirators performs an act to further the conspiracy,

C. Nevada RICO Injury

718. Third-Party Plaintiffs have been injured by the Counter-Defendants and Third-Party Defendants both as a direct result of the individual predicate acts committed by the

1 racketeering activity in which they engaged. Third-Party Plaintiffs have sustained substantial
2 monetary losses; as a direct result of the individual predicate acts and the racketeering activities
3 in an amount in excess of \$15,000 be determined at trial.

4
5 **SEVENTH CLAIM FOR RELIEF**
6 **(Spin Racketeering Fraud)**

7 **VIOLATION OF NEVADA RACKETEERING STATUTE**
8 **(N.R.S. § 207.400(1)(c))**

9 **(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Young, Mishra & Spin, Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)**

10 719. Third-Party Plaintiffs repeat, re-allege, and incorporate by reference the
11 allegations set forth in paragraphs herein with specificity and particularity as though set forth
12 fully herein.

13 720. Starting in May 2016 and continuing through May, 2017, Spin through their
14 actions and in their conduct engaged in by the Third-Party Defendants Young, Mishra and Spin
15 have conspired to violate N.R.S. § 207.400(1)(b) as set forth in pertinent part herein: “Through
16 racketeering activity to acquire or maintain, directly or indirectly, any interest in or control of
17 any enterprise.”

18 721. Further, Third-Party Defendants have violated N.R.S. § 207.400(1)(a) by
19 receiving proceeds derived, directly or indirectly, from racketeering activity to use or invest,
20 whether directly or indirectly . . . in the acquisition of . . . any interest in or the establishment or
21 operation of any enterprise.”

22 722. The predicate acts alleged above constituted substantial acts of fraud,
23 misrepresentation, concealment and embezzlement of funds that include:
24

- 25 (1) N.R.S. § 205.380 - Taking property from another under circumstances not
26 amounting to robbery, including theft and larceny specifically, “Obtaining
27 possession of money or property by means of false pretenses”
28 (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;

1 723. Beginning as early as June, 2016, when Mahon first met with Young, Spin,
2 made specific misrepresentations to Mahon and Third-Party Plaintiffs concerning Spin's ability
3 to perform as Third-Party Plaintiffs required, and further fraudulently concealed other facts
4 concerning Spin's capabilities despite knowing these capabilities extremely important to
5 Mahon, FCGI, and the other Third-Party Plaintiffs.

6 724. Spin acted under false pretenses in order to induce Mahon to pay agree to have
7 Spin build its product, enter into contracts with Spin, and ultimately pay Spine for the product
8 that was ultimately never provided.

9 725. Spin ultimately obtained a signed contract from Third-Party Plaintiffs and
10 \$74,000 in cash by its false pretenses concerning its ability to perform as represented.

11 726. Specifically, starting as early as June, 2016, Spin represented to Third-Party
12 Plaintiffs, or otherwise mislead Third-Party Plaintiffs to believe that their RGS was integrated
13 into a total of 15 global distribution interactive gaming systems (IGS) that would allow the Full
14 Color IP Licensees, to immediately monetize through hundreds of real and virtual money casino
15 gaming operators around the world.

16 727. Spin represented to Third-Party Plaintiffs that it could and would integrate all
17 24 language translations and 35 currencies, but fraudulently concealed the fact that its current
18 software was not capable of integrating 24 languages and 35 currencies without significant
19 upgrades and delays.

20 728. Each of these representations was false.

21 729. Spin either knew that each of these representations were false or made the
22 representations with reckless disregard for the truth or falsity of the representations.

23 730. Spin made each of the misrepresentations with the intent to induce FCGI and its
24 affiliates to act in reliance of the misrepresentations.

25 731. Third-Party Plaintiffs did in fact rely upon Spin's misrepresentations set forth
26 herein.

27 732. Third-Party Plaintiffs incurred damages as a result of relying upon Spin's
28 misrepresentations.

1 733. Between October 2016 and April of 2017, Mahon caused Spin to be paid
2 \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the Spin's false
3 pretenses and misrepresentations.

4 734. As such, FCGI alleges that Spin, Young, and Mishra in their racketeering
5 activity and the schemes they employed violated of N.R.S. § 205.377 by engaging in multiple
6 transactions involving fraud or deceit in course of enterprise.

7 735. Third-Party Defendants Young, Mishra, and Spin have conspired to violate
8 N.R.S. § 207.400(1)(a) as set forth fully herein. Third-Party Defendants Young and Mishra
9 have utilized proceeds derived directly or indirectly from racketeering activity to acquire an
10 interest in or establish their enterprise.

11 736. Third-Party Defendants Young, Mishra, and Spin have conspired to violate
12 N.R.S. § 207.400(1)(d) as set forth fully herein. Third-Party Defendants Young and Mishra are
13 employed by Spin and have each intentionally organized, managed, directed, supervised each
14 other and other members of their enterprise to engage in racketeering activity for the benefit of
15 their income and revenue sharing interests and controlled the affairs of their enterprise.

16 737. In violation of N.R.S. § 205.0832(c), Young, Mishra, and Spin have obtained
17 money or property from FCGI and its affiliates by making material misrepresentations
18 concerning Spin's services as more fully alleged herein.

19 738. Third-Party Defendants Young, Mishra, and Spin have engaged multiple acts in
20 acts in violation of NRS § 205.380 obtaining money or property by false pretenses, which is a
21 predicate act under the Nevada RICO Statute, N.R.S. §207.360(9).

22 739. Third-Party Defendants Young, Mishar, and Spin have further utilized the funds
23 improperly obtained via false pretenses and deceit to carry out or support their own enterprise in
24 violation of N.R.S. § 205.0832(c),

25 740. Third-Party Plaintiffs' business and property interests have suffered and
26 continue to suffer injury as a direct, proximate, and foreseeable result of individual predicate
27 acts and racketeering activity conducted through the affairs of the Spin. Accordingly, the Third-
28 Party Plaintiffs seek treble damages in such amount as may be determined at trial, recovery of

1 the costs of this litigation, and an award of reasonable attorneys' fees as provided under N.R.S. §
2 207.470.

3 **EIGHTH CLAIM FOR RELIEF**
4 **(Intentional Recruitment of Racketeering)**

5 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. § 207.400(d))**
6

7 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and**
8 **Third-Party Defendants Munger, M&A, Valcros, Linham, Brock Sr., Brock Jr., Solso,**
9 **Eckles, L Moore, T Moore, Castaldo, Marcus, Spin, Young, Mishra, DHWT, Millennium**
10 **Trust, Moore Trust, Bragg, Bragg Holdings, KAVO, Arviv, Spielberg, Mazij, and Sears)**

11 741. Third-Party Plaintiffs repeat, re-allege, and incorporate the allegations set forth
12 in the preceding paragraphs with specificity and particularity as though set forth fully herein.

13 742. Starting around October 2015 and continuing through to this date in time, with
14 specificity and particularity herein, Counter-Defendants and Third-Party Defendants have,
15 through their actions and in their conduct, engaged in activities in violation of N.R.S. §
16 207.400(d) in pertinent part: “Intentionally to organize, manage, direct, supervise or finance a
17 criminal syndicate.”

18 743. The predicate acts alleged above constituted substantial and intentional acts of
19 fraud, theft, misrepresentation, extortion and indentured servitude to coerce Mahon to relinquish
20 his corporate positions and power as CEO and Director, surrender his majority in interest
21 stockholder, surrender all of his stock ownership in all of his entities, and further engage in the
22 wrongful taking of the Third-Party Plaintiffs’ property, including the Full Color IP trade secrets
23 for their benefit in order to support and their own racketeering enterprise by profiting from their
24 wrongful taking of Third-Party Plaintiffs’ property and their unlawful activity in perpetuity as
25 follows:

- 26 (1) N.R.S. § 205.380 – Taking property from another under circumstances not
27 amounting to robbery, including theft and larceny specifically, “Obtaining
28 possession of money or property by means of false pretenses”
- (2) N.R.S. § 205.320 – Extortion
- (3) N.R.S. § 600A.035 – Theft of Trade Secrets
- (4) N.R.S. § 205.463 – Indentured Servitude;

1 744. Beginning on June 7, 2016 until this filing date, Bastian and Simmons
2 organized, managed, directed, supervised and financed Playtech, Island Luck, DHL, and DTG,
3 and recruited Multislot, Jungels, Horan, Munger, and Linham who further organized, managed,
4 directed and recruited Spin, Mishra, Young, Brock Sr., Brock Jr., Solso, and Eckles, who then
5 organized, managed, directed and supervised L Moore and T Moore who then organized,
6 managed, directed, supervised, recruited and financed Castaldo (and all of their relevant entities
7 in DHWT, Millennium Trust, and the Moore Trust) to become a criminal syndicate in order to
8 violate N.R.S. § 207.400(1)(d). Each of them then continued to individually and collectively
9 attempt to recruit, cross-recruit, harass, stalk, badger, intimidate and coerce over 40 other FCGI
10 investors through hundreds of phone calls, emails, text messages and communications over a
11 period of one year between April of 2017 and 2018, resulting in innumerable violations of this
12 statute.

13 745. Each person, entity and or party of the Counter-Defendants and Third-Party
14 Defendants, acted on their own free will, knowingly and intentionally, to organize, meet,
15 manage, direct, concoct, conspire, collude and scheme together to find a way to wrongfully
16 deprive Mahon of his role as director and CEO of FCGI, his ownership in the Full Color IP, his
17 majority stock interest in several entities and FCGI's and the other Third-Party Plaintiffs' rights
18 to revenue derived from Mahon's property and then, once acquired, force Mahon into
19 indentured servitude in order to exploit Mahon's Full Color IP. Munger made it clear in his
20 emails that he would reveal all of Mahon's trade secrets in the Full Color IP as he had
21 confidential copies of it in the event that Mahon refused to provide it voluntarily.

22 746. As a direct result of the racketeering activity the Counter-Defendants and Third-
23 Party Defendants intentionally engaged in and acted on, the criminal syndicate became an
24 ongoing and ever-growing criminal enterprise at each stage of the new recruitments. Counter-
25 Defendants and Third-Party Defendants intentionally concocted a scheme and managed,
26 directed, supervised and financed that scheme while continually acting to further that scheme to
27 intentionally engage in the wrongful taking of Mahon's and FCGI's property through extortion
28 as explicitly detailed in the **FCG plan.docx, FCG plan v1.2.docx** and the **Principles 2017 04**

1 **26 v 2.pdf** effectuated by the threat of a tortuous litigation, loss of revenue and end of Mahon's
2 career if he and the other Third-Party Plaintiffs did not succumb to the Counter-Defendants and
3 Third-Party Defendants wrongful demands.

4 747. Upon information and belief, Bastian, through his Bastian Casino Gaming
5 Enterprise has laundered money to finance the current lawsuit through the appearance of their
6 "employment" of Munger, who sends fraudulent invoices to Playtech, Island Luck DTC, DHL,
7 and others, who then wired those funds through the Munger Group's bank accounts beginning
8 with M&A and Valcros.

9 748. On January 18, 2018, upon information and belief, Munger formed a new and
10 separate entity in Valcros for the Bastian Casino Gaming Enterprise to launder their money in
11 wire transfers into Valcros for the purposes of funding the litigation, making the payment of
12 money appear to be for legitimate purposes.

13 749. Third-Party Plaintiffs' business and property interests have suffered and
14 continue to suffer injury as a direct, proximate, and foreseeable result of individual predicate
15 acts and racketeering activity conducted through the affairs of the Bastiaon Casino Gaming
16 Enterprise and other related businesses. Accordingly, the FCGI seeks treble damages in such
17 amount as may be determined at trial, recovery of the costs of this litigation, and an award of
18 reasonable attorneys' fees as provided under N.R.S. § 207.470.

19
20 **NINTH CAUSE OF ACTION**
21 **(Embezzlement & Grand Larceny)**

22 **VIOLATION OF NEVADA RACKETEERING STATUTE**
23 **(N.R.S. § 207.400(c)(1))**

24 **(FCGI, IPH, FCGNA, and IPH against Counter-Defendant Munger)**

25 750. FCGI repeats and re-alleges and incorporates by reference the allegations set
26 forth in paragraphs herein with specificity and particularity as though set forth fully herein.

27 751. Starting in January 2017 and continuing through May of 2017, with specificity
28 and explicit particularity herein, Munger through his actions and in his conduct engaged to

1 violate N.R.S. § 207.400(c)(2) in pertinent part:

2 (c) Who is employed by or associated with any enterprise to conduct or
3 participate, directly or indirectly, in:

4 (2) Racketeering activity through the affairs of the enterprise.

5 752. The predicate acts alleged above constituted substantial acts of grand larceny
6 and embezzlement in the racketeering activity through the affairs of their enterprise
7

8 (7) N.R.S. § 205.220 – Grand Larceny

9 (8) N.R.S. § 205.206 – Burglary

10 (9) N.R.S. § 205.300 – Embezzlement

11 753. Beginning on or about January 1, 2017 through May of 2017 Munger engaged
12 in a racketeering scheme that led to the embezzlement of \$1,350 of funds, burglary of the Third-
13 Party Plaintiffs' office space at 3773 Howard Hughes Parkway, Las Vegas, NV 89169 and the
14 grand larceny of three (3) Macbook Pro computers whose serial number and information and
event details are on file in the Las Vegas Metropolitan Police Report Case #LLV180119003003.

15 754. 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..

21 755. 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 Third-Party Plaintiffs' funds and property as fully detailed in the detailed in the
25 156 page FCGI ARCC Reported entitled "Embezzlement, Grand Larceny and Attempted Fraud
26 report dated December 30, 2017."

27 756. This racketeering activity violates Nevada RICO Statute, N.R.S. §
28 207.400(c)(2), which makes it unlawful for a person, through racketeering activity to

1 knowingly incite or induce others to engage in intimidation to promote or further the criminal
2 objectives of the criminal syndicate.

3 757. Third-Party Plaintiffs have suffered and continue to suffer injury to their
4 business or property as a direct, proximate, and foreseeable result of the foregoing acts.
5 Accordingly, Third-Party Plaintiffs seek an award of treble damages, costs of this litigation, and
6 reasonable attorneys' fees as provided by N.R.S. § 207.470.

7 **TENTH CLAIM FOR RELIEF**
8 **(Embezzlement & Wire Fraud)**

9 **VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. § 207.400(b)**

10 **(FCGI, IPH, FCGNA, and JPL against**
11 **Third-Party Defendants Newman, Newman Law and CBL)**

12 758. Third-Party Plaintiffs re-allege the allegations set forth in the preceding
13 paragraphs with specificity and particularity as though set forth fully herein.

14 759. The named Counter-Defendants through their actions and in their conduct
15 engaged to violate N.R.S. § 207.400(a)(1) in pertinent part:

16 (b) Through racketeering activity to acquire or maintain, directly or indirectly,
17 any interest in or control of any enterprise.

18 760. The predicate acts alleged herein detail the Third-Party Defendants substantial
19 acts of acquiring, maintaining and directly obtaining an interest in and control of the Third-Party
20 Plaintiffs' lawful enterprises through racketeering activity whereby Newman fraudulently
21 acquired and maintained possession of FCGI corporate shares, positions of power and title of
22 authority in order to exploit them for his own personal and corporate benefit in the Newman
23 Group by engaging in multiple transactions involving fraud throughout the course of Newman's
24 and the Newman Group's relationship with FCGI and the other Third-Party Plaintiffs.

25 761. Once discovered, Newman and Newman Law's positions of power and title of
26 authority, along with his FCGI corporate shares were canceled, terminated and repurchased but
27 not before Newman Group engaged in an ongoing scheme of extortion for nearly 9 months after
28 the discovery of his fraudulent activities to the point it caused FCGLTD, IPHTLD and the Full

1 Color Licensees to go out of business. When Mahon, FCGI and the other Third-Party Plaintiffs
2 would not give into the Newman Group's extortionate demands to receive their FCGI shares
3 back constituting a racketeering activity through the affairs of their enterprise based on the
4 following predicate acts:

- 5 (1) N.R.S. § 205.380 - Taking property from another under circumstances not
6 amounting to robbery, including theft and larceny specifically, "Obtaining
7 possession of money or property by means of false pretenses"
- 8 (2) N.R.S. § 205.300 - Embezzlement
- 9 (3) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in course
of enterprise or occupation;
- 10 (4) N.R.S. § 205.320 – Extortion

11 762. Starting in March 2010 and continuing through May of 2017, as alleged with
12 specificity and explicit particularity herein, Newman, Newman Law and CBL, engaged in a
13 racketeering scheme that led to the embezzlement of \$3,000 in FCGI'S corporate funds that
14 were set aside for the purposes of expediting Full Color IP patent filings with the USPTO.
15 Newman failed to ever file this expedited patent and absconded with the funds. Newman
16 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.

17 763. This racketeering activity violates Nevada RICO Statute, N.R.S. §
18 207.400(b) which makes it unlawful for a person, through racketeering activity to acquire or
19 maintain, directly or indirectly, any interest in or control of any enterprise.

20 764. Third-Party Plaintiffs have suffered and continue to suffer injury to their
21 business or property as a direct, proximate, and foreseeable result of the foregoing acts.
22 Accordingly, Third-Party Plaintiffs seek an award of treble damages, costs of this litigation, and
23 reasonable attorneys' fees as provided by N.R.S. § 207.470.

24 ///

25 ///

26 ///

27 ///

28 ///

ELEVENTH CLAIM FOR RELIEF
(Securities Fraud & Perjury)

VIOLATION OF NEVADA RACKETEERING STATUTE (N.R.S. § 90.570)

**(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and
Third-Party Defendants Munger, Linham, M&A, Valcros, and Marcus)**

765. Third-Party Plaintiffs re-allege the allegations set forth in the preceding paragraphs with specificity and particularity as though set forth fully herein.

766. Starting in October 2015 and continuing through to this date in time, with specificity and explicit particularity herein, the Counter-Defendants and Third-Party Defendants through their actions knowingly, willingly and fraudulently engaged in billing fraud, wire fraud for the purposes of tax evasion in order to conceal the purchase of FCGI securities in four different acts of money laundering, then destroyed the evidence of it and engaged in making false statements made in sworn declarations under the penalty of perjury and in their conduct engaged in violation of 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.”

767. The predicate acts alleged above constituted substantial acts of fraud, misrepresentation, concealment and embezzlement of funds that include:

- (1) N.R.S. § 90.570 -- Offer, sale and purchase (State Securities Fraud)
- (2) N.R.S. § 205.377 - Multiple transactions involving fraud or deceit in course of enterprise or occupation;
- (3) N.R.S. § 197.030 –Asking or receiving bribe by public officer or employee
- (4) N.R.S. § 199.145 –Statement made in declaration under penalty of perjury

768. As alleged herein, in violation of N.R.S. § 90.570, Bastian and Simmons employed devices, schemes, and artifices to defraud FCGI four different times beginning on June 7, 2016 that it was the intention of Bastian and Simmons at all times to carry out the money laundering scheme for the purchase of FCGI’S securities four different times.

- (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

1 transaction together, when in fact, time and evidence proved it was a real
2 and quantifiable solicitation to Mahon to participate, but Mahon refused
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
learned of the attempt;

6 (3) Third with Munger who assisted in facilitating the Wells Fargo
7 fraudulently stated purpose of the \$500,000 wire fraud that resulted in
8 money laundering;

9 (4) Fourth with Bastian and an unidentified second signatory who engaged
10 in the Bank of Bahamas fraudulently stated purpose of a \$500,000 wire
fraud that resulted in money laundering.

11 769. On April 4, 2017, right before Linham abruptly resigned from FCGI he
12 permanently destroyed over 3,000 of his corporate emails which made up his entire account,
13 along with the destruction of 100% of his digital Google Drive cloud account --- files that were
14 subsequently restored by Google G-Suite Superadmins on June 5, 2017 when Munger was
15 terminated from FCGI --- in order to cover up the entire history of his money laundering and
16 racketeering activities.

17 770. On November 24, 2017, Linham in the sworn Declarations made under the
18 penalty of perjury before the court, ¶¶61-63 Linham admitted to the money laundering followed
19 by the preposterous and false claims that Mahon made him do it, despite the clear evidence in
20 the email and Skype messages to Simmons, and other documents refuting the assertion.

21 771. Counter-Defendants' and Third-Party Defendants' violations of the four
22 predicate acts listed here above in N.R.S. § 90.570, N.R.S. § 205.377, N.R.S. § 197.030 and
23 N.R.S. § 199.145, have caused the Third-Party Plaintiffs immediate and quantifiable injury,
24 including, but not limited to loss of commercial revenue, loss of a casino gaming license
25 application, injury to their reputation, name, brand, likeness, career, millions of dollars in
26 shareholder investments and years of development work in the loss of relationships, market
27 timing, position and business opportunities.

28 772. This racketeering activity violates Nevada RICO Statute, N.R.S. § 207.400(b)

1 which makes it unlawful for a person, through racketeering activity to acquire or maintain,
2 directly or indirectly, any interest in or control of any enterprise.

