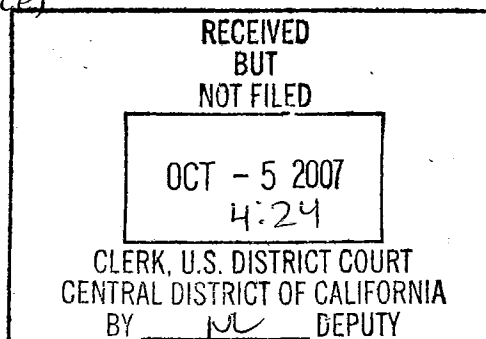
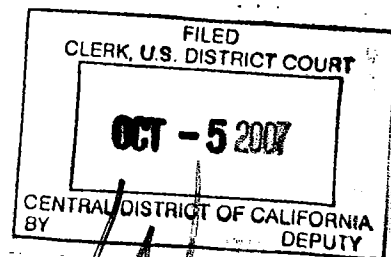


1 GREENBERG TRAURIG, LLP
2 John M. Gatti (SBN 138492)
3 David A. Theaker (SBN 217432)
4 2450 Colorado Avenue, Suite 400E
5 Santa Monica, California 90404
6 Telephone: (310) 586-7700
7 Facsimile: (310) 586-7800
8 GattiJ@gtlaw.com; TheakerD@gtlaw.com

9 Francine F. Griesing (admitted *pro hac vice*)
10 Brian T. Feeney (admitted *pro hac vice*)
11 2700 Two Commerce Square
12 2001 Market Street
13 Philadelphia, PA 19103
14 Telephone: (215) 988-7800
15 Facsimile: (215) 717-5265

16 Attorneys for Defendant Brock Pierce



13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**

16 ALAN DEBONNEVILLE,

17 Plaintiff,

18 v.

19 BROCK PIERCE,

20 Defendant.

21 BROCK PIERCE,

22 Counter-Claimant,

23 v.

24 ALAN DEBONNEVILLE and
25 ROES 1 through 10, inclusive

26 Counter-Defendant.
27
28

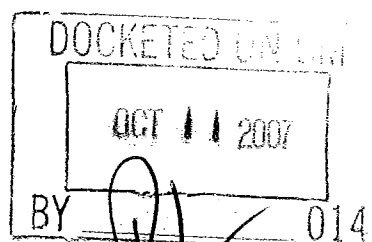
CASE NO.: CV07-3776 R (MANx).

[Assigned to the Honorable Manuel L.
Real, Room 218]

**DEFENDANT'S ANSWER TO
AMENDED COMPLAINT AND
COUNTER-CLAIM**

DEMAND FOR JURY TRIAL

DATE FILED: September 10, 2007
TRIAL DATE: None



24

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

I.

ANSWER

Defendant, Brock Pierce (“Defendant”), by his undersigned counsel, hereby answers Plaintiff’s Amended Complaint and asserts affirmative defenses and counterclaims as follows:

1. Admitted in part; denied in part. Defendant admits only that this suit involves a controversy between a citizen of the United States and a citizen of a foreign state and that the amount of the dispute alleged exceeds \$75,000. Defendant denies that a substantial part of the events or omissions alleged as giving rise to this claim occurred in California. The remaining allegations of this paragraph state conclusions of law to which no response is required. To the extent that a response is required, the remaining allegations are denied.

2. Defendant admits the allegations in Paragraph 2.

3. Admitted in part; denied in part. Defendant admits only that he maintains a home in California at 8010 Oceanus Drive, Los Angeles, California 90046-2047. The remaining allegations of this paragraph state conclusions of law to which no response is required. To the extent that a response is required, the remaining allegations are denied.

4. Defendant denies the allegations in Paragraph 4 of the Amended Complaint.

5. Admitted in part; denied in part. Defendant admits only that Goldman Sachs made a loan to IGE US, LLC (“IGE”) and that IGE was valued by Goldman Sachs in the \$220 Million range.

6. Admitted in part; denied in part. Defendant denies knowledge or information sufficient to form a belief as to the truth or accuracy of the allegations of the first sentence of this paragraph, and denies same. Defendant admits only the remaining allegations of this paragraph.

7. Admitted in part; denied in part. Defendant admits only the allegations of the first and second sentence of this paragraph. Defendant denies knowledge or

1 information sufficient to form a belief as to the truth or accuracy of the allegations as to
2 what Plaintiff knew about others and denies same.

3 8. Defendant admits the allegations in Paragraph 8.

4 9. Admitted in part; denied in part. Defendant admits only that Plaintiff was in
5 contact with Defendant while Defendant was living in Spain and that Defendant hired
6 local individuals in Spain to assist him in the development of his business. Defendant
7 denies knowledge or information sufficient to form a belief as to the truth or accuracy of
8 the allegations as to whether Plaintiff's sales grew and denies same. Defendant denies
9 the remaining allegations of this paragraph.

10 10. Admitted in part; denied in part. Defendant admits only the allegations of
11 the first sentence of this paragraph and that fellow guild members Rector and Shackley
12 were living in Spain, but denies the remaining allegations of this paragraph.

