

IN THE SUPREME COURT OF THE STATE OF NEVADA

INDICATE FULL CAPTION:

STEVEN C. JACOBS,
Appellant,

vs.

LAS VEGAS SANDS CORP., a Nevada corporation;
SANDS CHINA LTD., a Cayman Islands corporation; and
SHELDON ADELSON, in his individual and representative
capacity,
Respondents.

No. 58740

Electronically Filed
Jul 20 2011 02:21 p.m.

Tracie K. Lindeman
Clerk of Supreme Court
**DOCKETING STATEMENT
CIVIL APPEALS**

GENERAL INFORMATION

All appellants not in proper person must complete this docketing statement. NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, classifying cases for en banc, panel, or expedited treatment, compiling statistical information and identifying parties and their counsel.

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 attach requested documents, 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.

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 Department XI
County CLARK Judge ELIZABETH GONZALEZ
District Ct. Case No. A627691

2. Attorney filing this docketing statement:

Attorney J. COLBY WILLIAMS Telephone 702.382.5222
Firm CAMPBELL & WILLIAMS

Address

700 SOUTH SEVENTH STREET, LAS VEGAS, NEVADA 89101

Client(s) PLAINTIFF, STEVEN C. JACOBS

If this is a joint statement by multiple appellants, 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 STEVE MORRIS Telephone 702.474.9400
Firm MORRIS PETERSON

Address

300 SOUTH FOURTH STREET, #900, LAS VEGAS, NEVADA 89101

Client(s) SHELDON ADELSON

Attorney PATRICIA GLASER (pro hac vice) Telephone 310.282.6217
Firm GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO, LLP

Address

3763 HOWARD HUGHES PARKWAY, SUITE 300, LAS VEGAS, NEVADA 89169

Client(s) SANDS CHINA LTD.

(List additional counsel on separate sheet if necessary)

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

- ☐ Judgment after bench trial
- ☐ Judgment after jury verdict
- ☐ Summary judgment
- ☐ Default judgment
- ☐ Grant/Denial of NRCP 60(b) relief
- ☐ Grant/Denial of injunction
- ☐ Grant/Denial of declaratory relief
- ☐ Review of agency determination

☒ Dismissal:

- ☐ Lack of jurisdiction
- ☒ Failure to state a claim
- ☐ Failure to prosecute
- ☐ Other (specify): _____
- ☐ Divorce decree:
 - ☐ Original ☐ Modification
- ☐ Other disposition (specify): _____

5. Does this appeal raise issues concerning any of the following?

- | | |
|--|--|
| <input type="checkbox"/> Child custody | <input type="checkbox"/> Termination of parental rights |
| <input type="checkbox"/> Venue | <input type="checkbox"/> Grant/Denial of injunction or TRO |
| <input type="checkbox"/> Adoption | <input type="checkbox"/> Juvenile matters |

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:

Sands China Ltd. filed a writ petition with this Court challenging the district court's denial of its motion to dismiss based on a lack of personal jurisdiction. On June 24, 2011, this Court directed the Plaintiff to answer the writ petition in 30 days (i.e., July 25, 2011). The writ petition proceedings have been assigned Case No. 58294.

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:

N/A

8. Nature of the action. Briefly describe the nature of the action, including a list of the causes of action pleaded, and the result below:

Plaintiff Steven C. Jacobs was hired by Defendant Las Vegas Sands Corp. ("LVSC") in August 2009 to head its Macau gaming operations. In or about November 2009, LVSC spun off its Macau operations into a new entity known as Sands China, Ltd. ("SCL"). Jacobs was subsequently appointed the President and Chief Executive Officer of SCL, a position he held until July 23, 2010 when he was terminated.

Jacobs sued LVSC and SCL for certain causes of action arising from his wrongful termination and related matters. Specifically, Jacobs' first cause of action is for breach of contract related to his employment agreement and stock option agreement with LVSC; his second cause of action is for breach of contract related to his employment agreement with LVSC and his stock option agreement with SCL; his third cause of action is for breach of the implied covenant of good faith and fair dealing against LVSC; and his fourth cause of action is for tortious discharge in violation of public policy against LVSC. All of these causes of action remaining pending in the district court proceedings.

Jacobs filed an amended complaint on 3/16/11 to assert a defamation claim against Sheldon Adelson, LVSC, and SCL arising from comments Adelson published to the Wall Street Journal about Jacobs on 3/15/11. All three defendants moved to dismiss the defamation claim (the fifth cause of action). Judge Gonzalez granted defendants' motions on grounds that Adelson's statements were privileged. Because the defamation claim was the only cause of action asserted against Adelson, the district court entered final judgment in favor of Adelson pursuant to NRCP 54(b). This appeal followed.

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

Whether the district court erred in dismissing Jacobs' Fifth Cause of Action for failure to state a claim on grounds that the defamatory statements made by Adelson about Jacobs were protected by the litigation privilege applicable to judicial proceedings when, in fact, Adelson intentionally published his statements to the news media in an extra-judicial setting.

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:

N/A

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

☐ Yes

☐ No

If not, explain:

12. **Other issues.** Does this appeal involve any of the following issues?

- ☐ 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:

The question of whether the litigation privilege applicable to judicial proceedings should attach to defamatory comments made by a litigant about his adversary to the news media in a press release-type setting is a question of first impression for this Court.

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

Was it a bench or jury trial? _____

14. **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?

Defendant Adelson is represented by Steve Morris. Mr. Morris is married to Justice Kristina Pickering.

TIMELINESS OF NOTICE OF APPEAL

15. **Date of entry of written judgment or order appeal from** June 20, 2011.

Attach a copy. If more than one judgment or order is appealed from, attach copies of each judgment or order from which this appeal is taken.

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

16. **Date written notice of entry of judgment or order served** June 20, 2011.
Attach a copy, including proof of service, for each order or judgment appealed from.

Was service by:

- ☐ Delivery
- ☒ Mail

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

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

- ☐ NRCP 50(b) Date served _____ By delivery ☐ or by mail ☐ Date of filing _____
- ☐ NRCP 52(b) Date served _____ By delivery ☐ or by mail ☐ Date of filing _____
- ☐ NRCP 59 Date served _____ By delivery ☐ or by mail ☐ Date of filing _____

Attach copies of all post-trial tolling motions.

NOTE: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration do not toll the time for filing a notice of appeal.

(b) Date of entry of written order resolving tolling motion _____.

Attach a copy.

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

Attach a copy, including proof of service.

Was service by:

☐ Delivery

☐ Mail

18. Date notice of appeal filed July 1, 2011.

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

19. Specify statute or rule governing the time limit for filing the notice of appeal, e.g., NRAP 4(a), NRS 155.190, or other NRAP 4(a)(1).

SUBSTANTIVE APPEALABILITY

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

- ☒ NRAP 3A(b)(1) ☐ NRS 155.190 (specify subsection) _____
☐ NRAP 3A(b)(2) ☐ NRS 38.205 (specify subsection) _____
☐ NRAP 3A(b)(3) ☐ NRS 703.376 _____
☐ Other (specify) _____

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

Appeal from final judgment.

COMPLETE THE FOLLOWING SECTION ONLY IF MORE THAN ONE CLAIM FOR RELIEF WAS PRESENTED IN THE ACTION (WHETHER AS A CLAIM, COUNTERCLAIM, CROSS-CLAIM, OR THIRD-PARTY CLAIM) OR IF MULTIPLE PARTIES WERE INVOLVED IN THE ACTION.

Attach separate sheets as necessary.

21. List all parties involved in the action in the district court:

Plaintiff Steven C. Jacobs; Defendant Sheldon Adelson; Defendant Las Vegas Sands Corp.; Defendant Sands China, Ltd.

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:

22. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims, and the trial court's disposition of each claim, and how each claim was resolved (i.e., order, judgment, stipulation), and the date of disposition of each claim. Attach a copy of each disposition.

Plaintiff has asserted causes of action for breach of contract, breach of the implied covenant of good faith and fair dealing, and tortious discharge in violation of public policy. These claims remain pending. Defendant LVSC has filed a counterclaim against Jacobs asserting abuse of process, business defamation/disparagement, intentional interference with prospective economic advantage, and civil extortion. These counterclaims likewise remain pending. Jacobs' dismissed defamation claim is the only cause of action at issue in this appeal.

23. Attach copies of the last-filed version of all complaints, counterclaims, and/or cross-claims filed in the district court.

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 below?

- ☐ Yes
☒ No

25. If you answered "No" to question 24, complete the following:

(a) Specify the claims remaining pending below:

See responses to Question Nos. 8 and 22, supra.

(b) Specify the parties remaining below:

Plaintiff Steven C. Jacobs; Defendant Las Vegas Sands Corp.; and Defendant Sands China Ltd.

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

- ☒ Yes
☐ No

If "Yes", attach a copy of the certification or order, including any notice of entry and proof of service.

(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

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)):

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.

Steven C. Jacobs

Name of appellant

July 20, 2011

Date

Clark County, Nevada

State and county where signed

J. Colby Williams

Name of counsel of record

Signature of counsel record

CERTIFICATE OF SERVICE

I certify that on the 20th day of July, 2011, I served a copy of this completed **Docketing Statement** upon all counsel of record by mailing it first class mail with sufficient postage prepaid to the following addresses:

Glaser Weil Fink Jacobs Howard Avchen & Shapiro, LLP
Patricia Glaser, Esq.
Stephen Ma, Esq.
3763 Howard Hughes Parkway, Suite 300
Las Vegas, NV 89169

Attorneys for Defendant Sands China Ltd.