3 773. Third-Party Plaintiffs have suffered and continue to suffer injury to their
4 business or property as a direct, proximate, and foreseeable result of the foregoing acts.
5 Accordingly, Third-Party Plaintiffs seek an award of treble damages, costs of this litigation, and
6 reasonable attorneys' fees as provided by N.R.S. § 207.470.

7 **Other General Claims**

8 **TWELFTH CLAIM FOR RELIEF**
9 **(Abuse of Process)**

10 (As to Counter-defendants Munger, Linham, Brock Sr.,
11 Brock Jr., Solso, Eckles, Sebas, L-Moore, T-Moore, Castaldo, and Marcus)

12 774. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
13 preceding paragraphs herein with specificity and particularity as though set forth fully herein.

14 775. Starting around April 19, 2017 and continuing through to this date, with
15 specificity and explicit particularity herein, Counter-Defendants and Third-Party Defendants
16 through their actions and in their conduct engaged to engage in an abuse of process.

17 776. The Counter-Defendants and Third-Party Defendants, and each of them,
18 beginning with the evidence seen in **FCG plan.docx, FCG plan v1.2.docx** and the
19 **Principles 2017 04 26 v 2.pdf**, on their own behalf, have made it unequivocally clear that their
20 the ulterior purpose of these proceedings and lawsuit was to extort Mahon and the Third-Party
21 Plaintiffs out of their property rights in forcing him to step down as the CEO and sole Director
22 of FCGI, give 100% of his stock to the Counter-Defendants, turn over all of his trade secrets
23 and be forced into indentured servitude or face a tortuous litigation if Mahon did not comply.

24 777. Several of the claims in the Derivative Lawsuit have already been dismissed as
25 basically frivolous.

26 778. Counter-Defendants actions in these proceedings have been improper.
27 Counter-Defendants have, however, succeeded in preventing Third-Party Plaintiffs from
28 utilizing its property rights and preventing the Full Color IP from being released and reaching

1 revenue as threatened and promised with the filing of this derivative lawsuit with the intent of
2 destroying Mahon's character by falsely accusing him of fraud, misrepresentation and
3 concealment as set forth in the Fourth, Fifth and Sixth Claims, which have already been
4 dismissed.

5 779. Third-Party Plaintiffs suffered and continue to suffer injury to their business or
6 property as a direct, proximate, and foreseeable result of the foregoing acts in an amount in
7 excess of \$15,000.

8 780. The actions of Counter-Defendants alleged herein were malicious, oppressive or
9 fraudulent warranting an award of punitive damages.

10 781. As a direct result of all of the foregoing, Counter-Defendants' actions have
11 required Third-Party Plaintiffs to retain the services of an attorney to prosecute this action and
12 has thereby been damaged. Accordingly, Third-Party Plaintiffs seek an award of reasonable
13 attorneys' fees and costs incurred in this action.

14 **THIRTEENTH CLAIM FOR RELIEF**
15 **(Civil Conspiracy)**

16 **(As to Counter-Defendants Munger, M&A, Valcros, and Linham)**

17 782. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
18 preceding paragraphs herein with specificity and particularity as though set forth fully herein.
19

20 783. On November 23, 2016 at 1:09pm PST, Munger and Linham conspired to
21 defraud the Third-Party Plaintiffs and future investors by falsely claiming salary accruals
22 whereby Munger was accruing 80% a month of unpaid salary with the fraudulent intent to
23 collect it upon the successful closing of a Series A funding round as witnessed in the false
24 memorandum that Linham and Munger fraudulently drafted and Linham signed as the Director
25 of FCGLTD.

26 784. Linham's and Munger's "Back Salary" letter makes it clear that Munger is
27 claiming himself to be an employee getting paid by FCGLTD.

28 785. As a result, of Munger's and Linham's civil conspiracy, FCGI has been

1 damaged in an amount in excess \$15,000.00 to be proven at trial.

2 786. The actions of Munger and Linham as alleged herein were malicious,
3 oppressive or fraudulent warranting an award of punitive damages.

4 787. As a direct result of all of the foregoing, Counter-defendants' actions have
5 required Third-Party Plaintiffs to retain the services of an attorney to prosecute this action and
6 has thereby been damaged. Accordingly, Third-Party Plaintiffs seek an award of reasonable
7 attorneys' fees and costs incurred in this action.

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9 **FOURTEENTH CLAIM FOR RELIEF**
10 **(Breach of Contract)**

11 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and**
12 **Third-Party Defendants Munger, Bastian, Young, Mishra, Spin Bragg,**
13 **Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)**

14 788. Third-Party Plaintiffs re-allege the allegations set forth in the preceding
15 paragraphs herein with specificity and particularity as though set forth fully herein.

16 789. On October 15, 2015, FCGI and Bastian entered into the MNDA.

17 790. On April 29, 2016, FCGI and Spin entered into the MNDA.

18 791. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

19 792. Each of the agreements, the MNDAs and the NDACA are binding and
20 enforceable agreements.

21 793. On October 2016, FCGNA and its parent company FCGLTD, for their benefit
22 and the benefit of their licensees and licensors, Oryx and Mazij entered into an agreement to
23 provide a mutual bi-directional RGS server game distribution agreement for Full Color® Games
24 and the Oryx Gaming library intended for IslandLuck.com in the Bahamas and Jamaica as well
25 as the agreement to help Oryx get funding from Bastian and or acquired through a sale to
26 Bastian Casino Gaming Enterprise, an investment and ultimate acquisition sale, all of which did
27 indeed occur as proven on public record through the Toronto Stock Exchange where by Munger
28 even took a Board seat and became a licensed Director.

794. On October 20, 2016, the Third-Party Plaintiffs and Spin entered into a contract

1 to provide game development and a mutual bi-directional RGS server game distribution
2 agreement that explicitly laid out the terms of a “Monthly Net Gaming Revenue” in Section 2.2.

3 795. On January 23, 2017, Spin was paid the first half of the bi-directional RGS
4 integration fees.

5 796. On February 7, 2017, Mahon personally introduced Young of Spin to Bastian to
6 discuss the SPIN ROC RGS integration into the FULL COLOR KINGFISHER RGS integration
7 into the ILG / RSL RGS to deliver the full suite of Full Color IP on Bastian’s platform

8 797. Spin would pay Third-Party Plaintiffs’ distribution fee for Spin’s games to be
9 delivered through the FULL COLOR KINGFISHER RGS into ILG / RSL throughout Bastian’s
10 gaming network in the Bahamas and elsewhere on the exact same basis as the FCGI and its
11 affiliates would pay Spin a distribution fee for the Full Color IP to be distributed through Spin’s
12 integrations to others like NYX, RSI, NEKTAN and others.

13 798. Between October, 2016 and December 18, 2018, Munger, Bastian, Arviv,
14 Spielberg, Sears, Mazij, Bragg/Oryx, and Legacy 8 conspired with each other to circumvent the
15 contracts and distribution revenues for the benefit of the Defendants (and Third-Party Plaintiffs)
16 in direct violation of the individual MNDA’s to the Third-Party Plaintiffs, their licensee and
17 licensors.

18 799. Between October 7, 2016 and April 7, 2017, Spin, Munger, and Bastian
19 conspired with each other to circumvent the contracts and distribution revenues in direct
20 violation of the individual MNDA’s between FCGI and SPIN and further FCGI and Bastian
21 specifically including but not limited to Section 2.5 “Non-circumvention, non-interference and
22 secrecy” terms as quoted in full as well as to the benefit of the Third-Party Plaintiffs licensors
23 and licensees.

24 800. The circumvention as also a violation of the NDACA with Munger.

25 801. Third-Party Plaintiffs were damaged by Young, Mishra, Spin, Munger, Bastian,
26 Arviv, Sears, Spielberg, Mazij, Bragg/Oryx, and Legacy 8.

27 802. As a direct result of all of the foregoing, Munger’s, Young, Mishra, Spin’s,
28 Bastian’s, Arviv’s, Spielberg’s Mazij’s, Bragg/Oryx’s, and Legacy 8’s actions have required

1 Third-Party Plaintiffs to retain the services of an attorney to prosecute this action and has
2 thereby been damaged. Accordingly, Third-Party Plaintiffs seek an award of reasonable
3 attorneys' fees and costs incurred in this action.

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5 **FIFTEENTH CLAIM FOR RELIEF**
6 **(Breach of Contract)**

7 **(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Bastian)**

8 803. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
9 preceding paragraphs herein with specificity and particularity as though set forth fully herein.

10 804. In making an investment into FCGI's business, Bastian agreed that he would
11 pay \$1 million into FCGLTD, pay \$1 million in kind for the production of the product that the
12 FCGI, FCGNA, and other Full Color IP Licensees would make, and would ensure that the Full
13 Color games that were produced were launched in the 62 casinos over which he had control in
14 the Bahamas and other locations.

15 805. In exchange, FCGI and FCGNA and other the Full Color IP Licensees granted
16 Davinci Holdings Ltd (Isle of Man), Bastian's company, an interest in FCGLTD.

17 806. FCGI, FCGNA, and the Full Color IP Licensees performed as required by the
18 agreement with Bastian.

19 807. Bastian breached this agreement by failing to launch the games delivered to him
20 within the casinos he controlled.

21 808. The Full Color Licensees were damaged by Bastian's breach of his investment
22 agreement in an amount in excess of \$15,000 to be determined at trial.

23 809. As a direct result of all of the foregoing, Bastian's actions have required FCGI
24 to retain the services of an attorney to prosecute this action and has thereby been damaged.
25 Accordingly, FCGI seeks an award of reasonable attorneys' fees and costs incurred in this
26 action.

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SIXTEENTH CLAIM FOR RELIEF
(Breach of Covenant of Good Faith and Fair Dealing)

(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, Bastian, Spin, M&A, Valcros, Young, Mishra, Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)

810. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

811. On October 15, 2015, FCGI and Bastian entered into the MNDA.

812. On April 29, 2016, FCGI and Spin entered into the MNDA.

813. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

814. Each of the agreements, the MNDAs and the NDACA are binding and enforceable agreements.

815. In October, 2016, Mazij entered into an agreement with FCGNA and its affiliates to distribute Full Color® Games and recruit them to orchestrate a sale of Oryx which did indeed ultimately occur to the ultimate beneficial owner of Bragg through, upon information and belief, AAA and LEGI.

816. On October 20, 2016, the Third-Party Plaintiffs 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.

817. On January 23, 2017, Spin was paid the first half of the bi-directional RGS integration fees.

818. 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

819. 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 Third-Party Plaintiffs 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.

1 820. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
2 conspired with each other to circumvent the contracts and distribution revenues in direct
3 violation of the individual MNDA's between FCGI and SPIN and further FCGI and Bastian
4 specifically including but not limited to Section 2.5 "Non-circumvention, non-interference and
5 secrecy."

6 821. To the extent Spin's, Munger's, and Bastian's circumvention of FCGI and its
7 affiliates was not a technical breach of the MNDAs or the NDACA, the actions denied FCGI its
8 justified and reasonable expectations under the their licensing, sub-licensing and shareholder
9 agreements including but not limited to the MDNAs and NDACA..

10 822. Munger's, Young's, Mishra, Spin's, Bastian's, Arviv's, Sears', Spielberg's,
11 Bragg/Oryx's, and Legacy 8's circumvention of Third-Party Plaintiffs and their affiliates
12 agreements that include but are not limited to shareholder agreements as well as the MNDAs or
13 the NDACA, their actions denied the Third-Party Plaintiffs justified and reasonable
14 expectations under the terms of their licensing, sub-licensing and shareholder and other
15 agreements including but not limited to the MNDA's and NDACA.

16 823. FCGI, IPH, FCGNA, and JPL was damaged by Munger's, Young's, Mishra,
17 Spin's, Bastian's, Arviv's, Sears', Spielberg's, Mazij's, Bragg/Oryx's, and Legacy 8's and the
18 actions which denied FCGI's reasonable and justified expectations under the agreements and
19 contracts in an amount in excess of \$15,000 to be determined at trial.

20 824. As a direct result of all of the foregoing, Munger's, Young's, Mishra's, Spin's,
21 Bastian's, Arviv's, Sears', Spielberg's, Mazij's, Bragg/Oryx's, and Legacy 8's actions have
22 required Third-Party Plaintiffs to retain the services of an attorney to prosecute this action and
23 has thereby been damaged. Accordingly, Third-Party Plaintiffs seeks an award of reasonable
24 attorneys' fees and costs incurred in this action.

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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, Bragg Holdings,
Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)**

825. Third-Party Plaintiffs re-allege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

826. On October 15, 2015, FCGI and Bastian entered into the MNDA.

827. On April 29, 2016, FCGI and Spin entered into the MNDA.

828. July 19, 2011, Munger entered into the NDACA with FCGI's predecessor.

829. Each of the agreements, the MNDAs and the NDACA are binding and enforceable agreements.

830. On October 20, 2016, the Third-Party Plaintiffs 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.

831. On January 23, 2017, Spin was paid the first half of the bi-directional RGS integration fees.

832. 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.

833. 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.

834. 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. Arviv, Sears, Spielberg, Mazij, Bragg/Oryx, Legacy 8, Munger,
5 Bastian and the Bastian Casino Gaming Enterprise conspired with each other to circumvent the
6 contracts and distribution revenues

7 835. Between October 7, 2017 and April 7, 2017, Spin, Munger, and Bastian
8 conspired with each other to circumvent the contracts and distribution revenues in direct
9 violation of the individual MNDA's between FCGI and SPIN and further FCGI and SEBAS
10 specifically including but not limited to Section 2.5 "Non-circumvention, non-interference and
11 secrecy" terms as quoted in full.

12 836. The Spin Group, Munger, and Bastian through his Bastian Casino Gaming
13 Enterprises knowingly, willingly and deliberately, through their agents and through conspired
14 with one another to circumvent and usurp the business opportunities of Counter-Defendants to
15 utilize and profit from the Full Color IP.

16 837. This direct circumvention stood to prevent the Third-Party Plaintiffs from
17 generating approximately \$150,000 a month in revenue or \$1.8 million in revenue per year in
18 the Bahamas and the same amount in Jamaica as well as the loss of ownership interests as a part
19 of the Oryx funding and sale that Arviv, Spielberg, Sears, Mazij, Bragg/Oryx, Legacy 8,
20 Munger, and Bastian have absconded with.

21 838. As a result of the civil conspiracy between Spin, Young, Mishra, Bastian, the
22 Bastian Casino Gaming Enterprise, and Munger, Arviv, Spielberg, Sears, Mazij, Bragg/Oryx,
23 Legacy 8, FCGI, IPH, FCGNA, and JPL have incurred damages in excess of \$15,000 to be
24 determined at trial.

25 839. The actions of Spin, Young, Mishra, Bastian, the Bastian Casino Gaming
26 Enterprise, Munger, Arviv, Spielberg, Sears, Mazij, Bragg/Oryx, and Legacy 8 as alleged herein
27 were malicious, fraudulent, or oppressive and warrant an award of punitive damages.

28 840. As a direct result of all of the foregoing, Counter-defendant's actions have

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

4 **EIGHTEENTH CLAIM FOR RELIEF**
5 **(Intentional Interference with Contractual**
6 **Relations/Prospective Business Advantage)**

7 **(FCGI, IPH, FCGNA, and JPL against Counter-defendants**
8 **Munger, M&A, Valcros, Spin, Young, Mishra, Bragg,**
9 **Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)**

10 841. Third-Party Plaintiffs repeat and re-allege the allegations set forth in the
preceding paragraphs herein with specificity and particularity as though set forth fully herein.

11 842. As alleged herein, the Counter-Defendants and Third-Party Defendants the
12 Munger Group, Bastian, and the Bastian Casino Gaming Enterprise, and the Spin Group were
13 all separately in multiple contracts with FCGI and its affiliated entities.

14 843. As alleged herein, Munger Group and the Bastian Casino Gaming Enterprise
15 had knowledge of the separate contractual relationship between each Spin, Bastian, and
16 Munger.

17 844. The Munger Group, Bastian, the Bastian Casino Gaming Enterprise engaged in
18 wrongful conduct as alleged in herein with the purpose and effect of preventing the integration
19 of the bi-directional RGS to RGS integration between the SPIN ROC RGS and the FULL
20 COLOR KINGFISHER RGS in order to specifically avoid the Spin Group from paying FCGS
21 and its affiliates their revenue streams and relationship interfere with the business relationships
22 and investments between the Bastian Casino Gaming Enterprise and the FCGI.

23 845. The Spin Group was without any privilege or legal justification for interfering
24 with the contractual relationship between Bastian Casino Gaming Enterprise and the Third-
25 Party Plaintiffs, but acted upon the unlawful, improper, unfair, and unreasonable motivation of
26 usurping the FCGI's business relationships and revenue streams.

27 846. Further, other third parties in the Munger Group and the Bastian Casino Gaming
28 Enterprise, including Bragg and Oryx, committed acts to unlawfully interfere with Third-Party

1 Plaintiffs' contractual relationships with Munger, Bastian, and others wherein they agreed not
2 compete with or circumvent Third-Party Plaintiffs' business. Bragg/Oryx, Legacy 8, and other
3 members of the Munger Group and Bastian Casino Gaming Enterprise committed acts designed
4 to interfere with Third-Party Plaintiffs' contractual rights.

5 847. Counter-Defendants, and each of them in their commission of these wrongful
6 acts directly and immediately the Full Color IP and the Third-Party Plaintiffs investments and
7 assets of the FULL COLOR KINGFISHER RGS from being launched and generating and put
8 them out of business as a result.

9 848. Nevada common law requires that the Counter-Defendants and Third-Party
10 Defendants, and each of them in the Munger Group, the Bastian Casino Gaming Enterprise, and
11 the Spin Group, and all of their affiliate and or assignees disgorge all amounts by which they
12 have been unjustly enriched.

13 849. Nevada common law requires that the Counter-Defendants and Third-Party
14 Defendants, and each of them in the Munger Group, the Bastian Casino Gaming Enterprise, and
15 the Bragg/Oryx, Legacy 8, Arviv, Sears, Spielberg, Mazij, and all of their affiliate and or
16 assignees disgorge all amounts by which they have been unjustly enriched.

17 850. Consequently, Third-Party Plaintiffs have all sustained substantial monetary
18 damages in excess of \$15,000 as a result of its inability to perform and profit under their
19 contracts in an amount to be determined at trial.

20 851. The actions of Spin, Young, Mishra, Bastian, the Bastian Casino Gaming
21 Enterprise, Munger, Arviv, Sears, Spielberg, Mazij, Bragg/Oryx, and Legacy 8 as alleged herein
22 were malicious, fraudulent, or oppressive and warrant the award of punitive damages.

23 852. As a direct result of all of the foregoing, the Counter-Defendants and Third-
24 Party Defendants have required FCGI to retain the services of an attorney to prosecute this
25 action and has thereby been damaged. Accordingly, FCGI seeks an award of reasonable
26 attorneys' fees and costs incurred in this action.

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NINETEENTH CLAIM FOR RELIEF
(Breach of NDACA and Injunctive Relief against Munger
and Breach of NDA and Injunctive Relief against Spin, Bastian,
Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)

853. FCGI repeat, re-allege, and incorporate by this reference, the allegations contained in each and every preceding paragraph as though set forth fully herein.

854. 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.

855. 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.

856. Based on the facts alleged herein, Munger, Spin, Bastian, Arviv, Sears, Spielberg, Mazij, Bragg/Oryx, and Legacy 8 are 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.

857. 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.

858. As a result of Spin's and Bastian's past breaches of their respective NDA's, the Third-Party Plaintiffs have been damaged in an amount in excess of \$15,000 to be proven at trial.

859. 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.

860. Bastian's, Munger, Spin, Arviv, Sears, Spielberg, Mazij, Bragg/Oryx, and

1 Legacy 8 continued breaches of the NDA have and will continue to cause irreparable harm to
2 Mahon, FCGI, and other affiliated companies including FCGNA, JPL, IPH and FCG LLC.

3 861. Third-Party Plaintiffs are entitled to temporary, preliminary, and permanent
4 injunctive relief enjoining Munger, Bastian and Spin from continuing to possess and utilize
5 confidential information disclosed to him under the NDACA and from competing or interfering
6 with Mahon, FCG LLC, FCGI, IPH, or any other affiliated entities business interests in the use
7 and commercialization of the Full Color IP.

8 862. Third-Party Plaintiffs are entitled to temporary, preliminary, and permanent
9 injunctive relief enjoining Munger, Bastian, Young, Mishra, Spin, Arviv, Sears, Spielberg,
10 Mazij, Bragg/Oryx, and Legacy 8 from continuing to utilize Bragg/Oryx's and or Spin's
11 integration onto Bastian's RSL platform without including the Full Color content and from
12 interfering with Mahon, FCGI, and other affiliated entities business interests in the use and
13 commercialization of the Full Color IP.

14 863. As a direct result of the foregoing, Third-Party Plaintiffs have been caused to
15 retain the services of an attorney to prosecute this claim breach of the NDA and injunctive relief
16 and therefore are entitled to reasonable attorney's fees and costs.