13 11. Admitted in part; denied in part. Defendant admits only that in or about
14 November 2001, Plaintiff traveled to Spain to meet with Defendant, but Defendant denies
15 that he made any promises to Plaintiff. Defendant further denies knowledge or
16 information sufficient to form a belief as to the truth or accuracy of the remaining
17 allegations of this paragraph.

18 12. Admitted in part; denied in part. Defendant admits only the allegations of
19 the first sentence of this paragraph, that Defendant then owned a company in which
20 Defendant might offer Plaintiff employment, and that such company might eventually
21 become a company with publicly traded shares. Defendant denies the remaining
22 allegations of this paragraph.

23 13. Admitted in part; denied in part. Defendant admits only that in or about the
24 time of Plaintiff's meeting with Defendant in Spain, Plaintiff was twenty years old, and
25 held himself out as a student, that Defendant offered Plaintiff employment with Internet
26 Gaming Entertainment SL ("IGE Spain") and that Plaintiff accepted such employment
27 and brought some virtual goods to IGE Spain. Defendant denies the remaining
28 allegations of this paragraph.

1 14. Admitted in part; denied in part. Defendant admits only the allegations of
2 this paragraph except that Defendant denies the allegations of the second sentence of this
3 paragraph and that IGE Spain initially operated on 24 hours/7 days a week business.

4 15. Admitted in part; denied in part. Defendant admits only that from
5 November 2001 and May 2002, IGE Spain's business developed and that Plaintiff was
6 later promoted from being one of several junior managers to being in charge of the
7 trading business of IGE Spain. Defendant denies the remaining allegations of this
8 paragraph.

9 16. Admitted in part; denied in part. Defendant admits only that Plaintiff was
10 the general manager of IGE Spain responsible for overseeing certain aspects of its
11 operations and the allegations of the second sentence of this paragraph. Defendant
12 denies the remaining allegations of this paragraph.

13 17. Admitted in part; denied in part. Defendant denies that he transferred
14 additional shares to Plaintiff solely for the reasons stated, and admits only the remaining
15 allegations of this paragraph.

16 18. Admitted in part; denied in part. Defendant admits only that in 2003,
17 Defendant spent some time dealing with matters other than IGE and that Maslow advised
18 him. Defendant denies the remaining allegations of this paragraph.

19 19. Admitted in part; denied in part. Defendant admits only the allegations of
20 this paragraph, except that Defendant denies the allegations of the first sentence of this
21 paragraph.

22 20. Admitted in part; denied in part. Defendant admits only the allegations of
23 this paragraph, except Defendant denies that he gave Maslow any of IGE's shares and
24 states that he transferred to Maslow shares that Defendant owned in IGE.

25 21. Admitted in part; denied in part. Defendant admits only that Plaintiff
26 moved to Hong Kong. Defendant denies the remaining allegations of this paragraph.

27 22. Admitted in part; denied in part. Defendant admits only the allegations of
28 the first sentence of this paragraph and that IGE Spain may owe some amount to the

1 Spanish taxing authority but Defendant denies the remaining allegations of this
2 paragraph.

3 23. Defendant admits the allegations in Paragraph 23.

4 24. Admitted in part; denied in part. Defendant admits the allegations of this
5 paragraph except that Defendant denies the allegations that he made numerous
6 representations to intimidate Yantis into selling out.

7 25. Defendant admits the allegations in Paragraph 25.

8 26. Admitted in part; denied in part. Defendant admits only the allegations of
9 this paragraph except that Defendant denies that Plaintiff was responsible for the entire
10 IGE operation.

11 27. Admitted in part; denied in part. Defendant admits only that Sayler was
12 recruited by IGE but Defendant denies the remaining allegations of this paragraph.

13 28. Admitted in part; denied in part. Defendant admits the allegations of this
14 paragraph except that Defendant denies that IGE began to diversify its business in
15 September 2004.

16 29. Admitted in part; denied in part. Defendant admits only the allegations of
17 this paragraph, except that Defendant denies the time period alleged.

18 30. Admitted in part; denied in part. Defendant admits only the allegations of
19 the first sentence of this paragraph, except that Defendant denies the remaining
20 allegations of this paragraph.

21 31. Defendant denies the allegations in Paragraph 31.

22 32. Defendant denies the allegations in Paragraph 32.

23 33. Admitted in part; denied in part. Defendant admits only that in June 2005,
24 he advised Plaintiff that Defendant had reached an agreement in principle with Yantis
25 relating to Yantis' sale of some of his IGE shares to Defendant. Defendant denies the
26 remaining allegations of this paragraph.

27 34. Defendant denies the allegations in Paragraph 34.

1 35. Admitted in part; denied in part. Defendant admits only the allegations of
2 this paragraph except that Defendant denies the allegations as to Plaintiffs' rights which
3 state a conclusion of law to which no response is required. To the extent a response is
4 required, Defendant denies same.

