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MARICOPA COUNTY SUPERIOR COURT

STATE OF ARIZONA

KEITH DEERING, MARK RENBERG, and CHRIS LOMBARDO, derivatively on behalf of CHEYENNE MOUNTAIN GAMES, INC., a Nevada corporation; CHEYENNE MOUNTAIN ENTERTAINMENT, INC., a Nevada corporation,

Plaintiffs,

vs.

GARY WHITING and VICKI WHITING, husband and wife; GARVICK PROPERTIES, LLC, a Nevada limited liability company; GARRICK ENTERPRISES, LLC, a Nevada limited liability company; FRED GAGON and MARGARET GAGON, husband and wife; THE TREE, LLC, a limited liability company; IRA GAGON and JANE DOE GAGON, husband and wife; INCOME PROPERTIES, LLC, a Nevada limited liability company; VISTA RIDGE I & II, LLC, a Nevada limited liability company; ROBERT GUENTHER and JANE DOE

Case No. CV2010-003106

VERIFIED COMPLAINT

- Breach of Fiduciary Duty
- Fraud
- Civil RICO
- Breach of Contract
- Conversion
- Unjust Enrichment
- Fraudulent Transfer
- Tortious Interference
- Judicial Removal (A.R.S. § 10-809)

GUENTHER, husband and wife; JAFFA PARTNERS, a Texas partnership; TODD ELLERING, a single individual; HARLAN J. BROWN, a single individual; TAE TECHNOLOGIES, INC., an Arizona corporation; JOHN BELLROSE and JANE DOE BELLROSE, husband and wife; JEFF HALL and JANE DOE HALL, husband and wife; SHANE RUDMAN and JANE DOE RUDMAN, husband and wife; WENDI HARDIN and JOHN DOE HARDIN, wife and husband; ROB McKELL and NEDRA RONEY McKELL, husband and wife; MMOGULS, INC., a Nevada corporation; GARY HENRIE and JANE DOE HENRIE, husband and wife; and IMRAN SAFIULLA and JANE DOE SAFIULLA, husband and wife,

Defendants.

Plaintiffs, for their complaint state and allege as follows:

PARTIES, JURISDICTION & VENUE

1. Cheyenne Mountain Games, Inc. ("CMG") is a Nevada corporation with its headquarters and principal offices in Maricopa County, Arizona.

2. Cheyenne Mountain Entertainment, Inc. ("CME") is a Nevada corporation with its headquarters and principal offices in Maricopa County, Arizona.

3. Derivative Plaintiff Keith Deering ("Deering") is presently a shareholder of CMG and CME, was a shareholder of both CMG and CME at all times relevant hereto including at the times of the events complained of herein.

4. Derivative Plaintiff Mark Renberg ("Renberg") is presently a shareholder of CMG and CME, was a shareholder of both CMG and CME at times relevant hereto including at the times of events complained of herein.

5. Derivative Plaintiff Chris Lombardo ("Lombardo") is presently a shareholder of CMG and CME, was a shareholder of both CMG and CME at times relevant hereto including at the times of events complained of herein.

6. Deering, Renberg and Lombardo (collectively "Plaintiffs") fairly and adequately represent the interests of similarly situated shareholders of CMG and CME in enforcing the rights of CMG and CME.

7. On or about February 1, 2010, Plaintiffs delivered a demand letter pursuant to A.R.S. § 10-742 and N.R.S. § 41.520 concerning the events that are the subject of this complaint. A true and accurate copy of the demand letter is attached as **Exhibit 1(A)**.

8. As discussed further *infra*, CMG and CME are in the final stages of development of a 3rd person shooter game called Stargate Resistance and has completed significant development on a massively multiplayer online role playing game (collectively the "Stargate Games"). The Stargate Games are based on the Stargate SG-1 and Stargate Atlantis television series. The release for the Stargate Games is expected to occur in late February 2010. In the interim, CMG and CME are seeking final capital funding to complete development and release of the Stargate Games. Further, CMG and CME anticipate substantial revenues will be generated upon the release of the Stargate Games. It is crucial the continued operation of CMG and CME, as well as to the expectations of all investors and stockholders, that these revenues be properly captured, utilized and distributed. The actions and events complained of herein directly threaten the ability of CMG and CME to raise needed capital, complete the development and release of the Stargate Games, and properly capture revenue. Consequently, irreparable injury to CMG and CME will result if the derivative plaintiffs were required to wait for the expiration of the ninety-day period set forth in A.R.S. § 10-742(2).

9. Defendant Garvick Properties, LLC ("Garvick Properties") is a Nevada limited liability company with its headquarters and principal place of business located in

Maricopa County, Arizona. Garvick Properties caused events to occur in Maricopa County, Arizona, out of which Plaintiffs' claims arise.

10. Defendant Garrick Enterprises, LLC ("Garrick Enterprises") is a Nevada limited liability company with its headquarters and principal place of business located in Maricopa County, Arizona. Garrick Enterprises caused events to occur in Maricopa County, Arizona, out of which Plaintiffs' claims arise.

11. Defendants Gary Whiting ("Mr. Whiting") and Vicki Whiting are, on information and belief, husband and wife, residents of Maricopa County, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

12. Defendants Fred and Margaret Gagon ("Gagon") are, on information and belief, husband and wife, residents of Sandy, Utah, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

13. Defendant The Tree, LLC ("Tree LLC") is, on information and belief, a properly formed limited liability company and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

14. Defendants Ira and Jane Doe Gagon ("Ira") are, on information and belief, husband and wife, residents of San Diego, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

15. Defendant Income Properties, LLC ("Income Properties") is, on information and belief, a now-dissolved Nevada limited liability company limited liability company and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

16. Defendant Vista Ridge I & II, LLC ("Vista Ridge") is, on information and belief, a Nevada limited liability company and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

17. Defendants Robert and Jane Doe Guenther ("Guenther") are, on information and belief, husband and wife, are residents of Maricopa County, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

18. Defendant Jaffa Partners ("Jaffa") is, on information and belief, a Texas partnership and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

19. Defendants Todd Ellering ("Ellering") is, on information and belief, a single individual, resident of Maricopa County, Arizona, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

20. Defendants Harlan J. Brown ("Brown") is, on information and belief, a single individual, resident of Maricopa County, Arizona, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

21. Defendant TAE Technologies, Inc. ("TAE") is, on information and belief, a Arizona corporation and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

22. Defendants John and Jane Doe Bellrose ("Bellrose") are, on information and belief, husband and wife, residents of Maricopa County, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

23. Defendants Jeff and Jane Doe Hall ("Hall") are, on information and belief, husband and wife, residents of Maricopa County, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

24. Defendants Shane and Jane Doe Rudman ("Rudman") are, on information and belief, husband and wife, residents of Lee's Summit, Missouri, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

25. Defendants Wendi and John Doe Hardin ("Hardin") are, on information and belief, wife and husband, residents of Maricopa County, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

26. Defendants Rob McKell and Nedra Roney McKell ("McKell") are, on information and belief, husband and wife, residents of Utah, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

27. Defendant MMOGULs, Inc. ("MMOGULS") is, on information and belief, a Nevada corporation and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

28. Defendants Imran and Jane Doe Safiulla ("Safiulla") are, on information and belief, husband and wife, residents of Maricopa County, Arizona, were at all times acting for and behalf of their marital community, and caused events to occur in Maricopa County, Arizona, out of which Plaintiff's claims arise.

29. Jurisdiction and Venue are proper in this Court.

GENERAL ALLEGATIONS

I. The Entities And Control Structure.

A. *The Entity Structure.*

30. Stargate Worlds, LLC, ("Stargate Worlds") is a Nevada limited liability company with its headquarters and principal place of business located in Maricopa County, Arizona.

31. Stargate Worlds is currently in the late stages of development of a 3rd person shooter game called Stargate Resistance and has completed significant development on a massively multiplayer online role playing game, the Stargate Games defined *supra*.

