

STATE OF MICHIGAN
22ND CIRCUIT COURT

World Discount Club.com, Inc.;
New Super Sale, Inc.; and
Bart Loeb,

Case No. _____

Judge: _____

Plaintiffs

v.

Pinnacle Publishing Group, Inc.
d/b/a's Super Computer Show and The Super
Computer Sale; Blue Star Marketing Inc.;
Sanjay Syal; John Doe Companies
No. 1-10; and John Doe individuals
No. 1-10.

_____ /

COMPLAINT AND JURY DEMAND

There are no other legal actions filed upon the same subject matter or issues of this complaint.

Now comes Plaintiffs, by and through counsel, and for their complaint against the Defendants state as follows:

Parties, Jurisdiction, and Venue

1. Plaintiffs World Discount Club.com Inc. and New Super Sale, Inc. are corporations organized and existing under the laws of the State of Michigan. These entities have provided discount markets and trade shows nationwide since 1982. Plaintiff Bart Loeb is an individual residing in the State of Michigan and is the principal owner of these entities.

2. Defendant Pinnacle Publishing Group, Inc., doing business both as Super Computer Show and The Super Computer Sale. Defendant Blue Star Marketing, is a corporation organized and existing under the laws of the State of Minnesota with the same business address of Pinnacle Publishing Group, Inc. Sanjay Syal is an individual who, of information and belief, resides in Minnesota and is the principal owner of the defendant corporations. The individual John Doe and Company John Doe defendants are additional persons who may have liability for the causes of action enumerated below.

3. Jurisdiction is proper pursuant to MCL 600.715 and MCL 600.705 because the defendants have transacted business within the state, caused an act to be done, or consequences to occur, in the state resulting in an action for tort, and entered into contract(s) for services to be rendered or for materials to be furnished in the state by the defendant

4. Venue is proper in Ann Arbor, Washtenaw County Michigan because the injury has principally occurred there, Plaintiffs reside, has a place of business, and or conducts business there.

General Allegations

5. Plaintiffs incorporate the preceding paragraphs of their complaint as if fully restated herein.

6. On or about July and August of 2002, Defendant Syal entered into negotiations with Plaintiffs as a niche competitor in the computer trade show business under the pretense of purchasing Plaintiffs' general trade show business (which is the largest promoter of discount market and trade shows in the United States). Instead of making any good faith offers, Defendants utilized the pretense of purchase to obtain confidential trade secrets of the Plaintiffs.

To protect these trade secrets, Plaintiffs and Defendants executed a nondisclosure and confidentiality agreement. However, Defendants have just the same obtained and utilized sensitive financial trade secrets such as the amounts charged to vendors.

7. Furthermore, Defendants have contacted and recruited away employees of the Plaintiff whom Defendants knew had established contractual relationships with the Plaintiffs. In the recruitment of these employees, Defendants made false publications to Plaintiff's employees that Plaintiffs no longer had any venues, could not book venue dates, were financially destitute, and were in the process of going out of business.

8. After recruiting away these employees, Defendants encouraged them to obtain additional trade secrets, such as the home phone numbers of Plaintiffs' vendors. In fact, one recruit, Fred Nutter, continued to receive wages from the Plaintiffs during the offseason summer months before jumping ship to Defendants. Defendants then utilized the unlawfully obtained trade secrets, such as the prices charged vendors and vendors home phone numbers obtained from former employees to soliciting away the contractually established vendors of the Plaintiffs. As with the employees, these solicitations were based, at least in part, upon false publications by the Defendants to Plaintiff's employees and vendors that Plaintiffs no longer had any venues, could not book venue dates, were financially destitute, and were in the process of going out of business.

9. Additionally, Defendants published false statements to Plaintiffs well established venues to the effect that Plaintiffs were going out of business and that the venue dates should be given over to Defendants.

10. Recently, Defendants invited all of Plaintiffs vendors to Las Vegas, and held a meeting there, with the stated purpose of forming a monopoly that would lock out Plaintiffs from

all the vendors and venues.

11. Defendants have also published false statements as to Plaintiff Bart Loeb's business reputation.

Count One

(Tortious Interference with Advantageous Business Relations)

12. Plaintiffs incorporate the preceding paragraphs of their complaint as if fully restated herein.

13. For years, Plaintiffs have enjoyed the peaceful and valid business relations with its large contingent of vendors such that Plaintiffs became the pioneering and most recognized name in the discount market industry. Defendants, having recently entered the discount market industry, knew of these business relationships. In fact, Defendants obtained vendor lists under the pretenses of buying Plaintiffs' company. As such, Defendants had knowledge of these existing advantageous business relations.

14. Despite knowledge of these existing advantageous business relations, Defendants intentionally interfered, induced, or caused a breach or termination of these relationships or expectancies and thereby damaged Plaintiffs.