17 **TWENTIETH CLAIM FOR RELIEF**
18 **(Declaratory Relief re: Counter-Defendants status as shareholders)**

19
20 864. Third-Party Plaintiffs re-allege the allegations contained in each and every
21 preceding paragraph as though set forth fully herein.

22 865. An actual existing controversy has arisen and now exists between FCGI and
23 Counter-Defendants concerning each of their ongoing ownership of shares in FCGI. FCGI
24 therefore seek an order from the Court declaring that, based on the facts set forth herein,
25 Counter-Defendants either never were or are no longer a shareholder(s) of FCGI, that Counter-
26 Defendants' shares should be rescinded because he obtained the shares via fraud, or that
27 Counter-Defendants' shares have been re-purchased pursuant to the Share Repurchase
28 Agreements that each Counter-Defendant signed.

866. As a direct result of the foregoing, Third-Party Plaintiffs 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
(Negligent Misrepresentation)

(As to Spin, Young and Mishra)

867. Third-Party Plaintiffs repeat and reallege the allegations set forth in the preceding paragraphs herein with specificity and particularity as though set forth fully herein.

868. Spin represented to FCGI and its affiliates to believe that their RGS was integrated into a total of 15 global distribution interactive gaming systems (IGS) that would allow the Full Color IP Licensees to immediately monetize thru hundreds of real and virtual money casino gaming operators around the world.

869. Spin represented to the FCGI and its affiliates that it would complete all 24 language translations that were fully disclosed to them in person on October 10, 2016 as part of the price for the **Proposal v1.4**.

870. Each of these representations made by Spin were false.

871. Spin either knew that each of these representations were false or made the representations with reckless disregard for the truth or falsity of the representations.

872. Spine made each of the misrepresentations with the intent to induce FCGI and its affiliates to act in reliance of the misrepresentations.

873. FCGI and its affiliates did in fact rely upon Spin's misrepresentations set forth herein.

874. FCGI and its affiliates incurred damages as a result of relying upon Spin's misrepresentations.

875. Between October 2016 and April of 2017, MAHON caused SPIN to be paid \$54,000, \$10,000 and a third time, \$10,000 for a total of \$74,000 based on the misrepresentations of Spin.

1 876. 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 Third-Party
3 Plaintiffs, would not have entered into the contract with Spin, much more paid them \$74,000 on
4 top of that.

5 877. As a result of the materially false and misleading information, the Third-Party
6 Plaintiffs 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.

8 878. As a result of Counter-Defendants' negligent misrepresentations, Third-Party
9 Plaintiffs have been damaged in an amount in excess \$15,000.00 to be proven at trial.

10 879. The actions of Spin, Young, and Mishra as alleged herein were malicious,
11 fraudulent, or oppressive and warrant the award of punitive damages.

12 880. As a direct result of all of the foregoing, Counter-Defendant's actions have
13 required Third-Party Plaintiffs to retain the services of an attorney to prosecute this action and
14 has thereby been damaged. Accordingly, Third-Party Plaintiffs seek an award of reasonable
15 attorneys' fees and costs incurred in this action.

16
17 **TWENTY-SECOND CLAIM FOR RELIEF**
18 **(Intentional Misrepresentation)**

19 **(As to Spin, Young, and Mishra)**

20 881. Third-Party Plaintiffs repeat and reallege the allegations set forth in the
21 preceding paragraphs herein with specificity and particularity as though set forth fully herein.

22 882. 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 the Full Color IP Licensees to immediately
25 monetize thru hundreds of real and virtual money casino gaming operator.

26 883. 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**

1 884. Each of these representations made by Spin was false.

2 885. 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.

4 886. Spin made each of the misrepresentations with the intent to induce FCGI and its
5 affiliates to act in reliance of the misrepresentations.

6 887. Third-Party Plaintiffs did in fact rely upon Spin's misrepresentations set forth
7 herein.

8 888. Third-Party Plaintiffs incurred damages as a result of relying upon Spin's
9 misrepresentations.

10 889. Between October 2016 and April of 2017, Mahon caused Spin 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.

13 890. In fact, the subject representations were fraudulently concealed so they would
14 not be discovered in order to induce Mahon, FCGI, and the other Third-Party Plaintiffs 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 Spin's services nor paid them \$74,000.

20 891. As a result of material misrepresentations, one of Third-Party Plaintiffs 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.

23 892. 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.

25 893. Spin's, Young's, and Mishra's actions were malicious, fraudulent, or oppressive
26 warranting an award of punitive damages.

27 894. As a direct result of all of the foregoing, Counter-defendants' actions have
28 required Third-Party Plaintiffs to retain the services of an attorney to prosecute this action and

1 has thereby been damaged. Accordingly, Third-Party Plaintiffs seek an award of reasonable
2 attorneys' fees and costs incurred in this action.

3
4 **TWENTY-THIRD CLAIM FOR RELIEF**
5 **(Fraudulent Concealment)**

6 **(As to Spin, Young, and Mishra)**

7 895. Third-Party Plaintiffs repeat and re-alleges the allegations set forth in the
8 preceding paragraphs herein with specificity and particularity as though set forth fully herein

9 896. 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.

13 897. 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.

16 898. 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.

19 899. 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 Third-Party Plaintiffs on January 27, 2017.

26 900. 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.

3 901. Had Mahon and the other Third-Party Plaintiffs known of Spin's true intent as
4 set 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.

7 902. As a result of concealing the materially false and misleading information, the
8 Third-Party Plaintiffs 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.

11 903. 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.

13 904. The actions of Spin, Young, and Mishra alleged herein were malicious,
14 oppressive or fraudulent and warrant an award of punitive damages.

15 905. 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
19 **TWENTY-FOURTH CLAIM FOR RELIEF**
20 **(Breach of Fiduciary Duty)**

21 **(FCGI and FCGNA against to Munger, Linham, and Newman)**

22 906. FCGI and FCGNA repeat and re-allege the allegations set forth in the preceding
23 paragraphs herein with specificity and particularity as though set forth fully herein.

24 907. At all times relevant herein, Munger, Linham, and Newman served as officers
25 of FCGI and some other related affiliated companies until they resigned and/or were removed in
26 or about April or May, 2017, and owe fiduciary duties to FCGI in their capacity as officers.

27 908. By committing the acts alleged herein, including usurping corporate or business
28 opportunities, putting their own work and business interests ahead of the interests of FCGI,

1 interfering with FCGI's contractual relationships, money laundering, wire and mail fraud, and
2 other activities, Munger and Linham have breached their fiduciary duties to FCGI.

3 909. By virtue of his role as counsel for each of the Third-Party Plaintiffs at different
4 times as alleged herein Newman had fiduciary duties to each of the Plaintiffs, especially with
5 respect to the handling and prosecution of the pending patents, trademarks, copyrights and other
6 intellectual property owned by and or licensed to each of the Third-Party Plaintiffs.

7 910. In addition to the fiduciary duties owed by virtue of their role as counsel and
8 attorneys for each of the Third-Party Plaintiffs, Newman was also the Chief Operating Officer,
9 Chief Legal Officer, IP Counsel, Director, Board Advisor and bank signatory for some or all of
10 the Third-Party Plaintiffs.

11 911. Newman has breached its respective fiduciary duties by their acts and
12 omissions, negligence, gross negligence and other failures as alleged herein.

13 912. As a result of Munger's, Linham's, and Newman's breach of their fiduciary
14 duties, FCGI has been damaged in an amount in excess \$15,000.00 to be proven at trial.

15 913. The actions of Munger, Linham, and Newman as alleged herein were malicious,
16 oppressive or fraudulent and warrant the award of punitive damages.

17 914. As a direct result of all of the foregoing, FCGI has been required to retain the
18 services of an attorney to prosecute this action and has thereby been damaged. Accordingly,
19 FCGI seeks an award of reasonable attorneys' fees and costs incurred in this action.

20 **TWENTY-FIFTH CLAIM FOR RELIEF**
21 **(Professional Negligence against Newman, Newman Law, and CBL)**

22
23 915. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and
24 every preceding paragraph as though set forth fully herein.

25 916. At different times as alleged herein, Third-Party Plaintiffs had established an
26 attorney-client relationship with Newman, Newman Law, and CBL to perform legal services in
27 connection with protecting the IPR that Mahon owned and licensed to other Third-Party
28 Plaintiffs who have licensing and or other contractual rights to commercialize the IPR. Among

1 other things, Newman, Newman Law, CBL, and H2 had all agreed to handle and manage
2 Plaintiffs' pending patent applications and additional patent applications before the USPTO.

3 917. Third-Party Defendants, and each of them, failed to adequately respond to the
4 USPTO in order to avoid the abandonment of each of the patent and trademark applications they
5 were commissioned to apply for, prosecute, complete to issuance and maintain at all times
6 thereafter.

7 918. Third-Party Defendants also failed to keep Third-Party Plaintiffs informed of
8 the status of the patents, trademarks and copyright applications and prosecutions over the course
9 of eight years and, in fact, took steps to keep Plaintiffs from knowing about the status of the
10 applications.

11 919. Third-Party Defendants' failures to communicate with Third-Party Plaintiffs,
12 and failures to fulfill the most basic steps in the prosecution of Third-Party Plaintiffs' pending
13 patents and newly filed patents, trademarks and copyrights amounts to gross professional
14 negligence.

15 920. As a direct result of Third-Party Defendants' gross professional negligence,
16 Third-Party Plaintiffs have been damaged in an amount in greater than \$15,000 to be
17 determined at trial.

18 921. Third-Party Plaintiffs actions as alleged herein were fraudulent, oppressive,
19 and/or malicious and warrant the award of punitive damages.

20 922. As a direct result of Third-Party Defendants' actions Third-Party Plaintiffs have
21 been forced to defend other lawsuits and litigation and are entitled to recover the attorney fees
22 and costs from other litigation that has been commenced against them from Third-Party
23 Defendants.

24 923. As a direct result of all of the foregoing, Third-Party Plaintiffs have been
25 required to retain the services of an attorney to prosecute this claim and are therefore are
26 entitled to reasonable attorney's fees and costs.

27 ///

28 ///

TWENTY-SIXTH CLAIM FOR RELIEF
(Breach of Contract against Newman, Newman Law, and CBL)

924. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

925. The above-named Third-Party Defendants and each of them had agreements with Third-Party Plaintiffs at different times as alleged herein to perform legal work relating to the protection of the IPR. Specifically, Defendants agreed to handle the patent applications and other applications for protection of intellectual property, including trademarks and copyrights for the IPR in exchange for fees, costs, and other compensation as alleged herein.

926. Plaintiffs paid all fees, costs, and other compensation required for the above-named Third-Party Defendants to perform legal services relating to managing and prosecuting patent, trademark and copyrights applications and other intellectual property protection for the IPR.

927. Each of the Third-Party Plaintiffs either own and or have, and or have had a commercial license in some form to exploit and/or commercialize the IPR.

928. The above-named Third-Party Defendants and each of them breached their respective agreements by failing to manage, monitor, and/or prosecute both new and pending patents, trademarks and copyrights relating to the IPR and otherwise abandoned, canceled and or suspended each pending and new patent, trademark and or copyright application.

929. The above-named Third-Party Defendants and each of them breached their respective agreements by failing to submit or properly obtain patent, trademark, copyright and other protections relating to the IPR despite being paid for that work.

930. As a result of Defendants' breaches of their respective agreements for legal services, Plaintiffs have been damaged in an amount in excess \$15,000.00 to be proven at trial.

931. As a direct result of all of the foregoing, Plaintiffs 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.

///

TWENTY-SEVENTH CLAIM FOR RELIEF
(Contractual Breach of the Covenant of Good Fair
and Dealing against Newman, Newman Law, and CBL)

932. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

933. The above-named Third-Party Defendants and each of them had agreements with Third-Party Plaintiffs 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.

934. Third-Party Plaintiffs 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.

935. Each of the Third-Party Plaintiffs either own and or have, and or have had a commercial license in some form to exploit and/or commercialize the IPR.

936. Each of the respective agreements with the Defendants for the performance of legal services include an implied covenant to act in good faith.

937. 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.

938. 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.

939. As a direct result of all of the foregoing, Third-Party Plaintiffs have been required to retain the services of an attorney to prosecute this claim and therefore are entitled to

1 reasonable attorney's fees and costs.

2
3 **TWENTY-EIGHTH CLAIM FOR RELIEF**
4 **(Tortious Breach of the Covenant of Good Faith and**
5 **Fair Dealing against Newman, Newman Law, and CBL)**

6 940. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and
7 every preceding paragraph as though set forth fully herein.

8 941. The above-named Third-Party Defendants and each of them had agreements
9 with Third-Party Plaintiffs at different times as alleged herein to perform legal work relating to
10 the protection of the IPR. Specifically, the above-named Third-Party Defendants agreed to
11 handle the patent, trademark and copyright applications and other applications for protection of
12 intellectual property, for the IPR in exchange for fees, costs, and other compensation as alleged
13 herein.

14 942. Third-Party Plaintiffs paid all fees, costs, and other compensation required for
15 Defendants to perform legal services relating to managing and prosecuting patent, trademark
16 and copyright applications and other intellectual property protection for the IPR.

17 943. Each of the Third-Party Plaintiffs either own or have or have had a commercial
18 license in some form to exploit and/or commercialize the IPR.

19 944. Each of the respective agreements with the above-named Third-Party
20 Defendants for the performance of legal services include an implied covenant to act in good
21 faith.

22 945. A special relationship of confidence and reliance existed between each of the
23 Defendants.

24 946. The above-named Third-Party Defendants and each of them tortiously breached
25 the implied covenant of good faith and fair dealing by, among other things, (i) failing to
26 manage, monitor, and/or prosecute both new and pending patent, trademark and copyright
27 applications relating to the IPR; (ii) further intentionally concealing the status of the patents,
28 trademark and copyright applications, including the abandoned patents, trademarks and

1 copyrights from Plaintiffs in an effort to cover up their failures; (iii) improperly refusing to
2 provide Plaintiffs' files concerning Plaintiffs including, without limitation, all information
3 concerning the IPR and related patents and other intellectual property protection, without
4 receiving additional payments and compensation, despite not having any grounds for any
5 additional compensation; and (iv) other intentional and improper acts alleged herein.

6 947. As a result of the above-named Third-Party Defendants' tortious breaches of the
7 implied covenant of good faith and fair dealing, Plaintiffs have been damaged in an amount in
8 excess \$15,000.00 to be proven at trial.

9 948. The above-named Third-Party Defendants' actions as alleged herein were
10 fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

11 949. As a direct result of all of the foregoing, Third-Party Plaintiffs have been
12 required to retain the services of an attorney to prosecute this claim and therefore are entitled to
13 reasonable attorney's fees and costs.

14
15 **TWENTY-NINTH CLAIM FOR RELIEF**
16 **(Intentional Misrepresentation against Newman, Newman Law, and CBL)**

17 950. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and
18 every preceding paragraph as though set forth fully herein.

19 951. The above-named Third-Party Defendants made several misrepresentations to
20 Third-Party Plaintiffs on multiple occasions as alleged herein. Specifically, Newman
21 represented that the IPR and the FGI-IP were fully protected and that the pending patent
22 applications and other intellectual property applications were being properly prosecuted and
23 handled.

24 952. These representations were false, and the above-named Third-Party Defendants
25 knew that the representations were false when they were made, as alleged more specifically
26 herein.

27 953. Third-Party Plaintiffs reasonably relied on the representations made by the
28 above-named Third-Party Defendants on several occasions as alleged more specifically herein.

1 954. Specifically, Third-Party Plaintiffs continued to carry on their business
2 operations, expending funds, and seeking investors, with the understanding that the primary
3 asset upon which all the business operations were based was being prosecuted and properly
4 protected.

5 955. Third-Party Plaintiffs have suffered damages in excess of \$15,000 as a result of
6 Plaintiffs' reliance on the false representations made by the above-named Third-Party
7 Defendants.

8 956. The above-named Third-Party Defendants' actions as alleged herein were
9 fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

10 957. As a direct result of all of the foregoing, Third-Party Plaintiffs have been
11 required to retain the services of an attorney to prosecute this claim and therefore are entitled to
12 reasonable attorney's fees and costs.

13
14 **THIRTIETH CLAIM FOR RELIEF**
15 **(Negligent Misrepresentation against Newman, Newman Law, and CBL)**

16 958. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and
17 every preceding paragraph as though set forth fully herein.

18 959. In performing services for Third-Party Plaintiffs under several different
19 agreements over the years, the above-named Third-Party Defendants were acting within their
20 normal business operations and taking actions in which they had a pecuniary interest.

21 960. Among other representations alleged herein, the above-named Third-Party
22 Defendants failed to exercise reasonable care or competence in representing that Third-Party
23 Defendants represented that the IPR and the FGI-IP were fully protected and that the pending
24 patent applications and other intellectual property applications were being properly prosecuted
25 and handled.

26 961. These representations were false, and the above-named Third-Party Defendants
27 knew that the representations were false when he made them, as alleged more specifically
28 herein.

1 962. Third-Party Plaintiffs reasonably relied on the representations made by the
2 above-named Third-Party Defendants on several occasions as alleged more specifically herein.
3 Specifically, Third-Party Plaintiffs continued to carry on their business operations, expending
4 funds, and seeking investors, with the understanding that the primary asset upon which all the
5 business operations were based was being prosecuted and properly protected.

6 963. Third-Party Plaintiffs have suffered damages in excess of \$15,000 as a result of
7 Plaintiffs' reliance on the false representations made by the above-named Third-Party
8 Defendants.

9 964. The above-named Third-Party Defendants' actions as alleged herein were
10 fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

11 965. As a direct result of the foregoing, Third-Party Plaintiffs have been required to
12 retain the services of an attorney to prosecute this claim and therefore are entitled to reasonable
13 attorney's fees and costs.

14 **THIRTY-FIRST CLAIM FOR RELIEF**
15 **(Fraudulent Concealment by Newman, Newman Law, and CBL)**
16

17 966. Third-Party Plaintiffs repeat and re-allege by this reference, the allegations
18 contained in each and every preceding paragraph as though set forth fully herein.

19 967. As a fiduciary to Third-Party Plaintiffs as more specifically alleged herein, the
20 above-named Third-Party Defendants owed specific duties to disclose the information available
21 to him concerning the prosecution of patents and other intellectual property protection available
22 to Plaintiffs for the IPR and the FCG-IP.

23 968. As more specifically alleged herein, the above-named Third-Party Defendants
24 actively took steps to conceal the information they had concerning the status of the patent
25 applications and other intellectual property applications. Specifically, Defendants sought to
26 conceal the fact that many patents had been abandoned and other applications had been rejected.

27 969. The above-named Third-Party Defendants knew that Plaintiffs relied upon them
28 to disclose all information he had concerning the patents applications and intellectual property

1 protection.

2 970. Third-Party Plaintiffs reasonably relied on the fraudulent concealment of the
3 above-named Third-Party Defendants on several occasions as alleged more specifically herein.
4 Specifically, Plaintiffs continued to carry on their business operations, expending funds, and
5 seeking investors, with the understanding that the primary asset upon which all the business
6 operations were based was being prosecuted and properly protected.

7 971. Third-Party Plaintiffs have suffered damages in excess of \$15,000 as a result of
8 Plaintiffs' reliance on fraudulent concealment of the above-named Third-Party Defendants.

9 972. The above-named Third-Party Defendants' actions as alleged herein were
10 fraudulent, oppressive, and/or malicious and warrant the award of punitive damages.

11 973. As a direct result of the foregoing, Third-Party Plaintiffs have been required to
12 retain the services of an attorney to prosecute this claim and therefore are entitled to reasonable
13 attorney's fees and costs.

14
15 **THIRTY-SECOND CLAIM FOR RELIEF**
16 **(Equitable Indemnity against Counter-Defendants and**
Third-Party Defendants on behalf of Mahon, IPH, FCGNA, and JPL)

17
18 974. Third-Party Plaintiffs repeat and re-allege the allegations contained in each and
19 every preceding paragraph as though set forth fully herein.

20 975. As alleged herein, Counter-Defendants and Third-Party Defendants committed
21 multiple tortious and racketeering acts damaging FCGI.

22 976. As alleged herein, Counter-Defendants and Third-Party Defendants have
23 committed breaches of fiduciary duties and contractual duties to FCGI.

24 977. Third-Party Defendant Spin has asserted a Third-Party Counterclaim against
25 Third-Party Plaintiffs and David Mahon.

26 978. Third-Party Plaintiffs are informed and believe that Counter-Defendants' and
27 Third-Party Defendants' intentional and tortious actions, omissions, negligence, breaches of
28 fiduciary and other duties, failures and/or other faults constitute the sole, proximate, and

1 primary cause of the damages, if any, alleged by Spin. Remaining Third-Party Defendants
2 should bear the entire responsibility for the damages that Spin claims to have suffered and fully
3 and totally indemnify Third-Party Plaintiffs for any and all damages, if any are proven,
4 sustained by Spin.

5 979. As a direct result of Third-Party Defendants' actions, omissions, negligence,
6 failures, breaches of fiduciary and other similar duties, Third-Party Plaintiffs have been
7 damaged in an amount in excess of \$15,000.00, the specific amount to be proven at trial.