Holland & Hart, LLP
J. Stephen Peek, Esq.
Justin C. Jones, Esq.
9555 Hillwood Drive, 2nd Floor
Las Vegas, NV 89134

Attorneys for Defendant Las Vegas Sands Corp.

Steve Morris, Esq.
Morris Peterson
300 South Fourth Street, #900
Las Vegas, Nevada 89169

Attorneys for Sheldon G. Adelson


An employee of Campbell & Williams

EXHIBIT 1

[Attachments Required By Question No. 3]

EXHIBIT 1

SUPPLEMENTAL INFORMATION IN RESPONSE TO QUESTION NO. 3

Holland & Hart, LLP
J. Stephen Peek, Esq.
Justin C. Jones, Esq.
9555 Hillwood Drive, 2nd Floor
Las Vegas, NV 89134
Tel. 702.669.4600

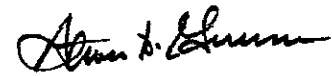
Attorneys for Defendant
Las Vegas Sands Corp.

EXHIBIT 2

[Attachments Required By Question Nos. 15 and 25]

EXHIBIT 2

Electronically Filed
06/20/2011 03:05:51 PM
06/20/2011 03:05:51 PM



CLERK OF THE COURT

1 **NEOJ**
2 MORRIS PETERSON
3 Steve Morris, Bar No. 1543
4 sm@morrislawgroup.com
5 Ryan M. Lower, Bar No. 9108
6 rml@morrislawgroup.com
7 300 South Fourth Street - Suite 900
8 Las Vegas, Nevada 89101
9 Telephone: (702) 474-9400
10 Facsimile: (702) 474-9422

11 Attorneys for Defendant
12 Sheldon Adelson

13 DISTRICT COURT
14 CLARK COUNTY, NEVADA

15 STEVEN C. JACOBS,

16 Plaintiff,

17 v.

18 LAS VEGAS SANDS CORP., a Nevada
19 corporation, SANDS CHINA LTD., a
20 Cayman Islands corporation; SHELDON
21 G. ADELSON, in his individual and
22 representative capacity, DOES I through
23 X; and ROE CORPORATIONS I through
24 X,

25 Defendants.

) CASE NO. A-10-627691-C

) DEPT NO. XI

) **NOTICE OF ENTRY OF ORDER**

26 PLEASE TAKE NOTICE that an Order Granting Motions to Dismiss and
27 Directing Entry of Final Judgment in Favor of Sheldon G. Adelson [NRCP 54(b)]
28 was entered on the 20th day of June, 2011. A copy of the Order is attached.

MORRIS PETERSON

By: 

Steve Morris, Bar No. 1543
Ryan M. Lower, Bar No. 9108
900 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101

Attorneys for Defendant Sheldon Adelson

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b), I certify that I am an employee of MORRIS PETERSON, and I am familiar with the firm's practice of collection and processing documents for mailing; that in accordance therewith, I caused the following to be deposited with the U.S. Postal Service at Las Vegas, Nevada, in a sealed envelope, with first class postage prepaid, on the date and to the addressee(s) shown below: **NOTICE OF ENTRY OF ORDER**

Donald J. Campbell
J. Colby Williams
CAMPBELL & WILLIAMS
700 South Seventh Street
Las Vegas, Nevada 89101

Attorneys for Plaintiff
Steven C. Jacobs

J. Stephen Peek
HOLLAND & HART LLP
3800 Howard Hughes Parkway
10th Floor
Las Vegas, Nevada 89169

Attorneys for Defendant
Las Vegas Sands Corp.

Patricia Glaser
GLASER WEIL FINK JACOBS
HOWARD AVCHEN & SHAPIRO LLP
3763 Howard Hughes Parkway
Suite 300
Las Vegas, Nevada 89161

Attorneys for Defendant
Sands China Ltd.

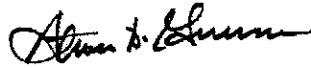
DATED this 20th day of June, 2011.

By Patty Cammer

EXHIBIT A

EXHIBIT A

Electronically Filed
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06/20/2011 11:25:36 AM


CLERK OF THE COURT

OGM
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Attorneys for Defendant
Sheldon G. Adelson

DISTRICT COURT
CLARK COUNTY, NEVADA

STEVEN C. JACOBS,
Plaintiff,

v.

LAS VEGAS SANDS CORP., a Nevada
corporation, SANDS CHINA LTD., a
Cayman Islands corporation; SHELDON
G. ADELSON, in his individual and
Representative capacity, DOES I
through X; and ROE CORPORATIONS
I through X,

Defendants.

CASE NO. A-10-627691-C
DEPT. NO. XI

ORDER GRANTING
MOTIONS TO DISMISS
AND
DIRECTING ENTRY OF
FINAL JUDGMENT IN
FAVOR OF SHELDON G.
ADELSON [NRCP 54(b)]

On June 9, 2011, the Court heard Sheldon Adelson's, Las
Vegas Sands Corp.'s and Sands China Ltd.'s Motions to Dismiss the Fifth
Cause of Action for Defamation. Steve Morris appeared on behalf of
defendant Sheldon G. Adelson; Donald Campbell and Colby Williams
appeared on behalf of plaintiff Steven C. Jacobs; J. Stephen Peek appeared
on behalf of defendant Las Vegas Sands Corp.; and Patricia Glaser
appeared on behalf of Sands China Ltd.

1 The Court has considered the motion papers of the parties and
2 heard the arguments of counsel and finds as follows:

3 Plaintiff Steven Jacobs is suing the Las Vegas Sands Corp. and
4 Sands China Ltd. for breach of an alleged contract of employment and, as
5 to defendant Las Vegas Sands Corp., "tortious discharge in violation of
6 public policy." Defendant Sheldon G. Adelson is alleged to be the
7 Chairman of the Board and Chief Executive Officer of Las Vegas Sands
8 Corp. and acting Chairman of the Board of Sands China Ltd. Mr. Adelson
9 made a statement to the *Wall Street Journal* on March 15, 2011, following a
10 hearing in this Court attended by members of the media, including a
11 reporter for the *Wall Street Journal*. As a result of the *Wall Street Journal's*
12 publication of his statement, the plaintiff filed an amended complaint the
13 following day, alleging defamation against Mr. Adelson and the two
14 corporate defendants as the fifth cause of action. Mr. Adelson's statement
15 relates to the litigation and the allegations made against him in the
16 plaintiff's complaint. The allegations were widely published by the *Wall*
17 *Street Journal* and other media before and after the hearing on March 15,
18 2011.

19 Based on the controlling law of privilege articulated by the
20 Nevada Supreme Court in *Circus Circus Hotels, Inc. v. Witherspoon*, 99 Nev.
21 56, 657 P.2d 101 (1983) and *Clark County School Dist. v. Virtual Educ.*
22 *Software, Inc.*, 125 Nev. Adv. Op. 31, 213 P.3d 496 (2009), the Court FINDS
23 that Mr. Adelson's statement on March 15, 2011, to the *Wall Street Journal*
24
25
26
27
28

1 was made during the course of this lawsuit and that the statement was and
2 is absolutely privileged and is not actionable.¹

3 Therefore, it is hereby ORDERED that:

4 (1) Adelson's, Las Vegas Sands Corp.'s and Sands China Ltd.'s
5 Motions to Dismiss the Fifth Cause of Action are GRANTED;

6 (2) the First Amended Complaint against defendant Sheldon
7 G. Adelson is dismissed with prejudice;

8 (3) the Fifth Cause of Action (defamation per se) is dismissed
9 as to all defendants;

10 (4) the Court finds that there is no just reason to delay entry of
11 final judgment in favor of defendant Sheldon G. Adelson; and

12 (5) accordingly, it is ORDERED that this Order granting
13 Sheldon Adelson's Motion Dismiss is and shall be entered as a final
14 judgment on plaintiff's fifth cause of action (defamation per se) against
15
16
17
18
19
20
21
22
23
24

25 ¹ The Court is familiar with *State v. Eighth Jud. Dist. Ct.*, 118 Nev. 140, 42
26 P.3d 233 (2002) ("Anzalone") which addresses the conditional privilege of
27 reply. In view of my conclusion that Mr. Adelson's statement was
28 absolutely privileged, I need not further consider the *Anzalone* decision.

defendant Sheldon G. Adelson, in accordance with Nevada Rule of Civil
Procedure 54(b).

DATED this 20 day of June, 2011.


DISTRICT COURT JUDGE

Submitted by:

MORRIS PETERSON

By: 

Steve Morris, Bar No. 1543
Ryan M. Lower, Bar No. 9108
900 Bank of America Plaza
300 South Fourth Street
Las Vegas, Nevada 89101

Attorneys for Defendant
Sheldon G. Adelson

Approved as to form:

CAMPBELL & WILLIAMS

By:  #9655 for

Donald J. Campbell
J. Colby Williams
700 South Seventh Street
Las Vegas, Nevada 89101

Attorneys for Plaintiff
Steven C. Jacobs

EXHIBIT 3

[Attachments Required By Question No. 23]

EXHIBIT 3

CLERK OF THE COURT

Attorneys for Plaintiff
Steven C. Jacobs

**Exempt from Arbitration
Amount in Excess of \$50,000**

2. Defendant Las Vegas Sands Corp. ("LVSC") is a corporation organized and existing under the laws of the State of Nevada with its principal place of business in Clark County, Nevada.