5 36. Admitted in part; denied in part. Defendant admits only the second sentence
6 of this paragraph and that Bannon recommended that the repurchase of the Yantis shares
7 be conducted through IGE. Defendant denies the remaining allegations of this paragraph.

8 37. Admitted in part; denied in part. Defendant admits only the allegations of
9 this paragraph except that he denies any characterization of the Yantis stock repurchase
10 agreement which is in writing and speaks for itself.

11 38. Defendant denies the allegations in Paragraph 38.

12 39. Admitted in part; denied in part. Defendant admits only the allegations of
13 this paragraph except that Defendant denies that these events occurred at the time
14 alleged.

15 40. Defendant denies the allegations in Paragraph 40.

16 41. Defendant denies the allegations in Paragraph 41.

17 42. Defendant denies the allegations in Paragraph 42.

18 43. Admitted in part; denied in part. Defendant admits only the allegations of
19 the first sentence of this paragraph and denies the remaining allegations.

20 44. Admitted in part; denied in part. Defendant admits only that as of October
21 2005, Plaintiff and Defendant were in discussions regarding Plaintiff's interest in IGE, as
22 that time the GS investment had not been closed and that IGE was paying Yantis.
23 Defendant denies the remaining allegations of this paragraph.

24 45. Admitted in part; denied in part. Defendant admits only the allegations of
25 the first sentence of this paragraph, and denies the remaining allegations.

26 46. Admitted in part; denied in part. Defendant admits only that IGE was
27 unable to make the December payment to Yantis and a new agreement was reached
28

1 between IGE and Yantis which is in writing and speaks for itself and Defendant denies
2 any characterization thereof.

3 47. Admitted in part; denied in part. Defendant admits only that Defendant
4 informed Plaintiff of his understanding of IGE's obligations to Yantis which are in
5 writing and speak for themselves and Defendant denies any characterization thereof. In
6 further response, Defendant states that Yantis had informed Plaintiff and Defendant that
7 if Yantis returned to IGE he would fire Plaintiff due to Plaintiff's poor job performance.
8 Defendant denies the remaining allegations of this paragraph.

9 48. Defendant denies knowledge or information sufficient to form a belief as to
10 the truth or accuracy of the allegations of this paragraph as to Plaintiff's feelings, and
11 denies same. Defendant denies the remaining allegations of this paragraph.

12 49. Defendant denies knowledge or information sufficient to form a belief as to
13 the truth or accuracy of the allegations of this paragraph and denies same.

14 50. Admitted in part; denied in part. Defendant admits only that he fully
15 intended to perform any promises made to Plaintiff, but denies the remaining allegations
16 of this paragraph.

17 51. Admitted in part; denied in part. Defendant admits only the allegations of
18 this paragraph, except that Defendant denies the allegations of the last sentence of this
19 paragraph.

20 52. Admitted in part; denied in part. Defendant admits only the allegations of
21 the first sentence of this paragraph. Defendant denies the remaining allegations of this
22 paragraph.

23 53. Defendant denies knowledge or information sufficient to form a belief as to
24 the truth or accuracy of the allegations of this paragraph as to what Plaintiff was advised
25 and denies same. Defendant denies that remaining allegations of this paragraph.

26 54. Defendant denies the allegations in Paragraph 54.
27
28

1 55. Defendant denies knowledge or information sufficient to form a belief as to
2 the truth or accuracy of the allegations of this paragraph, except that Defendant denies
3 that last sentence of this paragraph.

4 56. Defendant states that to the extent the allegations of this paragraph refer to
5 documents, including emails, those documents are in writing and speak for themselves
6 and Defendant denies any characterization thereof. Defendant further denies knowledge
7 or information sufficient to form a belief as to the truth or accuracy of the remaining
8 allegations of this paragraph and denies same.

9 57. Defendant denies the allegations in Paragraph 57.

10 58. Defendant states that to the extent the allegations of this paragraph refer to
11 documents, including emails, those documents are in writing and speak for themselves
12 and Defendant denies any characterization thereof. Defendant further denies knowledge
13 or information sufficient to form a belief as to the truth or accuracy of the remaining
14 allegations of this paragraph and denies same.

15 59. Defendant states that to the extent the allegations of this paragraph refer to
16 documents, including emails, those documents are in writing and speak for themselves
17 and Defendant denies any characterization thereof. Defendant further denies knowledge
18 or information sufficient to form a belief as to the truth or accuracy of the remaining
19 allegations of this paragraph and denies same.

20 60. Admitted in part; denied in part. Defendant admits only that on February 7,
21 2006, the GS transaction closed, that Plaintiff signed various agreements as part of that
22 transaction, and that Defendant received \$20 Million and held a great percentage of the
23 IGE shares than he held prior to the IGE Yantis Stock repurchase. Defendant denies the
24 remaining allegations of this paragraph.

25 61. Defendant denies knowledge or information sufficient to form a belief as to
26 the truth or accuracy of the allegations of this paragraph and denies same. Further, to the
27 extent the allegations of this paragraph refer to documents, including emails, those
28

1 documents are in writing and speak for themselves and Defendant denies any
2 characterizations thereof.

