

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

ONEWORLD MANAGEMENT COMPANY
INC. d/b/a ONEWORLD ALLIANCE,

Plaintiff,

-against-

RANDY P. WANG,

Defendant.

Index No.

Commercial Division

SUMMONS

Plaintiff designates New York County as the place of trial. Jurisdiction is proper in New York County pursuant to CPLR § 301 as defendant, among other things, is domiciled in the State of New York.

Venue is proper in the Supreme Court of the State of New York, New York County pursuant to CPLR § 503(a) and (c) because plaintiff's principal office is located in New York County.

TO THE ABOVE-NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED and required to answer the verified complaint filed in connection with the above-captioned action and to serve a copy of your answer upon the undersigned attorney for plaintiff, Oneworld Management Company Inc. d/b/a oneworld Alliance, by no later than twenty (20) days after the service of this summons, exclusive of the day of service, or by no later than thirty (30) days after service is complete if this summons is not personally delivered to you within the State of New York.

In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the verified complaint.

Dated: New York, New York
November 9, 2017

COLE SCHOTZ P.C.
*Attorneys for oneworld Management Company
Inc. d/b/a oneworld Alliance*

By: /s/ Lauren M. Manduke
Lauren M. Manduke
LManduke@coleschotz.com
1325 Avenue of the Americas
19th Floor
New York, New York 10019
(212) 752-8000

TO: Randy P. Wang
475 48th Avenue
Apt. 2712
Long Island City, New York 11109

and

51-05 216th Street
Bayside, New York 11364

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**
-----ONEWORLD MANAGEMENT COMPANY
INC. d/b/a ONEWORLD ALLIANCE,

Index No.

Plaintiff,

VERIFIED COMPLAINT

-against-

RANDY P. WANG,

Defendant.

Plaintiff, oneworld Management Company Inc. d/b/a oneworld Alliance (“Plaintiff”), by and through its counsel, Cole Schotz P.C., as and for its Verified Complaint against Defendant, Randy P. Wang (“Defendant”), states as follows:

INTRODUCTION

1. This action arises from Defendant’s fraud upon Plaintiff, and theft of its assets, currently believed to be in excess of \$2 million.

2. Plaintiff separately learned that Defendant, who as Plaintiff’s Business Manager had access to Plaintiff’s accounting books, personnel records, IT, handbook, corporate credit card, and other accounts, is believed to have engaged in a systematic scheme to defraud Plaintiff and steal, for Defendant’s own personal use, at least **\$2,000,000** from Plaintiff since January 2016.

3. Plaintiff also recently learned that Defendant, unbeknownst to Plaintiff, improperly used Plaintiff’s Health Reimbursement Account (“HRA”), Commuter Benefit Plan (“TRN”), and Flex Savings Account (“FSA”).

4. More specifically, with respect to the HRA, Plaintiff provides employees that elect health insurance as a “single” insured \$1,500 to offset the costs of qualified medical expenses. Although Defendant only has “single” coverage, Defendant improperly and without

authorization loaded his HRA with an extra \$1,500 for a total of \$3,000 instead of the permitted \$1,500.

5. Similarly, while Defendant elected to receive \$1,656 in TRN benefits and has used \$1,323 of those benefits as of the date of this filing, Defendant manipulated Plaintiff's payroll system to ensure that the required \$69 per pay period was not deducted from Defendant's account towards Defendant's required TRN contribution. Stated another way, Defendant, who gets paid on the 15th and last business day of each month, has received \$1,323 in TRN benefits on Plaintiff's dime without contributing a single cent for that benefit.

6. Defendant has also used the same scheme to obtain \$379.99 in Flex Savings benefits without making the required contributions from his paycheck (with such deductions supposed to total \$108.33 per pay period).

7. In addition, Defendant, through his access to Plaintiff's QuickBooks, manipulated and altered Plaintiff's accounting records in an attempt to cover up his continuing assault upon the company and its assets.

8. Upon information and belief, much of the aforementioned conduct was done by Defendant during his normal working hours.