1 3. Defendant Sands China Ltd. ("Sands China") is a Cayman Islands corporation and
2 a majority-owned subsidiary of LVSC through which the latter engaged in certain of the acts and
3 omissions alleged below. LVSC is the controlling shareholder of Sands China and, thus, has the
4 ability to exercise control over Sands China's business policies and affairs. Sands China, through
5 its subsidiary Venetian Macau, S.A. (also known as Venetian Macau Limited ("VML")), is the
6 holder of a subconcession granted by the Macau government that allows Defendants to conduct
7 gaming operations in Macau.
8

9 4. Defendant Sheldon G. Adelson ("Adelson") is a citizen of Nevada. Adelson is the
10 Chairman of the Board and Chief Executive Officer of LVSC and also acts as the Chairman of the
11 Board of Sands China.
12

13 5. The true names and capacities, whether individual, corporate, partnership,
14 associate or otherwise of Defendants named herein as DOES I through X, inclusive, and ROE
15 CORPORATIONS I through X, inclusive, and each of them are unknown to Plaintiff at this time,
16 and he therefore sues said Defendants and each of them by such fictitious names. Plaintiff will
17 advise this Court and seek leave to amend this Complaint when the names and capacities of each
18 such Defendants have been ascertained. Plaintiff alleges that each said Defendant herein
19 designated as a DOE or ROE is responsible in some manner for the events and happenings herein
20 referred to as hereinafter alleged.
21

22 6. Each Defendant is the agent of the other Defendants such that each Defendant is
23 fully liable and responsible for all the acts and omissions of all of the other Defendants as set
24 forth herein.
25

26

27

28



JURISDICTION AND VENUE

7. The Court has personal jurisdiction over the Defendants and the claims set forth herein pursuant to NRS 14.065 on grounds that such jurisdiction is not inconsistent with the Nevada Constitution or United States Constitution.

8. Venue is proper in this Court pursuant to NRS 13.010 *et seq.* because, among other reasons, LVSC operates its principal place of business in Clark County, Nevada, Sands China engages in a number of systematic and ongoing transactions with LVSC in Nevada, and this action arises out of agreements originating in Clark County, Nevada.

ALLEGATIONS COMMON TO ALL CLAIMS

Background

9. LVSC and its subsidiaries develop and operate large integrated resorts worldwide. The company owns properties in Las Vegas, Nevada, Macau (a Special Administrative Region of China), Singapore, and Bethlehem, Pennsylvania.

10. The company's Las Vegas properties consist of The Palazzo Resort Hotel Casino, The Venetian Resort Hotel Casino, and the Sands Expo and Convention Center.

11. Macau, which is located on the South China Sea approximately 37 miles southwest of Hong Kong and was a Portuguese colony for over 400 years, is the largest and fastest growing gaming market in the world. It is the only market in China to offer legalized gaming. In 2004, LVSC opened the Sands Macau, the first Las Vegas-style casino in Macau. Thereafter, LVSC opened the Venetian Macau and the Four Seasons Macau on the Cotai Strip section of Macau where the company has resumed development of additional casino-resort properties.

12. Beginning in or about 2008, LVSC's business (as well as that of its competitors in the gaming industry) was severely and adversely impacted by the global economic downturn. LVSC's problems due to the economy in general were exacerbated when the Chinese government



1 imposed visa restrictions limiting the number of permitted visits by Chinese nationals to Macau.
2 Because Chinese nationals make up more than half the patrons of Macau casinos, China's policy
3 significantly reduced the number of visitors to Macau from mainland China, which adversely
4 impacted tourism and the gaming industry in Macau.

5
6 13. As a result of the deteriorating economy, adverse visa developments in Macau,
7 and related issues, LVSC faced increased cash flow needs which, in turn, threatened to trigger a
8 breach of the company's maximum leverage ratio covenant in its U.S. credit facilities. The
9 management of LVSC (which was led at the time by the company's longtime and well-respected
10 President and Chief Operating Officer ("COO"), William Weidner) and the company's Board of
11 Directors (which is led by the company's notoriously bellicose Chief Executive Officer and
12 majority shareholder, Sheldon G. Adelson) engaged in serious disagreements regarding how and
13 when to obtain liquidity in order to avoid a covenant breach. The disagreements were significant
14 enough to force the company to form a special committee to address the serious conflicts between
15 management and Adelson.
16

17 14. Because Adelson delayed accessing the capital markets, against Weidner's
18 repeated advice and the advice of LVSC's investment bank, the company was forced to engage in
19 a number of emergency transactions to raise funds in late 2008 and early 2009. These
20 transactions included large investments in the company by Adelson through the purchase of
21 convertible senior notes, preferred shares, and warrants. Additionally, LVSC, which was already
22 publicly traded on the New York Stock Exchange, conducted a further public offering of the
23 company's common stock. Finally, LVSC also took measures to preserve company funds, which
24 included the shelving of various development projects in Las Vegas, Macau, and Pennsylvania.
25

26 15. Despite the efforts of LVSC to stop its financial hemorrhaging, the company's
27 stock plummeted to an all-time low closing price of \$1.41 per share on March 9, 2009. Less than
28



1 one year earlier, in April 2008, the stock had traded at more than \$80 per share. The all-time low
2 share price coincided with LVSC's public announcement that William Weidner had left the
3 company due to his ongoing disagreements with the mercurial Adelson about the management of
4 the company. Weidner was replaced as President and COO by Michael Leven, a member of
5 LVSC's Board of Directors.
6

7 **LVSC Hires Steven Jacobs To Run Its Macau Operations**

8 16. Prior to his elevation to the post of LVSC's President and COO, Mr. Leven had
9 reached out to Plaintiff Steven Jacobs to discuss with him the identification and evaluation of
10 various candidates then being considered for the position by LVSC's Board of Directors. Messrs.
11 Leven and Jacobs had known each other for many years having worked together as executives at
12 U.S. Franchise Systems in the 1990's and in subsequent business ventures thereafter. After
13 several outside candidates were interviewed without reaching an agreement, Leven received an
14 offer from LVSC's board to become the company's President and COO. Leven again reached out
15 to Jacobs to discuss the opportunity and the conditions under which he should accept the position.
16 The conditions included but were not limited to Leven's compensation package and a
17 commitment from Jacobs to join Leven for a period of 90-120 days to "ensure my [Leven's]
18 success."
19

20
21 17. Jacobs travelled to Las Vegas in March 2009 where he met with Leven and
22 Adelson for several days to review the company's Nevada operations. While in Las Vegas, the
23 parties agreed to consulting contract between LVSC and Jacobs' company, Vagus Group, Inc.
24 Jacobs then began working for LVSC restructuring its Las Vegas operations.
25

26 18. Jacobs, Leven, and Adelson subsequently travelled to Macau to conduct a review
27 of LVSC's operations in that location. While in Macau, Leven told Jacobs that he wanted to hire
28 him to run LVSC's Macau operations. Jacobs and Leven returned to Las Vegas after spending



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1 approximately a week in Macau. Jacobs then spent the bulk of the next 2-3 weeks working on the
2 Las Vegas restructuring program and also negotiating with Leven regarding the latter's desire to
3 hire him as a full-time executive with the company and the terms upon which Jacobs would agree
4 to do so.

5
6 19. On May 6, 2009, LVSC, through Leven, announced that Jacobs would become the
7 interim President of Macau Operations. Jacobs was charged with restructuring the financial and
8 operational aspects of the Macau assets. This included, among other things, lowering operating
9 costs, developing and implementing new strategies, building new ties with local and national
10 government officials, and eventually spinning off the Macau assets into a new company to be
11 taken public on the Hong Kong Stock Exchange.

12
13 20. Notwithstanding that Jacobs would be spending the majority of his time in Macau
14 focusing on LVSC's operations in that location, he was also required to perform duties in Las
15 Vegas including, but not limited to, working with LVSC's Las Vegas staff on reducing costs
16 within the company's Las Vegas operations, consulting on staffing and delayed opening issues
17 related to the company's Marina Bay Sands project in Singapore, and participating in meetings of
18 LVSC's Board of Directors.

19
20 21. On June 24, 2009, LVSC awarded Jacobs 75,000 stock options in the company to
21 reward him for his past performance as a LVSC team member and to incentivize him to improve
22 his future performance as well as that of the company. LVSC and Jacobs executed a written
23 Nonqualified Stock Option Agreement memorializing the award, which is governed by Nevada
24 law.