3 62. Defendant denies knowledge or information sufficient to form a belief as to
4 the truth or accuracy of the allegations of this paragraph and denies same. Defendant
5 further denies that he lied to Plaintiff or that Defendant benefited personally to the
6 detriment of Plaintiff. Further, to the extent the allegations of this paragraph refer to
7 documents, including emails, those documents are in writing and speak for themselves
8 and Defendant denies any characterizations thereof.

9 63. Defendant states that to the extent the allegations of this paragraph refer to
10 documents, including emails, those documents are in writing and speak for themselves
11 and Defendant denies any characterization thereof. Defendant further denies that a fraud
12 was committed upon Plaintiff.

13 64. Defendant denies the allegations in Paragraph 64.

14 65. Admitted in part; denied in part. Defendant admits only that at some time
15 he suggested Plaintiff take time to calm down. Defendant denies the remaining
16 allegations of this paragraph.

17 66. Admitted in part; denied in part. Defendant admits only that Plaintiff was
18 removed for cause from his position on the board of managers of IGE but Defendant
19 denies the remaining allegations of the first sentence of this paragraph. Defendant further
20 denies knowledge or information sufficient to form a belief as to the truth or accuracy of
21 the remaining allegations of this paragraph and denies same.

22 67. Admitted in part; denied in part. Defendant admits only that on or about
23 April 2006, Plaintiff stopped working at IGE and that in May 2006, Plaintiff asked
24 Defendant for severance from IGE. Plaintiff's agreements with IGE are in writing and
25 speak for themselves and Defendant denies any characterization thereof. Further, to the
26 extent this paragraph states a conclusion of law, no response is required. To the extent a
27 response is required, the allegations are denied. Defendant denies the remaining
28 allegations of this paragraph.

1 68. Admitted in part; denied in part. Defendant admits only that Plaintiff
2 discussed his request for severance with him, but denies knowledge or information
3 sufficient to form a belief as to the truth or accuracy of the allegations as to any
4 discussions outside his presence. Defendant denies the remaining allegations of this
5 paragraph. Plaintiff's agreements with IGE are in writing and speak for themselves and
6 Defendant denies any characterization thereof. This paragraph states a conclusion of law
7 to which no response is required. To the extent a response is required, the allegations are
8 denied.

9 69. Admitted in part; denied in part. Defendant admits only that Defendant and
10 Plaintiff discussed Defendant's possible purchase of Plaintiff's shares in IGE. Defendant
11 denies knowledge or information sufficient to form a belief as to the truth or accuracy of
12 the allegations of this paragraph as to what anyone else stated to Plaintiff outside
13 Defendant's presence and denies same. Defendant denies the remaining allegations of
14 this paragraph.

15 70. Defendant denies that he told anyone that they could not buy Plaintiff's
16 shares in IGE. Defendant further denies knowledge or information sufficient to form a
17 belief as to the truth or accuracy of the remaining allegations of this paragraph.

18 71. Defendant denies the allegations in Paragraph 71.

19 72. Admitted in part; denied in part. Defendant admits only that in December
20 2006, Plaintiff met with Defendant in Korea to discuss his sale of IGE shares and that
21 Defendant agreed to allow Plaintiff to take with investors about such sale. Defendant
22 denies the remaining allegations of this paragraph.

23 73. Admitted in part; denied in part. Defendant admits only that he provided
24 Plaintiff with a draft agreement which is in writing and speaks for itself and Defendant
25 denies any characterization thereof. Defendant denies the remaining allegations of this
26 paragraph.

27 74. Admitted in part; denied in part. Defendant admits only that the parties
28 discussed whether Plaintiff was personally responsible for the Spanish Tax Liability and

1 that the trading arm of IGE was losing money. Defendant denies the remaining
2 allegations of this paragraph.

3 75. Defendant admits the allegations in Paragraph 75.

4 76. Defendant denies knowledge or information sufficient to form a belief as to
5 the truth or accuracy of the allegations of this paragraph, except that Defendant denies
6 that he stated to anyone that he would set up an illegal side deal with Yantis.

7 77. Defendant denies knowledge or information sufficient to form a belief as to
8 the truth or accuracy of the allegations of this paragraph.

9 78. Defendant denies knowledge or information sufficient to form a belief as to
10 the truth or accuracy of the remaining allegations of this paragraph and denies same.

11 79. Defendant denies knowledge or information sufficient to form a belief as to
12 the truth or accuracy as to what Yantis may have said to others outside of Defendant's
13 presence. Defendant denies the remaining allegations of this paragraph.

14 80. Defendant denies that Plaintiff's interest in the company was worth at least
15 \$40 Million and further denies knowledge or information sufficient to form a belief as to
16 the truth or accuracy of the allegations of this paragraph and denies same.

17 81. Admitted in part; denied in part. Defendant admits only that in March 2007
18 Plaintiff met with Defendant and Yantis in Hong Kong to discuss Yantis' possible return
19 to the company. Defendant denies the remaining allegations of this paragraph.