32. The Stargate Games are based on the Stargate SG-1 and Stargate Atlantis television series.

33. CMG owns approximately 70% of the outstanding membership units in Stargate Worlds.

34. CMG is the manager of Stargate Worlds.

35. Through Stargate Worlds and other subsidiaries, CMG's business includes creating, licensing and acquiring game titles to be operated both on personal computers and on gaming consoles including, but not limited to, Sony PlayStation and Microsoft Xbox platforms.

36. CME is the majority shareholder of CMG, owning approximately 75% of the outstanding shares of CMG.

37. Garrick Enterprises is the majority shareholder of CME, owning approximately 50.1% of the outstanding shares of CME.

38. On information and belief, Garrick Enterprises is a manager-managed LLC.

39. Defendant Whiting is the manager of Garrick Enterprises.

40. On information and belief, Empire Enterprises Unlimited, LLC ("EEU"), a Nevada limited liability company, is the sole member of Garrick holding 100% of the membership units in Garrick.

41. On information and belief, EEU is the manager of Garrick Enterprises.

42. On information and belief, Mr. Whiting is the majority interest holder of EEU, holding approximately 55% of the membership units in EEU.

43. On information and belief, Mr. Whiting is the manager of EEU.

44. Mr. Whiting is one of two directors for CMG and serves as or identifies himself as the chairman of the board of directors of CMG.

B. Internal Entity Control.

45. Stargate Worlds is a manager-managed LLC.

46. CMG is the manager of Stargate Worlds.

47. CMG and CME are corporations whose articles, bylaws, governing documents, and applicable Nevada statutory law permit the directors to be elected by a vote of stockholders comprising a majority of the outstanding and issued stock.

48. The articles, bylaws, governing documents of CMG and CME, and applicable Nevada statutory law, permit the removal of directors for CMG or CME by a vote of stockholders comprising a majority of the outstanding and issued stock of the respective companies.

49. The articles, bylaws, and governing documents of CMG and CME, and applicable Nevada statutory law, permit action to be taken by the board or directors or the shareholders, without meeting, so long as written consent of stockholders comprising a majority of the outstanding and issued stock of the respective companies is executed.

50. CME has the ability to unilaterally select, remove and appoint directors, directorships, and officers of CMG.

51. Any action taken by CMG can be approved with the written consent of CME.

52. CME, owning a majority of the outstanding and issued stock of CMG, effectively has unilateral management control of CMG.

53. Garrick Enterprises, owning a majority of the outstanding and issued stock of CME, effectively has unilateral management control of CME.

54. EEU effectively has unilateral management control of Garrick.

55. Mr. Whiting effectively has unilateral management control of EEU.

56. Through the above ownership structure, Mr. Whiting effectively has unilateral control over each of the above companies.[1] *See* footnote for linear chart.

C. *Central Control.*

57. Stargate Worlds' office and primary place of business is 4140 East Baseline Road #208, Mesa, Arizona, 85206.

58. CMG's office and primary place of business is 4140 East Baseline Road #208, Mesa, Arizona, 85206.

59. CME's office and primary place of business is 4140 East Baseline Road #208, Mesa, Arizona, 85206.

60. Garrick Enterprises' office and primary place of business is 4140 East Baseline Road #208, Mesa, Arizona, 85206.

61. On information and belief, EEU's office and primary place of business is 4140 East Baseline Road #208, Mesa, Arizona, 85206.

II. Offending Conduct.

62. Mr. Whiting has failed to recognize and distinguish between the entities described above, breached his statutory and common law fiduciary duties, acted fraudulently, and has utilized the entities for his own personal gain and to Plaintiff's detriment.

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[1] **Mr. Whiting → EEU → Garrick Enterprises → CME → CMG → Stargate Worlds.**
Mr. Whiting is Manager of Garrick Enterprises, 1 of 2 directors of CME, and 1 of 2 directors of CMG.

63. The Stargate Games are expected to be released in late February 2010. Mr. Whiting, as director of CME and CMG, and as the manager of the majority stockholder Garrick Enterprises, has caused CME and CMG to transfer assets of CME and CMG, including stock, naming rights, tax credits, money, and other assets to companies he controls in exchange for promissory notes to be paid *after* the Stargate Games' release. Mr. Whiting has directed CME to provide him personal loans and expressly and intentionally did not inform the board of directors of these loans. Mr. Whiting has obligated CME and CMG to perform under contracts in which his separately owned company received approximately $2,500,000 while CME and CMG received nothing and hid the transaction from the other officers and directors of CME and CMG. Mr. Whiting has taken money from the corporations' checking accounts. This list is not exhaustive.

64. Mr. Whiting has used CME and CMG as though they were his own piggy bank or sole proprietorship and without regard to the interests of the companies or their stockholders.

65. The Defendants, other than Mr. Whiting, have assisted, participated, benefited, converted, and otherwise been unfairly and improperly enriched by Mr. Whiting's conduct, where aware of his conduct, and have substantially encouraged and assisted Mr. Whiting's conduct.

A. *The Vista Ridge Subscription Agreement.*

66. Vista Ridge's status as a limited liability company with the Nevada secretary of state has been revoked.

67. Vista Ridge was a manager-managed LLC.

68. Mr. Whiting was the manager of Vista Ridge.

69. On information and belief, EEU owns a majority membership interest in Vista Ridge.

70. On or around April 1, 2007, CMG and Vista Ridge entered into an amended and restated subscription agreement (the "Vista Ridge Subscription

Agreement") wherein CMG sold Vista Ridge 22,000,000 shares of CMG. A true and accurate copy of the Vista Ridge Subscription Agreement is attached as **Exhibit 1**.

71. Mr. Whiting signed the Vista Ridge Subscription Agreement on behalf of Vista Ridge and on behalf of CMG.

72. The Vista Ridge Subscription Agreement purports to be irrevocable.

73. Pursuant to the Vista Ridge Subscription Agreement, and in exchange for 22,000,000 shares of CMG, Vista Ridge agreed to pay $19,000,000.00.

74. At the time the Vista Ridge Subscription Agreement was executed, Vista Ridge did not pay CMG $19,000,000.

75. An addendum to the Vista Ridge Subscription Agreement (the "Vista Ridge Addendum") was apparently executed contemporaneous with the Vista Ridge Subscription Agreement. A true and accurate copy of the Vista Ridge Addendum is attached as **Exhibit 2**.

76. Mr. Whiting signed the Vista Ridge Addendum on behalf of Vista Ridge and Tim Jenson signed on behalf of CMG.

77. Tim Jenson is the president of CMG.

78. On information and belief, Mr. Whiting caused Mr. Jenson to sign the Vista Ridge Addendum. A true and accurate copy of a resignation letter from Tim Jenson is attached as **Exhibit 3**.

79. Pursuant to the Vista Ridge Addendum, Vista Ridge was permitted to pay for the 22,000,000 shares of CMG in monthly, secured installment payments, secured by all the assets of Vista Ridge.

80. No consideration was given by Vista Ridge for the Vista Ridge Addendum.

81. On information and belief, as of April 1, 2007, Vista Ridge had insufficient assets to make the payments required in the Vista Ridge Subscription Agreement and Vista Ridge Addendum.

82. On information and belief, as of April 1, 2007, Vista Ridge had liabilities in excess of its assets.

83. On information and belief, as of April 1, 2007, Vista Ridge had no revenue.

84. On information and belief, as of April 1, 2007, Vista ridge had no income.

85. Mr. Whiting represented to CMG, CMG's officers and CMG's directors, that Vista Ridge would be able to make the payments required in the Vista Ridge Subscription Agreement.

86. On information and belief, Vista Ridge failed to make all payments for the 22,000,000 CMG shares of stock identified in the Vista Ridge Subscription Agreement.

87. Vista Ridge defaulted and otherwise failed to make the installment payments outlined in the Vista Ridge Addendum.

88. Vista Ridge breached the Vista Ridge Subscription Agreement.

89. Mr. Whiting failed and refused to take action on Vista Ridge's breach of the Vista Ridge Subscription Agreement or Vista Ridge Addendum.