25
26 22. On or about August 4, 2009, Jacobs received a document from LVSC styled
27 "Offer Terms and Conditions" (the "Term Sheet") for the position of "President and CEO
28 Macau[.]" The Term Sheet reflected the terms and conditions of employment that had been



1 negotiated by Leven and Jacobs while Jacobs was in Las Vegas working under the original
2 consulting agreement with LVSC and during his subsequent trips back to Las Vegas. The Term
3 Sheet was signed by Leven on behalf of LVSC on or about August 3, 2009 and faxed to Jacobs in
4 Macau by Pattie Murray, an LVSC executive assistant located in the company's Las Vegas
5 offices. Jacobs signed the Term Sheet accepting the offer contained therein and returned a copy
6 to LVSC. LVSC's Compensation Committee approved Jacobs' contract on or about August 6,
7 2009.
8

9 **Jacobs Saves the Titanic**

10 23. The accomplishments for the four quarters over which Jacobs presided created
11 significant value to the shareholders of LVSC. From an operational perspective, Jacobs and his
12 team removed over \$365 million of costs from LVSC's Macau operations, repaired strained
13 relationships with local and national government officials in Macau who would no longer meet
14 with Adelson due to his rude and obstreperous behavior, and refocused operations on core
15 businesses to drive operating margins and profits, thereby achieving the highest EBITDA figures
16 in the history of the company's Macau operations.
17

18 24. During Jacobs' tenure, LVSC launched major new initiatives to expand its reach
19 into the mainland frequent and independent traveler marketplace and became the Macau market
20 share leader in mass and direct VIP table game play. Due in large part to the success of its Macau
21 operations under Jacobs' direction, LVSC was able to raise over \$4 billion dollars from the
22 capital markets, spin off its Macau operations into a new company—Sands China—which
23 became publicly traded on the Hong Kong Stock Exchange in late November 2009, and restart
24 construction on a previously stalled expansion project on the Cotai Strip known as "Parcels 5 and
25 6." Indeed, for the second quarter ending June 2010, net revenue from Macau operations
26
27
28



1 accounted for approximately 65% of LVSC's total net revenue (i.e., \$1.04 billion USD of a total
2 \$1.59 billion USD).

3 25. To put matters in perspective, when Jacobs began performing work for the
4 company in March 2009, LVSC shares were trading at just over \$1.70 per share and its market
5 cap was approximately \$1.1 billion USD. At the time Jacobs left the company in July 2010,
6 LVSC shares were over \$28 per share and the market cap was in excess of \$19 billion USD.

7 26. Simply put, Jacobs' performance as the President and Chief Executive Officer of
8 LVSC's Macau operations was nothing short of remarkable. When members of the company's
9 Board of Directors asked Leven in February 2010 to assess Jacobs' 2009 job performance, Leven
10 advised as follows: *"there is no question as to Steve's performance[.] the Titanic hit the*
11 *iceberg[.] he arrived and not only saved the passengers[.] he saved the ship."* The board
12 awarded Jacobs his full bonus for 2009. Not more than three months later, in May 2010, in
13 recognition of his ongoing contributions and outstanding performance, the board awarded Jacobs
14 an additional 2.5 million stock options in Sands China. The options had an accelerated vesting
15 period of less than two years. Jacobs, however, would be wrongfully terminated in just two
16 months.
17

18 **Jacobs' Conflicts with Adelson**

19 27. Jacobs' performance was all the more remarkable given the repeated and
20 outrageous demands made upon him by Adelson which included, but were not limited to, the
21 following:
22

- 23 a. demands that Jacobs use improper "leverage" against senior
24 government officials of Macau in order to obtain Strata-Title for
25 the Four Seasons Apartments in Macau;
- 26 b. demands that Jacobs threaten to withhold Sands China business
27 from prominent Chinese banks unless they agreed to use influence
28 with newly-elected senior government officials of Macau in order



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1 to obtain Strata-Title for the Four Seasons Apartments and
2 favorable treatment with regards to labor quotas and table limits;

3 c. demands that secret investigations be performed regarding the
4 business and financial affairs of various high-ranking members of
5 the Macau government so that any negative information obtained
6 could be used to exert "leverage" in order to thwart government
7 regulations/initiatives viewed as adverse to LVSC's interests;

8 d. demands that Sands China continue to use the legal services of
9 Macau attorney Leonel Alves despite concerns that Mr. Alves'
10 retention posed serious risks under the criminal provisions of the
11 United States code commonly known as the Foreign Corrupt
12 Practices Act ("FCPA"); and

13 e. demands that Jacobs refrain from disclosing truthful and material
14 information to the Board of Directors of Sands China so that it
15 could decide if such information relating to material financial
16 events, corporate governance, and corporate independence should
17 be disclosed pursuant to regulations of the Hong Kong Stock
18 Exchange. These issues included, but were not limited to, junkets
19 and triads, government investigations, Leonel Alves and FCPA
20 concerns, development issues concerning Parcels 3, 7 and 8, and
21 the design, delays and cost overruns associated with the
22 development of Parcels 5 and 6.

23 28. When Jacobs objected to and/or refused to carry out Adelson's illegal demands,
24 Adelson repeatedly threatened to terminate Jacobs' employment. This is particularly true in
25 reference to: (i) Jacobs' refusal to comply with Adelson's edict to terminate Sands China's
26 General Counsel, Luis Melo, and his entire legal department and replace him/it with Leonel Alves
27 and his team; and (ii) Adelson's refusal to allow Jacobs to present to the Sands China board
28 information that the company's development of Parcels 5 and 6 was at least 6 months delayed and
more than \$300 million USD over-budget due to Adelson-mandated designs and accoutrements
the Sands China management team did not believe would be successful in the local marketplace.

29 29. Jacobs' ongoing disagreements with Adelson came to a head when they were in
Singapore to attend the grand opening of LVSC's Marina Bay Sands in late June 2010. While in
Singapore, Jacobs attended several meetings of LVSC executives including Adelson, Leven, Ken



1 Kay (LVSC's Chief Financial Officer), and others. During these meetings, Jacobs disagreed with
2 Adelson's and Leven's desire to expand the ballrooms at Parcels 5 and 6, which would add an
3 incremental cost of approximately \$30 million to a project already significantly over budget when
4 Sands China's existing facilities were already underutilized. In a separate meeting, Jacobs
5 disagreed with Adelson's desire to aggressively grow the junket business within Macau as the
6 margins were low, the decision carried credit risks, and Jacobs was concerned given recent
7 investigations by Reuters and others alleging LVSC involvement with Chinese organized crime
8 groups, known as Triads, connected to the junket business. Following these meetings, Jacobs re-
9 raised the issue about the need to advise the Sands China board of the delays and cost overruns
10 associated with the development of Parcels 5 and 6 in Macau so that a determination could be
11 made of whether the information must be disclosed in compliance with Hong Kong Stock
12 Exchange regulations. Adelson informed Jacobs that he was Chairman of the Board and the
13 controlling shareholder of Sands China and would "do as I please."

16 30. Recognizing that he owed a fiduciary duty to all of the company's shareholders,
17 not just Adelson, Jacobs placed the matter relating to the delays and cost overruns associated with
18 Parcels 5 and 6 on the agenda for the upcoming meeting of the Sands China board. Jacobs
19 exchanged multiple e-mails with Adelson's longtime personal assistant, Betty Yurcich, in
20 attempts to obtain Adelson's concurrence with the agenda. Adelson finally relented and allowed
21 the matter to remain on the agenda, but it would come at a price for Jacobs.

23 31. On July 23, 2010, Jacobs attended a meeting with Leven and LVSC/Sands China
24 board member, Irwin Siegel, for the ostensible purpose of discussing the upcoming Sands China
25 board meeting. During the meeting, Leven unceremoniously advised Jacobs that he was being
26 terminated effective immediately. When Jacobs asked whether the termination was purportedly
27 "for cause" or not, Leven responded that he was "not sure" but that the severance provisions of
28



1 the Term Sheet would not be honored. Leven then handed Jacobs a terse letter from Adelson
2 advising him of the termination. The letter was silent on the issue of "cause."

3 32. After the meeting with Leven and Siegel, Jacobs was escorted off the property by
4 two members of security in public view of many company employees, resort guests, and casino
5 patrons. Jacobs was not permitted to return to his office to collect his belongings, but was instead
6 escorted to the border to leave Macau.

7 33. Nearly two weeks later and after an unsuccessful effort to dig up any real "dirt" on
8 Jacobs, LVSC sent a second letter to Jacobs on VML letterhead which identified 12 pretextual
9 items that allegedly support a "for cause" termination of his employment. In short, the letter
10 contends that Jacobs exceeded his authority and—in the height of hypocrisy—failed to keep the
11 companies' Boards of Directors informed of important business decisions. The reality is that
12 none of the 12 items, even assuming *arguendo* that some of them are accurate, constitute "cause"
13 as they simply reflect routine and appropriate actions of a senior executive functioning in the
14 president and chief executive role of a publicly traded company.

15 34. Within approximately four weeks of Jacobs' termination, Sands China went
16 forward with Adelson's desire to terminate its General Counsel, Luis Melo, and replace him with
17 Leonel Alves despite acknowledged disputes within Sands China regarding Alves' employment
18 with the company. In or about the same time frame, Sands China publicly announced a material
19 delay in the construction of Parcels 5 and 6 and a cost increase of \$100 million to the project,
20 thereby acknowledging the correctness of Jacobs' position that such matters must be disclosed.

21 FIRST CAUSE OF ACTION

22 (Breach of Contract - LVSC)

23 35. Plaintiff restates all preceding and subsequent allegations as though fully set forth
24 herein.
25



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1 36. Jacobs and LVSC are parties to various contracts, including the Term Sheet and
2 Nonqualified Stock Option Agreement identified herein.

3 37. The Term Sheet provides, in part, that Jacobs would have a 3-year employment
4 term, that he would earn an annual salary of \$1.3 million plus a 50% bonus upon attainment of
5 certain goals, and that he would receive 500,000 LVSC stock options (in addition to the
6 previously awarded 75,000 LVSC options) to vest in stages over three years.

7 38. The Term Sheet further provides that in the event Jacobs was terminated "Not For
8 Cause," he would be entitled to one year of severance plus accelerated vesting of all his stock
9 options with a one-year right to exercise the options post-termination.

10 39. Jacobs has performed all of his obligations under the contracts except where
11 excused.