9. The nefariousness of Defendant and his conduct potentially reached new heights when, upon information and belief, a new web domain was created last week on November 2, 2017 under the domain name www.bgcdv.com in an attempt to "spoof" a similar website (www.bcgdv.com) of one of Plaintiff's vendors, non-party BCG Digital Ventures ("BCG Digital"). (See **Exhibit "A."**)

10. Upon information and belief, the hoax domain was created in an attempt to swindle Plaintiff into paying \$600,000 that was otherwise due and owing to BCG Digital for various work performed by same on Plaintiff's behalf.

11. The hoax went so far as to provide Plaintiff with wire transfer information for a bank located in Florida and unaffiliated with BCG Digital on November 2, 2017, and requesting wire confirmation after the payment had been initiated and sent to Florida. (*See Exhibit "B."*)

12. Shockingly, the fraud continued on or about November 8, 2017 when Plaintiff learned that someone had attempted to change the password to access Plaintiff's cloud-based vendor, RackSpace, where Plaintiff stores its employee data. If access had successfully been obtained, a person could view, delete, and/or alter employee data stored by Plaintiff through RackSpace.

13. Upon information and belief, Defendant is behind the aforementioned conduct as consistent with the other known frauds perpetuated by Defendant upon Plaintiff and because the aforesaid conduct occurred just days after Plaintiff started severing Defendant's access to Plaintiff's files and accounts.

14. In early November 2017, Defendant requested a hardship withdrawal from Defendant's 401k retirement account and, upon information and belief, potentially established the aforementioned Florida bank account outside of this Court's jurisdiction through an affiliated entity also located in Florida.

15. Plaintiff is still determining the extent and magnitude of Defendant's fraud and theft upon the company. To that end, Plaintiff has retained forensic experts to determine the full extent of Defendant's unlawful conduct.

16. That said, it is unequivocally clear that Defendant's fraud upon Plaintiff is escalating. As explained below, Defendant's unauthorized purchases have recently increased in both frequency and amounts. For example, whereas Defendant purchased approximately \$3,000 in goods from non-party Micro Center in January 2017, Defendant's purchases brazenly increased to more than eight times that amount to approximately \$24,000 in September 2017. (*See* Ex. D.)

17. Accordingly, through this action, Plaintiff seeks, *inter alia*, immediate civil relief aimed towards maintaining the status quo and restraining Defendant from continuing his depletion of the Plaintiff's assets, intrusion into Plaintiff's electronic systems, manipulation of Plaintiff's books and records, and to preserve Plaintiff's good will with third-parties such as BCG Digital while Plaintiff and the authorities determine the full extent of Defendant's scheme.

18. Plaintiff thus seeks an order: (1) preliminarily enjoining and restraining Defendant, and all others acting in concert with him, from transferring, withdrawing, conveying, hypothecating, removing, encumbering, assigning, dissipating, pledging, or paying any assets, monies, accounts, or funds, of any kind and wherever located, of or belonging to Defendant, other than ordinary living expenses not to exceed five thousand dollars (\$5,000.00) per month, pending further Order of this Court; (2) preliminarily enjoining and restraining Defendant, and all others acting in concert with him, from using monies, funds, and/or assets of any kind, of or belonging to Plaintiff, to pay for the personal liabilities, responsibilities, and/or debts of Defendant; (3) preliminarily enjoining and restraining Defendant, and all others acting in concert with him, from acting, representing, and/or in any way holding themselves out as an agent, representative, employee, director, officer, or in any way affiliated with Plaintiff for the purpose of securing financing, obtaining payments due and owing to Plaintiff, obtaining payments due

and owing from Plaintiff to third parties, and/or securing funds of any kind otherwise owed to Plaintiff or owed from Plaintiff to third parties; and (4) granting expedited discovery including, but not limited to, examinations on seven (7) days' notice.

THE PARTIES

19. Plaintiff is a corporation formed under the laws of the state of Delaware and registered to do business in the State of New York with its principal place of business located at 2 Park Avenue, Suite 1100, New York, NY.

20. Upon information and belief, Defendant is an individual residing in the State of New York with an address of 475 48th Ave., Apt. 2712, Long Island City, NY. Defendant also uses an address located at 51-05 216 St., Bayside, NY. Upon information and belief, Defendant's mother resides at the Bayside address.