90. Because of the Vista Ridge Subscription Agreement and Vista Ridge Addendum, CMG was unable to utilize 22,000,000 shares of CMG, valued at $19,000,000, to raise needed capital.

91. Because of the Vista Ridge Subscription Agreement and Vista Ridge Addendum, CMG has been deprived of a corporate opportunity.

92. The Vista Ridge Subscription Agreement was not entered into in the best interest of CMG.

93. Mr. Whiting pushed through the Vista Ridge Subscription Agreement contrary to the wishes of Tim Jenson and CMG's other officers and directors.

B. *The Garvick Subscription Agreement.*

94. Garvick Properties is a Nevada limited liability company with its office and primary place of business located at 4140 E. Baseline Road, #208 Mesa, Arizona, 85206.

95. Garvick Properties is a manager-managed LLC.

96. Mr. Whiting is the manager of Garvick Properties.

97. CMG, Vista Ridge, and Garvick Properties executed an undated document entitled "Second Amended and Restated Subscription Agreement" (hereinafter the "Garvick Subscription Agreement"). A true and accurate copy of the Garvick Subscription Agreement is attached as **Exhibit 4**.

98. The Garvick Subscription Agreement purports to amend and replace the Vista Ridge Subscription Agreement.

99. On information and belief, Vista Ridge provided no consideration for the voiding of the Vista Ridge Subscription Agreement.

100. Pursuant to the Garvick Subscription Agreement, CMG sold Garvick Properties 21,250,000 shares of CMG.

101. The Garvick Subscription Agreement purports to be irrevocable.

102. Pursuant to the Garvick Subscription Agreement, Garvick Properties was to pay $18,437,500 for the 21,250,000 shares of CMG upon the execution and delivery of the Garvick Subscription Agreement.

103. Garvick Properties did not pay the purchase price of $18,437,500 at the time it executed and delivered the Garvick Subscription Agreement.

104. Apparently contemporaneous with the execution of the Garvick Subscription Agreement, CMG and Garvick Properties executed a document entitled "Addendum to Second Amended and Restated Subscription Agreement" (the "Garvick Addendum"). A true and accurate copy of the Garvick Addendum is attached as **Exhibit 5**.

105. Pursuant to the Garvick Addendum, Garvick Properties was permitted to pay for the 21,250,000 shares of CMG in sixteen (16) monthly installment payments.

106. No consideration was given by Garvick Properties for the Garvick Addendum.

107. Mr. Whiting signed the Garvick Subscription Agreement on behalf of CMG.

108. Mr. Whiting signed the Garvick Subscription Agreement on behalf of Garvick Properties.

109. Mr. Whiting signed the Garvick Subscription Agreement on behalf of Vista Ridge.

110. Garvick Properties defaulted and otherwise failed to make the installment payments outlined in the Garvick Addendum.

111. Garvick Properties breached the Garvick Subscription Agreement and Garvick Addendum.

112. Mr. Whiting failed and refused to take action on Garvick Properties' breach of the Garvick Subscription Agreement and Garvick Addendum.

113. Because of the Garvick Subscription Agreement and Garvick Addendum, CMG has been unable to utilize 21,250,000 shares of CMG to raise capital.

114. Because of the Garvick Subscription Agreement and Garvick Addendum, CMG has been deprived of a corporate opportunity.

115. Mr. Whiting pushed through the Garvick Subscription Agreement contrary to the wishes of CMG's other officers and directors.

C. *The Income Properties Transfers.*

116. Mr. Gagon was the manager of Income Properties.

117. On information and belief, Mr. Gagon is a friend and close business associate of Mr. Whiting.

118. On information and belief, Mr. Gagon participated in the solicitation of investors for CMG.

119. On information and belief, Mr. Gagon participated in the solicitation of investors for CME.

120. Mr. Gagon has been frequently seen at the offices located at 4140 East Baseline Road, #208, Mesa, Arizona, 85206.

121. Prior to April 10, 2007, Income Properties acquired 38,000,000 shares of CMG.

122. On or about April 10, 2007, Income Properties transferred 9,000,000 shares of CMG to Vista Ridge pursuant to written stock agreement ("Income Properties Stock Agreement"). A true and accurate copy of the Income Properties Stock Agreement is attached as **Exhibit 6**.

123. The Income Properties Stock Agreement was executed by Mr. Gagon and Mr. Whiting.

124. As consideration for 9,000,000 shares of CMG, Vista Ridge agreed to "hereby transfer[]" 12,000,000 shares of CMG that Vista Ridge had recently purchased through the Vista Ridge Subscription Agreement, discussed above.

125. On information and belief, Vista Ridge did not have any shares of CMG on 4/10/2007, when it executed the Income Properties Stock Agreement.

126. Mr. Whiting did not present CMG with the option to acquire Income Properties' shares of CMG.

127. CMG's officers and directors, other than Mr. Whiting, were not informed of the Income Properties Stock Agreement

128. On or around July 7, 2007, Garvick Properties, Income Properties, and Vista Ridge executed a document entitled Stock Agreement ("Second Income Properties Stock Agreement"). A true and accurate copy of the Second Income Properties Stock Agreement is attached as **Exhibit 7**.

129. Pursuant to the Second Income Properties Stock Agreement, Income Properties claims to still own 9,000,000 shares of CMG.

130. The Second Income Properties Stock Agreement purports to void the Income Properties Stock Agreement.

131. The Second Income Properties Stock Agreement purports to be retroactive to 4/10/07.

132. Pursuant to the Second Income Properties Stock Agreement, Garvick Properties acquired the 9,000,000 shares of CMG from Income Properties.

133. As consideration for the 9,000,000 shares of CMG, Garvick Properties agreed to "hereby transfer[]" 12,000,000 shares of CMG it recently purchased from CMG under the Garvick Subscription Agreement, discussed above.

134. On information and belief, Vista Ridge did not have any shares of CMG on 4/10/2007, when it executed the Second Income Properties Stock Agreement.

135. Mr. Whiting did not present CMG with the option to acquire Income Properties' shares of CMG.

136. CMG's officers and directors, other than Mr. Whiting, were not informed of the Second Income Properties Stock Agreement.

137. On information and belief, Mr. Whiting and Mr. Gagon planned to sell and later sold the CMG shares to third parties at a significant profit to benefit themselves and to pay amounts Garvick Properties owed to CMG under the Garvick Subscription Agreement.

D. ***The Issuance Of Preferred Stock.***

138. In or around March 2008, Mr. Whiting sought the issuance of Preferred Stock from CMG for the purpose of selling the Preferred Stock to investors along with certain rights to name items in the Stargate Games.

139. The terms of issuance and price for Preferred Shares were determined by Mr. Whiting.

140. On March 31, 2008, CMG issued 20,000,000 shares of CMG Series A Convertible Preferred Stock ("Series A Stock"). A true and accurate copy of the Designation and Issuance of the Series A Stock is attached as **Exhibit 8**.

141. On March 31, 2008, the price for the Series A Stock was set by Mr. Whiting at $0.20 per share or $4,000,000 in the aggregate.

142. On March 31, 2008, the Garvick Properties and CMG executed a document entitled "Third Amended and Restated Garvick Subscription Agreement" (the "New Garvick Subscription Agreement"). A true and accurate copy of the New Garvick Subscription Agreement is attached as **Exhibit 9**.

143. Pursuant to the New Garvick Subscription Agreement, Garvick Properties exchanged 2,000,000 shares of CMG common stock that Garvick Properties acquired through the Garvick Subscription Agreement, in exchange for all 20,000,000 shares of Series A Stock.

144. Pursuant to the New Garvick Subscription Agreement, Garvick Properties' total subscription price for shares purchased under the Garvick Subscription Agreement and the New Garvick Subscription Agreement was increased from $18,437,500 to $20,937,500 (the "Subscription Price").

145. Pursuant to the New Garvick Subscription Agreement, Garvick Properties was to pay the Subscription Price in sixteen (16) monthly installments.