20 82. Admitted in part; denied in part. Defendant admits only that Plaintiff
21 contacted Defendant regarding the terms of Yantis' return to IGE and that Defendant and
22 Plaintiff discussed those terms. Defendant denies knowledge or information sufficient to
23 form a belief as to the truth or accuracy of the allegations of the first sentence of this
24 paragraph. Defendant denies the remaining allegations of this paragraph.

25 83. Admitted in part; denied in part. Defendant admits only that Defendant did
26 not seek Plaintiff's approval of the transaction whereby Yantis began working with IGE,
27 but denies that he had any obligation to do so. Defendant denies the remaining
28 allegations of this paragraph.

1 84. Admitted in part; denied in part. Defendant admits only that Plaintiff has
2 requested documents from Defendant; but Defendant denies that he has not provided
3 Plaintiff documents to which he was entitled.

4 85. Admitted in part; denied in part. Defendant admits only that prior to
5 commencing this action, Plaintiff sought pre-complaint discovery to which he is not
6 entitled, and that Defendant has provided to Plaintiff documents to which he was entitled.
7 The second sentence of this paragraph states a conclusion of law to which no response is
8 required. To the extent a response is required, Defendant denies those allegations.
9 Defendant denies the remaining allegations of this paragraph.

10 86. The allegations of this paragraph state a conclusion of law to which no
11 response is required. To the extent a response is required, the allegations of this
12 paragraph are denied.

13 87. Defendant incorporates by reference and reasserts as if fully set forth herein
14 his responses to paragraphs 1 through 86, inclusive. The allegations of this paragraph
15 state a conclusion of law to which no response is required. To the extent a response is
16 required, the allegations of this paragraph are denied.

17 88. The allegations of this paragraph state a conclusion of law to which no
18 response is required. To the extent a response is required, the allegations of this
19 paragraph are denied.

20 89. The allegations of this paragraph state a conclusion of law to which no
21 response is required. To the extent a response is required, the allegations of this
22 paragraph are denied.

23 90. Defendant incorporates by reference and reasserts as if fully set forth herein
24 his responses to paragraphs 1 through 89, inclusive. The allegations of this paragraph
25 state a conclusion of law to which no response is required. To the extent a response is
26 required, the allegations of this paragraph are denied.

1 91. The allegations of this paragraph state a conclusion of law to which no
2 response is required. To the extent a response is required, the allegations of this
3 paragraph are denied.

4 92. The allegations of this paragraph state a conclusion of law to which no
5 response is required. To the extent a response is required, the allegations of this
6 paragraph are denied.

7 93. Defendant incorporates by reference and reasserts as if fully set forth herein
8 his responses to paragraphs 1 through 92, inclusive. The allegations of this paragraph
9 state a conclusion of law to which no response is required. To the extent a response is
10 required, the allegations of this paragraph are denied.

11 94. The allegations of this paragraph state a conclusion of law to which no
12 response is required. To the extent a response is required, the allegations of this
13 paragraph are denied.

14 95. The allegations of this paragraph state a conclusion of law to which no
15 response is required. To the extent a response is required, the allegations of this
16 paragraph are denied.

17 96. Defendant incorporates by reference and reasserts as if fully set forth herein
18 his responses to paragraphs 1 through 95, inclusive. The allegations of this paragraph
19 state a conclusion of law to which no response is required. To the extent a response is
20 required, the allegations of this paragraph are denied.

21 97. The allegations of this paragraph state a conclusion of law to which no
22 response is required. To the extent a response is required, the allegations of this
23 paragraph are denied.

24 98. The allegations of this paragraph state a conclusion of law to which no
25 response is required. To the extent a response is required, the allegations of this
26 paragraph are denied.

1 99. Defendant incorporates by reference and reasserts as if fully set forth herein
2 his responses to paragraphs 1 through 98, inclusive. The allegations of this paragraph
3 state a conclusion of law to which no response is required. To the extent a response is
4 required, the allegations of this paragraph are denied.

5 100. The allegations of this paragraph state a conclusion of law to which no
6 response is required. To the extent a response is required, the allegations of this
7 paragraph are denied.

8 101. Defendant incorporates by reference and reasserts as if fully set forth herein
9 his responses to paragraphs 1 through 100, inclusive. The allegations of this paragraph
10 state a conclusion of law to which no response is required. To the extent a response is
11 required, the allegations of this paragraph are denied.

12 102. The allegations of this paragraph state a conclusion of law to which no
13 response is required. To the extent a response is required, the allegations of this
14 paragraph are denied.

15 103. Defendant incorporates by reference and reasserts as if fully set forth herein
16 his responses to paragraphs 1 through 102, inclusive. The allegations of this paragraph
17 state a conclusion of law to which no response is required. To the extent a response is
18 required, the allegations of this paragraph are denied.

19 104. The allegations of this paragraph state a conclusion of law to which no
20 response is required. To the extent a response is required, the allegations of this
21 paragraph are denied.

