

EXHIBIT 1

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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

13 ADAM PERZOW, an individual,
14 Plaintiff,

15 vs.

16 MOSHE HOGEG, an individual, and DOES 1-
17 20

18 Defendants

Case No. **18STCV04802**

COMPLAINT FOR:

- 1) BREACH OF CONTRACT;
2) BREACH OF FIDUCIARY DUTY; AND
3) FRAUD

JURY TRIAL DEMANDED

FILED
Superior Court of California
County of Los Angeles

NOV 09 2018

Sherri K. Foster, Executive Officer/Clerk
By Patrice Offord, Deputy

1 Plaintiff Adam Perzow ("Perzow" or "Plaintiff"), by and through his undersigned
2 counsel, alleges as follows. Any allegations in this complaint that are contrary to or inconsistent
3 with one another are made in the alternative.

4 SUMMARY

5 1. This action concerns the breaches of contract and fraud Defendants committed so
6 that they could secure for themselves the valuable www.invest.com domain name and the
7 financial services business based upon it for a fraction of their actual value, while excluding
8 Plaintiff and depriving him of his right to participate in that enterprise.

9 2. Before Defendants became involved, Heath Global, Inc. owned the exclusive
10 rights to purchase the www.invest.com domain. Plaintiff, as the president and sole shareholder
11 of Heath Global, Inc., ultimately controlled that right to purchase and use the www.invest.com
12 domain and, Defendants knew, therefore had sole authority to decide both the nature of and the
13 participants in the business that would be built upon that domain name.

14 3. Defendants recognized the value of the www.invest.com domain and wanted to
15 acquire it. To do that, they needed Plaintiff's cooperation and consent. Defendants also wanted
16 to spend less cash to acquire the domain than it was actually worth. That also required
17 Plaintiff's cooperation and consent.

18 4. Plaintiff, too, understood the value of the www.invest.com domain and intended
19 to build a business based on it. Indeed, that is why he caused Heath Global to acquire the right
20 to purchase the www.invest.com domain in the first place.

21 5. In the end, Defendants and Plaintiff reached an agreement that, had Defendants
22 not breached it, would seemingly have fulfilled all of these goals. Under that agreement,
23 Plaintiff would cause Heath Global to sell to Defendants or one of their affiliates Heath Global's
24 right to purchase the www.invest.com domain and, after Defendants exercised that purchase
25 right, Defendants and Plaintiff, together and as joint venturers, would develop and operate a
26 business utilizing the www.invest.com domain.

27 6. Defendants, however, have not fulfilled their part of that bargain. Although
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1 names Does. Plaintiff is currently ignorant of the true names and capacities, whether individual,
2 corporate, associate, or otherwise, of the Defendants sued herein under the fictitious names Does
3 1 through 10, inclusive, and therefore sues such Defendants by such fictitious names. Plaintiff
4 will amend this complaint to allege the true names and capacities of said fictitiously named
5 Defendants when their true names and capacities have been ascertained. Plaintiff is informed
6 and believes and thereon alleges that each of the fictitiously named Doe Defendants are legally
7 responsible in some manner for the events and occurrences alleged herein, and for the damages
8 suffered by Plaintiff and members of the class.

9 12. Plaintiff is informed and believes, and on that basis alleges, that all Defendants,
10 including the fictitious Doe Defendants, were at all relevant times acting as actual agents,
11 captive agents or brokers, conspirators, ostensible agents, partners, brokers and/or joint
12 venturers, and employees of all other Defendants, and that all acts alleged herein occurred within
13 the course and scope of said agency, employment, partnership, joint venture, conspiracy and/or
14 enterprise, and with the express and/or implied permission, knowledge, consent, authorization,
15 and ratification of their co-defendants; however, this allegation is pleaded as an “alternative”
16 theory wherever not doing so would result in a contradiction with other allegations.

17 JURISDICTION AND VENUE

18 13. This Court has jurisdiction over the subject matter of this action because this is a
19 civil action wherein the matter in controversy, exclusive of interest and costs, exceeds the
20 jurisdictional minimum of this Court. No federal subject matter jurisdiction over this action
21 exists because none of the parties is currently a resident of the United States.