146. On information and belief, at the time it executed the New Garvick Subscription Agreement, Garvick Properties had not made all the required payments due under the Garvick Subscription Agreement.

147. Pursuant to the New Garvick Subscription Agreement, Garvick Properties also obtained the right to name up to 250 items in the Stargate Games.

148. Garvick Properties defaulted and otherwise failed to make the payments when due per the New Garvick Subscription Agreement.

149. Garvick Properties breached the New Garvick Subscription Agreement.

150. Mr. Whiting failed and refused to take action on Garvick Properties' breach of the New Garvick Subscription Agreement.

151. Because of the New Garvick Subscription Agreement, CMG has been unable to utilize 20,000,000 shares of Series A Stock to raise capital.

152. Because of the New Garvick Subscription Agreement, CMG has been unable to utilize the right to name items in the Stargate Games to raise capital.

153. Because of the New Garvick Subscription Agreement, CMG has been deprived of a corporate opportunity.

154. On information and belief, Mr. Whiting planned to sell the Preferred Stock to third parties to benefit Mr. Whiting and Garvick and to pay his obligations to CMG under the New Garvick Subscription Agreement.

E. ***The Tax Credit Agreement.***

155. On or around June 10, 2008, CMG believed it was or may be eligible for certain tax credits ("CMG Tax Credits"), including certain incentives under the Motion Picture Production Tax Incentives Program identified in A.R.S.§ 41-1517, from subsidiary companies for the period between January 1, 2008 and December 31, 2010.

156. On June 10, 2008, Garvick Properties and CMG executed a document entitled "Tax Credit Agreement" (the "Tax Agreement") wherein Garvick Properties acquired the CMG Tax Credits. A true and accurate copy of the Tax Agreement is attached as **Exhibit 10**.

157. Pursuant to the Tax Agreement, Garvick Properties planned to offer the CMG Tax Credits to individuals or entities that purchase membership units in Garvick Properties ("Garvick Investors").

158. Pursuant to the Tax Agreement, Garvick Properties would pay to CMG 50% of any investment funds Garvick Properties received from Garvick Investors related to the CMG Tax Credits.

159. On information and belief, Garvick Properties has never made any payments to CMG under the Tax Agreement.

160. Because of the Tax Agreement, CMG has been unable to utilize the CMG Tax Credits to raise capital.

161. Because of the Tax Agreement, CMG has been deprived of a corporate opportunity.

162. On information and belief, the Tax Agreement was structured to benefit Mr. Whiting and the Defendants, to the detriment of CMG.

F. *Handcranked Subscription Agreement.*

163. Handcranked Games, LLC ("Handcranked") is a Nevada limited liability company with its office and principal place of business located at 4140 East Baseline Road #208, Mesa, Arizona, 85206.

164. Handcranked is a manger-managed LLC.

165. CMG owns approximately 70% of Handcranked.

166. CMG is the manager of Handcranked.

167. Handcranked is commonly referred to as a subsidiary of CMG by officers and directors of CMG.

168. Superstition Studios, LLC, ("Superstition Studios") is a Nevada limited liability company with its office and principal place of business located at 4140 East Baseline Road #208, Mesa, Arizona, 85206.

169. Superstition Studios is a manger-managed LLC.

170. CMG owns approximately 70% of Superstition Studios.

171. CMG is the manager of Superstition Studios.

172. Superstition Studios is commonly referred to as a subsidiary of CMG by officers and directors of CMG.

173. Stargate Worlds is commonly referred to as a subsidiary of CMG by officers and directors of CMG.

174. Handcranked, Superstition Studios, and Stargate Worlds were created for the development of products related to the Stargate Games.

175. On or around October 1, 2008, Garvick Properties, Handcranked, Superstition Studios, and Stargate Worlds executed a subscription agreement (the "Handcranked Subscription Agreement"). A true and accurate copy of the Handcranked Subscription Agreement is attached as **Exhibit 11**.

176. Pursuant to the Handcranked Subscription Agreement, Garvick Properties acquired 17,960,000 membership units of Handcranked.

177. On information and belief, the 17,960,000 membership units of Handcranked acquired by Garvick Properties represented all remaining issued membership units in Handcranked.

178. As consideration for the 17,960,000 membership units in Handcranked, Garvick Properties was to pay $0.30 per share or $5,388,000 in the aggregate.

179. Pursuant to the Handcranked Subscription Agreement, Garvick Properties acquired 39,100,000 membership units of Superstition Studios.

180. On information and belief, the 39,100,000 membership units of Superstition Studios acquired by Garvick Properties represented all remaining issued membership units in Superstition Studios.

181. As consideration for the 39,100,000 membership units in Superstition Studios, Garvick Properties was to pay $0.30 per share or $11,730,000 in the aggregate.

182. Pursuant to the Handcranked Subscription Agreement, Garvick Properties acquired 5,851,000 membership units of Stargate Worlds.

183. On information and belief, the 5,851,000 membership units of Stargate Worlds acquired by Garvick Properties represented all remaining issued membership units in Stargate Worlds.

184. As consideration for the 5,851,000 membership units in Stargate Worlds, Garvick Properties was to pay $0.30 per share or $1,755,300 in the aggregate.

185. The total purchase price for the membership units acquired by Garvick Properties in the Handcranked Subscription Agreement was $18,873,300.

186. Mr. Whiting signed the October 2008 Subscription Agreement on behalf of Garvick Properties, Handcranked, Superstition Studios, and Stargate Worlds.

187. Garvick Properties, Handcranked, Superstition Studios, and Stargate Worlds executed a document entitled Addendum to Subscription Agreement (the "Handcranked Addendum"). A true and accurate copy of the Handcranked Addendum is attached as **Exhibit 12**.

188. Pursuant to the Handcranked Addendum, Garvick Properties did not have to pay the $18,873,300 subscription price immediately; instead, Garvick Properties was permitted to make twenty-four (24) monthly installments beginning November 1, 2008.

189. On information and belief, Garvick Properties defaulted on the Handcranked Subscription Agreement and Handcranked Addendum.

190. On information and belief, at the time it executed the Handcranked Subscription Agreement, Garvick Properties did not have monies, assets, or revenue to make the installment payments.

191. Because of the Handcranked Subscription Agreement, CMG's subsidiaries were unable to utilize membership units to raise capital.

192. Because of the Handcranked Subscription Agreement, CMG's subsidiaries were deprived a corporate opportunity.

193. CMG was not offered the Handcranked, Superstition Studios, or Stargate Worlds membership units first..

194. On information and belief, Mr. Whiting planned to sell the units available under the Handcranked Subscription Agreement to third parties to benefit Garvick Properties, Mr. Whiting, and Defendants.

G. October 2008 Stock Purchase Agreement.

195. On or around October 1, 2008, CME and Garvick Properties entered into a certain stock purchase agreement (the "Garvick Stock Agreement"). A true and accurate copy of the Garvick Stock Agreement is attached as **Exhibit 13**.

196. Mr. Whiting executed the Garvick Stock Agreement on behalf of CME and Garvick Properties.

197. Pursuant to the Garvick Stock Agreement, Garvick Properties acquired 14,500,000 shares of CME.

198. Pursuant to the Garvick Stock Agreement, Garvick Properties was to pay CME $4,350,000, in the aggregate, for the 14,500,000 shares of CME.

199. Garvick Properties was to make payment of the $4,350,000 purchase price by delivering a secured promissory note in the amount of $4,350,000 to CME (the "Note").

200. The Note provided for zero (0) interest.

201. The security provided for in the Note was "any CME Shares that have not been paid for under [the Garvick Stock Agreement]".

202. Pursuant to the Note, Garvick Properties was to make monthly payments to CME beginning December 1, 2008, with all principal and unpaid interest due on November 1, 2010.

203. On information and belief, Garvick Properties failed to make payments due under the Garvick Stock Agreement.

204. Garvick Properties breached the Garvick Stock Agreement.

205. Mr. Whiting failed and refused to take action on Garvick Properties' breach of the Garvick Stock Agreement.

206. On information and belief, at the time it executed the Garvick Stock Agreement, Garvick Properties did not have monies, assets, or revenue to make the required payment.