12 40. LVSC has breached the Term Sheet agreement by purportedly terminating Jacobs
13 for "cause" when, in reality, the purported bases for Jacobs' termination, as identified in the
14 belatedly-manufactured August 5, 2010 letter, are pretextual and in no way constitute "cause."

15 41. On September 24, 2010, Jacobs made proper demand upon LVSC to honor his
16 right to exercise the remaining stock options he had been awarded in the company. The closing
17 price of LVSC's stock on September 24, 2010 was \$33.63 per share. At the time of filing the
18 instant action, LVSC's stock was trading at approximately \$38.50 per share. LVSC rejected
19 Jacobs' demand and, thus, further breached the Term Sheet and the stock option agreement by
20 failing to honor the vesting and related provisions contained therein based on the pretext that
21 Jacobs was terminated for "cause."

22 42. LVSC has wrongfully characterized Jacobs' termination as one for "cause" in an
23 effort to deprive him of contractual benefits to which he is otherwise entitled. As a direct and
24 proximate result of LVSC's wrongful termination of Jacobs' employment and failure to honor the
25



1 "Not For Cause" severance provisions contained in the Term Sheet, Jacobs has suffered damages
2 in an amount to be proven at trial but in excess of \$10,000.

3 SECOND CAUSE OF ACTION

4 (Breach of Contract – LVSC and Sands China Ltd.)

5
6 43. Plaintiff incorporates all preceding and subsequent allegations as though fully set
7 forth herein.

8 44. On or about May 11, 2010, LVSC caused Sands China to grant 2.5 million Sands
9 China share options to Jacobs. Fifty percent of the options were to vest on January 1, 2011, and
10 the other fifty percent was to vest on January 1, 2012. The grant is memorialized by a written
11 agreement between Jacobs and Sands China.
12

13 45. Pursuant to the Term Sheet agreement between Jacobs and LVSC, Jacobs' stock
14 options are subject to an accelerated vest in the event he is terminated "Not for Cause." The Term
15 Sheet further provides Jacobs with a one-year right to exercise the options post-termination.

16 46. Jacobs has performed all his obligations under the contracts except where excused.

17 47. On September 24, 2010, Jacobs made proper demand upon LVSC and Sands
18 China to honor his right to exercise the remaining 2.5 million stock options he had been awarded
19 in Sands China. The closing price of Sands China's stock on September 24, 2010 was \$12.86
20 HKD per share. At the time of filing the instant action, Sands China's stock was trading at
21 approximately \$15.00 per share. LVSC and Sands China rejected Jacobs' demand and, thus,
22 further breached the Term Sheet and the Sands China share grant agreement by characterizing
23 Jacobs' termination as being for "cause" when, in reality, the purported bases for Jacobs'
24 termination, as identified in the belatedly-manufactured August 5, 2010 letter, are pretextual and
25 in no way constitute "cause."
26
27
28



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1 55. Certain of the improper and illegal demands made upon Jacobs by Adelson as set
2 forth above would have required Jacobs to engage in conduct that he, in good faith, believed was
3 illegal. In other instances, the improper and illegal demands would have required Jacobs to
4 refrain from engaging in conduct required by applicable law. Both forms of demands would have
5 required Jacobs to violate his fiduciary duties to the shareholders of LVSC and Sands China.

7 56. LVSC retaliated against Jacobs' by terminating his employment because he (i)
8 objected to and refused to participate in the illegal conduct requested by Adelson, and (ii)
9 attempted to engage in conduct that was required by law and favored by public policy. In so
10 doing, LVSC tortiously discharged Jacobs in violation of public policy.

12 57. As a direct and proximate result of LVSC's tortious discharge, Jacobs has suffered
13 damages in an amount to be proven at trial but in excess of \$10,000.

14 58. LVSC's conduct, which was carried out and/or ratified by managerial level agents
15 and employees, was done with malice, fraud and oppression, thereby entitling Jacobs to an award
16 of punitive damages.

17 FIFTH CAUSE OF ACTION

18 (Defamation Per Se - Adelson, LVSC, Sands China)

19 59. Plaintiff incorporates all preceding and subsequent allegations as though fully set
20 forth herein.

22 60. On Tuesday March 15, 2011, oral arguments by the respective counsel of Jacobs,
23 LVSC, and Sands China were presented to the Honorable Elizabeth Gonzalez, Eighth Judicial
24 District Court Judge. These arguments centered upon the motions of LVSC and Sands China to
25 have all of the foregoing causes of action, detailed in this complaint, dismissed as to each of them
26 on the grounds that 1) a necessary and indispensable party had not been named and 2) the Court
27 lacked jurisdiction over Sands China.
28



1 61. Following the 90-minute hearing, the Court denied each of the Defendants'
2 motions to dismiss the action. The hearing received widespread attention by members of the
3 media, and particularly by journalists who report on affairs in the business community. Included
4 among those reporters was Ms. Alexandra Berzon, a Pulitzer Prize winning journalist who
5 attended the hearing on behalf of her employer, the Wall Street Journal®. The Wall Street
6 Journal® is generally recognized as one of the most respected and widely read publications in the
7 world, particularly as to matters pertaining to the economy and associated commercial activities
8 and endeavors.

10 62. Following the hearing, the Wall Street Journal® published an article in its online
11 edition styled "Setback for Sands in Macau Suit." That article, which was authored by Ms.
12 Berzon, reported that Adelson had, via e-mail, made the following statements:

14 *"While I have largely stayed silent on the matter to this point, the recycling of his*
15 *allegations must be addressed," he said. "We have a substantial list of reasons*
16 *why Steve Jacobs was fired for cause and interestingly he has not refuted a single*
17 *one of them. Instead, he has attempted to explain his termination by using outright*
18 *lies and fabrications which seem to have their origins in delusion."*

19 Adelson's comments to the effect that 1) Jacobs was justifiably fired for "for cause" and
20 2) Jacobs had resorted to "outright lies and fabrications" in seeking legal redress constituted
21 defamation per se.

22 63. All of the offending statements made by Adelson concerning Jacobs and identified
23 in Paragraph 62, *supra*, were 1) false and defamatory; 2) published to a third person or party for
24 the express intent of republication to a worldwide audience; 3) maliciously published by Adelson
25 knowing their falsity and/or in reckless disregard of the truth thereof; 4) intended to and did in
26 fact harm Jacobs' reputation and good name in his trade, business, profession, and customary
27 corporate office; and 5) were of such a nature that significant economic damages must be
28 presumed.



• • • •

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

2 DATED this 16th day of March, 2011.

3 CAMPBELL & WILLIAMS

4
5 By /s/ Donald J. Campbell
6 DONALD J. CAMPBELL, ESQ. (1216)
7 J. COLBY WILLIAMS, ESQ. (5549)
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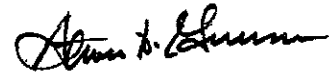
10 Attorneys for Plaintiff
11 Steven C. Jacobs
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14 **DISTRICT COURT**
15 **CLARK COUNTY, NEVADA**

16 STEVEN C. JACOBS,

17 Plaintiff,

18 v.

CASE NO.: A627691-B
DEPT NO.: XI

Date: n/a
Time: n/a

19 LAS VEGAS SANDS CORP., a Nevada
20 corporation; SANDS CHINA LTD., a Cayman
21 Islands corporation; SHELDON G. ADELSON,
22 in his individual and representative capacity;
23 DOES I-X; and ROE CORPORATIONS I-X,

24 Defendants.

**LAS VEGAS SANDS CORP.'S ANSWER
TO FIRST AMENDED COMPLAINT
AND COUNTERCLAIM**

25 Las Vegas Sands Corp. ("LVSC"), by and through its undersigned counsel, the law firm
26 of Holland & Hart LLP, hereby answers the First Amended Complaint of Plaintiff Steven C.
27 Jacobs:

28 **PARTIES**

1. LVSC is without sufficient knowledge or information to form a belief as to the
truth of the allegations contained in Paragraph 1 of the First Amended Complaint, and on that
basis denies each and every allegation contained therein.

2. LVSC admits the allegations contained in Paragraph 2 of the First Amended
Complaint.

3. LVSC admits that Sands China Ltd. ("Sands China") is a Cayman Islands
corporation and that Venetian Macau Limited is the holder of a subconcession granted by the

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1 Macau government. LVSC denies the remaining allegations contained in Paragraph 3 of the
2 First Amended Complaint.

3 4. LVSC admits that Sheldon G. Adelson ("Adelson") is a citizen of Nevada, that
4 Adelson is the Chairman of the Board and Chief Executive Officer of LVSC, and that Adelson is
5 the Chairman of the Board of Sands China.

6 5. LVSC is without sufficient knowledge or information to form a belief as to the
7 truth of the allegations contained in Paragraph 5 of the First Amended Complaint, and on that
8 basis denies each and every allegation contained therein.

9 6. LVSC denies the allegations contained in Paragraph 6 of the First Amended
10 Complaint.

11 JURISDICTION AND VENUE

12 7. Concerning Paragraph 7 of the First Amended Complaint, LVSC admits that the
13 Court has personal jurisdiction over LVSC and Adelson. LVSC denies that the Court has
14 jurisdiction over Sands China Ltd.

15 8. Concerning Paragraph 8 of the First Amended Complaint, LVSC admits that
16 venue is proper in this Court with regards to LVSC and Adelson. LVSC denies that venue is
17 proper as to Sands China Ltd.

