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8 UNITED STATES DISTRICT COURT
9 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

10 Plaintiff AARON STANZ, individually and
derivatively on behalf of Jet Genius
11 Holdings, Inc.,

12 Plaintiff,

13 v.

14 Defendants JORDAN BROWN; JET
GENIUS HOLDINGS, INC.; JET
15 GENIUS FLORIDA HOLDINGS, INC.;
C3JETS LLC; BOWMAN AVIATION,
16 INC.; JET AGENCY GLOBAL, LLC; C3
LIMO LLC; JETCHARTER.COM LLC;
17 and DOES 1-20,

18 Defendants,

19 and

20 JET GENIUS HOLDINGS, INC.,

21 Nominal Defendant.

22 AND RELATED COUNTERCLAIM
23

Case No. 3:22-cv-01164-GPC-JLB

**VERIFIED SECOND
AMENDED COMPLAINT**

JURY DEMAND

24 **INTRODUCTION**

25 1. Plaintiff Aaron “Angel” Stanz (“Plaintiff”) and Defendant Jordan Brown
26 (“Brown”) are the two primary shareholders of Jet Genius Holdings, Inc. (“JGH”), a
27 private jet charter broker. Plaintiff served as the Chief Technology Officer and had
28 principal responsibility for designing and implementing the software on which JGH

1 operates to connect jet operators with clients. Since 2018, Brown has been JGH’s CEO
2 and sole director.

3 2. While JGH should be a thriving business, Brown’s use of the business as
4 his personal piggy bank threatens its collapse. Brown has raided JGH’s assets through
5 phony transactions, indefensible self-approved compensation, and wrongful diversion
6 of corporate assets. Brown finances an extravagant lifestyle of exotic vacations, luxury
7 vehicles, and glamorous fashion by siphoning JGH’s revenues. The total amount that
8 Brown has wrongfully extracted from JGH likely exceeds millions of dollars. Brown
9 simply uses JGH funds to maintain his lifestyle.

10 3. In contrast, Plaintiff has received virtually no shareholder benefits,
11 profits, distributions or dividends.

12 4. Brown also employs a shell game of entities to avoid paying Plaintiff
13 amounts due to him and to avoid other company obligations. In so doing, Brown
14 disregards nearly all corporate formalities and just shifts assets from one entity to
15 another, all for his personal gain and benefit. Brown uses his shell game to evade
16 liability arising from JGH’s business operations. In particular, he seeks to avoid
17 millions in assessed federal excise taxes (“FET”) related to chartering aircrafts. Brown
18 has failed to timely and fully pay the FET related to JGH’s operations. Instead, he took
19 actions to saddle Plaintiff personally with much of that burden—\$1.3 million in unpaid
20 FET—, despite assurances Brown would account for those taxes, while also shifting
21 JGH’s operations and assets to a new entity to avoid payments. Plaintiff believes
22 Brown’s plan is to continue repeating that cycle all for his personal gain. To date, JGH
23 has refused to defend or indemnify Plaintiff for the FET liability, Brown has refused
24 to acknowledge JGH’s obligations to Plaintiff, and Brown has even attempted to use
25 the enormous tax burden as leverage to obtain concessions from Plaintiff.

26 5. Brown escalated his pattern of outrageous conduct even after Plaintiff
27 filed this lawsuit. On information and belief, in or around December 2022, Brown
28 convinced the carrier of Plaintiff’s cell phone to transfer Plaintiff’s phone number to

1 Brown, asserting that the account belonged to the company account. Brown then used
2 his access to Plaintiff’s cell phone number to call Plaintiff’s then-attorney, feigning to
3 be Plaintiff himself, and sought to engage in conversations regarding matters within
4 the ambit of the attorney-client privileged.

5 6. On information and belief, Brown also texted Plaintiff’s friends and
6 acquaintances while impersonating Plaintiff. To this day, Plaintiff still has not
7 recovered his account, and he is not fully aware of the extent of Brown’s actions, but
8 is informed and believes and on that basis alleges, Brown sought to impersonate him
9 through access to Plaintiff’s former cell phone number.

10 7. Plaintiff is the victim of an ongoing wrongful scheme by Brown to strip
11 JGH of assets, saddle Plaintiff with personal liability for business obligations, conceal
12 his financial mismanagement and wrongdoings, and to divert and abscond with
13 significant business opportunities and large sums of money. Brown never intended to
14 fulfill his obligations to JGH and its shareholders, or the promises he made to Plaintiff
15 personally.

16 **PARTIES**

17 8. Plaintiff Aaron Stanz, also known as “Angel” (“Plaintiff”) is an
18 individual and a citizen of the State of Kansas. In March 2022, Plaintiff moved his
19 domicile from California to Kansas. When he did so, he ended his residence in
20 California and established his new physical residence in Kansas. Plaintiff’s sole
21 residence is now in Kansas, and Plaintiff intends to reside there permanently. For the
22 purposes of diversity jurisdiction, Plaintiff is a citizen of the State of Kansas.¹

23 9. Defendant Jordan Brown (“Brown”) is an individual, who on information
24 and belief, is a citizen of the State of Florida.

25 10. Defendant Jet Genius Holdings Inc. (“JGH”) is a corporation
26

27 ¹ A prior version of Plaintiff’s complaint stated: “[Plaintiff] has not yet made his
28 primary residency in the State of Kansas.” See ECF No. 1 ¶ 5. This allegation was
inaccurate, as by March 2022, Plaintiff had finished moving to Kansas and
physically resided there and intended to remain there indefinitely.

1 incorporated in the State of California with its principal place of business in the State
2 of Florida. JGH operates throughout the United States in its capacity as an air charter
3 broker to match client travel needs with available air charter operators. Since
4 December 18, 2018, Brown has been the sole Director and CEO of JGH.

5 11. Defendant Jet Genius Florida Holdings Inc. (“JGFH”) is a corporation
6 incorporated in the State of Florida with its principal place of business in the State of
7 Florida. On information and belief, Brown has been the sole Director and CEO of
8 JGFH since its inception. JGFH’s principal address is registered with the Florida
9 Secretary of State as 1900 Glades Road, Suite 301, Boca Raton, FL 33431.

10 12. Defendant C3jets LLC (“C3 Jets”) is a limited liability company
11 organized under the laws of the State of Idaho. C3 Jets operates private aircraft for
12 commercial purposes. C3 Jets’ manager is Brown. On information and belief, C3 Jets’
13 sole member is Brown. C3 Jets’ principal address is registered with the Florida
14 Secretary of State as 1900 Glades Road, Suite 301, Boca Raton, FL 33431.

15 13. Defendant Bowman Aviation, Inc. (“Bowman Aviation”) is a Florida
16 corporation with its principal place of business in the State of Florida where it performs
17 contract services for JGH and JGFH which, upon information and belief, include air
18 charter broker services and aircraft sales for commercial purposes. On information and
19 belief, Bowman Aviation’s President, Secretary, and sole Director is Brown. Bowman
20 Aviation’s principal address is registered with the Florida Secretary of State as 1900
21 Glades Road, Suite 301, Boca Raton, FL 33431.

22 14. Defendant Jet Agency Global LLC (“Jet Agency”) is a limited liability
23 company organized under the laws of the State of Florida. On information and belief,
24 Jet Agency’s sole member and manager is Brown.

25 15. Defendant C3 Limo LLC (“C3 Limo”) is a limited liability company
26 organized under the laws of the State of Florida. C3 Limo’s original manager was
27 Stacy Brown, Brown’s wife. On March 15, 2022, C3 Limo changed its manager to
28 Chasen Dobos, Brown’s stepson. From March 15, 2022, to March 25, 2023, C3 Limo

1 listed its principal place of business as 1900 Glades Road, Suite 301, Suite 406, Boca
2 Raton, FL 33431. C3 Limo’s mailing address has been 1900 Glades Road, Suite 301,
3 Boca Raton, FL 33431 since March 15, 2022, and remains the current mailing address.
4 On information and belief, C3 Limo’s members are Brown, Stacy Brown, and/or
5 Chasen Dobos. Upon information and belief, Stacy Brown and Chasen Dobos are
6 citizens of the State of Florida.

7 16. Defendant Jetcharter.com LLC (“Jetcharter”) is a limited liability
8 company organized under the laws of the State of Florida. On information and belief,
9 Brown is Jetcharter’s manager and sole member.

10 **ALTER EGO ALLEGATIONS**

11 17. Plaintiff is ignorant of the true names and capacities of defendants sued
12 as DOES 1-20, inclusive, and therefore sues these defendants by these fictitious
13 names. Plaintiff will seek leave to amend to allege their true names and capacities
14 when they have been determined. Plaintiff is informed and believes and, on that basis,
15 alleges that each of the fictitiously named defendants is in breach of some contract or
16 is tortiously or otherwise legally responsible in some manner for the occurrences
17 alleged in this Second Amended Complaint (“SAC”) and for Plaintiff’s damages.

18 18. Plaintiff is informed and believes and on that basis alleges that at all
19 relevant times, each of the Defendants, including DOES 1-20, inclusive, was the agent,
20 representative, employee, partner, joint venturer, co-conspirator, alter ego, or
21 otherwise working on behalf of each of the remaining Defendants and, in doing the
22 things alleged, was acting within the scope of that agency, employment, partnership,
23 conspiracy or other relationship, and that each principal ratified each act of each agent.