207. Because of the Garvick Stock Agreement, CME was unable to utilize the 14,500,000 shares of CME to raise capital.

208. Because of the Garvick Stock Agreement, CME was deprived a corporate opportunity.

209. The officers and directors of CME, other than Mr. Whiting, were not made aware of the Garvick Stock Agreement.

210. On information and belief, Mr. Whiting planned to sell the common stock available under the Garvick Stock Agreement to third parties to benefit Garvick Properties and Mr. Whiting and the Defendants, to the detriment of CME.

H. *Stock Option Agreement.*

211. In or around October 2008, Garvick Properties and CMG entered into a document titled Stock Option Agreement (hereinafter the "Garvick Stock Option Agreement"). A true and accurate copy of the Garvick Stock Option Agreement is attached as **Exhibit 14**.

212. CME is listed as a party to the Garvick Stock Option Agreement, but never signed the document.

213. Pursuant to the Garvick Stock Option Agreement, CME had 14,000,000 authorized but unissued shares.

214. Pursuant to the Garvick Stock Option Agreement, CMG had 500,000 authorized but unissued shares.

215. Pursuant to the Garvick Stock Option Agreement, CME granted Garvick Properties an exclusive nine-month option to purchase the 14,000,000 authorized but unissued shares upon terms and conditions to be negotiated between the parties and for consideration of $1,000.

216. Pursuant to the Garvick Stock Option Agreement, CMG granted Garvick Properties an exclusive nine-month option to purchase the 500,000 authorized but unissued shares upon terms and conditions to be negotiated between the parties and for consideration of $1,000.

217. On information and belief, Garvick Properties did not make payment of $1,000 to CME.

218. On information and belief, Garvick Properties did not make payment of $1,000 to CME.

219. Mr. Whiting failed and refused to take action on Garvick Properties' breaches of the Garvick Stock Option Agreement.

220. Mr. Whiting executed the Garvick Stock Option Agreement on behalf of Garvick Properties.

221. Mr. Whiting executed the Garvick Stock Option Agreement on behalf of CMG

222. Because of the Garvick Stock Option Agreement, CMG was unable to use the 500,000 shares of CME to raise capital.

223. Because of the Garvick Stock Option Agreement, CME was unable to, or believed it was unable to, use the 500,000 shares of CME to raise capital.

224. Because of the Garvick Stock Option Agreement, CMG and CME were deprived of a corporate opportunity.

225. The officers and directors of CMG and CME, other than Mr. Whiting, were unaware of the Garvick Stock Option Agreement.

I. *Mr. Whiting's Personal Obligation To CME.*

226. On or about August 22, 2006, Mr. Whiting caused CME to loan him personally $1,485,000 in exchange for a promissory note (the "Original Whiting Loan"). A true and accurate copy of the Original Whiting Loan is attached as **Exhibit 15**.

227. The Original Whiting Loan was allegedly approved by the written consent of the majority stockholder of CME, Garrick Enterprises.

228. Mr. Whiting signed the Original Whiting Loan on behalf of Garrick Enterprises.

229. Pursuant to the Original Whiting Loan, Mr. Whiting did not have to repay CME until the earlier of (i) the sale of certain real property that, on information and belief, Mr. Whiting purchased for his personal use, or (ii) August 17, 2009.

230. Pursuant to the terms of the written consent, Mr. Whiting did not submit the Original Whiting Loan to CME's Board of Directors for review or approval.

231. On October 13, 2006, Mr. Whiting caused CME to loan him personally an additional $2,569,531 in exchange for a replacement promissory note (the "Revised Whiting Loan"). A true and accurate copy of the Revised Whiting Loan is attached as **Exhibit 16**.

232. The Revised Whiting Loan was allegedly approved by the written consent of the majority stockholder of CME, Garrick Enterprises.

233. Mr. Whiting signed the Revised Whiting Loan on behalf of Garrick Enterprises.

234. Pursuant to the Revised Whiting Loan, Mr. Whiting did not have to repay CME until the earlier of (i) the sale of the same certain real property identified in the Original Whiting Loan, or (ii) August 17, 2009.

235. Pursuant to the terms of the written consent, Mr. Whiting did not submit the Revised Whiting Loan to CME's Board of Directors for review or approval.

236. As of December 31, 2008, Mr. Whiting owed CME approximately $4,460,000 under the Revised Whiting Loan.

237. On or about January 7, 2009, Mr. Whiting executed a document as the majority stockholder of CME, Garrick Enterprises, that erased Mr. Whiting's personal obligations under the Revised Whiting Loan ("Mr. Whiting's January 7 Action"). A true and accurate copy of the Mr. Whiting's January 7 Action is attached as **Exhibit 17**.

238. Pursuant to Mr. Whiting's January 7 Action, as of December 31, 2008, Garvick Properties still owed CME $12,600,000 under the New Garvick Subscription Agreement.[2]

[2] The New Garvick Subscription Agreement is discussed supra, section I(d).

239. CME was not a party to the New Garvick Subscription Agreement and, at the time of Mr. Whiting's January 7 Action was not owed monies under the New Garvick Subscription Agreement.

240. Pursuant to Mr. Whiting's January 7 Action, by December 31, 2008, Garvick Properties had paid approximately $4,500,000 between April 16, 2008 and September 17, 2008, related to the New Garvick Subscription Agreement.

241. Pursuant to Mr. Whiting's January 7 Action, CME was directed to and did re-allocate the $4,500,000 in payments received from Garvick Properties to pay off the Whiting Note.

242. Pursuant to Mr. Whiting's January 7 Action, Mr. Whiting instructed and caused CME to extend the term of the payments due under the New Garvick Subscription Agreement to December 31, 2009.

243. No consideration was received by CME for the extension of the New Garvick Subscription Agreement.

244. No consideration was received by CMG for the extension of the New Garvick Subscription Agreement.

245. Mr. Whiting's January 7 Action purports to use funds paid by Garvick Properties to pay off the Whiting Note and, on information and belief, was taken to hide funds taken by Mr. Whiting and to stop interest from accruing on funds owed by Mr. Whiting.

246. Mr. Whiting failed and refused to take action on behalf of CME to protect against Mr. Whiting's January 7 Action.

J. *CME Financial Troubles In January 2009.*

247. As of August 2008, CME was experiencing financial difficulties.

248. As of January 7, 2009, CME had been unable to make its payroll in a timely manner since August 2008.

249. As of January 7, 2009, CME was behind in paying employees for two full pay periods.

250. As of January 7, 2009, CME did not have sufficient funds to pay payroll taxes and owed approximately $1,550,000 in payroll taxes.

251. Mr. Whiting instructed the CME's officers to stop paying payroll taxes, but to pay employees their net check amount, thus creating a large payroll tax liability.

252. As of January 7, 2009, CME had approximately $3,580,000 in payables to vendors, landlords, service providers and other third parties and CME was receiving demands from such creditors for payment.

253. As of January 7, 2009, CME was receiving threats of litigation from creditors.

254. On information and belief, CME still has not satisfied its payroll obligations and is in immediate risk of litigation and other harm.

255. The financial problems CME is experiencing threaten the continued viability of CME and the ability to complete development and release of the Stargate Games.

256. On information and belief, Mr. Whiting's inappropriate corporate actions caused CME and CMG to not be able to raise funding to meet its financial obligations including payroll and payroll taxes.

K. McKell Sues CME, CMG, And Garvick Properties...And Gets A TRO.

257. On or about January 7, 2009, Garvick Properties executed a promissory note (the "McKell Note") in favor of Robert McKell and Nedra Roney (collectively "McKell"). A true and accurate copy of the McKell Note is attached as **Exhibit 18**.

258. In exchange for $2,500,000 paid to Garvick Properties, and as consideration for such payment, Garvick Properties promised McKell thirty percent (30%) of the gross revenue of Mmoguls, Inc. d/b/a Cheyenne Mountain Affiliates, Inc. ("Mmoguls"), a Nevada corporation.