18 ALLEGATIONS COMMON TO ALL CLAIMS

19 9. LVSC admits that through its subsidiaries, it indirectly owns properties in Las
20 Vegas, Nevada, and Singapore and has an indirect majority ownership interest through its
21 subsidiaries in properties in Macau and Bethlehem, Pennsylvania. LVSC denies all remaining
22 allegations in Paragraph 9 of the First Amended Complaint.

23 10. LVSC admits that through its subsidiaries, its indirect ownership of properties in
24 Las Vegas includes The Palazzo Resort Hotel Casino, The Venetian Resort Hotel Casino, and the
25 Sands Expo and Convention Center. LVSC denies all remaining allegations contained in
26 Paragraph 10 of the First Amended Complaint.

27 11. LVSC admits the allegations contained in Paragraph 11 of the First Amended
28 Complaint.

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- 1 12. LVSC denies the allegations contained in Paragraph 12 of the First Amended
- 2 Complaint.
- 3 13. LVSC denies the allegations contained in Paragraph 13 of the First Amended
- 4 Complaint.
- 5 14. LVSC denies the allegations contained in Paragraph 14 of the First Amended
- 6 Complaint.
- 7 15. LVSC denies the allegations contained in Paragraph 15 of the First Amended
- 8 Complaint.
- 9 16. LVSC denies the allegations contained in Paragraph 16 of the First Amended
- 10 Complaint.
- 11 17. LVSC denies the allegations contained in Paragraph 17 of the First Amended
- 12 Complaint.
- 13 18. LVSC denies the allegations contained in Paragraph 18 of the First Amended
- 14 Complaint.
- 15 19. LVSC denies the allegations contained in Paragraph 19 of the First Amended
- 16 Complaint.
- 17 20. LVSC denies the allegations contained in Paragraph 20 of the First Amended
- 18 Complaint.
- 19 21. LVSC denies the allegations contained in Paragraph 21 of the First Amended
- 20 Complaint.
- 21 22. LVSC denies the allegations contained in Paragraph 22 of the First Amended
- 22 Complaint.
- 23 23. LVSC denies the allegations contained in Paragraph 23 of the First Amended
- 24 Complaint.
- 25 24. LVSC denies the allegations contained in Paragraph 24 of the First Amended
- 26 Complaint.
- 27 25. LVSC denies the allegations contained in Paragraph 25 of the First Amended
- 28 Complaint.

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1 26. LVSC denies the allegations contained in Paragraph 26 of the First Amended
2 Complaint.

3 27. LVSC denies the allegations contained in Paragraph 27 of the First Amended
4 Complaint.

5 28. LVSC denies the allegations contained in Paragraph 28 of the First Amended
6 Complaint.

7 29. LVSC denies the allegations contained in Paragraph 29 of the First Amended
8 Complaint.

9 30. LVSC denies the allegations contained in Paragraph 30 of the First Amended
10 Complaint.

11 31. LVSC denies the allegations contained in Paragraph 31 of the First Amended
12 Complaint.

13 32. LVSC denies the allegations contained in Paragraph 32 of the First Amended
14 Complaint.

15 33. LVSC denies the allegations contained in Paragraph 33 of the First Amended
16 Complaint.

17 34. LVSC denies the allegations contained in Paragraph 34 of the First Amended
18 Complaint.

19 **FIRST CAUSE OF ACTION**

20 **(Breach of Contract – LVSC)**

21 35. Concerning Paragraph 35 of the First Amended Complaint, LVSC repeats and re-
22 alleges its responses to the preceding paragraphs as if set forth fully herein.

23 36. LVSC denies the allegations contained in Paragraph 36 of the First Amended
24 Complaint.

25 37. LVSC denies the allegations contained in Paragraph 37 of the First Amended
26 Complaint.

27 38. LVSC denies the allegations contained in Paragraph 38 of the First Amended
28 Complaint.

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1 39. LVSC denies the allegations contained in Paragraph 39 of the First Amended
2 Complaint.

3 40. LVSC denies the allegations contained in Paragraph 40 of the First Amended
4 Complaint.

5 41. LVSC denies the allegations contained in Paragraph 41 of the First Amended
6 Complaint.

7 42. LVSC denies the allegations contained in Paragraph 42 of the First Amended
8 Complaint.

9 SECOND CAUSE OF ACTION

10 (Breach of Contract – LVSC and Sands China Ltd.)

11 43. Concerning Paragraph 43 of the First Amended Complaint, LVSC repeats and re-
12 alleges its responses to the preceding paragraphs as if set forth fully herein.

13 44. LVSC denies the allegations contained in Paragraph 44 of the First Amended
14 Complaint.

15 45. LVSC denies the allegations contained in Paragraph 45 of the First Amended
16 Complaint.

17 46. LVSC denies the allegations contained in Paragraph 46 of the First Amended
18 Complaint.

19 47. LVSC denies the allegations contained in Paragraph 47 of the First Amended
20 Complaint.

21 48. LVSC denies the allegations contained in Paragraph 48 of the First Amended
22 Complaint.

23 THIRD CAUSE OF ACTION

24 (Breach of the Implied Covenant of Good Faith and Fair Dealing – LVSC)

25 49. Concerning Paragraph 49 of the First Amended Complaint, LVSC repeats and re-
26 alleges its responses to the preceding paragraphs as if set forth fully herein.

27 50. LVSC denies the allegations contained in Paragraph 50 of the First Amended
28 Complaint.

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1 51. LVSC denies the allegations contained in Paragraph 51 of the First Amended
2 Complaint.

3 52. LVSC denies the allegations contained in Paragraph 52 of the First Amended
4 Complaint.

5 **FOURTH CAUSE OF ACTION**

6 **(Tortious Discharge in Violation of Public Policy – LVSC)**

7 53. Concerning Paragraph 53 of the First Amended Complaint, LVSC repeats and re-
8 alleges its responses to the preceding paragraphs as if set forth fully herein.

9 54. LVSC denies the allegations contained in Paragraph 54 of the First Amended
10 Complaint.

11 55. LVSC denies the allegations contained in Paragraph 55 of the First Amended
12 Complaint.

13 56. LVSC denies the allegations contained in Paragraph 56 of the First Amended
14 Complaint.

15 57. LVSC denies the allegations contained in Paragraph 57 of the First Amended
16 Complaint.

17 58. LVSC denies the allegations contained in Paragraph 58 of the First Amended
18 Complaint.

19 **FIFTH CAUSE OF ACTION**

20 **(Defamation Per Se – Adelson, LVSC, Sands China)**

21 Plaintiff's Fifth Cause of Action is the subject of a pending Motion to Dismiss.
22 Accordingly, LVSC does not answer the allegations in paragraphs 59 through 66 at this time.

23 **AFFIRMATIVE DEFENSES**

24 As a further and separate answer to Plaintiff's Complaint, and by way of affirmative
25 defenses, LVSC hereby alleges as follows:

26 **FIRST AFFIRMATIVE DEFENSE**

27 Plaintiff has failed to state a claim upon which relief may be granted.

28 ///

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SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of laches.

THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of unclean hands.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of estoppel.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of waiver.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of election of remedies.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of accord and satisfaction.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's damages, if any, were caused by his own actions and not that of LVSC.

NINTH AFFIRMATIVE DEFENSE

At all times, LVSC acted in accordance with reasonable commercial standards, in good faith, and with ordinary care, and LVSC's actions did not contribute to the alleged damages.

TENTH AFFIRMATIVE DEFENSE

Plaintiff has failed to do equity toward LVSC and, therefore, Plaintiff is not entitled to any relief from Defendant LVSC.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiff failed to join an indispensable party to this matter.

TWELFTH AFFIRMATIVE DEFENSE

LVSC is not a party to the Term Sheet and, therefore, is not a proper party to Plaintiff's breach of contract claim.

THIRTEENTH AFFIRMATIVE DEFENSE

LVSC was not Plaintiff's employer and therefore is not a proper party to Plaintiff's tortious discharge claim.

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FOURTEENTH AFFIRMATIVE DEFENSE

To the extent that Plaintiff was employed by LVSC, which LVSC denies, Plaintiff breached his contractual and fiduciary obligations and thereby relieved LVSC of any further obligations to Plaintiff.

FIFTEENTH AFFIRMATIVE DEFENSE

To the extent that Plaintiff was employed by LVSC, which LVSC denies, Plaintiff failed to allege a sufficiently important Nevada public policy to support a claim for tortious discharge.

SIXTEENTH AFFIRMATIVE DEFENSE

To the extent that Plaintiff was employed by LVSC, which LVSC denies, LVSC alleges that any actions taken concerning Plaintiff were done for legitimate, non-discriminatory and non-retaliatory business reasons.

SEVENTEENTH AFFIRMATIVE DEFENSE

Any recovery by Plaintiff must be set off or reduced, abated, or apportioned to the extent that any other party's actions caused or contributed to damages awarded to Plaintiff.

EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiff has suffered no damages.

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiff has failed to mitigate his damages, if any, thereby reducing their recovery to reflect the amount by which their alleged damages could have been mitigated by the exercise of reasonable diligence.

TWENTILETH AFFIRMATIVE DEFENSE

The damages, if any, alleged to have been suffered by Plaintiff are subject to setoff.

TWENTY-FIRST AFFIRMATIVE DEFENSE

There is no basis for recovery of costs or attorney's fees by Plaintiff from LVSC.