JURISDICTION AND VENUE

21. Jurisdiction over Defendant in the Supreme Court of New York is proper pursuant to CPLR § 301 because, among other things, he is domiciled in the State of New York.

22. Venue is proper in the Supreme Court of New York, County of New York, pursuant to CPLR § 503(a) and (c) because Plaintiff's principal office is located in New York County.

23. Jurisdiction and venue are further proper pursuant to the Defendant's employment agreement with Plaintiff which provides that the "Governing Law and Venue" is "the State of New York." (*See* Agreement, § 5.08, **Exhibit "C."**)

FACTUAL BACKGROUND

24. Formed in February 1999, Plaintiff is the world's foremost quality air travel global alliance and is a conglomerate of 13 of the world's leading airlines and approximately 30 of their affiliates.

25. At all times relevant to this lawsuit, Plaintiff employed, and currently employs, approximately 25 people in its New York office.

26. Defendant was initially hired by Plaintiff as a Business Analyst on October 10, 2011, and was rehired as a Business Manager on July 7, 2014 after Defendant's employment with Plaintiff temporarily ceased on February 25, 2014.

27. At the time of rehire, Defendant's salary as Business Manager was \$105,000. By the time of his termination, Defendant's annual salary was supposed to be \$123,000 but was temporarily increased to \$159,000 because of Defendant's additional responsibilities while Plaintiff recruited a new head of finance.

28. As Business Manager, Defendant's responsibilities and duties included support of Plaintiff's Vice President of Finance, as well as Plaintiff's central management team, by: (i) developing Plaintiff's budgets and financial analyses, bill payment setup, closing of the monthly financial books, etc.; (ii) providing general analysis and support to membership, commercial, corporate communications, and information technology areas within the alliance; and (iii) assisting with all finance, accounting, office management, and human resources issues such as payroll, benefits, new hire onboarding, projects, records, and reporting as required.

29. Defendant's key duties included maintenance of Plaintiff's financial and human resources information and databases, analysis and support of alliance projects, settlement expenses, and costs, as well as budget planning, development, forecasting, and monitoring.

30. Defendant was also charged with updating Plaintiff's 2015 Employee Handbook and worked with Plaintiff's counsel through August 2017 to update same. As a result, Defendant is intimately familiar with Plaintiff's policies and procedures as reflected in Plaintiff's Handbook.

31. The parties executed an Employment Agreement effective November 3, 2014 (the “Agreement”). A copy of the Agreement is attached hereto as **Exhibit “C.”**

32. Section 3.02 of the Agreement provides that Defendant “shall duly and diligently perform all the duties assigned to him while in the employ of the Employer [Plaintiff], and shall truly and faithfully account for and deliver to the Employer all money, security and things of value belonging to the Employer [Plaintiff] which the Employee [Defendant] may from time to time receive for, from or on account of the Employer [Plaintiff].” (*See* Agreement, § 3.02 (Ex. C).)

33. Section 3.03 of the Agreement similarly provides that Defendant “shall be bound by and shall faithfully observe and abide by all the policies, rules and regulations of the Employer [Plaintiff] from time to time in force which are brought to his notice or of which he should reasonably be aware.” (*Id.* at § 3.03.)

34. Defendant, as Business Manager, had access to Plaintiff’s books and records, Plaintiff’s IT system, and access to Plaintiff’s corporate credit card account with American Express (“Amex”).

35. To this end, Defendant was issued an Amex corporate credit card ending in #3034 (“Amex card”) to enable Defendant to make company-related purchases on behalf of Plaintiff.

Defendant’s Theft and Fraud Upon Plaintiff

36. In September 2017, Defendant became routinely absent from work for purported medical reasons.

37. Between September 18, 2017 and November 2, 2017, Defendant was out of the office on medical leave for 28 of the 34 working days.

38. During Defendant's absence from the office, Plaintiff began to discover significant unexplained credit card charges transacted on Defendant's Amex corporate credit card.