24 19. Plaintiff is informed and believes, and on that basis alleges, that at all
25 times mentioned in this SAC that Brown operated JGFH, C3 Jets, Bowman Aviation,
26 Jet Agency, Jetcharter, and DOES 1 through 20 (collectively, the “Alter Egos”), as a
27 single entity, and they were at all times relevant the alter egos of each other. Plaintiff
28 is further informed and believes, and on that basis alleges, that:

1 a. at all times mentioned in this SAC, Brown operated the Alter Egos
2 as a single enterprise; that Brown disregarded corporate formalities and did not
3 distinguish between the Alter Egos; that Brown comingled funds, made
4 undocumented loans, and unilaterally transferred assets amongst the Alter Egos.

5 b. at all times mentioned in this SAC, there existed and now exists a
6 unity of interest and ownership between the defendants and each of the Alter
7 Egos; the individuality and separateness of the defendants and each of the Alter
8 Egos have ceased or never existed;

9 c. at all times mentioned in this SAC, and at all times since the
10 incorporation or inception of each Alter Ego, each Alter Ego has been and now
11 is a mere shell and naked framework for pursuing a single enterprise and
12 scheme;

13 d. at all times mentioned in this SAC, each of the Alter Egos was
14 created and continued pursuant to a fraudulent plan, scheme, and device
15 conceived and operated by Brown, whereby the income, revenue and profits of
16 each of the Alter Egos were diverted by Brown to himself or to serve his
17 personal interests;

18 e. Plaintiff is informed and believes, and on that basis alleges, that
19 one or more of the Alter Egos is undercapitalized and/or insolvent;

20 f. Plaintiff is informed and believes, and on that basis alleges, that
21 the monies held by each of the Alter Egos have been commingled to the extent
22 that assets, revenues, loans, and liabilities of each have been interchanged and
23 are indistinguishable from the assets, revenues, loans, and liabilities of the other
24 Alter Egos; and by virtue of the foregoing, adherence to the fiction of the
25 existence of each of the Alter Egos as separate entities would, under the
26 circumstances, sanction a fraud and promote injustice in that Plaintiff would be
27 unable to realize upon any judgment in its favor, among other reasons. Allowing
28

1 the Alter Egos to maintain the corporate entity would promote injustice, as it
2 would sanction a fraud against Plaintiff.

3 20. Plaintiff is informed and believes, and on that basis alleges, that at all
4 times mentioned in this SAC that Brown was the sole or majority shareholder (in the
5 cases of corporations) or sole member (in the cases of LLCs) JGFH, C3 Jets, Bowman
6 Aviation, Jet Agency, Jetcharter.com LLC, and DOES 1 through 20. Brown was also
7 the sole director and majority shareholder of JGH at times relevant herein.

8 21. Plaintiff is further informed and believes, and on that basis alleges, that:

9 a. Brown dominated, influenced and controlled each of the Alter
10 Egos and the officers thereof as well as the business, property, and affairs of
11 each of said Alter Egos;

12 b. at all times mentioned in this SAC, there existed and now exists a
13 unity of interest and ownership between Brown and each of the Alter Egos; the
14 individuality and separateness of Brown and each of the Alter Egos have ceased;

15 c. at all times mentioned in this SAC, each of the Alter Egos was
16 organized by Brown as a device to avoid individual liability and for the purpose
17 of substituting financially irresponsible entities in the place and stead of himself,
18 and accordingly, each Alter Ego was formed with capitalization totally
19 inadequate for the business in which said entity was engaged;

20 d. the revenues and monies held by each of the Alter Egos have been
21 drained from the Alter Ego by Brown;

22 e. that at all times mentioned in this SAC, the Alter Egos and Brown
23 acted for each other in connection with the conduct hereinafter alleged and that
24 each of them performed the acts complained of herein or breached the duties
25 herein complained of as agents of each other and each is therefore fully liable
26 for the acts of the other;

27 f. that Brown failed to adhere to corporate formalities that would
28 have been required to take the purported action of the Alter Egos; and by virtue

1 of the foregoing, adherence to the fiction of the existence of each of the Alter
2 Egos as separate entities from Brown would, under the circumstances, sanction
3 a fraud and promote injustice in that Plaintiff would be unable to realize upon
4 any judgment in its favor, among other reasons.

5 **JURISDICTION AND VENUE**

6 22. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1332(a)(1) as
7 complete diversity among the parties exists. Plaintiff is a citizen of the State of Kansas,
8 and no Defendant is a citizen of the State of Kansas.

9 23. For the purposes of Plaintiff’s claims brought derivatively on behalf of
10 JGH, JGH is properly aligned as a Defendant for the purposes of diversity jurisdiction.
11 “[W]hen a corporation’s officers or directors are ‘antagonistic’ to the interests of the
12 shareholder plaintiff(s)[,]” the corporation is considered a defendant in a derivative
13 lawsuit. *In re Digimarc Corp. Derivative Litig.*, 549 F.3d 1223, 1234 (9th Cir. 2008).
14 “A corporation is generally antagonistic to a shareholder plaintiff where management
15 is aligned against the stockholder and defends a course of conduct which he attacks,
16 or merely where management—for good reasons or for bad—is definitely and
17 distinctly opposed to the institution of the derivative litigation,” *Id.* at 1235
18 (quotations, citation, and alteration omitted).

19 24. Here, JGH’s management, Brown, as sole director and CEO, is
20 “definitely and distinctly opposed to the institution of the derivative litigation” because
21 the claims all seek recovery directly from him or one of the entities over which he
22 exerts direct or indirect control. JGH is therefore properly considered a defendant for
23 the purposes of diversity analysis.

24 25. Plaintiff is informed and believes and on that basis alleges that the amount
25 in controversy in this matter exceeds \$75,000.00, exclusive of interest and costs.

26 26. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) because
27 a substantial part of the events giving rise to the claims in this action occurred in this
28 judicial district.

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

1
2 27. Plaintiff brings certain claims in this action derivatively in the right and
3 for the benefit of JGH.

4 28. Plaintiff is the holder of twenty-five percent of the outstanding and issued
5 shares of JGH.

6 29. Plaintiff has continuously held his shares of JGH at all times relevant to
7 the wrongdoing identified in this SAC. Plaintiff continues to hold his shares of JGH.

8 30. Plaintiff will adequately and fairly represent the interests of JGH in
9 enforcing and prosecuting its rights identified herein.

10 31. This is not a collusive derivative action to confer jurisdiction that would
11 otherwise not exist in this Court.

12 32. Pursuant to Fed. R. Civ. P. 23.1 and Cal. Corp. Code § 800(b)(1), Plaintiff
13 is excused from making a demand on the Board of Directors of JGH to obtain the relief
14 sought in Plaintiff’s derivative claims since a demand would have been futile because
15 it would have required Brown to assert and pursue claims against himself or against
16 entities solely controlled by him or his family.

17 33. At the time of filing of Plaintiff’s Complaint, Brown served as the sole
18 director of JGH’s Board and CEO. Demand that JGH initiate claims against Brown
19 personally would have been futile, and is therefore excused, because Brown personally
20 engaged in, directed, and is responsible for all of the misconduct that injured JGH and
21 its shareholders as alleged in this SAC, and to date Brown has refused to take action
22 contrary to his personal interests.

23 34. Brown could not have made a disinterested decision to initiate a lawsuit
24 against himself because he is personally responsible for his breaches of fiduciary
25 duties to the corporation and has rejected prior efforts to address these alleged breaches
26 and acts. Therefore, demand is excused as to Plaintiff’s derivative claims against
27 Brown.

28 35. Brown could not have made a disinterested decision to initiate a lawsuit

1 against JGFH, C3 Jets, Bowman Aviation, Jet Agency, Jetcharter, or DOES 1 through
2 20 because those entities are entities that he directly controls and personally benefits
3 from the tortious acts and schemes, as alleged herein, that they participated in. On
4 information and belief, Brown is personally responsible for the actions and decisions
5 of those entities. Therefore, demand is excused as to Plaintiff’s derivative claims
6 against Brown.

7 36. Brown could not have made a disinterested decision to initiate a lawsuit
8 against C3 Limo because he or his immediately family directly controls that entity and
9 personally benefits from the tortious acts, as alleged herein, that they and it
10 participated in. On information and belief, either Brown and/or his immediate family
11 is personally responsible for the actions and decisions of that entity. Further, the
12 beneficiary of the tortious acts was either Brown or his immediate family and could
13 lead to a judgment against Brown or his immediate family. Therefore, demand is
14 excused as to Plaintiff’s derivative claims against Brown.

15 37. Pursuant to Cal. Corp. Code § 800(b)(2), Plaintiff has either informed
16 JGH, or its board, comprised solely of Brown, in writing of the ultimate facts
17 underlying the causes of action set forth in this SAC. Such writings have consisted of,
18 among others, pre-lawsuit correspondence, meetings and communications, prior
19 complaints, motions, declarations (including Plaintiff’s Declaration at ECF No. 16-3)
20 filed in this matter and extensive written exchanges between the parties and their
21 counsel, including those described in this SAC.

22 **FACTUAL ALLEGATIONS**

23 38. Plaintiff is the creator and developer of the software and systems that
24 simplify and accelerate aircraft charter brokering, including JetXchange, The Grid,
25 and the Charter Flight Group website, which are also supported by custom
26 applications, reports, lead generations tools, databases, business analytics, and certain
27 client lists (the “JGH Platform”). The JGH Platform allows a charter aviation
28 brokerage company to operate more efficiently by facilitating more trips per staff

1 member than any charter brokerage competitor.