22 105. Admitted in part; denied in part. Defendant incorporates by reference and
23 reasserts as if fully set forth herein his responses to paragraphs 1 through 113, inclusive.
24 Defendant admits only that the agreement of the shareholders of IGE was amended and
25 that Exhibit A to the Complaint appears to be a copy of the Amended and Restated
26 Limited Liability Company Agreement of IGE US LLC, which is in writing and speaks
27 for itself, and Defendant denies any characterization thereof. The allegations of this
28

1 paragraph state a conclusion of law to which no response is required. To the extent a
2 response is required, the remaining allegations of this paragraph are denied.

3 106. The allegations of this paragraph state a conclusion of law to which no
4 response is required. To the extent a response is required, the allegations of this
5 paragraph are denied.

6 107. The allegations of this paragraph state a conclusion of law to which no
7 response is required. To the extent a response is required, the allegations of this
8 paragraph are denied.

9 108. Defendant incorporates by reference and reasserts as if fully set forth herein
10 his responses to paragraphs 1 through 107, inclusive. The allegations of this paragraph
11 state a conclusion of law to which no response is required. To the extent a response is
12 required, the allegations of this paragraph are denied.

13 109. Admitted in part; denied in part. Defendant admits only that there were
14 numerous contracts governing the relationship between the parties. The allegations of
15 this paragraph state a conclusion of law to which no response is required. To the extent a
16 response is required, the remaining allegations of this paragraph are denied.

17 110. Defendant incorporates by reference and reasserts as if fully set forth herein
18 his responses to paragraphs 1 through 109, inclusive. The allegations of this paragraph
19 state a conclusion of law to which no response is required. To the extent a response is
20 required, the allegations of this paragraph are denied.

21 111. Defendant incorporates by reference and reasserts as if fully set forth herein
22 his responses to paragraphs 1 through 110, inclusive. The allegations of this paragraph
23 state a conclusion of law to which no response is required. To the extent a response is
24 required, the allegations of this paragraph are denied.

25 112. The allegations of this paragraph state a conclusion of law to which no
26 response is required. To the extent a response is required, the allegations of this
27 paragraph are denied.

1 113. Defendant incorporates by reference and reasserts as if fully set forth herein
2 his responses to paragraphs 1 through 112, inclusive. The allegations of this paragraph
3 state a conclusion of law to which no response is required. To the extent a response is
4 required, the allegations of this paragraph are denied.

5 114. The allegations of this paragraph state a conclusion of law to which no
6 response is required. To the extent a response is required, the allegations of this
7 paragraph are denied.

8 115. The allegations of this paragraph state a conclusion of law to which no
9 response is required. To the extent a response is required, the allegations of this
10 paragraph are denied.

11 116. The allegations of this paragraph state a conclusion of law to which no
12 response is required. To the extent a response is required, the allegations of this
13 paragraph are denied. Further, the referenced Agreement is in writing and speaks for
14 itself and Defendant denies any characterization thereof.

15 117. The allegations of this paragraph state a conclusion of law to which no
16 response is required. To the extent a response is required, the allegations of this
17 paragraph are denied. Further, the referenced Agreement is in writing and speaks for
18 itself and Defendant denies any characterization thereof.

19 **PRAYER**

20 WHEREFORE, Defendant Brock Pierce prays that judgment be entered in his favor on
21 all counts, the Court award Defendant costs and attorneys' fees and such other relief as
22 the Court deems just and proper.

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

II.

AFFIRMATIVE DEFENSES

First Affirmative Defense

118. Plaintiff's claims are barred in whole or in part because they fail to state a claim upon which relief can be granted.

Second Affirmative Defense

119. Plaintiff's claims are barred in whole or in part because Plaintiff failed to join one or more indispensable parties as required by Fed. R. Civ. P. 19.

Third Affirmative Defense

120. Plaintiff's claims are barred in whole or in part because Defendant cannot tortiously interfere with a contract to which he is a party or when he is acting with authority on behalf of a party to the contract.

Fourth Affirmative Defense

121. Plaintiff's claims are barred in whole or in part because Plaintiff lacks standing to assert the claims and/or because the claims are more properly asserted by another.

Fifth Affirmative Defense

122. Plaintiff's claims are barred in whole or in part because Plaintiff's claims are more properly asserted as derivative claims on behalf of another.

Sixth Affirmative Defense

123. Plaintiff's claims are barred in whole or in part because Plaintiff is estopped by his agents' acts or omissions from maintaining claims against Defendant.

Seventh Affirmative Defense

124. Plaintiff's claims are barred in whole or in part because Plaintiff and/or his agents waived Plaintiff's right to relief, if any.

Eighth Affirmative Defense

125. Plaintiff's claims are barred in whole or in part because Plaintiff's claims are untimely under the applicable statutes of limitations and/or are barred by the doctrine of

1 laches because Plaintiff unjustifiably delayed, to Defendant's prejudice, in bringing suit
2 and/or in seeking the relief sought.

3 **Ninth Affirmative Defense**

4 126. Plaintiff's claims are barred in whole or in part because Plaintiff has waived
5 his rights to relief, if any.