39. To date, those charges exceed \$2.2 million.

40. Those charges include:

(a) \$570,306.15 in charges from Apple, Inc.'s online store occurring between May 5, 2017 and November 1, 2017 and an additional \$222,852.62 in in-store purchases occurring during this same time for a total of \$793,158.77;

(b) \$289,649.24 in charges from CDW Corporation, a provider of technology products and services for business, occurring between January 6, 2016 and November 1, 2017;

(c) \$85,508.55 in charges from Micro Center Computers & Electronics, a computer department store with its headquarters in Ohio, occurring between July 2, 2016 and September 30, 2017 (*see Exhibit "D"*);

(d) \$468,925.64 in charges from Data Vision Computer Video Inc. between June 9, 2016 and October 19, 2017 consisting of: (i) 285 MacBook Pros; (ii) 236 iPhone 7s; (iii) 15 iPad Pro; and (iv) 9 iPad Mini-4 (*see Exhibit "E"*); and

(e) \$577,161.92 in charges from Amazon.com.

41. In most instances, the goods purchased as set forth above were not shipped to Plaintiff's New York office or any of its affiliated locations.

42. To the contrary, the purchased goods were either picked up by Defendant or one of his cohorts in person or shipped to his home. (*See Exs. D & E.*)

43. In total, Defendant charged an exorbitant \$2,214,404.12 in less than two years for computer and other related products in quantities exceeding 500 units to support a mere two

dozen employees. As explained above, the rate of purchase accelerated in recent months with over \$1 million charged by Defendant since June 2017.

44. In addition to the size and magnitude of the aforementioned transactions, these purchases are further suspicious because Plaintiff receives technology-related products and services from a third-party tech provider, non-party GenX Tech Solutions, Inc. (“GenX”).

45. Thus it is impossible that each and every one of the aforementioned purchases made by Defendant over the past two years was made for legitimate company purposes and with Plaintiff’s authorization.

46. On or about October 27, 2017, Plaintiff also discovered, through an audit of Defendant’s QuickBooks user ID, that Defendant had regularly accessed QuickBooks and eliminated the details of entries from certain of Defendant’s Amex corporate credit card charges.

47. These suspicious charges were then reassigned to different account lines and given broad business descriptions in an attempt to cover-up Defendant’s fraudulent activity and shield such activity from company personnel.

48. For example, Defendant assigned certain expenses to expense account #9240. Account 9240 consists of two subaccounts - 001 and 002.

49. With respect to subaccount 001, Plaintiff’s invoices and internal records reflect legitimate expenses totaling approximately \$57,000. The amount assigned to subaccount 001 in Plaintiff’s QuickBooks, however, totals approximately \$330,000 as a result of expenses allocated to subaccount 001 by Defendant.

50. Subaccount 002 is used to account for certain software expenses relating to a third-party vendor.

51. Plaintiff, however, stopped using that software in late 2016 and only started using the software again in June 2017. To date, the vendor has not yet billed Plaintiff for the software used since approximately June 2017.

52. Thus, the amount of expenses reflected in subaccount 002 for 2017 should be zero; however, subaccount 002 currently reflects approximately \$900,000 in expenses from Defendant's purchases as allocated to subaccount 002 by Defendant.

53. In November 2017, Defendant requested that Plaintiff allow a hardship withdrawal from Defendant's 401k retirement fund and transfer these funds to Defendant. (*See Exhibit "F."*)

54. Unbelievably Defendant potentially did not stop there. On November 2, 2017, within days of being cut off from Plaintiff's accounts, a web domain name of bgcdv.com was registered mimicking that of BCG Digital (bcgdv.com) who, as explained above, is one of Plaintiff's legitimate vendors and currently owed approximately \$600,000 from Plaintiff. Defendant knew of the \$600,000 invoice because he was directed by Plaintiff to pay the invoice in August 2017 but failed to pay same.

55. Aware of the outstanding invoice, upon information and belief, it is possible Defendant was responsible for creating the spoof domain as well as an email using that domain name to impersonate one of BCG Digital's partners, Christopher Stutzman, in an attempt to lure Plaintiff into paying Defendant the money due BCG Digital.