8 980. In addition, Third-Party Plaintiffs have been forced to defend a lawsuit for
9 alleged damages that, if awarded, were caused by Counter-Defendants' and Third-Party
10 Defendants' actions, omissions, negligence, failures, breaches of fiduciary and other duties.

11 981. As a direct result of the foregoing, Third-Party Plaintiffs have been caused to
12 retain the services of an attorney to prosecute this claim for indemnification and therefore are
13 entitled to reasonable attorney's fees and costs.

14
15 **THIRTY-THIRD CLAIM FOR RELIEF**
16 **(Contribution and Indemnity against Counter-Defendants and Third-Party**
17 **Defendants actions on behalf of Mahon, IPH, FCGNA, and JPL)**

18 982. Third-Party Plaintiffs repeat, re-allege the allegations contained in each and
19 every preceding paragraph as though set forth fully herein.

20 983. Third-Party Defendants' intentional and tortious actions, omissions, negligence,
21 failures, breaches of fiduciary and other duties constitute the sole, proximate, and primary cause
22 of the damages, if any are proven, alleged by Spin.

23 984. Counter-Defendants' and Third-Party Defendants' actions should bear the entire
24 responsibility for any and all damages arising from the events as alleged by Spin in its Third-
25 Party Counterclaim.

26 985. Third-Party Plaintiffs are entitled to contribution from the remaining Third-
27 Party Defendants as a result of their actions causing damages awarded to Spin and against
28 Third-Party Plaintiffs and Mahon to the extent that such damages were caused by Third-Party

Defendants' actions, omissions, negligence, failures, breaches of fiduciary and other duties and/or other faults caused and/or contributed to the damages alleged by Spin.

986. As a direct result of Third-Party Defendants' actions, omissions, negligence, failures, breaches of fiduciary and other duties and/or other faults, Plaintiffs allege damages on behalf of FCGI in an amount in excess of \$15,000.00, the specific amount to be proven at trial.

987. In addition, Third-Party Plaintiffs have been forced to defend a lawsuit for alleged damages that, if awarded, were caused by Third-Party Defendants' actions, omissions, negligence, failures, breaches of fiduciary, and other duties and/or other faults.

988. As a direct result of all of the foregoing, Third-Party Plaintiffs have been caused to retain the services of an attorney to prosecute this claim for contribution and therefore are entitled to reasonable attorney's fees and costs.

THIRTY-FOURTH CLAIM FOR RELIEF
(Slander, libel, defamation per se. against
Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg
and Mazij on behalf of Mahon, FCGI, FCGNA, IPH and JPL)

989. Third-Party Plaintiffs and Third-Party Plaintiffs repeat, re-allege the allegations contained in each and every preceding paragraph as though set forth fully herein.

990. Bragg/Oryx, Legacy 8, Arviv, Sears, Spielberg, and Mazij arranged for or made and published statements that were false and misleading that the Third-Party Plaintiffs were involved in activities that involved moral turpitude.

991. In asserting these false statements, Bragg/Oryx, Legacy 8, Arviv, Sears, Spielberg, and Mazij knew the statements were false or acted with reckless disregard for the falsity of the statements.

992. Third-Party Defendants have incurred damages as a result of the defamatory statements of Bragg/Oryx, Legacy 8, Arviv, Sears, Spielberg, and Mazij.

993. The actions Bragg/Oryx, Legacy 8, Arviv, Sears, Spielberg, and Mazij as alleged herein were malicious fraudulent, or oppressive warranting assessment of punitive damages.

1 994. As a direct result of all of the foregoing, Third-Party Plaintiffs have been caused
2 to retain the services of an attorney to prosecute this claim for contribution and therefore are
3 entitled to reasonable attorney's fees and costs.

4
5 **THIRTY-FIFTH CLAIM FOR RELIEF**
6 **(Alter Ego of Bragg, Bragg Holdings, KAVO, Arviv, Mazij,**
7 **Spielberg, Sears, and Legacy 8 on behalf of Third-Party Plaintiffs)**

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

11 996. Arviv, Spielberg, Mazij, Bastian and Sears is the owner and operator of the
12 Defendant entities, and each of them.

13 997. Arviv, Spielberg, Mazij, Bastian and Sears operated the various Third-Party
14 Defendant entities, and each of them, as if they were their own personal piggy bank and wallet,
15 selling securities to the public while breaching their fiduciary duties to the shareholders by
16 knowingly, willingly and deliberately, concealing, misrepresenting and fraudulently failing to
17 disclosure the existence of this lawsuit against the Bragg parties and their corporate shells they
18 created to engage in their securities fraud in the first place.

19 998. The various Third-Party Defendant Bragg party entities, both domestic and
20 foreign, and each of them, were and are alter egos of Third-Party Defendants Arviv, Spielberg,
21 Mazij Bastian and Sears, in that they were merely shells by which their common principal,
22 Third-Party defendants Arviv, Spielberg, Mazij Bastian and Sears, could conceal the true nature
23 of their events. There was no legal requirements of necessities to create all the Legacy 8 shell
24 companies, special purpose vehicles, endless name changing they engaged in to facilitate a sale
25 and transfer, yet they did it anyways to create a trail of tears and destruction in the attempt to get
26 to the truth of the matters.

27 999. The various Third-Party Defendant entities, and each of them, were and are alter
28 egos of Third-Party Defendants Arviv, Spielberg, Mazij Bastian and Sears, in that they have

1 disregarded their respective corporate forms by, among other things, paying or attempting to
2 pay the debts of one another without consideration, not being properly licensed and comingling
3 and/or transferring funds and assets among them and using their shell companies to defraud the
4 unsuspecting shareholders.

5 1000. The various Third-Party Defendant entities, and each of them, were and are alter
6 egos of Third-Party Defendants Arviv, Spielberg, Mazij Bastian and Sears, in that there is a
7 unity of interest and ownership, are inseparable from each other, and have lost their
8 individuality, thereby abrogating separate corporate protection.

9 1001. The various Third-Party Defendant entities, and each of them, were and are alter
10 egos of Third-Party Defendants Arviv, Spielberg, Mazij Bastian and Sears, in that they failed to
11 maintain functioning corporate officers and/or directors.

12 1002. The various Third-Party Defendant entities, and each of them, were and are alter
13 egos of Third-Party Defendants Arviv, Spielberg, Mazij Bastian and Sears, in that the alter egos
14 are being used as a “façade” for the personal dealings of Third-Party Defendants Arviv,
15 Spielberg, Mazij Bastian and Sears.

16 1003. The various Third-Party Defendant entities, and each of them, were and are alter
17 egos of defendant various Third-Party Defendant entities, and each of them, were and are alter
18 egos of Third-Party Defendants Arviv, Spielberg, Mazij Bastian and Sears, in that defendant
19 Mahon has failed to maintain an arm’s length relationship with any of their alter egos, including
20 the various Third-Party Defendant entities, and each of them.

21 1004. The assets, liabilities and debts of the various Third-Party Defendant entities,
22 and each of them, should thus be imputed to Third-Party Defendants Arviv, Spielberg, Mazij
23 Bastian and Sears individually as Third-Party Defendant Arviv, Spielberg, Mazij Bastian and
24 Sears' alter egos.

25 1005. It would be manifestly unjust to recognize the corporate separateness of Third-
26 Party Defendants Arviv, Spielberg, Mazij Bastian and Sears and the various Third-Party
27 Defendant entities, and each of them.

28 1006. The Court should therefore pierce the corporate veil and recognize the various

1 Third-Party Defendant entities, and each of them, as the alter ego of Third-Party Defendants
2 Arviv, Spielberg, Mazij Bastian and Sears.

3 1007. As a direct and proximate result of the aforementioned actions and/or omissions
4 of Third-Party Defendants, Third-Party Plaintiffs have been damaged in an amount in excess of
5 \$15,000.00.

6 1008. Third-Party Defendants' actions have required Third-Party Plaintiffs' to retain
7 the services of an attorney to prosecute this action and has thereby been damaged. Accordingly,
8 Third-Party Plaintiffs seek an award of reasonable attorneys' fees and costs incurred in this
9 action.

10 **PRAYER FOR RELIEF**

11
12 WHEREFORE, the Third-Party Plaintiffs respectfully demands that judgment be entered
13 in its favor and against Counter-Defendants and Third-Party Defendants as follows:

- 14 1. For compensatory damages in an amount in excess of \$15,000 to be determined
15 at trial on each breach of contract claim;
- 16 2. For general, special, and compensatory damages in excess of \$15,000 to be
17 determined at trial, jointly and severally, against each Counter-Defendant and
18 Third-Party Defendant on all tort claims.
- 19 3. For general, special, and compensatory damages in excess of \$15,000 to be
20 determined at trial, jointly and severally, against each Counter-Defendant and
21 Third-Party Defendant found liable for each Federal RICO claim and Nevada
22 RICO claim.
- 23 4. For exemplary and punitive damages in an amount to be determined at trial on all
24 applicable claims;
- 25 5. For treble damages on all applicable claims.
- 26 6. Preliminary and Permanent Injunctive Relief enjoining Munger, Bastian, the
27 Bastian Casino Gaming Enterprise, Spin, Bragg, Oryx, AAA, LEGI and Mazij
28 from continuing to possess and utilize confidential information disclosed to them

1 under their respective agreements and from competing or interfering with
2 Mahon, FCG LLC, FCGI, IPH, or any other affiliated entities business interests
3 in the use and commercialization of the Full Color IP.

4 7. Disgorgement of profits against Munger, Bastian, the Bastian Casino Gaming
5 Enterprise, Spin, Bragg, Oryx, AAA, LEGI and Mazij for violations of their
6 respective agreements.

7 8. For reasonable attorneys' fees; and

8 9. For such other and further relief as the Court may deem just and proper.

9 DATED this 22nd day of November, 2021.

10 HUTCHISON & STEFFEN, PLLC

11
12 /s/ Todd W. Prall

13 Mark A. Hutchison (4639)

14 Todd W. Prall (9154)

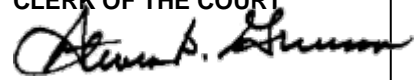
15 *Attorneys for Third-Party Plaintiffs David Mahon;*
16 *Intellectual Properties, Holding, LLC; Full Color*
17 *Games, LLC; Full Color Games, N.A., Inc.;*
Full Color Games Group, Inc.; Jackpot
18 *Productions, LLC; and Full Color Games, Inc.*
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1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of Hutchison & Steffen, PLLC
3 and that on this 22nd day of November, 2021, I caused the above and foregoing document
4 entitled **CONSOLIDATED SECOND AMENDED COUNTERCLAIM AND THIRD-**
5 **PARTY COMPLAINT OF DEFENDANTS DAVID MAHON, GLEN HOWARD,**
6 **INTELLECTUAL PROPERTIES HOLDING, LLC, FULL COLOR GAMES, LLC,**
7 **FULL COLOR GAMES, N.A., INC. AND JACKPOT PRODUCTION, LLC AND THIRD**
8 **AMENDED COUNTERCLAIM AND THIRD-PARTY COMPLAINT OF FULL COLOR**
9 **GAMES, INC.** to be served through the Court's mandatory electronic service system, per
10 EDCR 8.02, upon the following:
11

12 **TO ALL THE PARTIES ON THE E-SERVICE LIST**

13
14 /s/ Madelyn B. Carnate-Peralta
15 An employee of Hutchison & Steffen, PLLC
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AACR

Rory T. Kay (NSBN 12416)
Tara U. Teegarden (NSBN 15344)
McDONALD CARANO LLP
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
Telephone: (702) 873-4100
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

*Attorneys for Third-Party Defendants
Spin Games, LLC, Kent Young, and Kunal Mishra*

DISTRICT COURT

CLARK COUNTY, NEVADA

In re: FULL COLOR GAMES, INC.

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

MARK MUNGER, an individual; DAVID'S
HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; MILLENDIUM 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,

**THIRD-PARTY DEFENDANTS SPIN
GAMES, LLC, KENT YOUNG, AND
KUNAL MISHRA'S ANSWER TO
SECOND AMENDED THIRD-PARTY
COMPLAINT;**

AND

AMENDED COUNTERCLAIM

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

Defendants.

AND RELATED CLAIMS.

1 Third-Party Defendants Spin Games, LLC (“Spin Games”), Kent Young (“Young”), and
2 Kunal Mishra (“Mishra”) (collectively the “Spin Defendants”), by and through their counsel of
3 record McDonald Carano, LLP, hereby answer the Consolidated Second Amended Counterclaim
4 and Third-Party Complaint of Defendants David Mahon, Glen Howard, Intellectual Properties
5 Holding, LLC, Full Color Games, N.A., Inc.; and Jackpot Productions, LLC; and the Third Amended
6 Counterclaim and Third-Party Complaint of Full Color Games, Inc. (“Third-Party Complaint”) and
7 assert the affirmative defenses to the claims in the Complaint as follows:¹

8 1. Answering paragraph 1 of the Third-Party Complaint, the Spin Defendants do not
9 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
10 in those paragraphs, and on that basis deny each and every allegation therein.

11 2. Answering paragraph 2 of the Third-Party Complaint, the Spin Defendants admit
12 that the Spin Defendants work in the gaming industry. The Spin Defendants do not have sufficient
13 knowledge or information to form a belief as to the truth or falsity of the remainder of the allegations
14 in that paragraph, and on that basis deny each and every allegation therein.

15 3. Answering paragraphs 3-5 of the Third-Party Complaint, the Spin Defendants do not
16 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
17 in those paragraphs, and on that basis deny each and every allegation therein.

18 4. Answering paragraphs 6-8 of the Third-Party Complaint, these paragraphs contain
19 statements of law and legal conclusions. The Spin Defendants deny each and every allegation in
20 these paragraphs that is inconsistent with the relevant law.

21 5. Answering paragraphs 9-11 of the Third-Party Complaint, these paragraphs contain
22 statements of law and legal conclusions. The Spin Defendants deny each and every allegation in
23 these paragraphs that is inconsistent with the relevant law.

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27
28 ¹ Mahon, Howard, Intellectual Properties Holding, LLC, Full Color Games N.A., Inc., Jackpot
Productions, LLC, and Full Color Games Inc. are collectively the “Full Color Parties.”

6. Answering paragraphs 12-29 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

7. Answering paragraph 30 of the Third-Party Complaint, the Spin Defendants admit Spin Games, LLC is a Nevada limited liability company organized under the laws of the State of Nevada.

8. Answering paragraph 31 of the Third-Party Complaint, the Spin Defendants admit Kent Young resides in Nevada and does business in Clark County, Nevada.

9. Answering paragraph 32 of the Third-Party Complaint, the Spin Defendants admit Kunal Mishra resides in Nevada and does business in Clark County, Nevada.

10. Answering paragraphs 33-63 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

11. Answering paragraph 64 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

12. Answering paragraphs 65-70 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

13. Answering paragraphs 71-90 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

14. Answering paragraph 91 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in this paragraph, and on that basis deny each and every allegation therein.

15. Answering paragraph 92 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

1 16. Answering paragraphs 92-246 of the Third-Party Complaint, the Spin Defendants do
2 not have sufficient knowledge or information to form a belief as to the truth or falsity of the
3 allegations in those paragraphs, and on that basis deny each and every allegation therein.

4 17. Answering paragraph 247 of the Third-Party Complaint, the Spin Defendants deny
5 the allegations therein.

6 18. Answering paragraph 248 of the Third-Party Complaint, the Spin Defendants deny
7 the allegations therein.

8 19. Answering paragraphs 249-264 of the Third-Party Complaint, the Spin Defendants
9 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
10 allegations in those paragraphs, and on that basis deny each and every allegation therein.

11 20. Answering paragraphs 265-267 of the Third-Party Complaint, the Spin Defendants
12 deny the allegations therein.

13 21. Answering paragraphs 268-276 of the Third-Party Complaint, the Spin Defendants
14 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
15 allegations in those paragraphs, and on that basis deny each and every allegation therein.

16 22. Answering paragraphs 277-285 of the Third-Party Complaint, the Spin Defendants
17 deny the allegations therein.

18 23. Answering paragraph 286 of the Third-Party Complaint, the Spin Defendants admit
19 Spin Games, LLC entered into an agreement with Full Color Ltd. and that the document titled
20 Proposal v1.4 was incorporated in, and the basis of, their prior discussions. The Spin Defendants
21 contend the document speaks for itself and deny every allegation inconsistent with the document.

22 24. Answering paragraph 287-288 of the Third-Party Complaint, the Spin Defendants
23 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
24 allegations in that paragraph, and on that basis deny each and every allegation therein.

25 25. Answering paragraphs 289-290 of the Third-Party Complaint, the Spin Defendants
26 admit Spin Games, LLC entered into an agreement with Full Color Ltd. and that the document titled
27 Proposal v1.4 was incorporated in, and the basis of, their prior discussions. The Spin Defendants
28 contend the document speaks for itself and deny every allegation inconsistent with the document.

1 26. Answering paragraph 291 of the Third-Party Complaint, the Spin Defendants admit
2 that Spin Games invoiced payment under Proposal v1.4.

3 27. Answering paragraph 292 of the Third-Party Complaint, the Spin Defendants deny
4 the allegations therein.

5 28. Answering paragraphs 293-295 of the Third-Party Complaint, the Spin Defendants
6 deny the allegations therein.

7 29. Answering paragraphs 296-301 of the Third-Party Complaint, the Spin Defendants
8 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
9 allegations in that paragraph, and on that basis deny each and every allegation therein.

10 30. Answering paragraph 302 of the Third-Party Complaint, the Spin Defendants deny
11 the allegations therein.

12 31. Answering paragraph 303 of the Third-Party Complaint, the Spin Defendants do not
13 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
14 in that paragraph related to NYX, and on that basis deny each and every allegation therein. The
15 Spin Defendants deny that they fraudulently misrepresented or concealed any matter alleged in this
16 paragraph.

17 32. Answering paragraphs 304-305 of the Third-Party Complaint, the Spin Defendants
18 deny the allegations therein.

19 33. Answering paragraph 306 of the Third-Party Complaint, the Spin Defendants
20 contend the document speaks for itself and deny every allegation inconsistent with the document.

21 34. Answering paragraph 307 of the Third-Party Complaint, the Spin Defendants deny
22 the allegations therein.

23 35. Answering paragraph 308 of the Third-Party Complaint, the Spin Defendants
24 contend the document speaks for itself and deny every allegation inconsistent with the document.

25 36. Answering paragraph 309 of the Third-Party Complaint, the Spin Defendants do not
26 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
27 in that paragraph, and on that basis deny each and every allegation therein.
28

1 37. Answering paragraph 310 of the Third-Party Complaint, the Spin Defendants
2 contend the document speaks for itself and deny every allegation inconsistent with the document.

3 38. Answering paragraph 311 of the Third-Party Complaint, the Spin Defendants deny
4 the allegations therein.

5 39. Answering paragraph 312 of the Third-Party Complaint, the Spin Defendants
6 contend the document speaks for itself and deny every allegation inconsistent with the document.

7 40. Answering paragraph 313 of the Third-Party Complaint, the Spin Defendants deny
8 the allegations therein.

9 41. Answering paragraph 314 of the Third-Party Complaint, the Spin Defendants
10 contend the document speaks for itself and deny every allegation inconsistent with the document.

11 42. Answering paragraphs 315-319 of the Third-Party Complaint, the Spin Defendants
12 deny the allegations therein.

13 43. Answering paragraphs 320-327 of the Third-Party Complaint, the Spin Defendants
14 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
15 allegations in those paragraphs, and on that basis deny each and every allegation therein.

16 44. Answering paragraphs 328-330 of the Third-Party Complaint, the Spin Defendants
17 deny the allegations therein.

18 45. Answering paragraphs 331-373 of the Third-Party Complaint, the Spin Defendants
19 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
20 allegations in those paragraphs, and on that basis deny each and every allegation therein.

21 46. Answering paragraphs 374-447 of the Third-Party Complaint, the Spin Defendants
22 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
23 allegations in those paragraphs, and on that basis deny each and every allegation therein.

24 47. Answering paragraphs 447-451 of the Third-Party Complaint, the Spin Defendants
25 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
26 allegations in those paragraphs, and on that basis deny each and every allegation therein.

1 48. Answering paragraphs 451-485 of the Third-Party Complaint, the Spin Defendants
2 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
3 allegations in those paragraphs, and on that basis deny each and every allegation therein.

4 49. Answering paragraph 486 of the Third-Party Complaint, the Spin Defendants deny
5 the allegations therein.

6 50. Answering paragraphs 487-497 of the Third-Party Complaint, the Spin Defendants
7 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
8 allegations in those paragraphs, and on that basis deny each and every allegation therein.

9 51. Answering paragraphs 498-501 of the Third-Party Complaint, the Spin Defendants
10 contend the document speaks for itself and deny every allegation inconsistent with the document.

11 52. Answering paragraphs 502-510 of the Third-Party Complaint, the Spin Defendants
12 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
13 allegations in those paragraphs, and on that basis deny each and every allegation therein.

14 53. Answering paragraph 511 of the Third-Party Complaint, the Spin Defendants contend
15 the document speaks for itself and deny every allegation inconsistent with the document.