2 39. In 2016, Plaintiff partnered with Brown and non-party Alexander Wolf
3 to form JGH, doing business as Charter Flight Group, to provide air charter broker
4 services to the private aviation market. Plaintiff contributed the JGH Platform to JGH
5 and received a 49.5% ownership interest in the company. Brown agreed to act as CEO
6 and received a 49.5% ownership interest. Wolf received the remaining 1% interest.

7 40. JGH adopted its bylaws on January 20, 2017 (the “Bylaws”).

8 41. The Bylaws provide for the election of directors at annual shareholder
9 meetings and the procedure to fill Board vacancies.

10 42. The Bylaws also require JGH to defend and indemnify its directors and
11 officers for any expenses incurred by the director or officer as a result of the
12 individual’s work for the company. Article VI provides in relevant part:

13 The Corporation shall, to the maximum extent permitted by the
14 General Corporation Law of California, indemnify each of its
15 directors and officers against expenses, judgments, fines,
16 settlements and other amounts actually and reasonably incurred in
17 connection with any proceedings arising by reason of the fact any
18 such person is or was a director or officer of the Corporation and
19 shall advance to such director or officer expenses incurred in
20 defending any such proceeding to the maximum extent permitted
21 by such law. For purposes of this Article VI, a “director” or
22 “officer” of the Corporation includes any person who is or was a
23 director or officer of the Corporation, or is or was serving at the
24 request of the Corporation as a director or officer of another
25 corporation,

20 43. At formation, JGH had a three-member Board of Directors, comprised of
21 Plaintiff, Brown, and Wolf.

22 44. Plaintiff served as the Chief Technology Officer (“CTO”), as he had the
23 technical expertise to operate, enhance, and optimize the performance of the JGH
24 Platform. His work enabled JGH to significantly decrease the time and costs associated
25 with buy-side and sell-side actions to complete complex broker transactions to charter
26 aircraft at all stages, including initial client contact, aircraft availability, pricing,
27 contract generation, financial transactions (including pre-flight ground transportation,
28 and post-flight ground transportation), and more. Plaintiff’s work was integral to the

1 success of the business.

2 45. The company succeeded at obtaining significant market share and
3 demonstrating growth.

4 46. As a business that collected payment for commercial domestic
5 transportation of persons, JGH was subject to an assessment of federal excise tax
6 (“FET”). *See* 26 U.S.C. § 4261; *see also* 26 C.F.R. pt. 49.

7 47. As CTO, Plaintiff played no part in the collection or distribution of
8 revenues of JGH, nor did he have a role in ensuring payment of or compliance with
9 JGH’s FET obligations, and instead he was solely tasked with the software
10 development and operations.

11 48. In fact, when forming the business, Brown demanded that Plaintiff have
12 no involvement with the financial affairs of JGH, but rather that Plaintiff would agree
13 to leave that to Brown so Plaintiff could focus solely on the technical/software side of
14 the company. Plaintiff agreed to Brown’s demand, as that naturally fit his skillset and
15 he relied on Brown to handle the business and financial side of the company.

16 49. While Plaintiff had no control of or involvement with the financial
17 operations of the business, soon after forming the company, Brown asked Plaintiff to
18 accept an appointment as the company’s “Secretary,” so that Plaintiff could assist with
19 opening an urgently needed bank account. Through the assistance of JGH’s corporate
20 counsel, JGH removed Wolf as JGH’s Secretary and appointed Plaintiff to that role
21 for the sole purpose of opening a bank account. On December 19, 2016, while Brown
22 was on vacation, Brown directed Plaintiff to open a bank account for JGH. But after
23 opening the bank account, Plaintiff did not oversee or handle JGH’s finances, and
24 continued with the plan to handle the technical side of the business.

25 50. Plaintiff thought JGH was operating successfully until the summer of
26 2018, when Plaintiff learned that JGH had incurred significant unpaid FET. FET is
27 required tax when a customer books a chartered flight, including through a broker like
28 JGH. Plaintiff learned that JGH was either collecting the FET associated with

1 purchased flights, but was not then paying it to the IRS, or was simply not adding the
2 FET to the purchase price and was not collecting it from the customer. Plaintiff was
3 surprised that JGH had unpaid taxes given that he understood and believed that it had
4 adequate capital to pay the FET at the time such became due.

5 51. The revelation that JGH had unpaid FET obligations alarmed Plaintiff,
6 and it caused Plaintiff and Wolf to investigate. In doing so, they learned of confusing
7 financial transactions and accounting issues, so they obtained proposals from auditors
8 for performing a professional audit of the business.

9 52. In August 2018, Plaintiff and Wolf confronted Brown about his
10 management of the company and the questions they had about the financial issues.

11 53. In particular, Plaintiff questioned Brown about a loan that was on JGH's
12 books, which Brown admitted that he had taken for "personal reasons." Plaintiff and
13 Wolf discovered other transactions that seemed to drain resources from JGH with no
14 legitimate business purpose, which they asked Brown about.

15 54. As Plaintiff and Wolf continued asking questions about the company's
16 operations and finances, Brown grew hostile, and assured them he would "take care of
17 it." The situation between the parties grew more tense.

18 55. Brown said that he would address the FET issue and other financial and
19 operating questions of the company. To do so, he asked for more control of the
20 company. In part, he said Plaintiff's service as a director complicated fundraising and
21 operations, because Plaintiff had a prior SEC order against him. Plaintiff was willing
22 to agree to reduce his role in the company if it would lead to better business prospects
23 and based on Brown's assurances that he would perform his leadership duties
24 effectively and properly.

25 56. Plaintiff, Brown and Wolf began negotiating a way to provide Brown
26 more control, but still protect Plaintiff's interests. Plaintiff's primary concerns were
27 (1) ensuring that the FET would be collected and paid, (2) ensuring that the assets of
28 the company, i.e., the JGH Platform and financial resources, remained with the

1 company, and (3) ensuring that Plaintiff would be appropriately compensated for his
2 significant contribution to the business, including ensuring that he would be paid
3 properly if the business was sold to a third party, which was an event he eventually
4 anticipated.

5 57. Plaintiff would not agree to a contract that reduced his ownership of JGH
6 without these protections and without commitment from Brown that he intended to
7 operate the business properly and effectively. As Plaintiff and Brown discussed a
8 potential agreement, Brown repeatedly assured Plaintiff that he would ensure the FET
9 was collected and paid so that none of the shareholders would risk personal liability,
10 and that Brown would operate the business for the benefit of all its shareholders. He
11 also repeatedly assured Plaintiff he would not form another entity or business in an
12 effort to transfer JGH operations or assets to it, or somehow leave JGH as an empty
13 shell with only liabilities, like the FET.

14 58. In August 2018, the company retained legal counsel to formalize the
15 arrangement between the parties. Plaintiff again clarified that any agreement needed
16 to protect his stated priorities, and Brown repeated his assurances that Plaintiff had no
17 reason to be concerned and that Brown would efficiently operate the company for the
18 benefit of all shareholders and not take the actions Plaintiff voiced concern about.
19 Brown made statements:

- 20 • “Just trust me”;
- 21 • “Don’t worry about it”;
- 22 • “Why are we wasting time with lawyers negotiating this, there is
23 no reason to worry”; and
- 24 • “I won’t do those things,” specifically avoid paying FET, form
25 entities or transfer assets or money out of JGH.

26 59. Based on Brown’s emphatic reassurances and representations that he
27 would operate the business properly and effectively and in the best interests of the
28 shareholders, Plaintiff reasonably relied on Brown’s statements, and they eventually

1 reached agreement on the discussed terms.

2 60. On information and belief, Brown’s statements, including his
3 reassurances and representations to Plaintiff, were false when made, and he had no
4 intention of ever respecting the terms he said he would. On information and belief,
5 Brown intended to do the exact opposite of what he promised Plaintiff he would not
6 do—effectively raid the company for his own benefit. Further, Brown did not intend
7 to collect and pay the FET, because he intended to use those funds for his own personal
8 purposes.

9 61. Based entirely on Brown’s false representations, Plaintiff agreed to
10 effectively reduce his ownership interest in JGH, based on assurances he would still
11 (1) be adequately compensated for his contributions to the company, and (2) would
12 ensure that the company—not the individual shareholders or officers—would pay off
13 the FET then owing and going forward.

14 62. In exchange. Plaintiff agreed to significant concessions, including
15 (1) transferring 1,485,385 shares of his stock in JGH back to the company, thereby
16 reducing his stake from 49.5% to 25%; (2) stepping down from JGH’s Board of
17 Directors (Wolf also resigned from the Board at that time); and (3) assigning rights in
18 the JGH Platform to JGH.

19 63. The results of the negotiations between Plaintiff and JGH (through Brown
20 and company counsel) was a document that was signed on November 7, 2018 (the
21 “Letter Agreement”). A true and correct copy of the Letter Agreement is attached as
22 Exhibit 1.

23 64. The Letter Agreement had several clauses aimed at protecting Plaintiff’s
24 interests and imposing obligations on Brown and JGH in exchange.