56. On November 2, 2017, a person, potentially Defendant, using that manufactured email account, demanded payment of the outstanding BCG Digital invoice in the amount of \$600,000 from Plaintiff through an email address purportedly belonging to Mr. Stutzman. (*See Ex. B.*)

57. The November 2nd email was thereafter received by Plaintiff's CEO, Robert Gurney, as well as Julie Landin and John Boettcher, also of Plaintiff. (*Id.*)

58. In the email addressed to "Rob" (Defendant often referred to Mr. Gurney as "Rob" in lieu of the more formal "Robert") the author writes "[f]ollow up on payment" and signed same "Chris" with a signature following the name indicating same was a "Partner" at BCG Digital. (*Id.*)

59. Suspicious about the email and demand for payment, Plaintiff, through Mr. Gurney, reached out, via telephone, directly to Mr. Stutzman at BCG Digital who confirmed the November 2nd communications had not been sent by him or at his direction.

60. Thereafter, Plaintiff determined through a search that the "bgcdv.com" web domain had not been established until November 2, 2017, thereby confirming that the sender of the November 2nd email was not from BCG Digital, an established company. (*See Ex. A.*)

61. Shockingly, thereafter when Plaintiff requested "Chris," potentially Defendant, to provide wiring information so that Plaintiff could transfer the funds to BCG Digital, a person believed to be Defendant responded at 4:10 PM on November 2nd with wire instructions to Suntrust Bank located in Miramar, Florida and requested that Plaintiff send a wire confirmation after wiring the funds. (*See Ex. B.*)

62. It is possible that Defendant may be using the Suntrust Bank account located in Florida to abscond with and divert Plaintiff's assets outside of this Court's jurisdiction.

63. BCG Digital subsequently confirmed that it is not affiliated with Suntrust Bank in Miramar, Florida and that the wire instruction provided to Plaintiff on November 2nd was not sent by, nor affiliated with, BCG Digital.

64. As also explained above, Defendant may have also attempted to access Plaintiff's cloud-based vendor, RackSpace, where Plaintiff's employee data is stored as recently as November 8, 2017.

65. Plaintiff, despite multiple efforts, has not heard directly from Defendant (other than through the aforementioned November 2nd email (which Plaintiff believes was sent by Defendant) since approximately October 28, 2017, with the exception of Defendant's November 401k hardship withdrawal request.

66. To date, the converted funds have not been returned by Defendant to Plaintiff.

67. As a result of the aforementioned conduct, Plaintiff terminated Defendant on November 8, 2017.

68. Upon information and belief, Defendant continues to hold himself out as an employee, agent, and/or authorized representative of Plaintiff in an attempt to further divert funds from Plaintiff to Defendant.

69. Plaintiff has suffered, and continues to suffer, substantial damages, including potential damage to its relationship with its third-party vendors and suppliers such as BCG Digital, as a result of the aforementioned unlawful conduct by Defendant.

FIRST COUNT
(Conversion)

70. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

71. As explained above, Defendant, among other things, improperly used Plaintiff's HRA, TRN, and FSA and has converted Plaintiff's assets and property for himself.

72. Defendant has also improperly used Plaintiff's Amex credit card to make unauthorized purchases for goods exceeding \$2.2 million, thereby further converting Plaintiff's assets and property for himself.

73. This misuse of Plaintiff's assets for individual purposes was unauthorized and clearly not intended to benefit Plaintiff but, rather, Defendant personally.

74. Through his access to Plaintiff's assets and finances as described above, Defendant has exercised dominion and control over personal property belonging to Plaintiff thereby interfering with Plaintiff's right of possession to same.

75. As a direct and proximate result of Defendant's wrongful conversion of Plaintiff's assets, Plaintiff has been damaged, and continues to be damaged.

SECOND COUNT
(Fraud)

76. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

77. As evidenced by the conduct described above, Defendant has misrepresented and/or made material omissions of fact, known by Defendant to be false at the time made.

78. More specifically, Defendant has misrepresented the nature and/or purpose of the aforementioned purchases as legitimate business purchases when, in reality, the purchases were made by Defendant for Defendant's own personal use and financial gain at Plaintiff's expense.

79. Such conduct also included Defendant's duplicitous attempt to cover up his theft of Plaintiff's funds by tampering with Plaintiff's QuickBooks and deleting and/or altering material information from/to same, as well as Defendant's potential attempted spoof of Plaintiff's vendor, BCG Digital.