Some of the foregoing affirmative defenses are pleaded for purposes of non-waiver under NRCP 8. Defendant reserves the right to add additional affirmative defenses as the bases for the same are revealed during discovery.

///

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COUNTERCLAIM

Las Vegas Sands Corp. ("LVSC"), by and through its undersigned counsel, the law firm of Holland & Hart LLP, as and for its Counterclaim, hereby complains, alleges and states as follows:

PARTIES

1. Counterclaimant LVSC is a Nevada corporation.
2. Counterdefendant Steven C. Jacobs ("Jacobs") is an individual who, upon information and belief, resides in the State of Georgia and/or Florida. Jacobs maintained a hotel room at the Venetian Macau Resort Hotel and worked in the Macau Special Administrative Region ("Macau") of the People's Republic of China ("China") and maintained a residence for himself and his family in the Hong Kong Special Administrative Region ("Hong Kong").

GENERAL ALLEGATIONS

3. LVSC's direct or indirect subsidiaries own and operate The Venetian Resort Hotel Casino, The Palazzo Resort Hotel Casino and The Sands Expo and Convention Center in Las Vegas, Nevada and the Marina Bay Sands in Singapore. LVSC has an indirect majority ownership interest through its subsidiaries in the Sands Macao, The Venetian Macao Resort Hotel ("The Venetian Macao"), the Four Seasons Hotel Macao, Cotai Strip™ ("Four Seasons Hotel Macao," which is managed by Four Seasons Hotels Inc.), and the Plaza Casino (together with the Four Seasons Hotel Macao, the "Four Seasons Macao") in Macau and the Sands Casino Resort Bethlehem in Bethlehem, Pennsylvania. LVSC's indirect majority-owned subsidiaries are also creating a master-planned development of integrated resort properties, anchored by The Venetian Macao, which LVSC refers to as the Cotai Strip™ in Macau.

Jacobs Is Hired to Perform Work for VML.

4. In or about May 2009, Jacobs was asked to perform consulting work for Venetian Macau Limited ("VML"), an indirect subsidiary of LVSC which is now a subsidiary of Sands China Ltd. ("Sands China").

5. In connection with this work, Jacobs executed an Agreement for Services with VML whereby he would address "senior management issues" relating to VML's "business of

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1 developing, designing, constructing, equipping, staffing, owning and operating legalized
2 casino(s) in Macau SAR.”

3 6. The Agreement for Services states that “[t]he parties agree to the exclusive
4 jurisdiction of the courts of Macau (SAR) for any legal proceedings related to this Agreement”
5 and, further, that the “Agreement shall be governed by and interpreted in accordance with the
6 laws of Macau (SAR).”

7 7. LVSC is not a party to the Agreement for Services.

8 8. In June 2009, Jacobs executed an Appointment Agreement with VML whereby
9 the parties’ relationship would be “governed by and interpreted in accordance with Macau SAR
10 law, and the courts of Macau SAR shall have exclusive jurisdiction over any legal proceedings
11 related to this agreement.”

12 9. Pursuant to the Appointment Agreement, Jacobs was awarded a base salary, paid
13 monthly, equivalent to \$1,300,000.00 USD per annum, as well as company benefits.

14 10. Jacobs was paid his monthly salary and bonuses by VML and received benefits
15 from VML until his termination for cause.

16 ***Jacobs Is Named President and Chief Executive Officer of Sands China.***

17 11. On or about July 15, 2009, Sands China was incorporated as a limited liability
18 company in the Cayman Islands in preparation for listing on The Main Board of the Stock
19 Exchange of Hong Kong Limited (“SEHK”) in November 2009.

20 12. In July and August 2009, Jacobs negotiated certain employment terms, which
21 were set out in a term sheet. The term sheet was used in preparing a draft of an employment
22 agreement between Jacobs and VML, but that document was never finalized or executed.

23 13. In November 2009, LVSC’s indirect majority-owned subsidiary, Sands China, the
24 direct or indirect owner and operator of Sands Macao, The Venetian Macao, Four Seasons
25 Macao and ferry operations, and developer of the remaining Cotai Strip integrated resorts,
26 completed an initial public offering of its ordinary shares (the “Sands China Offering”) on the
27 SEHK.

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1 14. Immediately following the Sands China Offering and several transactions
2 consummated in connection with such offering, LVSC indirectly owned 70.3% of the issued and
3 outstanding ordinary shares of Sands China.

4 15. Jacobs was appointed President – Macau and Chief Executive Officer of Sands
5 China.

6 16. LVSC also identified Jacobs as an executive of LVSC in reports filed with the
7 Securities and Exchange Commission (“SEC”), as required by the SEC, because Jacobs was a
8 senior executive of a significant indirect subsidiary of LVSC, namely Sands China.

9 ***Jacobs Fails to Perform Duties Consistent With His Obligations as an Executive of LVSC and***
10 ***Sands China.***

11 17. While Jacobs initially appeared to be fulfilling his duties to Sands China, it later
12 became clear that Jacobs was violating his obligations not only to Sands China but also to LVSC
13 as the majority shareholder of Sands China.

14 **Jacobs Violates the Non-Competition Deed.**

15 18. In connection with the reorganization of LVSC’s indirect subsidiaries operating in
16 Macau, LVSC and Sands China entered into a Deed of Non-Compete Undertakings (“Non-
17 Competition Deed”).

18 19. Pursuant to the Non-Competition Deed, Sands China was prohibited from holding
19 an interest in or otherwise being involved or participating in any casino gaming business outside
20 of a “Restricted Zone” which included the People’s Republic of China, Macau, Hong Kong and
21 Taiwan.

22 20. Notwithstanding the plain language of the Non-Competition Deed, which Jacobs
23 had signed on behalf of Sands China, Jacobs publicly announced that Sands China would be
24 pursuing casino gaming business operations in areas outside of the Restricted Zone, including,
25 but not limited to, Japan.

26 21. As LVSC has previously announced its intention to pursue a development in
27 Japan, the Chairman of LVSC had no option but to make a public statement to correct Jacobs’
28 statement and reassure investors that any such development would be carried out by LVSC.

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Jacobs Endangers LVSC's and Sands China's Relationship with the Governments of Macau and China.

22. Jacobs also placed at risk LVSC's and Sands China's relationship with the governments of the People's Republic of China and Macau.

23. Jacobs commissioned a detailed investigative report by consultant International Risk regarding Macau public officials.

24. Jacobs did not seek authorization from the Board of Sands China or from Sheldon Adelson ("Adelson"), the Chairman and Chief Executive Officer of LVSC and Chairman of Sands China, prior to commissioning the report.

25. Upon completion of the report, Jacobs met secretly with the investigator from International Risk and was issued a watermarked copy of the report not with the name of LVSC or Sands China, but rather with Jacobs' name imprinted.

26. Jacobs thereafter reportedly kept the investigative report in his personal residence and did not advise LVSC or the Chairman or Board of Sands China of the report's existence.

Jacobs Delays Terminating the Contracts Between Cheung Chi Tai and VML.

27. Allegations about Cheung Chi Tai ("CCT") were the subject of press articles that were initially published in the first quarter of 2010.

28. In the publication of the initial article, the Nevada State Gaming Control Board was quoted as announcing that it would conduct an examination of the relationship of Nevada licensees with CCT.

29. In response, LVSC conducted due diligence and discovered that CCT was a party, as a guarantor, with two junket credit guarantor agreements between two junkets and VML ("CCT Agreements") and engaged an independent investigatory agency to conduct a background examination of CCT.

30. Once the background report on CCT ("CCT Report") was obtained and presented to Michael Leven ("Leven"), President and Chief Operating Officer of LVSC and an LVSC board member. Leven agreed with the recommendation that the CCT Agreements be terminated

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1 and requested that his views be communicated to Jacobs, that the results of the background
2 report be discussed with Jacobs and that Jacobs be instructed to terminate the CCT Agreements.

3 31. Adelson concurred with the recommendations of Leven.

4 32. Although Jacobs has asserted that he objected to the relationship with CCT,
5 Jacobs knows that that allegation is false, designed to injure the Defendants, and that the
6 opposite is true.

7 33. Although the results of the CCT Report were shared with Jacobs on a
8 contemporaneous basis and Jacobs was provided with an oral summary of the results of the CCT
9 Report and with a copy of the CCT Report, Jacobs delayed in terminating the CCT Agreements
10 and acted as an impediment to the prompt termination of the CCT Agreements.

11 34. On June 22, 2010, when Jacobs was in Singapore in connection with the opening
12 celebrations of the Marina Bay Sands, Jacobs explained and defended his reasons for the delay in
13 terminating the CCT Agreements.

14 35. Jacobs claimed that the revenue associated with those junkets was substantial and
15 that he owed the shareholders of Sands China a fiduciary duty the performance of which would
16 be placed in question if the CCT Agreements were terminated.

17 36. In fact, Jacobs then and there knew from the CCT Report, including records
18 reviewed with him orally and that were part of the CCT Report, that no principled understanding
19 of fiduciary duty required the continuation of the CCT Agreements.

20 37. Despite that knowledge, Jacobs again failed to commit to terminating the CCT
21 Agreements.

22 38. After the conversation with Jacobs on June 22, 2010 in Singapore, Jacobs left for
23 a meeting with Adelson and Leven among others.

24 39. After the meeting with Adelson and Leven, Jacobs promised to terminate the CCT
25 Agreements within one week.

26 40. Thereafter, the CCT Agreements were terminated.