16 54. Answering paragraphs 512-515 of the Third-Party Complaint, the Spin Defendants
17 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
18 allegations in those paragraphs, and on that basis deny each and every allegation therein.

19 55. Answering paragraphs 516-522 of the Third-Party Complaint, the Spin Defendants
20 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
21 allegations in those paragraphs, and on that basis deny each and every allegation therein.

22 56. Answering paragraph 523 of the Third-Party Complaint, the Spin Defendants contend
23 the document speaks for itself and deny every allegation inconsistent with the document.

24 57. Answering paragraphs 524-525 of the Third-Party Complaint, the Spin Defendants
25 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
26 allegations in those paragraphs, and on that basis deny each and every allegation therein.

27 58. Answering paragraphs 526- 527 of the Third-Party Complaint, the Spin Defendants
28 deny the allegations therein.

1 59. Answering paragraphs 528-529 of the Third-Party Complaint, the Spin Defendants
2 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
3 allegations in those paragraphs, and on that basis deny each and every allegation therein.

4 60. Answering paragraphs 530-535 of the Third-Party Complaint, the Spin Defendants
5 deny the allegations therein.

6 61. Answering paragraphs 536-541 of the Third-Party Complaint, the Spin Defendants
7 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
8 allegations in those paragraphs, and on that basis deny each and every allegation therein.

9 62. Answering paragraphs 542-549 of the Third-Party Complaint, the Spin Defendants
10 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
11 allegations in those paragraphs, and on that basis deny each and every allegation therein.

12 63. Answering paragraphs 550-553 of the Third-Party Complaint, the Spin Defendants
13 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
14 allegations in those paragraphs, to the extent that these allegations include Spin Defendants in general
15 claims of wrongdoing by “Third-Party Defendants,” Spin Defendants deny.

16 64. Answering paragraphs 554-580 of the Third-Party Complaint, the Spin Defendants
17 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
18 allegations in those paragraphs, and on that basis deny each and every allegation therein.

19 65. Answering paragraph 581 of the Third-Party Complaint, the Spin Defendants contend
20 the document speaks for itself and deny every allegation inconsistent with the document.

21 66. Answering paragraphs 582-583 of the Third-Party Complaint, the Spin Defendants
22 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
23 allegations in those paragraphs, and on that basis deny each and every allegation therein.

24 67. Answering paragraphs 584-585 of the Third-Party Complaint, the Spin Defendants
25 contend the document speaks for itself and deny every allegation inconsistent with the document.
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68. Answering paragraphs 586-607 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

69. Answering paragraphs 608-610 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

70. Answering paragraphs 611-638 of the Third-Party Complaint, these paragraphs contain statements of law and legal conclusions. The Spin Defendants deny each and every allegation in these paragraphs that is inconsistent with the relevant law.

FIRST CLAIM FOR RELIEF
**(FCGI, IPH, FCGNA, and JPL against Counter-Defendants
and Third-Party Defendants Linham, Munger, M&A, and Valcros)**

71. Answering paragraph 639 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

72. Answering paragraph 640 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

73. Answering paragraphs 641-648 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

SECOND CLAIM FOR RELIEF
**(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants
Linham, Munger, M&A, and Valcros)**

74. Answering paragraph 649 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

75. Answering paragraph 650 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

76. Answering paragraphs 651-660 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRD CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Linham, Munger, M&A, and Valcros)

77. Answering paragraph 661 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

78. Answering paragraph 662 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

79. Answering paragraphs 663-669 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

FOURTH CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, Linham, M&A, and Valcros)

80. Answering paragraph 670 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

81. Answering paragraph 671 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

82. Answering paragraphs 672-680 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

FIFTH CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against all Counter-Defendants and all Third-Party Defendants)

83. Answering paragraph 681 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

84. Answering paragraph 682 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

85. Answering paragraph 683 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

86. Answering paragraph 684 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

87. Answering paragraphs 685-686 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

88. Answering paragraphs 687-689 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

89. Answering paragraphs 690-691 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

SIXTH CLAIM FOR RELIEF
**(FCGI, IPH, FCGNA, and JPL against
Third-Party Defendants Newman, Newman Law, and CBL)**

90. Answering paragraph 692 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

91. Answering paragraph 693 of the Third-Party Complaint, this paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in this paragraph that is inconsistent with the relevant law.

92. Answering paragraphs 694-702 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

93. Answering paragraphs 703-718 of the Third-Party Complaint, these paragraphs contain statements of law and legal conclusions. The Spin Defendants deny each and every allegation in these paragraphs that is inconsistent with the relevant law.

SEVENTH CLAIM FOR RELIEF

(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Young, Mishra & Spin, Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)

94. Answering paragraph 719 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

95. Answering paragraphs 720-721 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

96. Answering paragraph 722 of the Third-Party Complaint, that paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in that paragraph that is inconsistent with the relevant law.

97. Answering paragraphs 723-740 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

EIGHTH CLAIM FOR RELIEF

(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, M&A, Valcros, Linham, Brock Sr., Brock Jr., Solso, Eckles, L Moore, T Moore, Castaldo, Marcus, Spin, Young, Mishra, DHWT, Millennium Trust, Moore Trust, Bragg, Bragg Holdings, KAVO, Arviv, Spielberg, Mazij, and Sears)

98. Answering paragraph 741 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

99. Answering paragraphs 742-746 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

100. Answering paragraphs 747-749 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

NINTH CAUSE OF ACTION
(FCGI, IPH, FCGNA, and IPH against Counter-Defendant Munger)

101. Answering paragraph 750 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

102. Answering paragraphs 751-757 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TENTH CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Newman, Newman Law and CBL)

103. Answering paragraph 758 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

104. Answering paragraphs 759-764 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

ELEVENTH CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, Linham, M&A, Valcros, and Marcus)

105. Answering paragraph 765 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

106. Answering paragraphs 766-773 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TWELFTH CLAIM FOR RELIEF

**(As to Counter-defendants Munger, Linham, Brock Sr.,
Brock Jr., Solso, Eckles, Sebas, L-Moore, T-Moore, Castaldo, and Marcus)**

107. Answering paragraph 774 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

108. Answering paragraphs 775-781 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTEENTH CLAIM FOR RELIEF

(As to Counter-Defendants Munger, M&A, Valcros, and Linham)

109. Answering paragraph 782 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

110. Answering paragraphs 783-787 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

FOURTEENTH CLAIM FOR RELIEF

**(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants
Munger, Bastian, Young, Mishra, Spin Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv,
Spielberg, Mazij and Sears)**

111. Answering paragraph 788 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

112. Answering paragraph 789 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

113. Answering paragraph 790 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

114. Answering paragraph 791 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

1 115. Answering paragraph 792 of the Third-Party Complaint, the Spin Defendants deny
2 the allegations therein.

3 116. Answering paragraph 793 of the Third-Party Complaint, the Spin Defendants do not
4 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
5 in that paragraph, and on that basis deny each and every allegation therein.

6 117. Answering paragraphs 794-797 of the Third-Party Complaint, the Spin Defendants
7 deny the allegations therein.

8 118. Answering paragraph 798 of the Third-Party Complaint, the Spin Defendants do not
9 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
10 in that paragraph, and on that basis deny each and every allegation therein.

11 119. Answering paragraphs 799-802 of the Third-Party Complaint, the Spin Defendants
12 deny the allegations therein.

13 **FIFTEENTH CLAIM FOR RELIEF**
14 **(FCGI, IPH, FCGNA, and JPL against Third-Party Defendants Bastian)**

15 120. Answering paragraph 803 of the Third-Party Complaint, the Spin Defendants repeat
16 and reallege each answer in the proceeding paragraphs as if fully set forth herein.

17 121. Answering paragraphs 804-809 of the Third-Party Complaint, the Spin Defendants
18 do not have sufficient knowledge or information to form a belief as to the truth or falsity of the
19 allegations in those paragraphs, and on that basis deny each and every allegation therein.

20 **SIXTEENTH CLAIM FOR RELIEF**
21 **(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants**
22 **Munger, Bastian, Spin, M&A, Valcros, Young, Mishra, Bragg, Bragg Holdings, Legacy 8,**
KAVO, Arviv, Spielberg, Mazij and Sears)

23 122. Answering paragraph 810 of the Third-Party Complaint, the Spin Defendants repeat
24 and reallege each answer in the proceeding paragraphs as if fully set forth herein.

25 123. Answering paragraph 811 of the Third-Party Complaint, the Spin Defendants do not
26 have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations
27 in that paragraph, and on that basis deny each and every allegation therein.
28

124. Answering paragraph 812 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

125. Answering paragraph 813 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

126. Answering paragraph 814 of the Third-Party Complaint, that paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in that paragraph that is inconsistent with the relevant law.

127. Answering paragraphs 815-824 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

SEVENTEENTH CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against Counter-Defendants and Third-Party Defendants Munger, Bastian, Spin, Young, Mishra, M&A, Valcros, Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)

128. Answering paragraph 825 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

129. Answering paragraph 826 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

130. Answering paragraph 827 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

131. Answering paragraph 828 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

132. Answering paragraph 829 of the Third-Party Complaint, that paragraph contains statements of law and legal conclusions. The Spin Defendants deny each and every allegation in that paragraph that is inconsistent with the relevant law.

133. Answering paragraphs 830-833 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

134. Answering paragraph 834 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

135. Answering paragraphs 835-840 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

EIGHTEENTH CLAIM FOR RELIEF
(FCGI, IPH, FCGNA, and JPL against Counter-defendants Munger, M&A, Valcros, Spin, Young, Mishra, Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)

136. Answering paragraph 841 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

137. Answering paragraph 842, the Spin Defendants deny the allegations therein.

138. Answering paragraph 843 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

139. Answering paragraph 844 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

140. Answering paragraphs 845-852, the Spin Defendants deny the allegations therein.

NINETEENTH CLAIM FOR RELIEF
(Breach of NDACA and Injunctive Relief against Munger and Breach of NDA and Injunctive Relief against Spin, Bastian, Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg, Mazij and Sears)

141. Answering paragraph 853 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

142. Answering paragraphs 854-855 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

143. Answering paragraph 856 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

144. Answering paragraph 857 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

145. Answering paragraph 858 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

146. Answering paragraph 859 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in that paragraph, and on that basis deny each and every allegation therein.

147. Answering paragraphs 860-863 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

TWENTIETH CLAIM FOR RELIEF

148. Answering paragraph 864 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

149. Answering paragraphs 865-866 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein

TWENTY-FIRST CLAIM FOR RELIEF
(As to Spin, Young, and Mishra)

150. Answering paragraph 867 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

151. Answering paragraphs 868-880 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

TWENTY-SECOND CLAIM FOR RELIEF
(As to Spin, Young, and Mishra)

152. Answering paragraph 881 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

153. Answering paragraphs 882-894 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

TWENTY-THIRD CLAIM FOR RELIEF

(As to Spin, Young, and Mishra)

154. Answering paragraph 895 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

155. Answering paragraphs 896-905 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

TWENTY-FOURTH CLAIM FOR RELIEF

(FCGI and FCGNA against to Munger, Linham, and Newman)

156. Answering paragraph 906 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

157. Answering paragraphs 907-914 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TWENTY-FIFTH CLAIM FOR RELIEF

(Professional Negligence against Newman, Newman Law, and CBL)

158. Answering paragraph 915 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

159. Answering paragraphs 916-923 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TWENTY-SIXTH CLAIM FOR RELIEF

(Breach of Contract against Newman, Newman Law, and CBL)

160. Answering paragraph 924 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

161. Answering paragraphs 925-931 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TWENTY-SEVENTH CLAIM FOR RELIEF
(Contractual Breach of the Covenant of Good Fair and Dealing against Newman, Newman Law, and CBL)

162. Answering paragraph 932 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

163. Answering paragraphs 933-939 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TWENTY-EIGHTH CLAIM FOR RELIEF
(Tortious Breach of the Covenant of Good Faith and Fair Dealing against Newman, Newman Law, and CBL)

164. Answering paragraph 940 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

165. Answering paragraphs 941-949 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

TWENTY-NINTH CLAIM FOR RELIEF
(Intentional Misrepresentation against Newman, Newman Law, and CBL)

166. Answering paragraph 950 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

167. Answering paragraphs 951-957 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTIETH CLAIM FOR RELIEF
(Negligent Misrepresentation against Newman, Newman Law, and CBL)

168. Answering paragraph 958 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

169. Answering paragraphs 959-965 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTY-FIRST CLAIM FOR RELIEF
(Fraudulent Concealment by Newman, Newman Law, and CBL)

170. Answering paragraph 966 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

171. Answering paragraphs 967-973 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTY-SECOND CLAIM FOR RELIEF
(Equitable Indemnity against Counter-Defendants and Third-Party Defendants on behalf of Mahon, IPH, FCGNA, and JPL)

172. Answering paragraph 974 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

173. Answering paragraphs 975-977 of the Third-Party Complaint, the Spin Defendants deny the allegations therein.

174. Answering paragraphs 978-981 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTY-THIRD CLAIM FOR RELIEF
(Contribution and Indemnity against Counter-Defendants and Third-Party Defendants actions on behalf of Mahon, IPH, FCGNA, and JPL)

175. Answering paragraph 982 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

176. Answering paragraphs 983-988 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTY-FOURTH CLAIM FOR RELIEF
(Slander, libel, defamation per se. against Bragg, Bragg Holdings, Legacy 8, KAVO, Arviv, Spielberg and Mazij on behalf of Mahon, FCGI, FCGNA, IPH and JPL)

177. Answering paragraph 989 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

178. Answering paragraphs 990-994 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

THIRTY-FIFTH CLAIM FOR RELIEF
(Alter Ego of Bragg, Bragg Holdings, KAVO, Arviv, Mazij, Spielberg, Sears, and Legacy 8 on behalf of Third-Party Plaintiffs)

179. Answering paragraph 995 of the Third-Party Complaint, the Spin Defendants repeat and reallege each answer in the proceeding paragraphs as if fully set forth herein.

180. Answering paragraphs 996-1008 of the Third-Party Complaint, the Spin Defendants do not have sufficient knowledge or information to form a belief as to the truth or falsity of the allegations in those paragraphs, and on that basis deny each and every allegation therein.

AFFIRMATIVE DEFENSES

First Affirmative Defense: Failure to State a Claim

1. The Third-Party Complaint fails to allege facts sufficient to state a claim against the Spin Defendants upon which the Court can grant relief.

Second Affirmative Defense: Waiver

2. FCGI Parties waived any breach alleged in the Third-Party Complaint through their own statements and conduct.

Third Affirmative Defense: Estoppel

3. FCGI Parties are estopped from asserting the claims set forth in the Third-Party Complaint because of their own improper conduct, acts or omissions.

Fourth Affirmative Defense: Failure to Perform

4. FCGI Parties are barred from recovery or relief because of their own breaches and failure to perform.

Fifth Affirmative Defense: Consent or Ratification

5. FCGI Parties are barred from recovery because of their explicit and/or implicit consent to or ratification of the Spin Defendants' alleged acts.

Sixth Affirmative Defense: Failure to Satisfy a Condition Precedent

6. FCGI Parties' claims are barred because they failed to satisfy a condition or condition precedent to assert those claims.

Seventh Affirmative Defense: Performance Excused or Prevented

7. FCGI Parties' claims are barred because the Spin Defendants' performance of their obligations, if any, was excused or prevented by FCGI Parties' conduct or prior material breaches of its obligations.

Eighth Affirmative Defense: Failure to Mitigate

8. If the Spin Defendants' conduct caused any injuries to FCGI Parties, FCGI Parties failed to mitigate their damages.

Ninth Affirmative Defense: Speculative or Non-Existent Damages

9. FCGI Parties' claims to damages are barred because they suffered no damages or any damages that it may have suffered are entirely speculative and uncertain.

Tenth Affirmative Defense: Lack of Standing

10. One or more of FCGI Parties' claims fails because they lack standing to assert the claim(s).

Eleventh Affirmative Defense: Unclean Hands

11. FCGI Parties' claims are barred by the doctrine of unclean hands.

Twelfth Affirmative Defense: Incorporation of Other Affirmative Defenses

12. The Spin Defendants hereby incorporate by reference all affirmative defenses listed in NRCP 8, as if fully set forth herein.

Thirteenth Affirmative Defense: Lack of Consideration

13. FCGI Parties' claims are barred by lack of consideration.

Fourteenth Affirmative Defense: Failure of Conditions Precedent.

14. FCGI Parties are not entitled to the relief sought in this Third-Party Complaint due to a failure of conditions precedent.

Fifteenth Affirmative Defense: Preclusion

15. FCGI Parties' claims are barred by res judicata, issue preclusion and/or claim preclusion.

Sixteenth Affirmative Defense: Reservation of Rights

16. Discovery is still ongoing in this matter, and after reasonable inquiry before filing this Answer, the Spin Defendants may not have alleged all possible affirmative defenses. Accordingly, pursuant to NRCP 15, the Spin Defendants reserve the right to amend this Answer to allege additional affirmative defenses and claims, counter-claims, cross-claims or third-party claims, as applicable, upon further investigation and discovery.

PRAYER FOR RELIEF

WHEREFORE, Spin Games prays for judgment against the Full Color Parties' Third-Party Complaint as follows:

1. That the Full Color Parties take nothing by way of their Third-Party Complaint;
2. For an award of the Spin Defendants' reasonable attorney's fees, according to proof;
3. For costs of suit; and
4. For such other and further relief as the Court deems just and proper.

THIRD-PARTY COUNTERCLAIM AND THIRD-PARTY COMPLAINT

Third-Party Defendants Spin Games, LLC ("Spin Games"), by and through their counsel of record McDonald Carano, LLP, as and for its Amended Counterclaim against Third-Party Plaintiffs Full Color Games, Inc. ("FCGI"), David Mahon, Full Color Games, N.A. ("FCGNA") and Full Color Games, Ltd. ("FCGLTD"), and various Doe individuals and Roe entities, (collectively, "Full Color Parties") complains and alleges as follows:

INTRODUCTION

1. This action is the culmination of David Mahon's failing network of Full Color entities built upon a never-ending web of fabrication, deception, and outright manipulation. To induce various persons and businesses to work with him, including Spin Games, Mahon concealed the ownership of certain intellectual property rights by playing a multi-year shell game using his network of Full Color entities.

2. When the truth about the true ownership of the intellectual property came to light, Mahon launched an internal war against Full Color investors and officers, leaving the companies distracted, rudderless, and spiraling into failure.

3. Faced with this failure, Mahon refused to accept responsibility. Instead, Mahon has waged a vicious campaign of blaming others built upon Mahon's outrageous and reckless accusations of conspiracy, racketeering, and other illegal activity against various contractual partners of Full Color entities, including Spin Games.

4. But in reality, it was Mahon, through FCGI, FCGNA, FCGLTD, and other Full Color entities, that fraudulently induced the Full Color entities' contractual partners with false promises about the intellectual property, and it was the Full Color entities that breached their obligations to contractual partners as Mahon's corporate structure crumbled amidst his misrepresentations and internal fights with Full Color stakeholders.

5. Accordingly, through this Amended Counterclaim, Spin Games seek to hold Mahon, FCGI, FCGNA, FCGLTD, and/or related Doe and Roe Fourth-Party Defendants accountable for the damages they have caused to Spin Games.

PARTIES AND JURISDICTION

6. Third-Party Defendant and Counterclaimant Spin Games is a Nevada limited liability company duly authorized to conduct business in Clark County, Nevada.

7. Counter-defendant FCGI is, and at all times mentioned herein was, a Nevada corporation licensed to do business in Clark County, Nevada.

8. Counter-defendant David Mahon is, and at all times mentioned herein was, an individual residing in Clark County, Nevada

9. Counter-defendant FCGLTD is, and at all times mentioned herein was, an Isle of Man company that conducted business in Clark County, Nevada, under the control of David Mahon or other Full Color entities.

10. Pursuant to NRCP 10(a), *Nurenberger Hercules-Werke GMBH v. Virostek*, 107 Nev. 873, 822 P.2d 1100 (1991), and other applicable law, Spin Games sues the various other entities designated herein as Doe individuals and Roe defendants, the true names and capacities of whom are unknown to Spin Games at this time. Spin Games is informed and believes, and thereon alleges, that the entities designated as Doe and Roe herein were involved in and/or are responsible for the acts, omissions, events, happenings, and/or offenses alleged in this Counterclaim and/or directly and proximately caused or are responsible for the damages and/or relief sought herein, including, without limitation, by way of participating in the acts alleged below. Spin Games will seek leave of Court to amend this Counterclaim to name the counter-defendants designated as Doe and Roe herein when their true names and capacities are ascertained. Upon information and belief, Spin Games alleges that each Doe and Roe defendant is subject to service of process and said Doe and Roe entities' joinder as a counter-defendants in this Amended Counterclaim will not deprive the Court of jurisdiction over the subject matter of this action.

FACTUAL ALLEGATIONS

I. Mahon sets up a shell game with various entities related to the Full Color System.

1. David Mahon is a purported inventor of a card game system called the Full Color Gaming System ("Full Color System"). Upon information and belief, Mahon began applying in 2005 for certain patents regarding the Full Color System, ultimately resulting in various intellectual property rights in the Full Color System (the "Full Color IP Rights").