25 65. First, the Letter Agreement prohibited certain actions without Plaintiff’s
26 written consent:

27 **2. Required Approval.** The Company will refrain from taking any of the
28 following actions without your prior written consent:

- 1 a. reserve or issue greater than 383,846 shares of the common stock
- 2 of the Company pursuant to an equity incentive plan;
- 3 b. authorize or issue additional shares of common stock or any
- 4 other class or series of capital stock in the Company, other than
- 5 shares issued to investors in a bona fide financing conducted to
- 6 raise capital at a share price based on a pre-money valuation of at
- 7 least \$5,000,000 (a “Qualified Financing”);
- 8 d. create or hold securities in an entity other than a wholly-owned
- 9 subsidiary, other than a company or joint venture established with
- 10 one or more partners for the primary purpose of owning and
- 11 operating aircraft;
- 12 e. loan money to or accept loans from a shareholder or its assigns;
- 13 or
- 14 f. amend this Agreement, terminate this Agreement without Cause
- 15 (as defined below), or take corporate action intended to circumvent
- 16 or adversely affect your rights pursuant to this Agreement.

17 66. The Letter Agreement also contained a “Corporate Event Payment”
 18 clause that required payment to Plaintiff of specified amounts upon the occurrence of
 19 certain events, which included a corporate merger or consolidation with another entity
 20 or the transfer or exclusive licensing of the company’s technology (including the JGH
 21 Platform) to any other party:

22 **4. Corporate Event Payment.** Upon the closing of a Corporate Event on
 23 or before November 1, 2023, the Company will make a lump sum
 24 payment to you in accordance with the following:

<u>Closing Date of Corporate Event</u>	<u>Payment Amount</u>
Date of this Agreement – November 1, 2019	\$909,451.00
November 2, 2019 – November 1, 2020	\$727,561.00
November 2, 2020 – November 1, 2021	\$545,671.00
November 2, 2021 – November 1, 2022	\$363,780.00
November 2, 2022 – November 1, 2023	\$181,890.00
On or after November 2, 2023	\$0.00

25 “Corporate Event” means (i) the consummation of a merger or
 26 consolidation of the Company with or into another entity or (ii) the sale,
 27 transfer, or exclusive license of significant assets of the Company outside
 28 the ordinary course of business, in whole or in part, including but not
 limited to its developed technology (such as desktop applications, web

1 applications, mobile applications, backend applications, machine-
2 learning applications and database structures), and data derived from or
3 contributed to the Company (such as client data, pricing data, inventory
4 data, industry directory data, aircraft data, company performance data,
5 and other data contributing to Company revenue generation). The
6 foregoing notwithstanding, a merger or consolidation of the Company
7 shall not constitute a “Change in Control” if immediately after such
8 merger or consolidation a majority of the voting power of the capital
9 stock of the continuing or surviving entity, or any direct or indirect parent
10 corporation of such continuing or surviving entity, will be owned by the
11 persons who were the Company’s shareholders immediately prior to such
12 merger or consolidation in substantially the same proportions as their
13 ownership of the voting power of the Company’s capital stock
14 immediately prior to such merger or consolidation. In no event shall a
15 Qualified Financing constitute a Change in Control.

16
17 67. The Letter Agreement specified that any personal property that JGH had
18 paid for would become Plaintiff’s personal property. This clause applied to Plaintiff’s
19 cell phone, which became his personal property:

20 **5. Personal Property.** In the event that the Company purchased all or a
21 portion of any items of personal property that are in your possession as
22 of the date of this Agreement, such items are hereby deemed your
23 personal property subject to any applicable withholding taxes and other
24 deductions. For clarity, the foregoing does not include intangible or
25 intellectual property or the Tesla Model X that you are currently using
26 (the “Company Car”).

27
28 68. Critically to Plaintiff, the Letter Agreement required the establishment of
a separate bank account dedicated for the purpose of collecting and holding funds to
pay the FET (the “FET Clause”):

6. Excise Taxes. As the Company receives revenue subject to federal
excise taxes, the Company will estimate in good faith the amount of
federal excise taxes anticipated to be due on such revenue and will hold
such estimated tax amount in a separate bank account. Funds from such
account will only be used to pay federal excise taxes. The Company will
continue to work toward a settlement with the IRS related to past excise
taxes that avoids personal liability of the Company’s past and current
officers and directors in connection therewith.

69. As a part of the Letter Agreement, Plaintiff and Wolf each resigned from
JGH’s Board of Directors.

70. Upon execution of the Letter Agreement, Brown became the sole director
of JGH and continued to act as its CEO. Further, due to Plaintiff transferring

1 approximately half of his shares back to JGH, Brown became the majority shareholder
2 in JGH, owning 63.7% of JGH's shares.

3 71. Having consolidated his power and control over JGH, Brown proceeded
4 to operate JGH like his personal piggy bank to fund his extravagant lifestyle at the
5 expense of the company and the shareholders. As detailed below, Brown proceeded to
6 leverage the company and use the cash for personal purposes, made loans to his family
7 members on terms favorable to those family members, and authorized exorbitant
8 commission payments to himself. Further, he authorized \$1.9 million in distributions
9 to himself as a shareholder, while only distributing \$23,000 to the other two
10 shareholders, in wild disproportion to their respective actual shareholder percentages.

11 72. Simultaneously, Brown and JGH breached the Letter Agreement by
12 establishing other entities and transferring JGH's assets to those companies, breaking
13 every promise made to Plaintiff.

14 73. All the while, Brown continued to fail and refused to pay the FET, in
15 blatant disregard of the contractual and statutory obligation to do so. Brown never
16 allocated funds to pay the company's FET nor did he set up the separate bank account
17 for that purpose that he promised he would. Thereafter, JGH's outstanding FET
18 obligation ballooned to more than \$5 million.

19 74. On information and belief, after execution of the Letter Agreement to
20 approximately December 2019, Brown used assets properly belonging to JGH to fund
21 personal loans that he never repaid.

22 75. On information and belief, after execution of the Letter Agreement up to
23 approximately December 2019, Brown took excessive commissions from JGH's sale
24 of brokered aircraft trips and its sales of aircraft. The commissions from aircraft sales
25 are particularly substantial given the high value of the transactions. In these
26 circumstances, on information and belief, Brown simply kept the entire profit without
27 accounting to the company or the shareholders.

28 76. On August 6, 2019, on information and belief, while still CEO and the

1 only director of JGH, Brown (acting for himself and/or for JGH) formed an identically
2 named entity, Jet Genius Holdings, Inc., as a Florida corporation. This new entity was
3 not a wholly owned subsidiary of JGH as JGH did not own 100% of the stock of the
4 new entity.

5 77. Two weeks later, on August 20, 2019, Brown changed the new entity's
6 name to Jet Genius Florida Holdings, Inc. ("JGFH")

7 78. On April 27, 2020, JGFH filed its first annual report which disclosed that
8 Brown was the President, Secretary, Treasurer, and sole Director of JGFH.

9 79. Plaintiff is informed and believes, and on that basis alleges, that Brown
10 formed JGFH to pursue the identical business as JGH, and to continue or conduct such
11 business operations using the JGH Platform.

12 80. Plaintiff is informed and believes, and on that basis alleges, that Brown
13 formed JGFH to avoid liabilities of JGH, including with respect to the FET obligations
14 and moneys owed to Plaintiff and Wolf.

15 81. By creating an entity that was not a wholly owned subsidiary of JGH and
16 that also was not a company or joint venture established with one or more partners for
17 the primary purpose of owning and operating aircraft, Brown breached the Letter
18 Agreement and express promises he made to Plaintiff.

19 82. On September 16, 2019, on information and belief, Brown formed Jet
20 Agency in the State of Florida. The Article of Organization of Jet Agency identified
21 Brown as Jet Agency's manager.

22 83. Every Annual Report to date filed by Jet Agency indicates that Brown is
23 Jet Agency's manager. On information and belief, Brown is Jet Agency's sole
24 member.

25 84. By creating an entity that was not a wholly owned subsidiary of JGH that
26 also was not a company or joint venture established with one or more partners for the
27 primary purpose of owning and operating aircraft, Brown breached the Letter
28 Agreement and express promises he made to Plaintiff.

1 85. On August 29, 2019, all JGH employees received an email from JGH’s
2 Chief Financial Officer, Cindy Grotzky (“Grotzky”). In the email, Grotzky announced
3 that all JGH employees would become employees of JGFH, such that the employee
4 structure for the business remained identical and there would be no material changes
5 to the operation of the business, except formalities in payroll. Grotzky’s email to the
6 staff stated: “Over the last several weeks it was decided that a new entity would be
7 created -- Jet Genius Florida Holdings, Inc. d/b/a Charter Flight Group. This will occur
8 on October 1, 2019, and beginning on that date all activity of Charter Flight Group
9 will be recorded in the new entity.”

10 86. On information and belief, at this time, Brown, as CEO and the sole
11 Director of JGH, moved JGH’s entire revenue stream to JGFH. He did so without any
12 benefit to JGH or its shareholders. In doing so, Brown breached his fiduciary duties to
13 the JGH shareholders, including Plaintiff.

14 87. On information and belief, at this time, as CEO and the sole Director of
15 JGH, Brown purported to transfer ownership of or licensed rights in and to the JGH
16 Platform to JGFH without adequate consideration, simply for the purpose of
17 benefitting another entity for which he was, on information and belief, the sole
18 shareholder. In doing so, Brown breached his fiduciary duties to the JGH shareholders,
19 including Plaintiff.