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1 ***Jacobs' Employment Is Terminated by Sands China and VML for Cause and Jacobs Initiates***
2 ***His Extortion Scheme.***

3 41. On or about July 23, 2010, the Board of Directors of Sands China voted to
4 remove Jacobs as President and Chief Executive Officer of Sands China.

5 42. On July 23, 2010, Jacobs' employment with VML and Sands China was
6 terminated for cause because, among other things, he had repeatedly exceeded his authority,
7 defied and disregarded instructions, and engaged in several improper acts and omissions,
8 including but not limited to those identified above.

9 43. Jacobs reacted to the news of his termination by disparaging Adelson, the
10 Chairman and Chief Executive Officer of LVSC and Chairman of Sands China, claiming
11 Adelson had: (1) bribed, or attempted to bribe, the Chief Executive of Macau; and (2) instructed
12 subordinates to gather damaging information about public officials for Sands China to
13 improperly use to its advantage.

14 44. Jacobs made these false and defamatory statements about Adelson to Leven and
15 Irwin Siegel ("Siegel"), a board member of both LVSC and Sands China.

16 45. Jacobs knew his statements were false when he made them, Jacobs acted
17 recklessly with respect to the falsity of his statements, and Jacobs acted with malice, including a
18 specific intent to harm Adelson, LVSC and Sands China in furtherance of his scheme to extort
19 money to which he was not entitled.

20 46. After Leven and Siegel refused to concede to Jacobs' attempted extortion, Jacobs
21 threatened to publicly disclose the aforementioned false and defamatory accusations against
22 Adelson, and other alleged wrongdoing involving Sands China and Adelson, unless he was paid
23 money to which he was not entitled.

24 47. Jacobs knew his statements were false when he made them, and specifically
25 intended to use the defamatory statements as the basis to extort money by threatening public
26 disclosure unless he was paid a substantial sum.

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Jacobs Files a Wrongful Suit Against LVSC in Furtherance of His Scheme.

48. Jacobs, through his conduct, has made clear that he will stop at nothing to publicly disparage Adelson, LVSC and Sands China until he obtains an exorbitant and unwarranted payment.

49. After failing in his attempt to extort money with threats of public disclosure at the time of his termination, Jacobs retrenched and devised a new strategy of filing this vindictive lawsuit. The goal of his lawsuit is the same as Jacobs' initial extortion scheme – an undeserved payment. The only difference is the method of coercion.

50. Despite the fact that Jacobs (1) worked in Macau for VML and Sands China, (2) received his salary and benefits from VML, a Macau company, and (3) executed employment agreements with forum selection clauses mandating that actions be brought in Macau, Jacobs named LVSC as a defendant to improperly gain jurisdictional grounds in Nevada and to bring additional pressure upon LVSC to concede to his preposterous, extortionist demands.

51. Failing an advantageous settlement, Jacobs intends for his Nevada case to be the vehicle to continue his defamatory and malicious crusade against LVSC and Adelson.

52. In this regard, Jacobs willfully and improperly filed suit against LVSC for ulterior purposes, other than resolving a legal dispute.

FIRST CLAIM FOR RELIEF

(Abuse of Process)

53. LVSC repeats and realleges each and every allegation contained in the preceding paragraphs as though set forth fully herein.

54. Jacobs caused process to issue, served process, and filed motions with the court against LVSC, despite having no employment relationship with LVSC, to improperly gain jurisdictional grounds in Nevada.

55. Jacobs willfully engaged in this wrongful conduct for the ulterior and improper purposes of obtaining improper jurisdiction to litigate his frivolous case in the United States rather than Macau, the specified venue under the Agreement for Services and Appointment Agreement for resolution of such disputes.

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1 56. Jacobs further filed this action for the improper purpose of attempting to leverage
2 an unwarranted pay off.

3 57. Knowing that a suit in Nevada would provide him with more publicity and a
4 larger forum than a suit in Macau, Jacobs willfully engaged in this wrongful conduct for the
5 ulterior and improper purpose of obtaining a better defamation vehicle to disparage Adelson and
6 damage LVSC.

7 58. Jacobs' actions are malicious, fraudulent, and oppressive conduct in disregard of
8 the rights of LVSC.

9 59. Jacobs has caused and will cause damages in excess of \$10,000.00.

10 60. LVSC has been required to retain the services of an attorney and is entitled to
11 reasonable costs and attorneys' fees incurred herein.

12 **SECOND CLAIM FOR RELIEF**

13 **(Business Defamation/Disparagement)**

14 61. LVSC repeats and realleges each and every allegation contained in the preceding
15 paragraphs as though set forth fully herein.

16 62. As set forth above, Jacobs made numerous false, defamatory, and disparaging
17 statements about Adelson, including, but not limited to, that Adelson (1) bribed, or attempted to
18 bribe, the Chief Executive of Macau; and (2) instructed subordinates to gather damaging
19 information about public officials for Sands China to improperly use to its advantage.

20 63. Jacobs' statements about Adelson were unprivileged false and defamatory, and
21 Jacobs knew them to be false.

22 64. Jacobs knew that Adelson was the Chairman and Chief Executive Officer of
23 LVSC and that his false and defamatory statements would be imputed to LVSC.

24 65. Jacobs knowingly and intentionally made the false, defamatory, and disparaging
25 statements about Adelson in furtherance of his scheme to extort a settlement from LVSC,
26 regardless of the fact that Jacobs did not work for LVSC.

27 66. Jacobs directed the false, injurious statements about Adelson and LVSC's
28 reputation, business, goodwill and services intending to harm LVSC, and tending to injure LVSC

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1 in its business, reputation, and profession and tending to impute that LVSC has a lack of fitness
2 for its trade, business, or profession.

3 67. Jacobs has caused and will cause damages to LVSC in excess of \$10,000.00,
4 including damage to its business, services, reputation, and goodwill.

5 68. LVSC has been required to retain the services of an attorney and is entitled to
6 reasonable costs and attorneys' fees incurred herein.

7 **THIRD CLAIM FOR RELIEF**

8 **(Intentional Interference With Prospective Economic Advantage)**

9 69. LVSC repeats and realleges each and every allegation contained in the preceding
10 paragraphs as though set forth fully herein.

11 70. Jacobs was aware that Sands China was expressly prohibited from pursuing any
12 casino gaming business in areas outside of the Restricted Zone as he was a signatory to the Non-
13 Competition Deed.

14 71. Notwithstanding the plain language of the Non-Competition Deed, which Jacobs
15 himself had signed, Jacobs publicly announced that Sands China would be pursuing casino
16 gaming business operations in areas outside of the Restricted Zone, including, but not limited to,
17 Japan, thereby intentionally injuring LVSC's prospective business relationship with necessary
18 third-parties in development of the Japanese market.

19 72. Jacobs engaged in intentional acts intended and designed to disrupt the
20 prospective business relationship by wrongfully accusing LVSC and its officers of engaging in
21 criminal and improper activity.

22 73. Jacobs has caused and will cause damages in excess of \$10,000.00, including
23 damage to its business, services, reputation, and goodwill.

24 74. LVSC has been required to retain the services of an attorney and is entitled to
25 reasonable costs and attorneys' fees incurred herein.

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28 ///

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FOURTH CLAIM FOR RELIEF

(Civil Extortion)

75. LVSC repeats and realleges each and every allegation contained in the preceding paragraphs as though set forth fully herein.

76. In an effort to coerce LVSC to pay him money that he did not deserve and to which he was not entitled, Jacobs threatened to publicly disclose his false and defamatory accusations about Adelson. Jacobs demanded that LVSC pay him money, which he was not entitled to, in order to prevent the public disclosure.

77. Upon information and belief, Jacobs knew his accusations against Adelson were false, and Jacobs intended to wrongfully coerce LVSC to pay Jacobs millions of dollars, even though Jacobs knew that he was not legally or contractually entitled to the money, in order to prevent Jacobs' threatened public disclosure.

78. Jacobs has caused and will cause damages in excess of \$10,000.00, including damage to its business, services, reputation, and goodwill.

79. LVSC has been required to retain the services of an attorney and is entitled to reasonable costs and attorneys' fees incurred herein.

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PRAYER FOR RELIEF

WHEREFORE, LVSC prays for judgment against Jacobs as follows:

1. For compensatory damages according to proof at trial, plus interest thereon at the maximum legal rate;
2. For punitive damages;
3. For attorneys' fees and costs; and,
4. For such other and further relief as the Court deems just and proper.

DATED April 20, 2011.



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CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b), I certify that on April 20, 2011, I served a true and correct copy of the foregoing **LAS VEGAS SANDS CORP.'S ANSWER TO FIRST AMENDED COMPLAINT AND COUNTERCLAIM** via e-mail and by depositing same in the United States mail, first class postage fully prepaid to the persons and addresses listed below:

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Dineen Bergsing

From: Dineen Bergsing
Sent: Wednesday, April 20, 2011 6:12 PM
To: Donald Campbell; 'jcw@campbellandwilliams.com'; 'Mark Krum'; Andrew Sedlock; 'Steve Morris'
Subject: LV Sands/Jacobs - LV Sands' Answer to First Amended Complaint and Counterclaim
Attachments: Las Vegas Ikon - 04-20-11 - MQ3J5AF.pdf; Image001.gif

Please see attached LV Sands' Answer to First Amended Complaint and Counterclaim. A copy to follow by mail.

Dineen M. Bergsing

*Legal Assistant to J. Stephen Peek,
Justin C. Jones and David J. Freeman*

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