2. While Mahon is a purported inventor, he lacks the business acumen, discipline, and measured temperament to successfully leverage the Full Color system on his own.

3. Accordingly, Mahon began forming a network of business entities based around the Full Color System so that he could attract investors and corporate executives willing to assist him in monetizing the Full Color IP Rights.

4. Upon information and belief, this network initially included Full Color Games, LLC (“Full LLC”), Intellectual Properties Holding, LLC (“Intellectual LLC”), and Jackpot Productions LLC (“Jackpot LLC”).

5. After a dispute with the investors of Full LLC, Mahon then formed FCGI in or around April 2012.

6. In doing so, and upon information and belief, Mahon solicited investments from various investors, some of whom are the Plaintiffs in this case, based upon representations that FCGI owned the Full Color IP Rights.

7. As Mahon began expanding the Full Color System, he also formed Full Color Games Ltd. (“FCGLTD”), an Isle of Man corporation, in or around January 2016.

8. FCGI was to own 100% of the shares of FCGLTD.

9. Mahon also formed FCGNA, a Nevada corporation, in or around July 2016. FCGNA was a wholly owned subsidiary of FCGLTD.

10. As more fully alleged in Plaintiffs’ Complaint in this case, Mahon used these various entities and other Full Color entities to play a shell game with the Full Color IP Rights, misleading investors and contractual partners alike on the true ownership of the Full Color IP Rights.

II. Through intermediaries, Mahon approaches Spin Games about digitizing the Full Color Gaming System, and FCGI and Spin Games execute a non-disclosure agreement to cover negotiations.

11. Spin Games is a software developer and game distributor that specializes in designing, developing, and distributing world-class digital gaming content and technology for interactive, play for fun, and real money internet gaming, or i-gaming, markets.

12. Spin Games’ primary asset is its proprietary Robust Online Client Remote Gaming Server (“ROC RGS”). Through its ROC RGS, Spin Games distributes its games to end-users. The ROC RGS interfaces with back-end internet gaming systems and allows Spin Games to distribute the games on any device and on any browser. Spin Games values its ROC RGS in the tens of millions of dollars.

13. In essence, Spin Games is a gaming company that takes traditional, land-based games and helps create the technology to make them available in the digital world.

14. In April 2016, Spin Games' founder and CEO, Kent Young ("Young") met with Crosby Hyde and Glen Howard. Hyde and Howard purportedly represented various Full Color companies that wished to take the Full Color System digital.

15. In advance of the meeting, and without any consideration for doing so, Howard requested that Spin Games and FCGI execute a non-disclosure agreement.

16. As a result, on or around April 28, 2016, FCGI and Spin Games executed a Mutual Non-Disclosure, Confidentiality, Non-Circumvent & Non-Interference Agreement ("MNDA") to cover confidential proprietary information provided to Spin Games during negotiations.

17. FCGI drafted the MNDA and conditioned Young's meeting with Hyde and Howard on Spin Games executing the same without change.

18. At the April 2016 meeting, Hyde and Howard generally explained their relationship with David Mahon and the Full Color companies and asked if Young would meet with Mahon to explore the possible game development relationship further.

19. In June 2016, Young met with Mahon upon Hyde and Howard's request.

20. Mahon stated that he wished to take the Full Color Gaming System to the internet gaming markets by developing digital blackjack, baccarat, and video poker games using the Full Color deck of cards.

21. Over the next several months, Young began negotiating in his role as Spin Games' CEO with Mahon and Howard for a developmental relationship where Spin Games would help develop and distribute digital games using the Full Color Gaming System.

22. During these negotiations, Mahon or Howard told Young that Mahon was operating through a company in the Isle of Man. They later revealed to Young that FCGLTD was the Isle of Man company that would be the operating company for any potential game development deal with Spin Games.

III. Mahon and Spin Games negotiate a written development agreement between Spin Games and FCGLTD.

23. After FCGI and Spin Games executed the MNDA in April 2016 and Mahon and Young met in June 2016, Mahon and Young continued negotiating several proposals for a game

development agreement for Spin Games to develop and distribute three games related to the Full Color Gaming System.

24. These negotiations led to a final written development agreement titled Proposal v.1.4 (“Development Agreement”) and dated October 14, 2016.

25. Because Mahon had shifted his operations to FCGLTD in the Isle of Man, the Development Agreement was between FCGLTD and Spin Games.

26. Mahon confirmed the agreement was with FCGLTD by email the next week on or around October 20, 2016.

27. By its plain terms, the Development Agreement contained two phases for Spin Games’ work.

28. In the first phase, Spin Games would help develop three Full Color Games—blackjack, baccarat, and video poker—in exchange for fixed development fees totaling \$40,000, \$40,000, and \$28,000, respectively.

29. To complete the first phase, Mahon, FCGLTD, or the other Full Color entities needed to timely deliver game assets (artwork, sound files, translated voice sound files, a complete rule set, target return to player, and so on) (“Game Assets”) so that Spin Games could finish its game development work.

30. Once the parties completed the first phase, the second phase under the Development Agreement would begin. This phase required Spin Games to grant FCGLTD a limited, nonexclusive license to a copy of the existing ROC RGS and future versions.

31. While Spin Games typically distributes games through its ROC RGS, the copy, which Spin Games limited only to distribution of the Full Color games, would allow FCGLTD and Spin Games to deploy the Full Color games to customers.

32. In exchange, FCGLTD would pay Spin Games a license fee equal to a percentage of the net gaming revenue that FCGLTD received from its end-users. It included no right for Mahon, FCGLTD, or the other Full Color entities to own the ROC RGS or its source code, which are Spin Games’ primary and most valuable assets.

IV. Spin Games begins game development but Mahon, FCGLTD, or the other Full Color entities breach the Development Agreement and are sued in this case by FCGI's shareholder investors over ownership of the Full Color IP Rights.

33. In or around November 2016, Spin Games began the first phase of the Development Agreement and invoiced FCGLTD for this work.

34. During this period, Mahon, FCGLTD, or the other Full Color entities delivered certain Game Assets to Spin Games.

35. Soon after starting the game development process, however, FCGLTD fell behind in delivering the Game Assets required under the Development Agreement.

36. FCGLTD's missed deadlines were a contractual precondition to Spin Games' work under the Development Agreement. Several times Spin Games requested that FCGLTD deliver these game assets as required by the Development Agreement, but these requests went unfulfilled.

37. FCGLTD also began to expand the game development and porting far beyond the Development Agreement's scope. For example, Mahon began making multiple design changes to the first game of blackjack, including, but not limited to, adding a Russian roulette feature, additional language translations, modifications to the mobile layout, new information panels, chip selector options, and localizations of buttons and bets.

38. These were breaches of FCGLTD's contractual obligations under the Development Agreement.

39. On or around May 17, 2017, Mahon spoke with Mishra, Spin Games' president and CFO, and revealed that Mahon was in a dispute with various investors and Full Color employees, including plaintiff Mark Munger, about the relevant intellectual property related to the Full Color Gaming System.

40. This included the Game Assets that Mahon, FCGLTD, or the other Full Color entities had provided to Spin Games during the game development process.

41. Mahon suggested that the various Full Color entities would likely not exist after that week, that FCGLTD did not own any rights in the Game Assets related to the Full Color Gaming System, and that he believed Munger was creating potential legal issues for FCGLTD and the other Full Color entities related to the intellectual property.

1 42. This halted Spin Games' development of the games under the first phase of the
2 Development Agreement. A game inventor's ownership of intellectual property rights in the games
3 and game assets is critical to the development process.

4 43. If Spin Games were to develop a game for an inventor that did not own the
5 intellectual property rights to the same, Spin Games could face liability to the true owner of the
6 intellectual property. Without ownership of the intellectual property, Spin Games will not continue
7 development of any game. Mahon agreed that this was appropriate under the Development
8 Agreement.

9 44. In June 2017, Mahon again contacted Mishra and revealed that FCGLTD or other
10 Full Color entities would likely be filing for bankruptcy.

11 45. At that time, Young confirmed to Mahon that FCGLTD would need to (a) clarify its
12 ownership rights to the Game Assets related to the Full Color Gaming System; (b) indemnify Spin
13 Games through a new indemnification agreement against any claims by Munger or other investors
14 related to Spin Games' work under the Development Agreement; and (c) execute a long-form
15 agreement that reflected the Development Agreement and confirmed the additional scope that
16 FCGLTD and Mahon had tried to add to the Development Agreement.

17 46. The next month, Mahon emailed Spin Games' outside counsel Sam Basile and
18 Young and stated that FCGLTD was now "idle," owned no "rights to any Full Color Games IP,"
19 and had "no license to any commercializable Full Color Games intellectual property rights."

20 47. This was the first time that Mahon revealed the entity with which Spin Games had
21 contracted had no operations, no ownership rights to the Game Assets, and no license to the same.

22 48. In response, and because of concerns about the intellectual property ownership
23 dispute between Mahon on the one side and plaintiff Munger and other investors on the other side,
24 Young reaffirmed that FCGLTD would need to indemnify Spin Games to move forward with the
25 rest of the first phase of the Development Agreement.

26 49. Before FCGLTD could do so, Munger and other investors in FCGI ("Plaintiffs") sued
27 Mahon and the various Full Color entities in this case on August 11, 2017. In Plaintiffs' Complaint,
28

1 Plaintiffs claimed that FCGI owned the relevant intellectual property related to the Full Color
2 Gaming System and that Mahon had wrongfully converted the same for his personal use.

3 50. Plaintiffs' Complaint further heightened Spin Games' concern about continuing the
4 business relationship under the Development Agreement given the clouded title to the Game Assets
5 and Full Color IP Rights.

6 51. Without it being clear as to which entity or person owned the relevant intellectual
7 property related to the Full Color Gaming System, Spin Games could not move forward with the first
8 phase game development under the Development Agreement absent sufficient
9 indemnification from Mahon and FCGLTD. Mahon again agreed indemnification was appropriate.

10 52. In September 2017, Spin Games continued negotiations with Mahon on an indemnity
11 agreement, but Mahon could never provide sufficient assurances about the relevant intellectual
12 property related to the Full Color Gaming System or specific terms of indemnification for the same.
13 As a result, Spin Games and FCGLTD did not complete the first phase of the Development
14 Agreement because of FCGLTD's various breaches.

15 53. As such, though Spin Games did considerable work under the Agreement, Mahon,
16 FCGLTD, and/or the other Full Color entities' breaches and other tortious behavior caused Spin
17 Games to lose out on the licensing fees under the Development Agreement.

18 54. Spin Games has been required to engage the services of an attorney to recover such
19 damages, and Spin Games is entitled to reasonable attorney's fees and costs.

20 **FIRST CAUSE OF ACTION**

21 **Breach of the Development Agreement – Mahon, FCGI, FCGNA, and/or FCGLTD**

22 55. Spin Games incorporates the foregoing paragraphs as though fully set forth herein.

23 56. The Development Agreement is a valid and existing contract between Spin Games on
24 the one hand and Mahon, FCGI, FCGNA, and/or FCGLTD on the other hand.

25 57. Spin Games fully performed under the Development Agreement or was excused from
26 performance because of Mahon, FCGI, FCGNA and/or FCGLTD's failure to perform conditions
27 precedent to Spin Games' performance.

67. Spin Games is entitled to full payment under the Development Agreement and its attorney's fees and costs for prosecuting this cause of action.

THIRD CAUSE OF ACTION
Fraudulent Inducement – Mahon, FCGI, FCGNA, and/or FCGLTD

68. Spin Games incorporates the foregoing paragraphs as though fully set forth herein.

69. While negotiating the Development Agreement, Mahon, FCGI, FCGNA, and/or FCGLTD fraudulently induced Spin Games to enter the Development Agreement. Specifically, Mahon, acting on FCGI, FCGNA, and/or FCGLTD's behalf, represented the following:

- a. That Spin Games would be working exclusively with FCGLTD as its contractual partner;
- b. That FCGLTD, FCGNA, and/or FCGI had the right to use and sublicense the Full Color IP Rights;
- c. That FCGLTD owned the Game Assets that the Development Agreement required Mahon, FCGLTD, or other Full Color entities to deliver to Spin Games;
- d. That Mahon, FCGI, FCGNA, FCGLTD, and/or related Full Color entities were able to be appropriately licensed in all jurisdictions in which FCGI, FCGLTD, FCGNA, and/or other Full Color entities would be offering the;
- e. That Mahon, FCGI, FCGLTD, FCGNA, and/or other related Full Color entities had the financial ability to pay for ongoing business requirements including regulatory licensing, product licensing, servers and other infrastructure necessary for the parties to realize gaming revenue under the Development Agreement; and
- f. That the game functionality of blackjack, baccarat, and video poker was limited and well defined.

70. In fact, these representations were false, and Mahon knew or should have known of their falsity when he made them on behalf of FCGLTD, FCGI, FCGNA, or other Full Color entities.

71. Mahon, acting personally and on behalf of the Full Color entities, made these false representations with the intent to induce Spin Games to enter the Development Agreement.

72. Spin Games justifiably relied on these misrepresentations in entering the Development Agreement, and Mahon's misrepresentations have caused damages to Spin Games in excess of \$15,000.00, a specific amount to be proven at trial.

FOURTH CAUSE OF ACTION

Unjust Enrichment – Mahon, FCGI, FCGNA, and/or FCGLTD

73. Spin Games incorporates the foregoing paragraphs as though fully set forth herein.

74. As described above, Spin Games performed substantial work on behalf of Mahon, FCGI, FCGNA, and/or FCGLTD.

75. This work conferred a substantial benefit upon them, and they appreciated this benefit.

76. Mahon, FCGI, FCGNA, and/or FCGLTD accepted and retained the benefit of Spin Games' work under circumstances where it would be inequitable for them to retain the benefit without payment of value for the same.

77. Such unjust retention is against fundamental principles of justice or equity and good conscience.

78. Because of this, Spin Games has been damaged in an amount in excess of \$15,000.00, a specific amount to be proven at trial. These damages continue to accrue.

79. Spin Games is entitled to full payment under the Development Agreement and its attorney's fees and costs for prosecuting this cause of action.

FIFTH CAUSE OF ACTION

Alter Ego - Mahon

80. Spin Games incorporates the foregoing paragraphs as though fully set forth herein.

81. FCGI, FCGNA, FCGLTD, and/or other Full Color entities were influenced and governed by Mahon, and there was such unity of interest and ownership that FCGI, FCGNA, FCGLTD, and Mahon were inseparable from each other in their dealings with Spin Games.

82. During these dealings with Spin Games, Mahon did not recognize corporate formalities regarding FCGI, FCGNA, FCGLTD, and the various other Full Color entities.

83. Adherence to the corporation fiction of a separate entity under these circumstances would sanction a fraud or promote injustice and therefore bring about an inequitable result.

84. Spin Games seeks to hold Mahon personally liable for the actions alleged herein that he purportedly undertook on behalf of FCGI, FCGNA, FCGLTD, other Full Color entities, and/or Roe defendants.

85. Spin Games therefore asks that the Court enter an order finding that Mahon is the alter ego of FCGI, FCGLTD, FCGNA, the various Full Color entities, and/or Roe defendants and should be held liable individually for the full amount of judgment entered against any of these entities.

PRAYER FOR RELIEF

WHEREFORE, Spin Games prays for judgment against the Full Color Parties as follows:

1. An award of general, compensatory and punitive damages, jointly and severally, in excess of \$15,000.00, an amount to be proven at trial;
2. For treble damages on all applicable claims;
3. An award of attorney's fees and costs of suit; and
4. For such other and further relief as the Court deems just and proper.

DATED this 10th day of January, 2022.

McDONALD CARANO LLP

By: /s/ Rory T. Kay

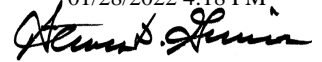
Rory T. Kay, Esq. (NSBN 12416)
Tara U. Teegarden, Esq. (NSBN 15344)
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

*Attorneys for Third-Party Defendants Spin Games,
LLC, Kent Young, and Kunal Mishra*

CERTIFICATE OF SERVICE

I certify that on this 10th day of January, 2022, I caused a true and correct copy of **THIRD-PARTY DEFENDANTS SPIN GAMES, LLC, KENT YOUNG, AND KUNAL MISHRA'S ANSWER TO SECOND AMENDED THIRD-PARTY COMPLAINT; AND AMENDED COUNTERCLAIM** to be electronically filed and served to all parties of record via this Court's electronic filing system to all parties listed on the e-service master list:

/s/ CaraMia Gerard
An employee of McDonald Carano LLP


CLERK OF THE COURT

ODM

Rory T. Kay (NSBN 12416)
Tara U. Teegarden (NSBN 15344)
McDONALD CARANO LLP
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
Telephone: (702) 873-4100
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

*Attorneys for Third-Party Defendants
Spin Games, LLC, Kent Young, and Kunal Mishra*

DISTRICT COURT

CLARK COUNTY, NEVADA

In re: FULL COLOR GAMES, INC.

CASE NO. A-17-759862-B
DEPT. NO. XIII

MARK MUNGER, an individual; DAVID'S
HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; 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,

**ORDER DENYING THIRD-PARTY
PLAINTIFFS' MOTION FOR
PRELIMINARY INJUNCTION**

Plaintiffs,

vs.

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

Defendants.

AND ALL RELATED CLAIMS.

On January 13, 2022, at 11:00 a.m., a hearing took place before the above-captioned Court on Third-Party Plaintiffs’ Motion for Preliminary Injunction (“Motion”) filed by Third-Party Plaintiffs David Mahon, Intellectual Properties Holding, LLC, Full Color Games, LLC, Full Color Games, N.A., Inc., Jackpot Productions, LLC, and Full Color Games, Inc. (collectively “Full Color Parties”). Rory T. Kay, Esq., of the law firm McDonald Carano LLP, appeared on behalf of Third-Party Defendants Spin Games, LLC (“Spin Games”), Kent Young (“Young”), and Kunal Mishra (“Mishra”) (collectively, “Spin Defendants”), Steven A. Caloiaro, of the law firm, Dickinson Wright, appeared on behalf of Third-Party Defendants Bragg Gaming Group, Inc. and Oryx Gaming International, LLC (collectively, “Bragg Defendants”), and Todd W. Prall, of the law firm, Hutchison and Steffen, and Jeff Hulet, of the law firm Hogan Hulet PLLC, appeared on behalf of the Full Color Parties.¹ Based on the Motion, the Spin Defendants’ Opposition, the Bragg Defendants’ Joinder to the Opposition, the Third-Party Plaintiffs’ Reply in Support of the Motion, and argument by all counsel at the hearing, the Court **DENIES** the Motion consistent with these findings of fact and conclusions of law.

FINDINGS OF FACT

1. On August 11, 2017, Mark Munger and other shareholders of FCGI (“FCGI Shareholders”) filed this lawsuit against the Full Color Parties. The FCGI Shareholders alleged various contract and tort claims related to their investment relationship with Mahon and the other related Full Color Parties.

2. On February 2, 2019, FCGI filed an Answer, Counterclaims, and Third-Party Complaint (“Third-Party Complaint”), through which FCGI added the Spin Defendants as third-party defendants. FCGI alleged various contract and tort claims against the Spin Defendants and claimed that the Spin Defendants and other newly named third-party defendants were responsible for some or all the alleged losses of the FCGI Shareholders. In the Third-Party Complaint’s Prayer for Relief, FCGI also demanded preliminary and permanent injunctive relief barring the Spin

¹ Hulet represents Full Color Games, Inc. (“FCGI”) while Prall represents all other Full Color Parties.

Defendants from possessing and using FCGI's confidential information and from competing or interfering with the Full Color Parties' "business interests in the use and commercialization of the Full Color IP."

3. Spin Games is a software developer and game distributor based out of Reno, Nevada, that had a prior game development and distribution relationship ("Development Relationship") with some of the Full Color Parties and/or non-party Full Color Games Ltd.

4. On January 9, 2020, FCGI filed an amended third-party complaint, in which the other Full Color Parties joined as third-party plaintiffs ("Amended Third-Party Complaint"). The Amended Third-Party Complaint added new third-party defendants, including the Bragg Defendants. The Amended Third-Party Complaint's Prayer for Relief repeated the demand for preliminary and permanent injunctive relief and added the Bragg Defendants to that demand as additional enjoined parties.

5. The Bragg Defendants are Canada-based gaming technology and content companies. Oryx Gaming International LLC is a subsidiary of Bragg Gaming Group Inc.

6. In a May 12, 2021, press release ("Press Release"), the Spin Defendants and the Bragg Defendants announced a transaction ("Bragg/Spin Transaction") through a merger agreement where the Bragg Defendants would acquire Spin Games in exchange for \$10 million in cash and \$20 million in common shares of Bragg. The Press Release noted that the Bragg/Spin Transaction would close after regulatory approval. A copy of the Press Release is attached to the Spin Defendants' Opposition as **Exhibit 1**.