259. As further consideration for the $2,500,000 paid by McKell to Garvick Properties, Garvick Properties provided McKell with an option to be the exclusive independent distributor for CME.

260. On information and belief, shortly after the McKell Note was executed, McKell, Garvick Properties, CME, Stargate Worlds, CMG, Mmoguls, and another as-yet unknown entity executed a document entitled "Master Agreement" (the "Master Agreement") wherein McKell loaned Garvick Properties $2,500,000. A true and accurate copy of the Master Agreement is attached as **Exhibit 19**.

261. Mr. Whiting signed the Master Agreement on behalf of "CME and all related entities".

262. The Master Agreement purports to terminate a December 2008 agreement as well as the McKell Note.

263. Pursuant to the Master Agreement, McKell was granted five percent (5%) of the gross revenue of CME and all related entities.

264. Pursuant to the Master Agreement, McKell was given 5,000,000 shares of CME.

265. Pursuant to the Master Agreement, McKell was provided with three stacked grandfathered exclusive independent distributorships for all CME entities in perpetuity.

266. Pursuant to the Master Agreement, McKell was granted the exclusive right to represent and provide pre-loaded credit card services for CME.

267. As consideration for Master Agreement, McKell made payments to Garvick Properties.

268. Garvick Properties received payments from McKell based on the promises in the McKell Note and/or Master Agreement.

269. CME received nothing from the McKell Note.

270. CME received nothing from the Master Agreement.

271. CMG received nothing from the McKell Note.

272. CMG received nothing from the Master Agreement.

273. Stargate Worlds received nothing from the McKell Note.

274. Stargate Worlds received nothing from the Master Agreement.

275. On or about August 3, 2009, McKell filed a complaint (the "McKell Complaint") in the Fourth Judicial District of Utah County, Utah, against Mr. Whiting, CME, Garvick Properties, CMG, and two other entities.

276. Pursuant to the McKell Complaint, no sums due and owing McKell were paid.

277. Pursuant to the McKell Complaint, the 5,000,000 shares of CME were not delivered to McKell.

278. Pursuant to the McKell Complaint, McKell was not provided with the distributorship specified in the Master Agreement.

279. Pursuant to the McKell Complaint, a confidentiality provision in the Master Agreement was violated.

280. Mr. Whiting did not make the officers or directors of CME, other than himself, aware of the McKell Note, the Master Agreement, or any CME or CMG obligations related to the McKells prior to or contemporaneous with the execution of the McKell Note or Master Agreement.

281. A "Temporary Restraining Order; and Appointment of Interim President" was entered by the Utah Court on August 21, 2009 (the "TRO"). A true and accurate copy of the TRO is attached as **Exhibit 20**.

282. Pursuant to the TRO, Mr. Whiting was removed as director of CME.

283. Pursuant to the TRO, Mr. Whiting was restrained from conducting, directing, interfering or otherwise directly affecting in any way the business of CME.

284. Pursuant to the TRO, Vick Deauvono was appointed as director of CME and shall have the authority and legal capacity to operate as director of CME.

285. Pursuant to the TRO, Mr. Whiting was removed as president of CMG.

286. Pursuant to the TRO, Mr. Whiting was ordered to refrain from conducting, directing, interfering or otherwise directly affecting in any way the business of CMG.

287. Pursuant to the TRO, Vick Deauvono was appointed as president of CME and shall have the authority and legal capacity to operate as president of CME.

288. Pursuant to the TRO, Mr. Whiting was removed as manager of Garvick.

289. Pursuant to the TRO, Mr. Whiting was ordered to refrain from conducting, directing, interfering or otherwise directly affecting in any way the business of Garvick.

290. Pursuant to the TRO, Vick Deauvono was appointed as manager of Garvick and shall have the authority and legal capacity to operate as manager of Garvick.

291. Pursuant to the TRO, Mr. Deauvono was appointed to act as receiver for Garvick, CME and CMG.

292. On or about August 25, 2009, McKell domesticated the TRO in Arizona, Maricopa County Case No. CV2009-093004.

293. Prior to discovering the McKell Complaint, the officers of CME and CMG, other than Mr. Whiting, were unaware of the Master Agreement or any other agreement with McKell.

294. On August 27, 2009, Mr. Whiting prepared, signed and dated a statement ("Mr. Whiting's Statement") advising that he signed the Master Agreement "without adequate review". A true and accurate copy of Mr. Whiting's Statement is attached as **Exhibit 21**.

295. Mr. Whiting's Statement advises that when he executed the Master Agreement he was under "substantial duress and distress caused by ... the financial condition of the companies I have ownership in."

296. Mr. Whiting's Statement confirms that CME and CMG received no funding from McKell.

297. Mr. Whiting's Statement confirms that Garvick Properties received the funding from McKell.

298. Mr. Whiting's Statement admits that other than Mr. Whiting, CME and CMG's officers and directors were not aware of Garvick Properties' transactions with the McKells, the McKell Note, or the Master Agreement.

299. Mr. Whiting and Garvick Properties' conduct with respect to McKell has improperly subjected Plaintiffs to a lawsuit and potential liability.

300. Mr. Whiting and Garvick Properties' caused harm to Plaintiffs and may, depending on the result of McKell's lawsuit, may deprive Plaintiffs of assets and corporate opportunities.

301. The McKells were aware that no one other than Mr. Whiting was aware of Mr. Whiting's dealings with them and that Mr. Whiting did not have board approaval to bind CME or CMG to the transactions indicated above.

302. The McKells entered into the Master Agreement and the McKell Note knowing that the documents were not valid or enforceable in an effort to defraud CME and CMG and obtain a personal financial benefit.

L. ***New Preferred Stock Issue.***

303. Officers and employees of CMG have recently received calls from investors (the "Callers") alleging that they had purchased certain CMG preferred stock from Garvick Properties.

304. These Callers have indicated that the preferred stock includes terms and conditions that were not approved by the shareholders of CMG including that the preferred stock comes with an A Warrant and a B Warrant each entitling the Callers to purchase more preferred shares, that the preferred stock has a fixed dividend, that the preferred stock is entitled to double dividends compared to the common stock, that the preferred stock will be registered as public shares 12 months before the common shares, and that the preferred stock will be paid its full value within a months following the launch of CMG's first game.

305. The terms and conditions identified in the preceding paragraph are not accurate or correct based on the records of CMG, at least the records that the officers other than Mr. Whiting are aware of, and the documents filed with the Arizona Secretary of State.

306. The preferred stock no longer exists but Callers continue to contact CMG and CME advising that they received preferred stock from Mr. Whiting.

M. *Miscellaneous Conduct.*

307. Mr. Whiting withdrew $1,000,000 from CME or a subsidiary of CME for purposes not related to CME or CME's subsidiary, but related to Vista Ridge, without board or shareholder approval on September 18, 2006.

308. Mr. Whiting withdrew $225,031 from CME or a subsidiary of CME for purposes not related to CME or CME's subsidiary, but related to Vista Ridge, without board or shareholder approval on September 18, 2006.

309. Mr. Whiting withdrew $1,000,000 from CME or a subsidiary of CME for purposes not related to CME, but related to Vista Ridge, without any board or shareholder approval on October 16, 2006.

310. Mr. Whiting withdrew $3,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on September 16, 2008.

311. Mr. Whiting withdrew $5,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on September 16, 2008.

312. Mr. Whiting withdrew $1,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on February 25, 2009.

313. Mr. Whiting withdrew $5,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on February 25, 2009.

314. Mr. Whiting withdrew $26,211.75 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on February 25, 2009.

315. Mr. Whiting withdrew $130 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on July 22, 2009.

316. Mr. Whiting withdrew $7,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on August 5, 2009.

317. Mr. Whiting withdrew $400 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on August 10, 2009.

318. Mr. Whiting withdrew $10,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on August 10, 2009.

319. Mr. Whiting withdrew $22,000 from CME or a subsidiary of CME for unknown purposes, but not related to CME or CME's subsidiary, without board or shareholder approval on August 20, 2009.