20 88. Transferring the rights in and to the JGH Platform to another entity
21 constituted a “Corporate Event” under the Letter Agreement. Since the Corporate
22 Event took place before November 1, 2019, Plaintiff was due a lump sum payment of
23 \$909,451.00, yet he received nothing.

24 89. On information and belief, at this time, as CEO and the sole Director of
25 JGH, Brown transferred ownership of or licensed rights in and to the JGH Platform to
26 Jet Agency without adequate consideration simply for the purpose of benefitting
27 another entity for which he was, on information and belief, the sole member. In doing
28 so, Brown breached his fiduciary duties to the JGH shareholders, including Plaintiff.

1 90. Again, transferring the rights in and to the JGH Platform to another entity
2 constituted a “Corporate Event” under the Letter Agreement. Since the Corporate
3 Event took place before November 1, 2019, Plaintiff was due a lump sum payment of
4 \$909,451.00, yet he received nothing.

5 91. In December 2019, having been excluded from the company decision
6 making for approximately one year, Plaintiff learned that JGH’s FET obligation was
7 still growing despite Brown’s repeated assurances he would ensure it was paid.

8 92. On December 2, 2019, Plaintiff attended a call with Brown and Wolf,
9 amongst several others. On the call, staff confirmed that JGH’s outstanding FET
10 liability was approximately \$2.5 million. Brown stated that he had established a fund
11 to pay the FET, but it only had \$50,000 in it. Brown did not and would not explain
12 where the rest of the money went.

13 93. On the same call, Brown said that he planned to move the company to
14 Florida before the IRS could put a lien on JGH.

15 94. Thereafter, Brown continued to grow his shell game of entities that he
16 used for only his benefit. On September 11, 2020, C3 Limo, LLC is formed with Stacy
17 Brown, Brown’s wife, listed as its manager. Six months later, they change the manager
18 to Chasen Dobos, Brown’s stepson.

19 95. On information and belief, at this time, as CEO and the sole Director of
20 JGH, Brown transferred ownership of or licensed rights in and to parts of the JGH
21 Platform to C3 Limo, including the client data and purchase history, and conducted
22 joint marketing with it, without paying adequate consideration to JGH, all for his and
23 his family’s sole benefit. In doing so, Brown breached his fiduciary duties to the JGH
24 shareholders, including Plaintiff.

25 96. On information and belief, Brown transferred cash belonging to JGH or
26 to which it was entitled in undocumented transactions to C3 Limo to fund C3 Limo’s
27 operations without any expectation of being repaid.

28 97. On April 23, 2021, on information and belief, Brown formed C3 Jets.

1 98. On information and belief, Brown transferred \$100,000 per month (and
2 potentially more), which was cash belonging to JGH or to which it was entitled, to C3
3 Jets to help fund its operations. On information and belief, Brown formed and pursued
4 C3 Jets with the intent and plan to shift the customers, clients, opportunities, assets,
5 and revenues, and other business interests to which JGH is rightfully entitled to C3
6 Jets.

7 99. On information and belief, JGH is not receiving any compensation for
8 these payments.

9 100. On information and belief, throughout his control tenure, as Plaintiff has
10 now learned, Brown has used the assets (tangible and intangible), bank accounts, and
11 revenues of JGH, either directly or through JGFH, or the Alter Egos, to fund his
12 extravagant lifestyle. He has done so in any number of ways that serve his personal
13 interest and harm JGH.

14 101. On information and belief, Brown has used the assets rightly belonging
15 to or originating from JGH, either directly or through JGFH, or the Alter Egos,
16 including planes and vehicles, for personal use that did not serve any business purpose.

17 102. On information and belief, Brown has taken funds rightly belonging to or
18 originating from JGH, either directly or through JGFH, or the Alter Egos, in
19 undocumented transactions or improperly documented transactions for personal use.

20 103. On information and belief, Brown has made \$1.9 million in distributions
21 of JGH funds to himself while only distributing \$23,000 to the other JGH shareholders,
22 in wild disproportion to shares held by the shareholders of JGH.

23 104. On information and belief, Brown has taken excessive and indefensible
24 commissions from sales made by or through JGH or which were corporate
25 opportunities belonging to JGH. The commissions taken by Brown deprived JGH and
26 its shareholders of their entitled interests in profits or benefits from the transactions
27 and opportunities.

28 105. On information and belief, Brown has made undocumented or improperly

1 documented “loans” to the Alter Egos from JGH to fund their respective operations.
2 Brown has built these businesses to serve his own personal purposes. Brown has made
3 these loans with no expectation that they would ever be repaid.

4 106. Brown has taken at least one loan for JGH, JGFH, and/or the Alter Egos,
5 from his family members. On information and belief, that loan was repaid on terms
6 that benefited Brown’s family and was to the detriment of the company.

7 107. On information and belief, Brown has taken out loans on behalf of JGH,
8 JGFH, and/or the Alter Egos, all of which involve money or assets rightly belonging
9 to JGH, and used the funds for personal uses. On information and belief, Brown has
10 not repaid such loans, and creditors have now asserted liens against JGH, or assets
11 which it rightly has an interest in, to the detriment of JGH’s shareholders.

12 108. On information and belief, Brown has used the funds that should have
13 been used to pay the FET for personal use, including using the assets or funds of JGH,
14 either directly or through JGFH and the Alter Egos, to subsidize his opulent lifestyle,
15 including regularly taking vacations to the Caribbean, Monaco, Africa, Maldives, and
16 St. Barts, attending Formula 1 races, indulging in the highest fashion, adorning himself
17 with Louis Vuitton, Hermes, and high-end watches, and maintaining homes in
18 locations like Palm Beach, Florida, Aspen, Colorado, and Del Mar, California.

19 109. In June of 2021, the IRS escalated pressure against JGH for its unpaid
20 FET. IRS agents contacted the original JGH shareholders, Brown, Plaintiff, and Wolf,
21 and stated that JGH had an outstanding FET liability of over \$5 million. Plaintiff
22 worried that the IRS would attempt to collect this amount from the shareholders
23 personally.

24 110. Brown attempted to use this opportunity to leverage Plaintiff to release
25 Brown from his many breaches of fiduciary duties as the CEO and sole director of
26 JGH.

27 111. By this time, Brown had breached his fiduciary duties to JGH and
28 Plaintiff by effectively stripping JGH of its most meaningful and valuable asset by

1 transferring or licensing the JGH Platform to other entities Brown owned and/or
2 controlled, and by continuously moving the sources of revenue amongst his shell
3 companies.

4 112. Brown attempted to cover his tracks by coercing Plaintiff to sign a new
5 proposed shareholder agreement for JGFH (the “JGFH Agreement”). The JGFH
6 Agreement would have awarded Plaintiff shares in JGFH, but those shares were not
7 identical in value and corporate priority as his shares in JGH.

8 113. Moreover, the proposed JGFH Agreement contained a release of all
9 claims that Plaintiff would have against JGH or its directors or officers, including
10 Brown. Of course, Plaintiff refused to sign the JGFH Agreement.

11 114. In the following months, Plaintiff tried to resolve JGH’s outstanding FET
12 issues. Brown refused to discuss resolving the FET issues until Plaintiff signed the
13 JGFH Agreement and released all claims against him.

14 115. Brown further sought to use the FET as leverage against Plaintiff by, on
15 information and belief, attempting to influence (and potentially succeeding in
16 influencing) the IRS to pursue collection of the FET from Plaintiff personally.

17 116. At this time, JGH had been contacted by an IRS Revenue Officer (“IRS
18 RO”). Brown pointed to the period from the formation of JGH up to the Letter
19 Agreement—when Plaintiff owned 49.5% of JGH—and Plaintiff’s signature to open
20 the bank account as JGH’s secretary to suggest Plaintiff had responsibility for JGH’s
21 finances during that time, even though Plaintiff did not truly serve in that role or have
22 that responsibility.

23 117. In fact, Brown knew these suggestions were patently false. He knew that
24 he excluded Plaintiff from having oversight over JGH’s finances as Brown wanted and
25 gained exclusive control over that role. Brown also knew that the only reason that
26 Plaintiff opened the bank account was at Brown’s request, claiming he could not do
27 so since he had been on vacation (or purported to be). It was only due to Brown’s
28 request (whether based on truth or not) that Plaintiff had even been named Secretary

1 of JGH for the technical and one-time purpose of opening the bank account.

2 118. In or around October of 2021, the IRS RO contacted Plaintiff regarding
3 JGH’s unpaid FET and informed Plaintiff that he could be held personally responsible
4 for the uncollected and unpaid tax.

5 119. Plaintiff then sought protection of JGH. JGH had already provided
6 counsel to Wolf with respect to the FET, and the counsel had succeeded in obtaining
7 a final result that the IRS was not investigating Wolf for personal liability for the FET.

8 120. When Plaintiff confronted Brown about the FET, Brown admitted on
9 November 4, 2021: “I am responsible for the FET mess. I will have to answer to this.”