6 **Tenth Affirmative Defense**

7 127. Plaintiff's claims are barred in whole or in part because the claims do not
8 comply with the statute of frauds and/or otherwise seek to enforce so-called rights that
9 are not in writing or are inconsistent with enforceable written agreements.

10 **Eleventh Affirmative Defense**

11 128. Plaintiff's claims are barred in whole or in part because Plaintiff, through his
12 actions or actions of his agents, has unclean hands.

13 **Twelfth Affirmative Defense**

14 129. Plaintiff's claims are barred in whole or in part because Plaintiff by his
15 conduct or the conduct of his agents has acquiesced in and/or consented to the conduction
16 alleged.

17 **Thirteenth Affirmative Defense**

18 130. Plaintiff's claims are barred in whole or in part because Plaintiff by his
19 conduct or the conduct of this agents has released Defendant from any claims asserted.

20 **Fourteenth Affirmative Defense**

21 131. Plaintiff's claims are barred in whole or in part because Plaintiff
22 anticipatorily breached contractual obligations owed to Defendant.

23 **Fifteenth Affirmative Defense**

24 132. Plaintiff's claims are barred in whole or in part because Plaintiff breached
25 fiduciary duties owed to Defendant and/or others.

26 **Sixteenth Affirmative Defense**

27 133. Plaintiff's claims are barred in whole or in part because the parties reached
28 an accord and satisfaction on the claims asserted.

1 **Seventeenth Affirmative Defense**

2 134. Plaintiff's claims are barred in whole or in part because Plaintiff is not
3 entitled to the damages or other relief sought.

4 **Eighteenth Affirmative Defense**

5 135. Plaintiff's claims are barred in whole or in part because to the extent
6 Defendant engaged in any act alleged by Plaintiff, he did so innocently and in good faith.

7 **Nineteenth Affirmative Defense**

8 136. Plaintiff's claims are barred in whole or in part because to the extent any
9 harm to Plaintiff occurred, which Defendant denies, such harm was caused, if at all, by
10 the conduct or one or more others and such others are either solely responsible for such
11 acts and conduct, or alternatively, Defendant is entitled to be defended and indemnified
12 by such others.

13
14 DATED: October 5, 2007

GREENBERG TRAURIG, LLP

15
16
17 By:  _____

John M. Gatti

18 Attorneys for Defendant Brock Pierce
19
20
21
22
23
24
25
26
27
28

1 **COUNTER-CLAIMS**

2 1. For their counterclaims against Plaintiff and Counter-Defendant Alan
3 DeBonneville ("DeBonneville" or "Counter-Defendant"), Defendant and Counter-
4 Claimant Brock Pierce ("Pierce" or "Counter-Claimant") alleges as follows:

5 2. Counter-Claimant Brock Pierce is a citizen of the United States.

6 3. Counter-Defendant Alan DeBonneville is a citizen of Switzerland.

7 4. The true names and capacities of counter-defendants Roes 1 through 10,
8 inclusive, are unknown to Counter-Claimant. Counter-Claimant therefore sues these
9 counter-defendants by such fictitious names. Counter-Claimant will appropriately seek
10 leave of Court to amend these counter-claims to show the true names and capacities of
11 such counter-defendants when that information has been ascertained.

12 **JURISDICTION**

13 5. This court has jurisdiction over these counterclaims pursuant to 28 U.S.C. §
14 1332.

15 **VENUE**

16 6. Venue is proper in the Central District because Counter-Defendant brought
17 his lawsuit against Counter-Claimant in the Central District, and because Counter-
18 Defendant or his agents do business in and/or may be found in the Central District.

19 **FIRST COUNTERCLAIM FOR RELIEF**

20 **Breach of Fiduciary Duty – Against Counter-Defendant**

21 7. In or about Spring 2001, Pierce created Internet Gaming Enterprises SL
22 ("IGE Spain"), a company which sold virtual currency and other items used in online
23 games, such as Everquest.

24 8. In or about November or December 2001, Pierce hired DeBonneville as an
25 employee of IGE Spain. DeBonneville's initial responsibilities at IGE Spain included
26 overseeing buying and selling of virtual inventory and price management.

27 9. In or about late 2002, Pierce gave DeBonneville 8% of Pierce's shares in
28 IGE Spain as compensation for various services DeBonneville performed for IGE Spain.

1 10. Over time, Pierce increased DeBonneville's responsibilities at IGE Spain.

2 11. Subsequently, Pierce transferred additional IGE Spain shares he owned to
3 DeBonneville, bringing DeBonneville's total interest in IGE Spain to 25%.

4 12. DeBonneville became IGE Spain's authorized representative in Spain and
5 had authority and responsibility to oversee its day-to-day operations including, among
6 other things, assuring that IGE Spain complied with all laws and paid any taxes due.

7 13. In his role as an employee, officer and director and/or manager of IGE
8 Spain, DeBonneville owed IGE Spain and Pierce a fiduciary duty including, without
9 limitation, of care, loyalty and candor.