320. Each of the amounts withdrawn by Mr. Whiting after October 16, 2006 were allegedly added to the balance due from Garvick Properties under the New Garvick Subscription Agreement.

321. The amounts withdrawn by Mr. Whiting on September 18, 2006, and October 16, 2006, were added to the Whiting Note, which was paid off as discussed *supra*.

322. Mr. Whiting has threatened at least one director with termination and replacement if that board member did not act consistent with Mr. Whiting.

323. Mr. Whiting has kept inconsistent, incomplete and incorrect records of stock-related transactions such that the officers of CME and CMG are unable to discern who the companies' stockholders are.

324. Mr. Whiting has written checks on CME and CMG accounts when there were insufficient funds.

325. Mr. Whiting has withdrawn funds from CME or CMG accounts causing overdrafts.

326. On information and belief, Mr. Whiting knew about and perhaps was responsible for the placement of listening devises found in offices of CME and CMG.

327. On information and belief, Mr. Whiting caused CME or CMG funds to be used for the purpose of hiring an outside contractor to record all telephone calls of certain key employees of CME and CMG without the knowledge of the people being recorded.

328. Mr. Whiting has made the decision not to pay payroll taxes contrary to the recommendations of all officers and other directors of CME and CMG, other than Mr. Whiting, resulting in an approximate $2,000,000 obligation owed by those companies.

329. Gagon was banned by the Arizona Corporations Commission from selling securities in Arizona, but on numerous occasions was selling or participating in the sale of securities of CMG, CME or their affiliates to prospective investors with the full knowledge and approval of Mr. Whiting.

330. Through separate companies including Income Properties, Mr. Whiting provided securities in CME and CMG to Mr. Gagon without any consideration.

331. Mr. Gagon was a key advisor to Mr. Whiting in carrying out many of the transactions discussed *supra*.

332. Ira Gagon and Tree LLC, which Ira Gagon controls, have sold securities of CME and CMG or their subsidiaries without authorization or appropriate documentation

and have misrepresented company information and assisted Mr. Whiting in carrying out many of the transactions discussed *supra*.

333. Ellering, Brown and TAE have received funds from Mr. Whiting and Garvick Properties in exchange for assisting Mr. Whiting in carrying out various transactions discussed *supra*.

334. Bellrose, Hall, and Rudman have provided substantial assistance and encouragement to Mr. Whiting with respect to the activities and transactions discussed *supra* and have received funds or other consideration from Mr. Whiting for such assistance.

335. Henri is an attorney doing business in Utah an dNevada and has been a close personal and business advisor to Mr. Whiting.

336. Henri has provided numerous documents, advice and counsel to Mr. Whiting that substantially assisted and encouraged Mr. Whiting with respect to the offending conduct discussed *supra* and complained of herein.

337. Mr. Safiulla was elected by Mr. Whiting to serve on the board of CMG and CME in October 2009.

338. Mr. Safiulla has provided substantial assistance and encouragement to Mr. Whiting with respect to the offending conduct discussed *supra* and complained of herein.

339. Harden is not an employee of CME or CMG, and never has been.

340. Harden has provided substantial assistance and encouragement to Mr. Whiting with respect to the offending conduct discussed *supra* and complained of herein including, but not limited to, searching through employee and officer's desks, offices, and personal property in an effort to obtain information for Mr. Whiting.

COUNT I

(Breach of Fiduciary Duty)

(Against Mr. Whiting)

341. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

342. Mr. Whiting is a director of CME.

343. Pursuant to N.R.S. § 78.138, Mr. Whiting owes a fiduciary duty, including a duty of good faith and loyalty, to CME and CME's shareholders.

344. Mr. Whiting is a director and CEO of CMG.

345. Pursuant to N.R.S. § 78.138, Mr. Whiting owes a fiduciary duty, including a duty of good faith and loyalty, to CMG and CMG's shareholders.

346. Mr. Whiting has breached his fiduciary duty by permitting stock in CME and CMG to be committed, utilized, and encumbered without proper consideration or the expectation of receiving consideration.

347. Mr. Whiting has breached his fiduciary duty by transferring stock and other assets of CME and CMG to entities that he controls without adequate or reasonable consideration.

348. Mr. Whiting has breached his fiduciary duty by taking corporate opportunities belonging to CME and CMG without first offering those opportunities to CME or CMG.

349. Mr. Whiting has breached his fiduciary duty by preventing any other fundraiser from selling securities related to CME or CMG and forcing all securities sales to go through Garvick or other entities controlled by Mr. Whiting.

350. Mr. Whiting has breached his fiduciary duty by obligating CME and CMG on contracts for the benefit of Garvick.

351. Mr. Whiting has breached his fiduciary duty by failing to inform the officers of CME and CMG of transactions discussed *supra*.

352. Mr. Whiting has breached his fiduciary duty by utilizing his position in CMG and CME to satisfy and extinguish his own personal obligations to those entities.

353. Mr. Whiting has breached his fiduciary duty by knowingly subjecting CMG and CME to litigation and potential liability to third-parties.

354. CMG, CME, and their shareholders have been damaged by Mr. Whiting's breach of his fiduciary duties in an amount to be proven at trial.

355. Mr. Whiting acted for his own financial gain and his conduct was willful, malicious, and was carried out with evil mind entitling Plaintiffs to punitive damages.

COUNT II

(Fraud)

(Against Mr. Whiting)

356. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

357. Mr. Whiting's conduct, as articulated *supra*, was fraudulent and has caused harm to CMG, CME and their shareholders.

358. Mr. Whiting has made representations to CME, CMG, and others concerning stock in CME and CMG and payment therefore that Mr. Whiting knew to be incorrect and false at the time he made them.

359. CME, CMG, and others reasonably relied upon Mr. Whiting's representations.

360. Mr. Whiting intended CME, CMG, and others to rely on his false statements.

361. CME, CMG, and others have been detrimentally affected by their reliance on Mr. Whiting's false statements.

362. Mr. Whiting's fraudulent statements have resulted in litigation and other harm against CME and CMG.

363. Mr. Whiting acted for his own financial gain and his conduct was willful, malicious, and was carried out with evil mind entitling Plaintiffs to punitive damages.

COUNT III

(RICO)

(Against All Defendants)

364. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

365. Upon information and belief, Defendants committed multiple acts including but not limited to participating in a scheme or artifice to defraud based on the facts discussed *supra*.

366. Upon information and belief, Defendants knowingly and intentionally engaged in the schemes described *supra* to obtain pecuniary gain under false or fraudulent pretenses to the detriment of CME, CMG, Plaintiff and other shareholders of CME and CMG.

367. Each of the acts set forth herein was committed within five years of each other.

368. Each of the acts described in this Complaint were related to a common external organizing principal -- Mr. Whiting.

369. The Defendants' actions form a pattern by which they engaged in intentional or reckless fraud in the purchase or sale of securities and a scheme or artifice to defraud others.

370. The Defendants committed the acts described herein for financial gain.

371. CME, CMG, and their shareholders have been injured by Defendants' conduct.

372. The injuries to CME, CMG, and their shareholders resulting from the conduct described herein were foreseeable when the wrongful acts were orchestrated and conducted.

373. The acts set forth herein were continuous as they were not isolated to a single incident.

374. CME, CMG, and their shareholders have been damaged in an amount to be proven at trial.

375. CME, CMG, and their shareholders seek treble damages and the costs of the suit, including reasonable attorneys' fees for trial and appellate representation pursuant to A.R.S. § 13-2314.04(A).

COUNT IV

(Breach of Contract)

(Against Mr. Whiting, Garvick Properties & Vista Ridge)

376. Plaintiff incorporates by this reference all prior paragraphs as though fully set forth herein.

377. As discussed *supra*, Garvick Properties has entered into numerous written contracts with CME and CMG for, among other things, the purchase of stock.