10 121. Plaintiff sought the same legal defense and indemnification from the
11 company that it provided to Wolf and Brown. On a call with JGH’s counsel on
12 November 18, 2021, Plaintiff requested defense representation and indemnification
13 for the tax dispute. Indisputably, JGH owed it to Plaintiff under its Bylaws to defend
14 and indemnify Plaintiff for the tax liability because it was an “expense[], judgment[],
15 fine[], settlement[] and other amount[]” that was actually incurred by reason of the fact
16 Plaintiff was a director or officer of JGH. In blatant breach of the duty to defend and
17 indemnify Plaintiff, Brown refused to provide the requested defense and denied
18 Plaintiff’s request for indemnification.

19 122. Without representation, Plaintiff had to fend for himself in his
20 negotiations with the IRS to try to avoid personal liability. That effort failed, and in or
21 around May 2022, he was personally assessed a trust fund recovery penalty of \$1.3
22 million.

23 123. On October 28, 2022, Brown formed Jetcharter and serves as its manager.
24 The website domain www.jetcharter.com was and rightfully is an asset of JGH. On
25 information and belief, JGH had purchased the domain for \$50,000. On information
26 and belief, Brown has now transferred or licensed the domain to Jetcharter, all to the
27 detriment of JGH and its shareholders.

28 124. Brown’s unscrupulous, belligerent, and devious behavior reached

1 extraordinary new levels in late 2022.

2 125. On information and belief, Brown saw an opportunity to commandeer
3 Plaintiff's cell phone and injure Plaintiff's reputation by impersonating him in cell
4 phone communications.

5 126. When the parties formed JGH, Plaintiff was given a company cell phone.
6 On information and belief, Brown purchased and registered the cell phone with the
7 cell phone carrier under an account belonging to JGH.

8 127. Pursuant to section 5 of the Letter Agreement, that cell phone became
9 Plaintiff's personal property upon execution of that agreement.

10 128. In or around December 2022, in the midst of the parties' disagreements
11 over company operations, disputes over resolving the FET obligation, and this
12 litigation, on information and belief, Brown convinced the cell phone carrier that
13 Plaintiff's cell phone number actually belonged to Brown. On information and belief,
14 Brown succeeded in convincing the carrier to transfer Plaintiff's cell phone account to
15 a new cell phone that Brown possessed. This effectively gave Brown control over all
16 the information in Plaintiff's cell phone, including text messaging services.

17 129. At the same time, Plaintiff's cell phone service stopped working. Plaintiff
18 could not regain access to his phone account, so he purchased a new phone and was
19 assigned a new phone number. Ever since, Plaintiff has used his new cell phone and
20 new number.

21 130. Late one night in December 2022, Wade A. Miller ("Miller"), Plaintiff's
22 then-counsel in this litigation, received a call from Plaintiff's cell phone number. The
23 caller identified himself as Plaintiff, which is what the caller-id showed. Miller thought
24 the speaker sounded inebriated. Miller and the caller, who he still believed to be
25 Plaintiff, spoke at length, including as to legal strategy and advice related to this
26 litigation. Miller had never received a call from Plaintiff so late in the night, so the
27 next morning, Miller contacted Plaintiff to make sure he was alright and to discuss the
28 conversation they had the night prior. Plaintiff was surprised by Miller's description

1 of the call since Plaintiff had not made that call.

2 131. On information and belief, Brown used Plaintiff's former cell phone
3 number to call Miller and impersonated Plaintiff with the express purpose and intent
4 of learning privileged and confidential information about Plaintiff and this litigation.
5 Plaintiff was aghast upon learning of this violation.

6 132. In the following days and weeks, Plaintiff was contacted by various
7 friends and colleagues who told him that they were receiving strange text messages
8 purportedly from him. Some of these recipients engaged in exchanges or conversations
9 with the person purporting to be Plaintiff. Some of these recipients eventually
10 suspected (or affirmatively learned) they were not communicating with Plaintiff, and
11 others eventually believed that they were texting with Brown using Plaintiff's cell
12 phone number.

13 133. On information and belief, Brown texted and/or called Plaintiff's contacts
14 from his cell phone while impersonating Plaintiff.

15 134. On information and belief, Plaintiff still does not know the full extent of
16 Brown's text messages or impersonation efforts with his contacts.

17 135. Plaintiff has and continues to suffer emotional distress and extreme
18 embarrassment, including when he has to contact or disclose to his friends and
19 colleagues that he lost access to his phone and someone appears to have been
20 impersonating him. Further, Plaintiff fears further embarrassment and ridicule if
21 forced to indiscriminately contact his contacts, friends and colleagues to ask if they
22 have been contacted by a person impersonating him.

23 136. The stress and embarrassment caused by the phony conversations with
24 Plaintiff's contacts, and the unknown extent of those acts which could still be
25 occurring, has caused Plaintiff severe emotional distress and anxiety. Plaintiff further
26 suffers stress, anxiety, and emotional distress and trauma because he does not know
27 the full extent of unauthorized access to and use of his personal cell phone and data
28 contained therein.

FIRST CAUSE OF ACTION

Express Indemnity

(Against JGH)

137. Plaintiff incorporates by reference each and every allegation contained in each paragraph above and below as though the same were set forth in full herein.

138. Pursuant to its Bylaws, JGH owes an obligation to indemnify Plaintiff for all expenses, judgments, fines, settlements and other amounts actually incurred by reason of the fact that Plaintiff was a director or officer of JGH.

139. The IRS assessed a \$1.3 million tax liability against Plaintiff by reason of his past performance of his duties or service as a director or officer of JGH.

140. Plaintiff demanded that JGH indemnify him for the \$1.3 million tax liability.

141. Plaintiff has incurred other expenses as a result of defending against the IRS and its FET collection efforts against JGH and Plaintiff personally.

142. JGH refused to indemnify Plaintiff for the \$1.3 million tax liability.

143. As a direct and proximate result of JGH’s breach of its duty, Plaintiff has been damaged, plus interest thereon, in an amount to be proven at trial.

SECOND CAUSE OF ACTION

Equitable Indemnity

(Against JGH and Brown)

144. Plaintiff incorporates by reference each and every allegation contained in each paragraph above and below as though the same were set forth in full herein.

145. By reason of JGH’s failure to pay the FET, which Brown intentionally avoided despite assurances he would arrange for its payment, Plaintiff has been assessed a \$1.3 million tax liability by the IRS.

146. Brown and JGH’s conduct, whether intentional or negligent, was a substantial factor, and the direct and proximate cause, of causing Plaintiff harm.

147. Brown is liable as, from the time that Brown was JGH’s sole director and

1 majority shareholder, Brown dominated, influenced and controlled JGH and made the
2 decision for JGH to avoid paying the FET obligation it owed.

3 148. Brown is liable as, from the time that Brown was JGH's sole director and
4 majority shareholder, there existed and now exists a unity of interest and ownership
5 between Brown and JGH; the individuality and separateness of Brown and JGH have
6 ceased to exist.

7 149. Brown is liable for JGH as, from the time that Brown was JGH's sole
8 director and majority shareholder, JGH has been and now is a mere shell and naked
9 framework which Brown used and continues to use as a conduit for the conduct of his
10 personal business, property and affairs.

11 150. As a direct and proximate result of Brown's and JGH's acts, Plaintiff has
12 been damaged, plus interest thereon, in an amount to be proven at trial.

13 **THIRD CAUSE OF ACTION**

14 **Breach of Duty to Defend**

15 **(Against JGH)**

16 151. Plaintiff incorporates by reference each and every allegation contained in
17 each paragraph above and below as though the same were set forth in full herein.

18 152. Pursuant to the Corporations Code and its Bylaws, JGH had an obligation
19 to defend Plaintiff for all expenses, judgments, fines, settlements and other amounts
20 actually incurred by reason of the fact that Plaintiff was a director or officer of JGH.

21 153. Plaintiff incurred expenses defending against the IRS efforts to collect
22 JGH's unpaid FET.

23 154. Plaintiff demanded that JGH defend him for in the IRS collection action.

24 155. Plaintiff has incurred other expenses as a result of defending against the
25 IRS and its FET collection efforts and will continue to incur expenses defending
26 against the IRS and FET collection efforts.

27 156. JGH refused to defend Plaintiff against the IRS collection action.

28 157. As a direct and proximate result of JGH breach of its duty, Plaintiff has

1 been damaged, plus interest thereon, in an amount to be proven at trial.

2 **FOURTH CAUSE OF ACTION**

3 **Breach of Fiduciary Duty**

4 **(Plaintiff, Derivatively on behalf of JGH, Against Brown)**

5 158. Plaintiff incorporates by reference each and every allegation contained in
6 each paragraph above and below as though the same were set forth in full herein.

7 159. As the CEO and Director of JGH, Brown had a fiduciary duty to act in
8 the best interest JGH and its shareholders.

9 160. Plaintiff is informed and believes, and on that basis alleges, that Brown
10 breached his fiduciary duties by:

- 11 a. failing to pay JGH’s FET obligations;
- 12 b. transferring the revenue and profits of JGH to other entities or his
13 personal accounts;
- 14 c. taking out loans from JGH for improper and personal purposes
15 without adequate documentation;
- 16 d. taking excessive and exorbitant commissions, salaries, and
17 bonuses, including after the sales of chartered flights or for aircraft sales;
- 18 e. making undocumented loans to other entities controlled by Brown,
19 believed to include but perhaps not be limited to JGFH, C3 Jets, Bowman
20 Aviation, Jet Agency Global, and C3 Limo; and
- 21 f. transferring, licensing or otherwise monetizing the JGH Platform
22 to other entities controlled by Brown for the benefit of those other persons or
23 entities and to the detriment of JGH and its shareholders.