7. In his declaration attached as **Exhibit A** to the Full Color Parties' Motion, Mahon stated that he learned of the Bragg/Spin Transaction on May 12, 2021, through the Press Release. Mahon is the founder and CEO of the Full Color Parties.

8. In the Motion, the Full Color Parties ask the Court to enjoin the Bragg/Spin Transaction or any sale of Spin Games' assets to the Bragg Defendants.

9. The Full Color Parties claim the Bragg/Spin Transaction breaches the confidentiality, non-circumvention, and non-competition provisions in a mutual non-disclosure agreement ("MNDA") between FCGI and Spin Games. The Full Color Parties argue that they provided

1 confidential game assets (“Game Assets”) to Spin Games during the Development Relationship and
2 that the Bragg/Spin Transaction will require Spin Games to provide the Game Assets to the Bragg
3 Defendants. The Full Color Parties also argue that Spin partially or fully developed certain games
4 (“Full Color Games”) for the Full Color Parties during the Development Relationship and that the
5 Bragg/Spin Transaction will require Spin Games to provide the Full Color Games to the Bragg
6 Defendants.

7 10. The Full Color Parties also argue that the Bragg/Spin Transaction interferes with
8 Spin Games’ contractual obligations under a game development and distribution agreement titled
9 “Proposal v1.4.” The Full Color Parties argue Proposal v1.4 is a written contract that entitles some
10 or all the Full Color parties to an ownership interest in Spin Games, LLC’s remote gaming server
11 (“ROC RGS”) and its entire source code.

12 11. Finally, the Full Color Parties argue that they will suffer irreparable harm from the
13 above acts, which they view as wrongful competition not compensable by money damages. The
14 Full Color Parties contend Bragg is a direct competitor and will have access to the Game Assets,
15 Full Color Games, and ROC RGS despite the Full Color Parties’ purported contract rights in the
16 same.

17 12. In their Opposition, the Spin Defendants deny that the Game Assets are part of the
18 Bragg/Spin transaction, deny any breach of the MNDA or Proposal v1.4, and further contend that
19 the Full Color Parties will not suffer irreparable harm justifying a preliminary injunction. The Spin
20 Defendants also argue that the Full Color Parties delayed too long to obtain extraordinary injunctive
21 relief and that the Full Color Parties cannot provide sufficient security for the same.

22 13. In their Joinder, the Bragg Defendants confirm that neither the Game Assets nor any
23 games (completed or otherwise) that Spin Games created for the Full Color Parties are part of the
24 Bragg/Spin Transaction and that Bragg would consent to Spin Games returning the same to the Full
25 Color Parties upon the Full Color Parties’ written request.

26 14. In response to these arguments, the Full Color Parties argue that the fact that the
27 regulatory process, which generally requires a complete investigation into the parties to the merger
28 or sale, meant that the sale may not occur unless regulatory requirements are met. The Full Color

Parties argue that they believed, and anticipated, that the regulatory bodies would include an investigation of the allegations in this lawsuit prior to approval. Finally, the Full Color Parties argue it was not until later that the Full Color Parties learned that no such investigation was to occur.

15. Despite learning of the Bragg/Spin Transaction on May 12, 2021, the Full Color Parties did not file the Motion until November 22, 2021.

16. In the interim, the Spin Defendants and the Bragg Defendants have spent considerable time and money dealing with regulators for approval and executing the conditions to the closing of the Bragg/Spin Transaction.

17. The next conclusions of law are incorporated here if they constitute, or may be construed to include, findings of fact.

CONCLUSIONS OF LAW

A. Standard for Injunctive Relief

18. Under NRCP 65, a party moving for injunctive relief must show “a likelihood of success on the merits of their case and that they will suffer irreparable harm without preliminary relief.” *Shores v. Global Experience Specialists, Inc.*, 134 Nev. Adv. Op. 61, 422 P.3d 1238, 1241 (2018). This substantial burden is because “[i]njunctive relief is extraordinary relief” invoked under the Court’s equitable powers. *Dept. of Conservation & Natural Res. Div. of Water Res. v. Foley*, 121 Nev. 77, 80, 109 P.3d 760, 762 (2005).

B. Doctrine of Laches and Delay in Seeking Extraordinary Injunctive Relief

19. A party may invoke the equitable doctrine of laches when “delay by one party works to the disadvantage of the other, causing a change in circumstances which would make the grant of relief to the delaying party inequitable.” *Bldg. & Const. Trades Council of N. Nevada v. State ex rel. Pub. Works Bd.*, 108 Nev. 605, 610-11, 836 P.2d 633, 636-37 (1992).

20. Because a preliminary injunction is equitable relief, the Nevada Supreme Court has held that the doctrine of laches applies to prohibit such relief after a period of delay. *See Carson City v. Price*, 113 Nev. 409, 412-13, 934 P.3d 1042, 1044 (1997). Courts from other jurisdictions have ruled the same in Nevada-based cases. *See Lydo Enterprises, Inc. v. City of Las Vegas*, 745

1 F.2d 1211, 1213 (9th Cir. 1984) (holding a movant who “sleep[s] on its rights” in moving for
2 injunctive relief “demonstrates a lack of need for speedy action.”).

3 21. “Laches is more than mere delay in seeking to enforce one’s rights, it is delay that
4 works a disadvantage to another.” *Home Sav. Ass’n v. Bigelow*, 105 Nev. 494, 496, 779 P.2d 85,
5 86 (1989). “[T]he condition of the party asserting laches must become so changed that he cannot
6 be restored to his former state.” *Id.* “The applicability of the doctrine of laches turns upon the
7 peculiar facts of each case.” *Id.* (citing *Miller v. Walser*, 42 Nev. 497, 181 P. 437 (1919)).

8 22. Here, the Full Color Parties have delayed too long to obtain preliminary injunctive
9 relief. Though the Full Color Parties demanded preliminary injunctive relief against the Spin
10 Defendants in the Third-Party Complaint dated February 2, 2019, and against the Bragg Defendants
11 in the Amended Third-Party Complaint dated January 9, 2020, the Full Color Parties did not move
12 for a temporary restraining order or file the Motion to bring the matter before the Court until
13 November 22, 2021. As a result, the Full Color Parties have delayed 22 months in seeking
14 preliminary injunctive relief as to the Bragg Defendants and 33 months in seeking the same as to
15 the Spin Defendants.

16 23. Even if the Court were to consider the Press Release dated May 12, 2021 as the event
17 triggering the Full Color Parties’ duty to move for injunctive relief related to the Bragg/Spin
18 Transaction, the Full Color Parties still delayed over six months in seeking extraordinary relief.

19 24. In that intervening time, the condition of the Spin Defendants and the Bragg
20 Defendants changed. The companies spent considerable time and money dealing with regulators
21 for approval and executing the conditions to closing of the Bragg/Spin Transaction.

22 25. The delay by the Full Color Parties would make the granting of the Motion
23 inequitable to the Spin Defendants and the Bragg Defendants.

24 26. As a result, the Court holds that the doctrine of laches prevents the preliminary
25 injunction that the Full Color Parties seek.

26 **C. Lack of Irreparable Harm**

27 27. Parties moving for injunctive relief must show that they will suffer irreparable harm
28 without it. *See Shores*, 134 Nev. Adv. Op. 61, 422 P.3d at 1241.

28. The moving party must articulate irreparable harm in specific terms, and general claims of irreparable harm absent this specificity do not satisfy the standard under NRCP 65. *See Foley*, 121 Nev. at 80, 109 P.3d at 762.

29. When compensatory damages sufficiently compensate the moving party for any loss, there is no irreparable harm and an injunction is inappropriate under NRCP 65. *See Excellent Cmty. Mgmt. v. Gilmore*, 131 Nev. Adv. Op. 38, 351 P.3d 720, 720 (2015).

30. Finally, delay in moving for injunctive relief implies a lack of irreparable harm. *See, e.g., Oakland Trib., Inc. v. Chron. Pub. Co.*, 762 F.2d 1374, 1377 (9th Cir. 1985); *Garcia v. Google, Inc.*, 786 F.3d 733, 746 (9th Cir. 2015) (moving party's months-long delay "undercut" claim of irreparable harm).

31. Here, the Full Color Parties have not shown in specific terms that they will suffer irreparable harm absent preliminary injunctive relief.

32. First, the Full Color Parties delayed in seeking injunctive relief, thereby undercutting their claim of irreparable harm. *See id.*

33. Even more, the Full Color Parties' purported damages can be adequately remedied by money damages, as both Spin Games and the Bragg Defendants will remain parties here even after the Bragg/Spin Transaction closes.

34. The Full Color Parties argue in their Motion that there is irreparable harm to the Full Color Parties' "business operations and profits" because the Bragg/Spin Transaction will prevent the Full Color Parties from distributing the Full Color Games to the market and therefore earning "perpetual income with every deployment."

35. But as Spin Games argued in its Opposition, this position has at least two flaws.

36. First, the Game Assets and Full Color Games are not part of the Bragg/Spin Transaction, and the MNDA appears to allow the Full Color Parties to recover the Game Assets by demanding their return in writing, and Spin Games has stated it is ready and able to return the Game Assets.

37. Second, the Full Color Parties can cure any alleged breach by contracting with a new company to develop and distribute any games that the Full Color Parties wish to distribute. The

Full Color Parties state in their operative pleading that they have negotiated with many other digital gaming companies with remote gaming servers able to distribute games. *See* Consolidated Second Amended 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., and Jackpot Production, LLC; and Third Amended Counterclaim and Third-Party Complaint of Full Color Games, Inc. (“Operative Pleading”). They may cure any breach by Spin Games or the Bragg Defendants by contracting with such companies to complete and distribute any games the Full Color Parties wish to bring to market.

38. If the Full Color Parties prevail on their breach of contract claims against Spin Games, the Full Color Parties can seek to recover the costs of curing the breach through money damages at trial. *See Gilmore*, 131 Nev. Adv. Op. 38, 351 P.3d at 720 (no irreparable harm where money damages sufficiently compensate moving party); *see also Fuller v. United Elec. Co.*, 70 Nev. 448, 273 P.2d 136 (1954) (where contract is partially performed, non-breaching party may recover damages for cost “of completing performance of the work”); *Valladares v. DMJ, Inc.*, 110 Nev. 1291, 1294, 885 P.2d 580, 582 (1994) (landowner had a right to cost of cure damages where drilling contractor only partially performed).

39. As a result, the Court is unconvinced that the Full Color Parties would suffer irreparable harm without the Court’s equitable intervention to grant extraordinary preliminary injunctive relief.

D. Likelihood of Success on the Merits

40. Under NRCP 65, a party moving for injunctive relief must show a likelihood of success on the merits of the case, and district courts may also weigh the potential hardships on the parties and the public interest in the dispute. *See Shores*, 134 Nev. Adv. Op. 61, 422 P.3d at 1241.

41. “Determining whether to grant or deny a preliminary injunction is within the district court’s sound discretion, and the district court’s decision will not be disturbed absent an abuse of discretion or unless it is based on an erroneous legal standard.” *Sarfo v. Bd. of Med. Examiners*, 134 Nev. 709, 711, 429 P.3d 650, 652 (2018).

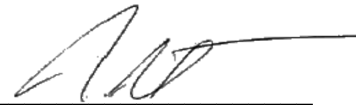
42. Because the Court has denied the Motion based on the doctrine of laches and the lack of irreparable harm, the Court does not reach any conclusion on the Full Color Parties' likelihood of success on the merits. The Court similarly does not reach any conclusion on the potential hardships to the parties or any public interest in the dispute.

ORDER

Under the foregoing and good cause appearing,

IT IS HEREBY ORDERED that the Third-Party Plaintiffs' Motion for Preliminary Injunction is **DENIED**.

Dated this 28th day of January, 2022



ABG
2EA 678 DBC1 F921
Mark R. Denton
District Court Judge

Submitted by:

McDONALD CARANO LLP

By: /s/ Rory T. Kay

Rory T. Kay (NSBN 12416)
Tara U. Teegarden (NSBN 15344)
2300 West Sahara Ave., Suite 1200
Las Vegas, Nevada 89102
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

*Attorneys for Third-Party Defendants
Spin Games, LLC; Kent Young; and
Kunal Mishra*

Reviewed and approved by:

DICKINSON WRIGHT

By: /s/ Steven A. Caloiaro

Steven A. Caloiaro (NSBN 12344)
Brooks T. Westergard (NSBN 14300)
100 W. Liberty Street, Suite 940
Reno, Nevada 89501
scaloiaro@dickinsonwright.com
bwestergard@dickinsonwright.com

*Attorneys for Third-Party Defendants
Bragg Gaming Group, Inc.; Oryx
Gaming International, LLC; Legacy
Eight Group Limited; AA Acquisition
Group, Inc.; and Matevz Mazij*

Reviewed and approved by:

HUTCHISON & STEFFEN, PLLC

By: /s/ Disapproved

Mark A. Hutchison (NSBN 4639)
Todd W. Prall (NSBN 9154)
Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145
mhutchison@hutchlegal.com
tprall@hutchlegal.com

*Attorneys for Third-Party Plaintiffs
David Mahon; Intellectual Properties,
Holding, LLC; Full Color Games,
LLC; Full Color Games, N.A., Inc.;
Full Color Games Group, Inc.; and
Jackpot Productions, LLC*

Reviewed and approved by:

HOGAN HULET PLLC

By: /s/ Disapproved

Jeffrey Hulet (NSBN 10621)
1140 N. Town Center Drive, Suite 300
Las Vegas, Nevada 89144
jeff@h2legal.com

Attorneys for Full Color Games, Inc.

CaraMia Gerard

From: Steven A. Caloiaro <SCaloiaro@dickinson-wright.com>
Sent: Monday, January 24, 2022 12:43 PM
To: CaraMia Gerard
Cc: Rory Kay; Tara Teegarden
Subject: RE: EXTERNAL: Full Color v. Spin Games/Bragg - Draft Order Denying Motion for Preliminary Injunction

We are good w/ it.

You have my permission to attach signatures.

Steven A. Caloiaro Member

100 West Liberty Street
Suite 940
Reno NV 89501-1991

Phone 775-343-7506
Fax 844-670-6009
Email SCaloiaro@dickinsonwright.com



DICKINSON WRIGHT PLLC

ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

From: CaraMia Gerard <cgerard@mcdonaldcarano.com>
Sent: Monday, January 24, 2022 10:14 AM
To: Steven A. Caloiaro <SCaloiaro@dickinson-wright.com>
Cc: Rory Kay <rkay@mcdonaldcarano.com>; Tara Teegarden <tteegarden@mcdonaldcarano.com>
Subject: EXTERNAL: Full Color v. Spin Games/Bragg - Draft Order Denying Motion for Preliminary Injunction

Steven,

Attached is the *Order Denying Third-Party Plaintiffs' Motion for Preliminary Injunction*. Please advise of your changes or approve for us to submit with your e-signature.

Thank you,

CaraMia Gerard | Legal Secretary to Jeff Silvestri, Esq., Rory T. Kay, Esq.
and Julia L. Armendariz, Esq.

McDONALD CARANO

2300 West Sahara Avenue | Suite 1200
Las Vegas, NV 89102

P: 702.873.4100 | **D:** 702.257.4596

F: 702.873.9966

[WEBSITE](#) | [V-CARD](#)

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1 **CSERV**

2
3 DISTRICT COURT
CLARK COUNTY, NEVADA

4
5
6 Mark Munger, Plaintiff(s)

CASE NO: A-17-759862-B

7 vs.

DEPT. NO. Department 13

8 David Mahon, Defendant(s)

9
10 **AUTOMATED CERTIFICATE OF SERVICE**

11 This automated certificate of service was generated by the Eighth Judicial District
12 Court. The foregoing Order Denying Motion was served via the court's electronic eFile
13 system to all recipients registered for e-Service on the above entitled case as listed below:

14 Service Date: 1/28/2022

15 MGA Docketing

docket@mgalaw.com

16 Maddy Carnate-Peralta

mcarnate@hutchlegal.com

17 Todd Prall

tprall@hutchlegal.com

18 Steven Caloiaro

scaloiaro@dickinsonwright.com

19 Cindy Simmons

csimmons@hutchlegal.com

20 Richard Schonfeld

rschonfeld@cslawoffice.net

21 Kimberly Kirn

kkirn@mcdonaldcarano.com

22 James Pisanelli

lit@pisanellibice.com

23 Frank Flansburg III

fflansburg@bhfs.com

24 Richard Newman

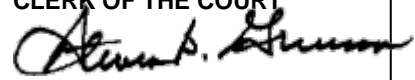
rich@newmanlawlv.com

25 Jordan Smith

jts@pisanellibice.com

26
27
28

1	Beau Nelson	bnelson@mcdonaldcarano.com
2	Brian Grubb	bgrubb@mcdonaldcarano.com
3	CaraMia Gerard	cgerard@mcdonaldcarano.com
4	Pat Lundvall	lundvall@mcdonaldcarano.com
5	Glen Howard	gchlegal@icloud.com
6	David Mahon	dwmlegal@icloud.com
7	Brandon Lopipero	bml@mgalaw.com
8	Ava Schaefer	ams@pisanellibice.com
9	Troy Domina	tdomina@bhfs.com
10	Melinda Poehlmann	mpoehlmann@dickinsonwright.com
11	Jeffrey Hulet	jeff@h2legal.com
12	Ken Hogan	ken@h2legal.com
13	Michelle Tuason	mtuason@bhfs.com
14	CaraMia Gerard	caramiagerard@gmail.com
15	Rory Kay	rkay@mcdonaldcarano.com
16	Rosemary reyes	rreyes@cslawoffice.net
17	Brooks Westergard	bwestergard@dickinsonwright.com
18	Connor Shea	cshea@bhfs.com
19	Tara Teegarden	tteegarden@mcdonaldcarano.com
20		
21		
22		
23		
24		
25		
26		
27		
28		



1 **NEOJ**

2 Rory T. Kay (NSBN 12416)
3 Tara U. Teegarden (NSBN 15344)
4 McDONALD CARANO LLP
5 2300 West Sahara Avenue, Suite 1200
6 Las Vegas, Nevada 89102
7 Telephone: (702) 873-4100
8 rkay@mcdonaldcarano.com
9 tteegarden@mcdonaldcarano.com

10 *Attorneys for Third-Party Defendants*
11 *Spin Games, LLC, Kent Young, and Kunal Mishra*

12 **DISTRICT COURT**

13 **CLARK COUNTY, NEVADA**

14 In re: FULL COLOR GAMES, INC.

Case No.: A-17-759862-B

Dept. No.: XIII

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; MILLENDIUM TRUST
19 COMPANY, LLC CUSTODIAN FBO GARY
20 SOLSO, IRA, a California Trust; JEFFREY
21 CASTALDO, an individual; MARA H. BRAZER,
22 as Trustee for the MARA H. BRAZER TRUST
23 UTA 2/12/2004, a California Trust; individually
24 and as shareholders of FULL COLOR GAMES,
25 INC.; DOES 1 through 10; and ROE
26 CORPORATIONS 1 through 10, inclusive,

27 Plaintiffs,

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

Defendants.

AND RELATED CLAIMS.

**NOTICE OF ENTRY OF ORDER
DENYING THIRD-PARTY
PLAINTIFFS' MOTION FOR
PRELIMINARY INJUNCTION**

PLEASE TAKE NOTICE that an **ORDER DENYING THIRD-PARTY PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION** was filed in the above-captioned case on the 28th day of January, 2022, a copy of which is attached hereto.

DATED this 28th day of January, 2022.

McDONALD CARANO LLP

By: /s/ Rory T. Kay

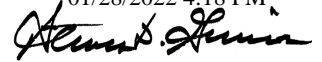
Rory T. Kay, Esq. (NSBN 12416)
Tara U. Teegarden, Esq. (NSBN 15344)
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

Attorneys for Third-Party Defendants Spin Games, LLC, Kent Young, and Kunal Mishra

CERTIFICATE OF SERVICE

I certify that on this 28th day of January, 2022, I caused a true and correct copy of the **NOTICE OF ENTRY OF ORDER DENYING THIRD-PARTY PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION** to be electronically filed and served to all parties of record via this Court's electronic filing system to all parties listed on the e-service master list:

/s/ CaraMia Gerard
An employee of McDonald Carano LLP


CLERK OF THE COURT

ODM

Rory T. Kay (NSBN 12416)
Tara U. Teegarden (NSBN 15344)
McDONALD CARANO LLP
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102
Telephone: (702) 873-4100
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

*Attorneys for Third-Party Defendants
Spin Games, LLC, Kent Young, and Kunal Mishra*

DISTRICT COURT

CLARK COUNTY, NEVADA

In re: FULL COLOR GAMES, INC.

CASE NO. A-17-759862-B
DEPT. NO. XIII

MARK MUNGER, an individual; DAVID'S
HARD WORK TRUST LTD. 3/26/2012, a
California Trust; MOORE FAMILY TRUST, a
California Trust; 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,

**ORDER DENYING THIRD-PARTY
PLAINTIFFS' MOTION FOR
PRELIMINARY INJUNCTION**

Plaintiffs,

vs.

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

Defendants.

AND ALL RELATED CLAIMS.