80. At the time Defendant made the aforementioned misrepresentations and/or omissions to Plaintiff, Defendant made such statements and/or omissions with the intent of inducing Plaintiff's reliance.

81. Plaintiff's reasonable reliance included depending on Defendant's classification of entries made in QuickBooks as legitimate business expenses and transactions and running the company accordingly.

82. Plaintiff further reasonably relied on its books and records, as altered and manipulated by Defendant, in its day-to-day operations of the company.

83. Plaintiff also reasonably relied on Defendant's characterization of the aforementioned purchases as legitimate company purchases in allowing Defendant continued use of the company's Amex credit card and payment of subsequent Amex bills.

84. As a result of the foregoing, Plaintiff has been, and will continue to be, substantially damaged.

THIRD COUNT
(Breach of Contract)

85. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

86. The Agreement constitutes a valid and binding contract.

87. Plaintiff performed all of its obligations pursuant to the terms of the Agreement including payment of Defendant's salary as required therein.

88. All conditions required for Defendant's performance have occurred.

89. Defendant breached his obligations to Plaintiff under the Agreement by, among other things, failing to perform his required duties, such as failing to pay the BCG Digital invoice in August 2017. (*See* Agreement, § 3.02 (Ex. C).)

90. Defendant further breached the Agreement by failing to abide by all of Plaintiff's policies, rules, and regulations in violation of Section 3.03 of the Agreement, including Plaintiff's Code of Conduct as reflected in Plaintiff's Handbook.

91. As explained above, Defendant was intimately familiar with Plaintiff's Handbook and the company's policies and procedures, including the Code of Conduct, as the person responsible for updating Plaintiff's Handbook.

92. Specifically, Plaintiff's Code of Conduct, as incorporated in the Agreement, sets out minimum standards of behavior expected of all of Plaintiff's employees.

93. The first Code of Conduct requires Defendant, as Plaintiff's employees, to "comply fully with all laws and regulations governing [Plaintiff's] business activities." (*See* relevant pages of Code of Conduct, attached hereto as **Exhibit "G."**)

94. The sixth Code of Conduct forbids Defendant, as Plaintiff's employee, from misappropriating Plaintiff's assets and specifically provides that Defendant "must protect the Company's [Plaintiff's] assets and resources and ensure that its assets and resources are used for legitimate business purposes." (*Id.*)

95. Defendant has also violated Code of Conduct 7(c), which prohibits Defendant, as Plaintiff's employee, from "[e]ngagement during working hours in activities which are not directly related to and required in the performance of an employee's duties with or without remuneration" (*Id.*)

96. Code of Conduct 10 requires Defendant, as Plaintiff's employee, to "promptly and confidentially report[]" any breaches of the Code of Conduct "to a Vice President of the CEO [of Plaintiff]." (*Id.*)

97. The Code of Conduct provides that any breach of the Code “is a serious matter and may result in disciplinary actions, including the termination of employment, removal from position or written warning.” (*Id.*)

98. The Code also provides that “[s]ome breaches of the Code could also result in civil or criminal proceedings.” (*Id.*)

99. As described above, Defendant has violated each of the aforementioned Codes of Conduct as incorporated in, and in breach of, the Agreement.

100. As a direct and proximate result of Defendant’s breach of the Agreement, Plaintiff has been damaged.

101. The amount of damages caused by Defendant’s breach of the Agreement is an amount to be determined by the trier of fact, but in no event is less than \$2,000,000.

FOURTH COUNT
(Unjust Enrichment)

102. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

103. As described above, Defendant received a substantial economic benefit from his unlawful conduct including the receipt of products totaling at least \$2 million purchased by using Plaintiff’s funds and/or assets.

104. Defendant has also received compensation and/or benefits exceeding that which he was entitled as an employee of Plaintiff.

105. Plaintiff has received no consideration in connection with Defendant’s unlawful receipt of the aforementioned benefits.

106. As a direct and proximate result of Defendant’s wrongful actions, Plaintiff has suffered, and continues to suffer, substantial damages.

107. As a result of the aforesaid conduct, Defendant has been unjustly enriched at the expense of Plaintiff.

FIFTH COUNT
(Breach of Duty of Loyalty)

108. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

109. Defendant, as an employee of Plaintiff, owed a duty of good faith and loyalty to Plaintiff in the performance of Defendant's duties.