24 161. As a direct and proximate result of the acts alleged above, Plaintiff has
25 suffered damage, plus interest thereon, according to proof at trial.

26 162. In doing the acts alleged in this Cause of Action, Brown acted with
27 oppression, fraud, malice and in conscious disregard of Plaintiff’s rights. As a result,
28 to the Court should award punitive damages according to proof at the time of trial.

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FIFTH CAUSE OF ACTION

Breach of Contract

(Against JGH and Brown)

163. Plaintiff incorporates by reference each and every allegation contained in each paragraph above and below as though the same were set forth in full herein.

164. The Letter Agreement is a valid and enforceable contract.

165. Plaintiff fully performed under the terms of the Letter Agreement, or performance was excused.

166. JGH and Brown breached the Letter Agreement by:

a. creating securities in an entity other than a wholly-owned subsidiary, other than a company or joint venture established with one or more partners for the primary purpose of owning and operating aircraft without Plaintiff’s written permission;

b. loaning money to or accepting loans from a shareholder;

c. failing to make a lump sum payment to Plaintiff after the occurrence of a corporate event as defined in Section 4 of the Letter Agreement;

d. failing to collect and hold revenue in a separate bank account dedicated towards all applicable FET; and

e. failing to continue to work towards a settlement with the IRS for FET that would avoid the personal liability of Plaintiff.

167. As a direct and proximate result of the breaches of the Letter Agreement, Plaintiff has been damaged in an amount to be proven at time of trial and is entitled to all reasonable attorneys’ fees, expenses, and costs incurred pursuant to the Letter Agreement.

SIXTH CAUSE OF ACTION

Fraud

(Against Brown)

168. Plaintiff incorporates by reference each and every allegation contained in

1 each paragraph above and below as though the same were set forth in full herein.

2 169. Brown made intentionally false statements to Plaintiff to consolidate his
3 control over JGH.

4 170. Brown made these statements in order to obtain Plaintiff's agreement to
5 fundamentally change the ownership structure and management of JGH. Plaintiff was
6 concerned that Brown may take advantage of his position to act to his benefit and to
7 the detriment of Plaintiff.

8 171. Brown made false statements intending to address Plaintiff's concerns
9 and convince him to sign the Letter Agreement. Brown's false statements to Plaintiff
10 included saying:

- 11 • "Just trust me."
- 12 • "Don't worry about it."
- 13 • "Why are we wasting time with lawyers negotiating this, there is no
14 reason to worry."
- 15 • "I won't do those things," specifically, avoid paying FET, form entities
16 or transfer assets or money out of JGH.

17 172. On information and belief, at the time Brown made his statements, he
18 knew they were false and Brown never intended to abide by his assurances and
19 promises to Plaintiff, including to ensure that the FET was paid, that he would protect
20 the assets of JGH to serve the interests of JGH's other shareholders, or otherwise act
21 in JGH's best interests.

22 173. Brown made his statements with the intention of consolidating his control
23 of JGH and intended to induce Plaintiff's reliance to agree to such terms.

24 174. Plaintiff reasonably relied on Brown's statements that he would do as
25 promised, including that he would take all appropriate measures to pay the FET,
26 protect JGH's assets, and serve the interest of JGH's other shareholders. As a
27 consequence, Brown obtained Plaintiff's consent based on such reliance.

28 175. As a result of Brown's fraudulent statements, Plaintiff has been damaged

1 in an amount to be proven at trial.

2 176. In doing the acts alleged in this Cause of Action, Brown acted with
3 oppression, fraud, malice and in conscious disregard of Plaintiff’s rights. As a result,
4 to the Court should award punitive damages according to proof at the time of trial.

5 **SEVENTH CAUSE OF ACTION**

6 **California Corporations Code § 316(a)**

7 **(Plaintiff, Derivatively on Behalf of JGH, Against Brown)**

8 177. Plaintiff incorporates by reference each and every allegation contained in
9 each paragraph above and below as though the same were set forth in full herein.

10 178. Brown made corporate distributions to himself that violated California
11 Corporations Code section 500(a).

12 179. Brown authorized loans that violate California Corporations Code section
13 315(a).

14 180. Due to Brown’s unlawful conduct, JGH is entitled to recover the amount
15 of the illegal distributions or, to the extent Brown improperly transferred JGH’s
16 property, including the JGH Platform, the fair market value of that property at the time
17 of the illegal distribution, plus interest thereon from the date of the distribution at the
18 legal rate on judgments until paid, together with all reasonably incurred costs of
19 appraisal or other valuation, if any, of that property or loss suffered by the corporation.

20 **EIGHTH CAUSE OF ACTION**

21 **Aiding and Abetting Breach of Fiduciary Duty**

22 **(Plaintiff, Derivatively on Behalf of JGH, Against the Alter Egos & C3 Limo)**

23 181. Plaintiff incorporates by reference each and every allegation contained in
24 each paragraph above and below as though the same were set forth in full herein.

25 182. By the acts described herein, Brown breached his fiduciary duties to JGH.

26 183. Plaintiff is informed and believes, and on that basis alleges, that the Alter
27 Egos had actual knowledge of the fiduciary duties owed by Brown to JGH and its
28 shareholders.

1 184. Plaintiff is informed and believes, and on that basis alleges, that the Alter
2 Egos substantially assisted and encouraged Brown’s breach of fiduciary duties by
3 taking out undocumented loans that benefited the Alter Egos, misappropriating and
4 using JGH assets, misappropriating and using the JGH Software, and receiving cash
5 payments that would never be returned to JGH that were used by the Alter Egos for
6 purposes unrelated to the operations of JGH.

7 185. The Alter Egos’s conduct was a substantial factor in causing harm to
8 Plaintiff.

9 **NINTH CAUSE OF ACTION**

10 **Conspiracy to Breach Fiduciary Duty**

11 **(Plaintiff, Derivatively on Behalf of JGH, Against Brown, the Alter Egos & C3**
12 **Limo)**

13 186. Plaintiff incorporates by reference each and every allegation contained in
14 each paragraph above and below as though the same were set forth in full herein.

15 187. Brown, the Alter Egos, and C3 Limo had a common purpose and design
16 to benefit by the breach of Brown’s fiduciary duties to JGH.

17 188. Plaintiff is informed and believes, and on that basis alleges, that
18 collectively, Brown, the Alter Egos, and C3 Limo agreed to and acted in concert to
19 achieve an unlawful plan of benefiting from the breach of Brown’s fiduciary duties to
20 JGH.

21 189. Plaintiff is informed and believes, and on that basis alleges, that Brown,
22 the Alter Egos, and C3 Limo intentionally acted and achieved this plan by comingling
23 funds, accepting and using the JGH Software, and accepting undocumented loans from
24 Brown.

25 190. As a result of the conspiracy, Brown, the Alter Egos, and C3 Limo are all
26 liable for Brown’s breaches of his fiduciary duties.

27 191. As a direct and proximate result of the acts alleged above, Plaintiff has
28 suffered damage, plus interest thereon, according to proof at trial.

1 192. In doing the acts alleged in this Cause of Action, Brown, the Alter Egos,
2 and C3 Limo acted with oppression, fraud, malice and in conscious disregard of
3 Plaintiff’s rights. As a result, to the Court should award punitive damages according
4 to proof at the time of trial.

5 **TENTH CAUSE OF ACTION**

6 **Unjust Enrichment**

7 **(Plaintiff, Derivatively on Behalf of JGH, Against Brown)**

8 193. Plaintiff incorporates by reference each and every allegation contained in
9 each paragraph above and below as though the same were set forth in full herein.

10 194. Brown accepted money in the form of JGH assets, unauthorized
11 commissions and loans that have not been repaid to JGH.

12 195. It would be inequitable for Brown to retain these assets without any
13 compensation to JGH.

14 196. Justice requires JGH receive the value that Brown has taken from JGH at
15 an amount to be proven at trial.

16 **ELEVENTH CAUSE OF ACTION**

17 **Quasi-Contract/Promissory Estoppel**

18 **(Against Brown)**

19 197. Plaintiff incorporates by reference each and every allegation contained in
20 each paragraph above and below as though the same were set forth in full herein.

21 198. Brown made promises to Plaintiff that were clear and unambiguous in
22 their terms. Brown promised that if Plaintiff entered into the Letter Agreement and
23 ceded control of JGH to Brown, that Brown would ensure that JGH would handle
24 payment of the FET obligations, not transfer JGH’s assets to other entities, and act in
25 the best interests of JGH’s shareholders, including Plaintiff.

26 199. In reliance on Brown’s promises, Plaintiff signed the Letter Agreement
27 and otherwise agreed to Brown’s demands to control JGH as CEO and sole director.

28 200. Plaintiff’s reliance was both reasonable and foreseeable. In fact, Brown

1 encouraged and induced that reliance and repeatedly assured Plaintiff that Brown was
2 both capable of addressing the business issues that were the subject of his promises,
3 but also that it would be to Plaintiff's benefit in doing so.

4 201. Plaintiff has been injured by his reliance on Brown's promises. Plaintiff
5 has been assessed personal liability of \$1.3 million in FET that Brown promised he
6 would accept responsibility for paying and has been denied payments to which he was
7 otherwise entitled, and denied other entitlements to which he is entitled.