15. For example, Defendants induced vendors Extreme Sounds and St. Bernard Auto Sound, long established vendors of Plaintiffs, to breach or terminate their advantageous relationship with Plaintiffs by publishing false statements such that Plaintiffs no longer had any venues, could not book venue dates, were financially destitute, and were in the process of going out of business. Defendants further enticed these vendors to sign exclusivity agreements with the Defendants and has falsely accused Plaintiffs of contacting these vendors (one of which, Extreme

Sounds, has since voluntarily returned to Plaintiffs as a vendor).

16. Furthermore, Plaintiffs enjoyed established and advantageous contractual and business relations with its employees. However, Defendants published false and malicious statements to Plaintiffs employees to cause them to leave. For example, Mr. Sylva contacted Tom Schmidt and stated that Plaintiffs were bad business people and were in the process of going out of business. Mr. Schmidt, knowing these publications to be false, refused to jump ship, but other employees, such as Fred Nutter, Glen Curtis, and Nancy Curtis have terminated the advantageous relationship with Plaintiffs to Plaintiffs' detriment.

18. Defendants also induced or caused termination, breach, or interference with Plaintiffs' advantageously established venues. Defendants knew these advantageous business relationships were established. For example, Defendants published false and malicious statements to the San Antonio Airport Convention Center and the Fort Wayne Memorial Colosseum on or about March 2003 to the effect that Plaintiffs were going out of business, is financially destitute, and can no longer hold the dates for established discount markets. Said venues then sought financial assurances from Plaintiffs at Plaintiffs' detriment.

17. As a direct and proximate result of Defendant's tortious interference with advantageous business advantage; Plaintiffs have been damaged in excess of \$500,000, costs of suit, and attorney fees. Furthermore, exemplary damages should be properly assessed for Defendant's reprehensible conduct.

Count Two

(Defamation Per Se)

18. Plaintiffs incorporate the preceding paragraphs of their complaint as if fully restated herein.

19. Defendants have repeatedly published false and malicious statements about the corporate Plaintiffs and Mr. Bart Loeb individually to employees, vendors, and venues. To wit, these false statements allege that Plaintiffs no longer have venues or venue dates, are financially destitute, and are going out of business. Furthermore, Defendant Syal personally defamed Mr. Loeb in his profession, constituting defamation per se, to former and current employees, vendors and venues. For example, Syal published to Plaintiffs' employee Tom Schmidt that Bart Loeb is a "terrible business man who will soon to go out of business" that Tom's career at such a financially destitute employer is greatly at risk, and that he will ultimately use "all legal means" possible to drive Plaintiffs out of business.

20. Given that Bart Loeb is the industry pioneer in this market place and has a stellar reputation such that the shows industry wide are generally known as "Bart's Shows," Defendants' false and malicious publications as to his business reputation and integrity constitute defamation per se.

21. As a direct and proximate result of Defendants' defamation per se, Plaintiffs have been damaged in excess of \$500,000, costs of suit, and attorney fees. Furthermore, exemplary damages should be properly assessed for Defendant's reprehensible conduct.

Count Three

(Misappropriation of Trade Secrets in Violation of the
Michigan Uniform Trade Secrets Act, MCL 445.1901 et seq.
and in breach of the nondisclosure/confidentiality agreement)

22. Plaintiffs incorporate the preceding paragraphs of their complaint as if fully restated herein.

23. Plaintiffs own and protect confidential trade secrets including their vendor list, vendors' home phone numbers, vendor pricing information and terms of venues. Defendants, knowing or having reason to know of the trade secrets, misappropriated them through improper means including the breach of a nondisclosure and confidentiality agreement and through theft by recruited employees.

24. Defendants thus have misappropriated trade secrets of Plaintiffs and have damaged Plaintiffs thereby.

25. As a direct and proximate result of Defendants misappropriation of Plaintiffs' trade secrets, Plaintiffs have been damaged in excess of \$500,000 for both the actual loss caused by the misappropriation and the unjust enrichment, or, in the alternative, a reasonable royalty for the misappropriator's unauthorized use of said trade secrets. Furthermore, Plaintiffs request a permanent injunction against further use of Plaintiffs' trade secrets.

Count Four

(Conspiracy)

26. Plaintiffs incorporate the preceding paragraphs of their complaint as if fully restated herein.

27. Defendants entered into an agreement with former employees of Plaintiffs,

namely Fred Nutter, to obtain trade secrets from Plaintiffs including the home phone numbers of Plaintiffs vendors. In furtherance of their conspiracy, Nutter stayed on as a pretend employee, collecting wages from Plaintiffs, but accessing sensitive files and transferring them to Defendants.

28. Furthermore, Defendants entered into a separate agreement with Majid “Dave” Rabbanni of Gulf Coast Productions to form a consortium of industry players to create a monopoly or exert monopoly influence over vendors and venues so as to squeeze Plaintiff’s out of the marketplace. In furtherance of their conspiracy, Defendants and Rabbanni enticed vendors and industry players to Las Vegas for a meeting on this very subject.

WHEREFORE, Plaintiffs respectfully demand that this Court enter judgment in its favor upon the above counts and award an injunction against usage of trade secrets as well as damages in excess of \$500,000, costs of suit, attorney fees, and appropriate exemplary damages.

Respectfully submitted,

Mark A. Davis (0070983)