110. Defendant, as an employee of Plaintiff, owed Plaintiff undivided and unqualified loyalty and was prohibited from acting in any manner contrary to Plaintiff's interests.

111. Defendant, as an employee of Plaintiff, was further required to make truthful and complete disclosures to Plaintiff.

112. As alleged above, Defendant, an employee of Plaintiff, breached his duty of loyalty by, *inter alia*, acting in a manner that was contrary to Plaintiff's interest including: (i) stealing from Plaintiff; (ii) altering Plaintiff's accounting books and records; (iii) making unauthorized purchases on Plaintiff's corporate credit card; (iv) improperly using the HRA, TRN, and FSA as explained above; and (v) attempting to lure Plaintiff into making a payment due and owing to third-party BCG Direct to Defendant.

113. As a result of Defendant's breach of his duty of loyalty, Plaintiff sustained damages.

SIXTH COUNT
(Faithless Servant)

114. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

115. It is well established that an employee forfeits his right to compensation for services rendered by him if he proves disloyal.

116. As alleged herein, Defendant has breached his duty of loyalty to Plaintiff by, among other things, perpetuating a fraud upon Plaintiff and converting over \$2.2 million from Plaintiff for Defendant's personal use.

117. Accordingly, an Order should be entered requiring Defendant to disgorge to Plaintiff all compensation received by Defendant during the relevant period of time.

SEVENTH COUNT
(Constructive Trust)

118. Plaintiff repeats and restates the allegations contained in the preceding paragraphs of the Verified Complaint as if set forth at length herein.

119. As aforesaid, Defendant took custody of Plaintiff's property under circumstances that would render it equitable for Defendant to return such property to its rightful owner upon due demand. Such custody created a fiduciary relationship.

120. For example, Defendant improperly used Plaintiff's HRA, TRN, and FSA without the required authorization and without providing consideration to Plaintiff.

121. It is undisputed that these aforementioned diverted funds belong to Plaintiff.

122. In addition, upon information and belief, Plaintiff's funds have been used to purchase goods used by Defendant for his own personal financial gain without any consideration or benefit to Plaintiff.

123. It is just and equitable for the Court to impose a constructive trust to attach to the res of Plaintiff's funds and/or property that was diverted, converted, or otherwise misappropriated by Defendant from the time it entered his possession.

124. Defendant, and any agents through which Plaintiff's funds wrongfully passed or to whom the funds were wrongfully transferred, would be unjustly enriched if permitted to retain these funds or any benefits accruing therefrom.

125. Accordingly, each and every unauthorized and unlawful transfer of Plaintiff's funds during the period of the trust should be disgorged and paid over together with prejudgment interest.

126. In addition, each and every tangible item purchased by Defendant, without Plaintiff's consent and with Plaintiff's funds such as the products identified in the invoices and related documents attached herewith, during the period of the trust should be disgorged and handed over to Plaintiff.

127. Permitting Defendant and/or his cohorts to retain Plaintiff's funds, assets or any benefits therefrom, would be unfair and unjust and, in light of the totality of the circumstances, warrants imposition of a constructive trust under equitable principles of New York law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendant and seeks the following relief:

128. Enter judgment on the First Count (conversion) of this Verified Complaint in favor of Plaintiff against Defendant in the amount of all damages sustained by Plaintiff as a direct and proximate result of Defendant's conversion of Plaintiff's property, which amount will be determined by the trier of fact, but which is presently understood to be in excess of \$2,000,000.

129. Enter judgment on the Second Count (fraud) of this Verified Complaint in favor of Plaintiff against Defendant in the amount of all damages sustained by Plaintiff as a direct and proximate result of Defendant's unlawful acts, together with interest, costs, and attorneys' fees,

which amount will be determined by the trier of fact, but which is presently understood to be in excess of \$2,000,000.

130. Enter judgment on the Third Count (breach of contract) of this Verified Complaint in favor of Plaintiff against Defendant in the amount of all damages sustained by Plaintiff as a direct and proximate result of Defendant's breaches of the Agreement, together with interest, costs, and attorneys' fees, which amount will be determined by the trier of fact, but at present is in excess of \$2,000,000.