10 14. At some point, Pierce learned that DeBonneville failed to meet his
11 obligations to IGE Spain and Pierce and that DeBonneville breached his fiduciary duties
12 by, among other things, failing to assure that IGE Spain paid all of its tax obligations to
13 Spain.

14 15. In or about early 2003, Pierce and DeBonneville agreed to move the IGE
15 Spain business to Hong Kong and in April 2003, Pierce caused Internet Gaming US, LLC
16 ("IGE US") to be created under the laws of Delaware. IGE US did business through IGE
17 Hong Kong (jointly "IGE").

18 16. Pierce and DeBonneville both were officers, directors and/or managers of
19 IGE from its inception. DeBonneville was later removed from his position as officer,
20 director and/or manager of IGE.

21 17. DeBonneville resigned as an employee, officer and director of IGE on or
22 about April 30, 2006.

23 18. During his tenure at IGE, DeBonneville's responsibilities included
24 overseeing much of the trading activity of IGE which involved IGE's purchase and resale
25 of virtual currency and other items used in online games.

26 19. In connection with performing his duties for IGE, DeBonneville became
27 acquainted with various sellers of virtual currency and other items from whom IGE
28 purchased such currency and items for resale.

1 20. One of those sellers to IGE was, at various times, Jose Portela, an attorney in
2 Texas.

3 21. IGE paid the sellers from whom it purchased virtual currency and other
4 items. The amount paid was often determined by DeBonneville, who was to set the
5 payments at a rate more favorable than the market value, so that IGE would earn a profit
6 upon resale.

7 22. Upon information and belief, DeBonneville developed a personal
8 relationship with Portela and began causing IGE to pay Portela an excessive amount for
9 any virtual currency or other items Portela sold to IGE.

10 23. Upon information and belief, DeBonneville began doing so in order to gain
11 Portela's favor and/or to obtain personal benefits from him.

12 24. DeBonneville, as an employee, officer, director and/or manager of IGE,
13 owed IGE and Pierce a fiduciary duty including, without limitation, a duty of care,
14 loyalty and candor.

15 25. Upon information and belief, DeBonneville breached his fiduciary duties by
16 overpaying Portela in exchange for personal benefit.

17 26. Pierce has been harmed as a result of DeBonneville's breach of his fiduciary
18 duties owed to them.

19 27. This harm includes exposing Pierce to potential liability for DeBonneville's
20 failure to cause IGE Spain to pay its taxes to Spain and reducing the assets of IGE and
21 the value of Pierce's interest in IGE by overpaying Portela.

22 28. In the event Pierce is held liable for any taxes due to Spain, Pierce is entitled
23 to be indemnified by DeBonneville for such amounts and any expenses, including
24 attorneys' fees Pierce may incur in defending against such claims.

25 29. Pierce is entitled to damages from DeBonneville for the diminution in value
26 of his interest in IGE due to amounts DeBonneville caused IGE to overpay Portela.

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

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

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

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

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

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

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

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

9
0
1
2
3
4
5
6
7
8

2
3
4
5
6
7
8

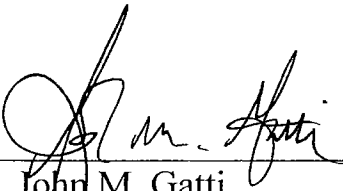
1 **PRAYER**

2 WHEREFORE, Counter-Claimant Brock Pierce prays that judgment as follows:

- 3 1. Damages in an amount to be determined at trial;
4 2. For his attorneys' fees and costs of suit herein;
5 3. For such other relief as the Court deems just and proper.
6

7 DATED: October 5, 2007


GREENBERG TRAURIG, LLP

8
9
10 By: 
11 John M. Gatti
12 Attorneys for Defendant Brock Pierce
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

DATED: October 5, 2007

GREENBERG TRAURIG, LLP

By: 
John M. Gatti
Attorneys for Defendant Brock Pierce

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

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the aforesaid county, State of California; I am over the age of 18 years and not a party to the within action; my business address is **2450 Colorado Avenue, Suite 400E, Santa Monica, California 90404.**

On October 5, 2007, I served the **DEFENDANT'S ANSWER TO AMENDED COMPLAINT AND COUNTER-CLAIM** on the interested parties in this action by placing the true copy thereof, enclosed in a sealed envelope, postage prepaid, addressed as follows:

SIDLEY AUSTIN LLP
Peter Ostroff, Esq.
555 West Fifth Street
Los Angeles, California 90013

THE BECKHAM GROUP P.C.
Blake L. Beckham, Esq.
Jose M. Portella, Esq.
3400 Carlisle, Suite 550
Dallas, Texas 75204

☒ **(BY MAIL)**

☒ I am readily familiar with the business practice of my place of employment in respect to the collection and processing of correspondence, pleadings and notices for mailing with United States Postal Service. The foregoing sealed envelope was placed for collection and mailing this date consistent with the ordinary business practice of my place of employment, so that it will be picked up this date with postage thereon fully prepaid at Santa Monica, California, in the ordinary course of such business.

☒ **(FEDERAL)** I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on October 5, 2007, at Santa Monica, California


CHERYL BEATTY