378. As discussed *supra*, Vista Ridge has entered into numerous written contracts with CME and CMG for, among other things, the purchase of stock.

379. As discussed *supra*, Mr. Whiting has entered into numerous written contracts with CME and CMG, including the Whiting Note, that constitute contracts.

380. Defendants Garvick Properties, Vista Ridge, and Mr. Whiting have breached their contracts with CME and CMG by, among other things, failing to make payments required when due.

381. CME and CMG are entitled to damages in an amount to be proven at trial.

382. Plaintiffs are entitled to an award of attorneys' fees and costs.

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COUNT V

(Conversion)

(Against All Defendants)

383. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

384. Defendants, through the transactions and conduct discussed *supra*, have transferred to themselves, assumed control over, and otherwise used property, including stock, belonging to CME and CMG.

385. Defendants have asserted dominion and control over the assets of CME and CMG.

386. Defendants have failed and refused to return the assets belonging to CME and CMG.

387. Defendants' conduct was willful, malicious, and was carried out with evil mind.

388. Defendants' conversion of assets has caused compensatory and punitive damages to CME and CMG in a sum to be proven at trial.

COUNT VI

(Unjust Enrichment)

(Against All Defendants)

389. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

390. The Defendants have been unjustly enriched by the assets, including stock and tax benefits, they have received and withheld from CME and CMG.

391. The Defendants have been unjustly enriched by failing to pay for or otherwise provide consideration for those assets.

392. Defendants' conduct was willful, malicious, and was carried out with evil mind.

393. The Defendants' unjust enrichment has proximately caused compensatory and punitive damages to CME and CMG in a sum to be proven at trial.

COUNT VII

(Fraudulent Transfer / Conveyance)

(Against All Defendants)

394. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

395. Defendants, as discussed *supra*, transferred assets to themselves and others with the actual intent to hinder, delay, or defraud Plaintiff.

396. Defendants, as discussed *supra*, transferred assets to themselves and others without providing reasonably equivalent value in exchange for the transfer or obligation.

397. Such actions violate A.R.S. § 44-1004 *et al.* and caused damages to CME and CMG in a sum to be proven at trial.

398. Defendants' conduct was willful, malicious, and was carried out with evil mind.

399. As a result of Defendants' fraudulent transfers, CME and CMG have been damaged in an amount to be proven at trial.

COUNT VIII

(Tortious Interference With Contract / Business Expectancy)

(Against Mr. Whiting and Garvick Properties)

400. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

401. As discussed *supra*, CME entered into numerous contracts concerning its assets with the Defendants and others.

402. As discussed *supra*, CMG entered into numerous contracts concerning its assets with the Defendants and others.

403. Mr. Whiting was aware of each and every one of these contracts and in fact signed each contract.

404. Mr. Whiting was aware of the business relationships arising out of and related to the contracts discusses *supra*.

405. Garvick Properties was aware of each and every one of the contracts discussed *supra*.

406. Garvick Properties was aware of the business relationships arising out of and related to the contracts discusses *supra*

407. Mr. Whiting and Garvick Properties were aware that CMG and CME expected financial benefits from these relationships and contract.

408. Mr. Whiting and Garvick Properties improperly interfered with the relationships and contracts.

409. The conduct of Mr. Whiting and Garvick Properties was willful, malicious, and was carried out with evil mind.

410. The conduct of Mr. Whiting and Garvick Properties has caused CMG and CME to incur damages.

411. CMG and CME are entitled to compensatory and punitive damages from Mr. Whiting and Garvick Properties in an amount to be proven at trial.

COUNT IX

(Judicial Removal Pursuant To A.R.S. § 10-809)

(Against Mr. Whiting)

412. Plaintiffs incorporate by this reference all prior paragraphs as though fully set forth herein.

413. CME's place of business is 4140 E. Baseline Road, #208, Mesa, Arizona, 85206, Maricopa County, Arizona.

414. CMG's place of business is 4140 E. Baseline Road, #208, Mesa, Arizona, 85206, Maricopa County, Arizona

415. This complaint is brought on behalf of CME and CMG.

416. Mr. Whiting's conduct, as articulated *supra*, was fraudulent and has caused harm to CME, CMG and Plaintiff.

417. Mr. Whiting has made representations to CME, CMG, and others concerning stock in CME and CMG and payment therefore that Mr. Whiting knew to be incorrect and false at the time he made them.

418. CME, CMG, and others reasonably relied upon Mr. Whiting's representations.

419. Mr. Whiting intended CME, CMG, and others to rely on his false statements.

420. CME, CMG, and others have been detrimentally affected by their reliance on Mr. Whiting's false statements.

421. Mr. Whiting's fraudulent statements have resulted in litigation and other harm against CME and CMG.

422. Mr. Whiting's removal from the board of directors of CME is in the best interest of CME.

423. Mr. Whiting's removal from the board of directors of CMG is in the best interest of CMG.

424. Mr. Whiting's removal from the board of directors of CMG and CME is in the best interest of Plaintiff and the shareholders of CMG and CME.

425. Pursuant to A.R.S. § 10-809(A), Mr. Whiting should be removed as a director of CME.

426. Pursuant to A.R.S. § 10-809(B) Mr. Whiting should be barred from reelection as a director of CME for a period of five (5) years.

427. Pursuant to A.R.S. § 10-809(A), Mr. Whiting should be removed as a director of CMG.

428. Pursuant to A.R.S. § 10-809(B) Mr. Whiting should be barred from reelection as a director of CMG for a period of five (5) years.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

A. Removing Mr. Whiting as a director of CME and CMG;

B. Prohibiting Mr. Whiting's reelection as a director for CME and CMG for a period of five (5) years;

C. Ordering injunctive relief as necessary;

D. Ordering the return of CME and CMG stock improperly taken;

E. Ordering the return of CME and CMG assets improperly taken;

F. Awarding Plaintiffs compensatory damages;

G. Awarding Plaintiffs punitive damages;

H. Awarding Plaintiffs their reasonable attorneys' fees and costs;

I. For such other and further relief as this Court deems just and proper.

RESPECTFULLY SUBMITTED this 26th day of February, 2010.

TIFFANY & BOSCO P.A.

By: _____

Robert A. Royal
Lance R. Broberg
Third Floor Camelback Esplanade II
2525 East Camelback Road
Phoenix, Arizona 85016-4237
Attorneys for Plaintiffs

VERIFICATION

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Mark Renberg, being first duly sworn upon oath, deposes and says that I am one of the derivative plaintiffs, that I have read the foregoing *Verified Complaint* and know the contents thereof, and that the matters and things therein stated are true to my own knowledge, except as to those matters therein stated upon my information and belief and as to those matters I believe to be true.

Mark Renberg

SUBSCRIBED AND SWORN to before me this 27th day of January, 2010.

Notary Public

My Commission expires:

OFFICIAL SEAL
SANDRA BENAVIDEZ
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 17, 2012

VERIFICATION

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Keith Deering, being first duly sworn upon oath, deposes and says that I am one of the derivative plaintiffs, that I have read the foregoing *Verified Complaint* and know the contents thereof, and that the matters and things therein stated are true to my own knowledge, except as to those matters therein stated upon my information and belief and as to those matters I believe to be true.

Keith Deering

SUBSCRIBED AND SWORN to before me this 21st day of January, 2010.

Notary Public

My Commission expires:

OFFICIAL SEAL
SANDRA BENAVIDEZ
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 17, 2012

VERIFICATION

STATE OF IDAHO)
)ss.
COUNTY OF ADA)

Chris Lombardo, being first duly sworn upon oath, deposes and says that I am one of the derivative plaintiffs, that I have read the foregoing *Verified Complaint* and know the contents thereof, and that the matters and things therein stated are true to my own knowledge, except as to those matters therein stated upon my information and belief and as to those matters I believe to be true.

Chris Lombardo

SUBSCRIBED AND SWORN to before me this 27 day of January, 2010.

SHARON BIRKLE
NOTARY PUBLIC
STATE OF IDAHO

Notary Public

My Commission expires: 12-22-2014