8 202. As a direct and proximate result of Brown's acts and failures to act,
9 Plaintiff has been injured in an amount to be proven at time of trial, which sum exceeds
10 the jurisdictional amount of this Court.

11 **TWELFTH CAUSE OF ACTION**

12 **Conversion**

13 **(Plaintiff, Derivatively on Behalf of JGH, Against Brown)**

14 203. Plaintiff incorporates by reference each and every allegation contained in
15 each paragraph above and below as though the same were set forth in full herein.

16 204. JGH owned the cash, money, revenue or other assets that was in the
17 possession of or received by JGH.

18 205. Plaintiff is informed and believes, and on that basis alleges, that Brown
19 converted JGH's cash, money, revenue or other assets by:

- 20 a. keeping revenue that should have been used to pay FET;
- 21 b. transferring the revenue and profits of JGH to other entities or his
22 personal accounts;
- 23 c. taking out loans from the company for personal purposes;
- 24 d. taking excessive and exorbitant commissions, salaries, and
25 bonuses, including after the sales of chartered flights or for aircraft sales; and
- 26 e. transferring, licensing or otherwise monetizing the JGH Platform
27 to other entities controlled by Brown.

28 206. As a direct and proximate result of Brown's acts and failures to act,

1 Plaintiff has been injured in an amount to be proven at time of trial.

2 **THIRTEENTH CAUSE OF ACTION**

3 **Conspiracy to Commit Conversion**

4 **(Plaintiff, Derivatively on Behalf of JGH, Against Brown, the Alter Egos & C3**
5 **Limo)**

6 207. Plaintiff incorporates by reference each and every allegation contained in
7 each paragraph above and below as though the same were set forth in full herein.

8 208. Plaintiff is informed and believes, and on that basis alleges, that Brown,
9 the Alter Egos, and C3 Limo had a common purpose and design to benefit by
10 converting JGH's assets.

11 209. Plaintiff is informed and believes, and on that basis alleges, that
12 collectively, Brown, the Alter Egos, and C3 Limo agreed to and acted in concert to
13 achieve an unlawful plan of converting JGH's assets.

14 210. Plaintiff is informed and believes, and on that basis alleges, that Brown,
15 the Alter Egos, and C3 Limo achieved this plan by transferring assets, through multiple
16 mechanisms, from JGH to themselves.

17 211. As a result of the conspiracy, Brown, the Alter Egos, and C3 Limo are all
18 liable for the conversion of JGH's assets.

19 **FOURTEENTH CAUSE OF ACTION**

20 **Money Had and Received**

21 **(Plaintiff, Derivatively on Behalf of JGH, Against Brown, the Alter Egos & C3**
22 **Limo)**

23 212. Plaintiff incorporates by reference each and every allegation contained in
24 each paragraph above and below as though the same were set forth in full herein.

25 213. As described herein, Brown, the Alter Egos and C3 Limo have received
26 money which belongs to JGH.

27 214. Brown, the Alter Egos, and C3 Limo have not used these moneys for the
28 benefit of JGH.

1 these Penal Code violations. Further, any computer, computer network, computer
2 system, or any software or data owned by Brown that is used in the commission of a
3 public offense, or any computer impermissibly used as a repository for the storage of
4 software or data illegally obtained in violation of Penal Code section 502 shall be
5 subject to forfeiture.

6 224. By accessing and using Plaintiff's cell phone and the computer systems
7 on the cell phone, Brown acted with oppression, fraud, or malice.

8 225. Due to Brown's conduct, Plaintiff is entitled to compensatory damages,
9 punitive damages, injunctive relief and other equitable relief.

10 226. Penal Code section 502 also entitles Plaintiff to reasonable attorneys'
11 fees.

12 **SIXTEENTH CAUSE OF ACTION**

13 **Intentional Infliction of Emotional Distress**

14 **(Against Brown)**

15 227. Plaintiff incorporates by reference each and every allegation contained in
16 each paragraph above and below as though the same were set forth in full herein.

17 228. Brown's conduct of convincing Plaintiff's cell phone carrier to transfer
18 the cell phone account to a different phone in his possession was extreme and
19 outrageous.

20 229. Brown's conduct of contacting Plaintiff's attorney and impersonating
21 Plaintiff for the purpose of deceptively engaging in legal discussions with that attorney
22 was extreme and outrageous.

23 230. Brown's conduct of contacting Plaintiff's friends, relatives, and
24 colleagues and impersonating Plaintiff and engaging in personal discussions was
25 extreme and outrageous.

26 231. In engaging in the above conduct, Brown intended to cause Plaintiff
27 extreme emotional distress or recklessly disregarded the probability of causing
28 Plaintiff extreme emotional distress.

1 232. After Brown’s conduct, Plaintiff suffered extreme emotional distress.

2 233. In the above conduct, Brown acted with oppression, fraud, or malice.

3 234. Brown’s conduct was a substantial factor in causing Plaintiff’s extreme
4 emotional distress.

5 **SEVENTEENTH CAUSE OF ACTION**

6 **Intrusion into Private Affairs**

7 **(Against Brown)**

8 235. Plaintiff incorporates by reference each and every allegation contained in
9 each paragraph above and below as though the same were set forth in full herein.

10 236. Plaintiff had a reasonable expectation of privacy in the information on his
11 cell phone.

12 237. Brown intentionally intruded into Plaintiff’s cell phone.

13 238. Brown’s intrusion into Plaintiff’s cell phone would be highly offensive
14 to a reasonable person.

15 239. As a result of Brown’s conduct, Plaintiff has been harmed in an amount
16 to be proven at trial.

17 240. In the above conduct, Brown acted with oppression, fraud, or malice.

18 241. Brown’s conduct was a substantial factor in causing Plaintiff’s harm.

19 **EIGHTEENTH CAUSE OF ACTION**

20 **Accounting**

21 **(Against Brown and JGH and the Alter Egos)**

22 242. Plaintiff incorporates by reference each and every allegation contained in
23 each paragraph above and below as though the same were set forth in full herein.

24 243. A relationship exists between Plaintiff and Brown by virtue of Plaintiff
25 being a shareholder in JGH.

26 244. By virtue of Brown’s relationship with the Alter Egos, Plaintiff has a
27 relationship with the Alter Egos that requires an accounting.

28 245. The accounts and assets of JGH and the Alter Egos are so complicated

1 that an ordinary action demanding a fixed sum is impracticable.

2 **NINETEENTH CAUSE OF ACTION**

3 **Declaratory Relief**

4 **(Against Brown and JGH and the Alter Egos)**

5 246. Plaintiff incorporates by reference each and every allegation contained in
6 each paragraph above and below as though the same were set forth in full herein.

7 247. An actual controversy has arisen and now exists between the parties as to
8 the operations of JGH, including with respect to the rights of shareholders, obligations
9 of the company owed to directors and officers, and the use of company funds,
10 distributions, Board management, and the present status or use or ownership of the
11 JGH Platform.

12 248. A judicial declaration is necessary and appropriate at this time so Plaintiff
13 may enforce his rights.

14 **PRAYER FOR RELIEF**

15 WHEREFORE, Plaintiff prays for judgment as follows:

- 16 a. For actual damages according to proof;
- 17 b. For special damages according to proof;
- 18 c. For punitive damages;
- 19 d. For restitution and/or disgorgement of ill-gotten gains;
- 20 e. For an accounting;
- 21 f. For interest at the maximum legally permissible rate;
- 22 g. For a judicial declaration that;
 - 23 i. The Alter Egos are a single enterprise and there is no
 - 24 distinction among or between them; and
 - 25 ii. The Alter Egos are the alter ego of Brown, and there is no
 - 26 distinction or separateness between the Alter Egos and
 - 27 Brown;
- 28 h. For all appropriate injunctive relief;

- 1 i. For interest at the maximum legally permissible rate;
- 2 j. For attorneys’ fees and costs of suit incurred herein; and
- 3 k. For such other and further relief as the Court deems just and
- 4 proper.

5
6 DATED: August 21, 2023

PROCOPIO, CORY, HARGREAVES &
SAVITCH LLP

7
8
9 By: /s/Sean M. Sullivan

Sean M. Sullivan
Justin M. Martin
Attorneys for Plaintiff
Aaron Stanz

10
11
12 **JURY DEMAND**

13 Pursuant to the Federal Rules of Civil Procedure, Rule 38(b), and Civ.LR 38.1,
14 Plaintiff requests a trial by jury on all claims and issues raised in the Complaint which
15 are so triable.
16

17 DATED: August 21, 2023

PROCOPIO, CORY, HARGREAVES &
SAVITCH LLP

18
19 By: /s/Sean M. Sullivan

Sean M. Sullivan
Justin M. Martin
Attorneys for Plaintiff
Aaron Stanz

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VERIFICATION

I, Aaron “Angel” Stanz, declare as follows:

I am an individual and a shareholder of Jet Genius Holdings, Inc., Plaintiff to this action, and I make this verification in that capacity. I have read the foregoing Second Amended Complaint, and I know its contents. I am informed and believe that the matters stated in the foregoing Second Amended Complaint are true.

I declare under the penalty of perjury, under the laws of the United States, that the foregoing is true and correct.

Executed on August 21, 2023, at Derby, Kansas.

DocuSigned by:
Aaron Stanz
CD409566DA3A04B0

Aaron “Angel” Stanz