131. Enter judgment on the Fourth Count (unjust enrichment) of this Verified Complaint in favor of Plaintiff against Defendant in the amount of all damages sustained by Plaintiff as a direct and proximate result of Defendant's unlawful conduct, together with interest, costs, and attorneys' fees, which amount will be determined by the trier of fact, but which is presently understood to be in excess of \$2,000,000.

132. Enter judgement on the Fifth Count (breach duty of loyalty) of this Verified Complaint in favor of Plaintiff against Defendant in the amount of all damages sustained by Plaintiff as a direct and proximate result of Defendant's breach of the duty of loyalty, which amount will be determined by the trier of fact, but which is presently understood to be in excess of \$2,000,000.

133. Enter judgment on the Sixth Count (faithless servant) of this Verified Complaint in favor of Plaintiff against Defendant in the amount of all damages sustained by Plaintiff as a direct and proximate result of Defendant's unlawful conduct, including disgorgement of all compensation, including benefits, Defendant received from Plaintiff during the time Defendant was disloyal to Plaintiff, as well as consequential damages, punitive damages, interest, and reasonable attorneys' fees and costs.

134. As to the Seventh Count (constructive trust): (i) order imposition of a constructive trust upon Defendant's funds and/or any property purchased by Defendant without Plaintiff's consent and with its funds as identified in the invoices and receipts attached herewith; and (ii) order Plaintiff's misdirected, converted, and diverted funds and/or property purchased by Defendant from such funds be returned by Defendant to Plaintiff and that any other improperly enhanced benefits obtained by Defendant such as through the HRA, TRN, and/or FSA be disgorged and paid to Plaintiff, with interest.

135. Enter an order: (1) preliminarily enjoining and restraining Defendant, and all others acting in concert with him, from transferring, withdrawing, conveying, hypothecating, removing, encumbering, assigning, dissipating, pledging, or paying any assets, monies, accounts, or funds, of any kind and wherever located, of or belonging to Defendant, other than ordinary living expenses not to exceed five thousand dollars (\$5,000.00) per month, pending further Order of this Court; (2) preliminarily enjoining and restraining Defendant, and all others acting in concert with him, from using monies, funds, and/or assets of any kind, of or belonging to Plaintiff, to pay for the personal liabilities, responsibilities, and/or debts of Defendant; (3) preliminarily enjoining and restraining Defendant, and all others acting in concert with him, from acting, representing, and/or in any way holding themselves out as an agent, representative, employee, director, officer, or in any way affiliated with Plaintiff for the purpose of securing financing, obtaining payments due and owing to Plaintiff, obtaining payments due and owing from Plaintiff to third parties, and/or securing funds of any kind otherwise owed to Plaintiff or owed from Plaintiff to third parties; and (4) granting expedited discovery including, but not limited to, examinations on seven (7) days' notice.

136. Enter an award to Plaintiff for its costs, disbursements, and attorneys' fees incurred in connection with this litigation; and

137. Such other relief as may be permitted under applicable law and which this Court deems just and equitable under the circumstances.

COLE SCHOTZ P.C.
*Attorneys for Plaintiff, oneworld
Management Company Inc., d/b/a
oneworld Alliance*

By: /s/ Lauren M. Manduke

Lauren M. Manduke
LManduke@coleschotz.com
Elizabeth Carbone
ECarbone@coleschotz.com
1325 Avenue of the Americas
19th Floor
New York, NY 10019
(212) 752-8000

DATED: November 9, 2017

VERIFICATION

ROBERT GURNEY, of full age, attests as follows:

I am the CEO of Plaintiff, One World Management Group Inc. d/b/a oneworld Alliance, in this action. I am authorized to make this Verification.

1. I have read the foregoing Verified Complaint and on my own personal knowledge and based on records in my possession, I know that the facts set forth therein are true except for those facts stated on information and belief.

2. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.


By: Robert Gurney

Sworn and subscribed to before me
this 8 day of November, 2017.

By: 

Notary Public

JONATHAN RA
Notary Public, State of New York
No. 01RA6323207
Qualified in Queens County: Certificate Filed in New York County
Commission Expires 4/20/2019