On January 13, 2022, at 11:00 a.m., a hearing took place before the above-captioned Court on Third-Party Plaintiffs’ Motion for Preliminary Injunction (“Motion”) filed by Third-Party Plaintiffs David Mahon, Intellectual Properties Holding, LLC, Full Color Games, LLC, Full Color Games, N.A., Inc., Jackpot Productions, LLC, and Full Color Games, Inc. (collectively “Full Color Parties”). Rory T. Kay, Esq., of the law firm McDonald Carano LLP, appeared on behalf of Third-Party Defendants Spin Games, LLC (“Spin Games”), Kent Young (“Young”), and Kunal Mishra (“Mishra”) (collectively, “Spin Defendants”), Steven A. Caloiaro, of the law firm, Dickinson Wright, appeared on behalf of Third-Party Defendants Bragg Gaming Group, Inc. and Oryx Gaming International, LLC (collectively, “Bragg Defendants”), and Todd W. Prall, of the law firm, Hutchison and Steffen, and Jeff Hulet, of the law firm Hogan Hulet PLLC, appeared on behalf of the Full Color Parties.¹ Based on the Motion, the Spin Defendants’ Opposition, the Bragg Defendants’ Joinder to the Opposition, the Third-Party Plaintiffs’ Reply in Support of the Motion, and argument by all counsel at the hearing, the Court **DENIES** the Motion consistent with these findings of fact and conclusions of law.

FINDINGS OF FACT

1. On August 11, 2017, Mark Munger and other shareholders of FCGI (“FCGI Shareholders”) filed this lawsuit against the Full Color Parties. The FCGI Shareholders alleged various contract and tort claims related to their investment relationship with Mahon and the other related Full Color Parties.

2. On February 2, 2019, FCGI filed an Answer, Counterclaims, and Third-Party Complaint (“Third-Party Complaint”), through which FCGI added the Spin Defendants as third-party defendants. FCGI alleged various contract and tort claims against the Spin Defendants and claimed that the Spin Defendants and other newly named third-party defendants were responsible for some or all the alleged losses of the FCGI Shareholders. In the Third-Party Complaint’s Prayer for Relief, FCGI also demanded preliminary and permanent injunctive relief barring the Spin

¹ Hulet represents Full Color Games, Inc. (“FCGI”) while Prall represents all other Full Color Parties.

1 Defendants from possessing and using FCGI's confidential information and from competing or
2 interfering with the Full Color Parties' "business interests in the use and commercialization of the
3 Full Color IP."

4 3. Spin Games is a software developer and game distributor based out of Reno, Nevada,
5 that had a prior game development and distribution relationship ("Development Relationship") with
6 some of the Full Color Parties and/or non-party Full Color Games Ltd.

7 4. On January 9, 2020, FCGI filed an amended third-party complaint, in which the other
8 Full Color Parties joined as third-party plaintiffs ("Amended Third-Party Complaint"). The
9 Amended Third-Party Complaint added new third-party defendants, including the Bragg
10 Defendants. The Amended Third-Party Complaint's Prayer for Relief repeated the demand for
11 preliminary and permanent injunctive relief and added the Bragg Defendants to that demand as
12 additional enjoined parties.

13 5. The Bragg Defendants are Canada-based gaming technology and content companies.
14 Oryx Gaming International LLC is a subsidiary of Bragg Gaming Group Inc.

15 6. In a May 12, 2021, press release ("Press Release"), the Spin Defendants and the
16 Bragg Defendants announced a transaction ("Bragg/Spin Transaction") through a merger agreement
17 where the Bragg Defendants would acquire Spin Games in exchange for \$10 million in cash and
18 \$20 million in common shares of Bragg. The Press Release noted that the Bragg/Spin Transaction
19 would close after regulatory approval. A copy of the Press Release is attached to the Spin
20 Defendants' Opposition as **Exhibit 1**.

21 7. In his declaration attached as **Exhibit A** to the Full Color Parties' Motion, Mahon
22 stated that he learned of the Bragg/Spin Transaction on May 12, 2021, through the Press Release.
23 Mahon is the founder and CEO of the Full Color Parties.

24 8. In the Motion, the Full Color Parties ask the Court to enjoin the Bragg/Spin
25 Transaction or any sale of Spin Games' assets to the Bragg Defendants.

26 9. The Full Color Parties claim the Bragg/Spin Transaction breaches the confidentiality,
27 non-circumvention, and non-competition provisions in a mutual non-disclosure agreement
28 ("MNDA") between FCGI and Spin Games. The Full Color Parties argue that they provided

1 confidential game assets (“Game Assets”) to Spin Games during the Development Relationship and
2 that the Bragg/Spin Transaction will require Spin Games to provide the Game Assets to the Bragg
3 Defendants. The Full Color Parties also argue that Spin partially or fully developed certain games
4 (“Full Color Games”) for the Full Color Parties during the Development Relationship and that the
5 Bragg/Spin Transaction will require Spin Games to provide the Full Color Games to the Bragg
6 Defendants.

7 10. The Full Color Parties also argue that the Bragg/Spin Transaction interferes with
8 Spin Games’ contractual obligations under a game development and distribution agreement titled
9 “Proposal v1.4.” The Full Color Parties argue Proposal v1.4 is a written contract that entitles some
10 or all the Full Color parties to an ownership interest in Spin Games, LLC’s remote gaming server
11 (“ROC RGS”) and its entire source code.

12 11. Finally, the Full Color Parties argue that they will suffer irreparable harm from the
13 above acts, which they view as wrongful competition not compensable by money damages. The
14 Full Color Parties contend Bragg is a direct competitor and will have access to the Game Assets,
15 Full Color Games, and ROC RGS despite the Full Color Parties’ purported contract rights in the
16 same.

17 12. In their Opposition, the Spin Defendants deny that the Game Assets are part of the
18 Bragg/Spin transaction, deny any breach of the MNDA or Proposal v1.4, and further contend that
19 the Full Color Parties will not suffer irreparable harm justifying a preliminary injunction. The Spin
20 Defendants also argue that the Full Color Parties delayed too long to obtain extraordinary injunctive
21 relief and that the Full Color Parties cannot provide sufficient security for the same.

22 13. In their Joinder, the Bragg Defendants confirm that neither the Game Assets nor any
23 games (completed or otherwise) that Spin Games created for the Full Color Parties are part of the
24 Bragg/Spin Transaction and that Bragg would consent to Spin Games returning the same to the Full
25 Color Parties upon the Full Color Parties’ written request.

26 14. In response to these arguments, the Full Color Parties argue that the fact that the
27 regulatory process, which generally requires a complete investigation into the parties to the merger
28 or sale, meant that the sale may not occur unless regulatory requirements are met. The Full Color

Parties argue that they believed, and anticipated, that the regulatory bodies would include an investigation of the allegations in this lawsuit prior to approval. Finally, the Full Color Parties argue it was not until later that the Full Color Parties learned that no such investigation was to occur.

15. Despite learning of the Bragg/Spin Transaction on May 12, 2021, the Full Color Parties did not file the Motion until November 22, 2021.

16. In the interim, the Spin Defendants and the Bragg Defendants have spent considerable time and money dealing with regulators for approval and executing the conditions to the closing of the Bragg/Spin Transaction.

17. The next conclusions of law are incorporated here if they constitute, or may be construed to include, findings of fact.

CONCLUSIONS OF LAW

A. Standard for Injunctive Relief

18. Under NRCP 65, a party moving for injunctive relief must show “a likelihood of success on the merits of their case and that they will suffer irreparable harm without preliminary relief.” *Shores v. Global Experience Specialists, Inc.*, 134 Nev. Adv. Op. 61, 422 P.3d 1238, 1241 (2018). This substantial burden is because “[i]njunctive relief is extraordinary relief” invoked under the Court’s equitable powers. *Dept. of Conservation & Natural Res. Div. of Water Res. v. Foley*, 121 Nev. 77, 80, 109 P.3d 760, 762 (2005).

B. Doctrine of Laches and Delay in Seeking Extraordinary Injunctive Relief

19. A party may invoke the equitable doctrine of laches when “delay by one party works to the disadvantage of the other, causing a change in circumstances which would make the grant of relief to the delaying party inequitable.” *Bldg. & Const. Trades Council of N. Nevada v. State ex rel. Pub. Works Bd.*, 108 Nev. 605, 610-11, 836 P.2d 633, 636-37 (1992).

20. Because a preliminary injunction is equitable relief, the Nevada Supreme Court has held that the doctrine of laches applies to prohibit such relief after a period of delay. *See Carson City v. Price*, 113 Nev. 409, 412-13, 934 P.3d 1042, 1044 (1997). Courts from other jurisdictions have ruled the same in Nevada-based cases. *See Lydo Enterprises, Inc. v. City of Las Vegas*, 745

1 F.2d 1211, 1213 (9th Cir. 1984) (holding a movant who “sleep[s] on its rights” in moving for
2 injunctive relief “demonstrates a lack of need for speedy action.”).

3 21. “Laches is more than mere delay in seeking to enforce one’s rights, it is delay that
4 works a disadvantage to another.” *Home Sav. Ass’n v. Bigelow*, 105 Nev. 494, 496, 779 P.2d 85,
5 86 (1989). “[T]he condition of the party asserting laches must become so changed that he cannot
6 be restored to his former state.” *Id.* “The applicability of the doctrine of laches turns upon the
7 peculiar facts of each case.” *Id.* (citing *Miller v. Walser*, 42 Nev. 497, 181 P. 437 (1919)).

8 22. Here, the Full Color Parties have delayed too long to obtain preliminary injunctive
9 relief. Though the Full Color Parties demanded preliminary injunctive relief against the Spin
10 Defendants in the Third-Party Complaint dated February 2, 2019, and against the Bragg Defendants
11 in the Amended Third-Party Complaint dated January 9, 2020, the Full Color Parties did not move
12 for a temporary restraining order or file the Motion to bring the matter before the Court until
13 November 22, 2021. As a result, the Full Color Parties have delayed 22 months in seeking
14 preliminary injunctive relief as to the Bragg Defendants and 33 months in seeking the same as to
15 the Spin Defendants.

16 23. Even if the Court were to consider the Press Release dated May 12, 2021 as the event
17 triggering the Full Color Parties’ duty to move for injunctive relief related to the Bragg/Spin
18 Transaction, the Full Color Parties still delayed over six months in seeking extraordinary relief.

19 24. In that intervening time, the condition of the Spin Defendants and the Bragg
20 Defendants changed. The companies spent considerable time and money dealing with regulators
21 for approval and executing the conditions to closing of the Bragg/Spin Transaction.

22 25. The delay by the Full Color Parties would make the granting of the Motion
23 inequitable to the Spin Defendants and the Bragg Defendants.

24 26. As a result, the Court holds that the doctrine of laches prevents the preliminary
25 injunction that the Full Color Parties seek.

26 **C. Lack of Irreparable Harm**

27 27. Parties moving for injunctive relief must show that they will suffer irreparable harm
28 without it. *See Shores*, 134 Nev. Adv. Op. 61, 422 P.3d at 1241.

28. The moving party must articulate irreparable harm in specific terms, and general claims of irreparable harm absent this specificity do not satisfy the standard under NRCP 65. *See Foley*, 121 Nev. at 80, 109 P.3d at 762.

29. When compensatory damages sufficiently compensate the moving party for any loss, there is no irreparable harm and an injunction is inappropriate under NRCP 65. *See Excellent Cmty. Mgmt. v. Gilmore*, 131 Nev. Adv. Op. 38, 351 P.3d 720, 720 (2015).

30. Finally, delay in moving for injunctive relief implies a lack of irreparable harm. *See, e.g., Oakland Trib., Inc. v. Chron. Pub. Co.*, 762 F.2d 1374, 1377 (9th Cir. 1985); *Garcia v. Google, Inc.*, 786 F.3d 733, 746 (9th Cir. 2015) (moving party's months-long delay "undercut" claim of irreparable harm).

31. Here, the Full Color Parties have not shown in specific terms that they will suffer irreparable harm absent preliminary injunctive relief.

32. First, the Full Color Parties delayed in seeking injunctive relief, thereby undercutting their claim of irreparable harm. *See id.*

33. Even more, the Full Color Parties' purported damages can be adequately remedied by money damages, as both Spin Games and the Bragg Defendants will remain parties here even after the Bragg/Spin Transaction closes.

34. The Full Color Parties argue in their Motion that there is irreparable harm to the Full Color Parties' "business operations and profits" because the Bragg/Spin Transaction will prevent the Full Color Parties from distributing the Full Color Games to the market and therefore earning "perpetual income with every deployment."

35. But as Spin Games argued in its Opposition, this position has at least two flaws.

36. First, the Game Assets and Full Color Games are not part of the Bragg/Spin Transaction, and the MNDA appears to allow the Full Color Parties to recover the Game Assets by demanding their return in writing, and Spin Games has stated it is ready and able to return the Game Assets.

37. Second, the Full Color Parties can cure any alleged breach by contracting with a new company to develop and distribute any games that the Full Color Parties wish to distribute. The

Full Color Parties state in their operative pleading that they have negotiated with many other digital gaming companies with remote gaming servers able to distribute games. *See* Consolidated Second Amended 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., and Jackpot Production, LLC; and Third Amended Counterclaim and Third-Party Complaint of Full Color Games, Inc. (“Operative Pleading”). They may cure any breach by Spin Games or the Bragg Defendants by contracting with such companies to complete and distribute any games the Full Color Parties wish to bring to market.

38. If the Full Color Parties prevail on their breach of contract claims against Spin Games, the Full Color Parties can seek to recover the costs of curing the breach through money damages at trial. *See Gilmore*, 131 Nev. Adv. Op. 38, 351 P.3d at 720 (no irreparable harm where money damages sufficiently compensate moving party); *see also Fuller v. United Elec. Co.*, 70 Nev. 448, 273 P.2d 136 (1954) (where contract is partially performed, non-breaching party may recover damages for cost “of completing performance of the work”); *Valladares v. DMJ, Inc.*, 110 Nev. 1291, 1294, 885 P.2d 580, 582 (1994) (landowner had a right to cost of cure damages where drilling contractor only partially performed).

39. As a result, the Court is unconvinced that the Full Color Parties would suffer irreparable harm without the Court’s equitable intervention to grant extraordinary preliminary injunctive relief.

D. Likelihood of Success on the Merits

40. Under NRCP 65, a party moving for injunctive relief must show a likelihood of success on the merits of the case, and district courts may also weigh the potential hardships on the parties and the public interest in the dispute. *See Shores*, 134 Nev. Adv. Op. 61, 422 P.3d at 1241.

41. “Determining whether to grant or deny a preliminary injunction is within the district court’s sound discretion, and the district court’s decision will not be disturbed absent an abuse of discretion or unless it is based on an erroneous legal standard.” *Sarfo v. Bd. of Med. Examiners*, 134 Nev. 709, 711, 429 P.3d 650, 652 (2018).

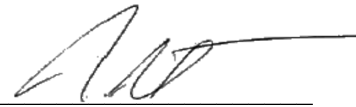
42. Because the Court has denied the Motion based on the doctrine of laches and the lack of irreparable harm, the Court does not reach any conclusion on the Full Color Parties' likelihood of success on the merits. The Court similarly does not reach any conclusion on the potential hardships to the parties or any public interest in the dispute.

ORDER

Under the foregoing and good cause appearing,

IT IS HEREBY ORDERED that the Third-Party Plaintiffs' Motion for Preliminary Injunction is **DENIED**.

Dated this 28th day of January, 2022



ABG
2EA 678 DBC1 F921
Mark R. Denton
District Court Judge

Submitted by:

McDONALD CARANO LLP

By: /s/ Rory T. Kay

Rory T. Kay (NSBN 12416)
Tara U. Teegarden (NSBN 15344)
2300 West Sahara Ave., Suite 1200
Las Vegas, Nevada 89102
rkay@mcdonaldcarano.com
tteegarden@mcdonaldcarano.com

*Attorneys for Third-Party Defendants
Spin Games, LLC; Kent Young; and
Kunal Mishra*

Reviewed and approved by:

DICKINSON WRIGHT

By: /s/ Steven A. Caloiaro

Steven A. Caloiaro (NSBN 12344)
Brooks T. Westergard (NSBN 14300)
100 W. Liberty Street, Suite 940
Reno, Nevada 89501
scaloiaro@dickinsonwright.com
bwestergard@dickinsonwright.com

*Attorneys for Third-Party Defendants
Bragg Gaming Group, Inc.; Oryx
Gaming International, LLC; Legacy
Eight Group Limited; AA Acquisition
Group, Inc.; and Matevz Mazij*

Reviewed and approved by:

HUTCHISON & STEFFEN, PLLC

By: /s/ Disapproved

Mark A. Hutchison (NSBN 4639)
Todd W. Prall (NSBN 9154)
Peccole Professional Park
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145
mhutchison@hutchlegal.com
tprall@hutchlegal.com

*Attorneys for Third-Party Plaintiffs
David Mahon; Intellectual Properties,
Holding, LLC; Full Color Games,
LLC; Full Color Games, N.A., Inc.;
Full Color Games Group, Inc.; and
Jackpot Productions, LLC*

Reviewed and approved by:

HOGAN HULET PLLC

By: /s/ Disapproved

Jeffrey Hulet (NSBN 10621)
1140 N. Town Center Drive, Suite 300
Las Vegas, Nevada 89144
jeff@h2legal.com

Attorneys for Full Color Games, Inc.

CaraMia Gerard

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100 West Liberty Street
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Phone 775-343-7506
Fax 844-670-6009
Email SCaloiaro@dickinsonwright.com



DICKINSON WRIGHT PLLC

ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

From: CaraMia Gerard <cgerard@mcdonaldcarano.com>
Sent: Monday, January 24, 2022 10:14 AM
To: Steven A. Caloiaro <SCaloiaro@dickinson-wright.com>
Cc: Rory Kay <rkay@mcdonaldcarano.com>; Tara Teegarden <tteegarden@mcdonaldcarano.com>
Subject: EXTERNAL: Full Color v. Spin Games/Bragg - Draft Order Denying Motion for Preliminary Injunction

Steven,

Attached is the *Order Denying Third-Party Plaintiffs' Motion for Preliminary Injunction*. Please advise of your changes or approve for us to submit with your e-signature.

Thank you,

CaraMia Gerard | Legal Secretary to Jeff Silvestri, Esq., Rory T. Kay, Esq.
and Julia L. Armendariz, Esq.

McDONALD CARANO

2300 West Sahara Avenue | Suite 1200
Las Vegas, NV 89102

P: 702.873.4100 | **D:** 702.257.4596

F: 702.873.9966

[WEBSITE](#) | [V-CARD](#)

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1 **CSERV**

2
3 DISTRICT COURT
CLARK COUNTY, NEVADA

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5
6 Mark Munger, Plaintiff(s)

CASE NO: A-17-759862-B

7 vs.

DEPT. NO. Department 13

8 David Mahon, Defendant(s)

9
10 **AUTOMATED CERTIFICATE OF SERVICE**

11 This automated certificate of service was generated by the Eighth Judicial District
12 Court. The foregoing Order Denying Motion was served via the court's electronic eFile
13 system to all recipients registered for e-Service on the above entitled case as listed below:

14 Service Date: 1/28/2022

15 MGA Docketing

docket@mgalaw.com

16 Maddy Carnate-Peralta

mcarnate@hutchlegal.com

17 Todd Prall

tprall@hutchlegal.com

18 Steven Caloiaro

scaloiaro@dickinsonwright.com

19 Cindy Simmons

csimmons@hutchlegal.com

20 Richard Schonfeld

rschonfeld@cslawoffice.net

21 Kimberly Kirn

kkirn@mcdonaldcarano.com

22 James Pisanelli

lit@pisanellibice.com

23 Frank Flansburg III

fflansburg@bhfs.com

24 Richard Newman

rich@newmanlawlv.com

25 Jordan Smith

jts@pisanellibice.com

26
27
28

1	Beau Nelson	bnelson@mcdonaldcarano.com
2	Brian Grubb	bgrubb@mcdonaldcarano.com
3	CaraMia Gerard	cgerard@mcdonaldcarano.com
4	Pat Lundvall	lundvall@mcdonaldcarano.com
5	Glen Howard	gchlegal@icloud.com
6	David Mahon	dwmlegal@icloud.com
7	Brandon Lopipero	bml@mgalaw.com
8	Ava Schaefer	ams@pisanellibice.com
9	Troy Domina	tdomina@bhfs.com
10	Melinda Poehlmann	mpoehlmann@dickinsonwright.com
11	Jeffrey Hulet	jeff@h2legal.com
12	Ken Hogan	ken@h2legal.com
13	Michelle Tuason	mtuason@bhfs.com
14	CaraMia Gerard	caramiagerard@gmail.com
15	Rory Kay	rkay@mcdonaldcarano.com
16	Rosemary reyes	rreyes@cslawoffice.net
17	Brooks Westergard	bwestergard@dickinsonwright.com
18	Connor Shea	cshea@bhfs.com
19	Tara Teegarden	tteegarden@mcdonaldcarano.com
20		
21		
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23		
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27		
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