22 14. This Court has jurisdiction over Hoge and each of the Doe defendants because
23 the exercise of jurisdiction over them is consistent with the constitutions of this state and of the
24 United States. Each of the Defendants, either personally, or through their authorized agents,
25 purposefully availed themselves of the benefits of this state through intentional contacts with
26 this state. Among other things, Defendants directed communications, including emails and
27 telephone calls, into this state for the purpose of negotiating and arranging the contract at issue
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1 herein, met with Plaintiff in this State for the purpose of negotiating and making the contract at
2 issue herein and entered into the contract at issue in this action in this state. Plaintiff's claims in
3 this action arise out of those contacts by Defendants with this State. Moreover, at the time the
4 parties contracted, the www.invest.com domain name that is at the core of this action was held in
5 escrow in California. The exercise of jurisdiction over Defendants by this Court is reasonable
6 and consistent with notions of fair play and substantial justice because, *inter alia*, Defendants
7 regularly travel to or are present in California and can therefore conveniently appear in this
8 Court.

9 15. Venue in this County is proper because the contract at issue in this action was
10 entered into within Los Angeles County.

11 **FACTS**

12 16. With the intention of acquiring the www.invest.com domain name and turning it
13 into a major global business, Plaintiff caused his wholly owned company, Heath Global, Inc., to
14 acquire the exclusive right to purchase the www.invest.com domain.

15 17. Heath Global purchased that exclusive right to acquire the www.invest.com
16 domain for \$2 million, payable in installments over several years.

17 18. Heath Global made several of the required payments under that purchase
18 agreement, but filed a voluntary petition for Chapter 11 bankruptcy before all of the payments
19 had been made.

20 19. As part of the workout of the Chapter 11, and in an effort to retain its rights to
21 acquire the domain name, Perzow, on behalf of Heath Global, began negotiating with the seller
22 of the domain to restructure the purchase agreement. Simultaneously, he began seeking strategic
23 partners to help complete the acquisition and build out of the underlying business around the
24 Invest.com domain.

25 20. During that search, Plaintiff identified and had discussions with multiple potential
26 strategic partners. Those discussions led to, among other things, opportunities to sell the
27 www.invest.com domain outright at prices between \$4 million to \$5 million. However, because
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1 Plaintiff's intention was to be involved in the development, operation and profits of the business
 2 built with the www.invest.com domain, Plaintiff ultimately chose not to pursue those offers.
 3 Instead, he continued searching for strategic partners who would agree to pursue the
 4 www.invest.com business jointly with him.

5 21. During Plaintiff's search for strategic partners, Plaintiff was introduced to Gal
 6 Ron ("Ron"), Chairman of the Board and CEO of WS Conversion Pros Holdings Limited
 7 ("Conversion Pros"), a Cyprus-based financial-sector advisory firm. That introduction was
 8 made by Ron's business partner, Michael Greenberg, who was CEO of Finance Magnates.

9 22. Together, Ron and Plaintiff discussed how they intended to proceed.
 10 Specifically, they discussed and reached an understanding that they intended to pursue the
 11 www.invest.com business as a joint venture. Ron confirmed this understanding in an email, in
 12 which he wrote that the potential joint venture transaction they were discussing would consist of
 13 three participants each with an interest in the venture:

14 From our end it was clear to be the following break down.

- 15 - Domain - Adam
- 16 - Knowledge/Knowhow/HR/Operations/Marketing/Sales - CONVERSION PROS
- 17 - Investor – Funding

18 23. Those talks, however, broke off amicably, in part because neither party had yet
 19 identified a strategic investor that could finance the purchase of the www.invest.com domain and
 20 also assist with the launch of the envisioned joint venture. A few months later, they would pick
 21 up where they left off.

22 24. Through the Chapter 11 process, Heath Global was able to reach an agreement
 23 with the sellers from whom it had contracted to acquire the www.invest.com domain. That
 24 agreement extended the deadline for the payments Heath Global was to make in connection with
 25 the purchase in exchange for an increase of the total purchase price from \$2 million to \$2.5
 26 million. Under the revised purchase agreement, upon payment of the entire \$2.5 million
 27 purchase price, the California-based escrow company holding the www.invest.com domain
 28 would transfer the domain to Heath Global or any assignee of its choosing.

25. Those modifications to the purchase agreement removed a number of

1 impediments to locating and reaching agreement with a strategic partner. As a result, Perzow
2 became engaged in numerous discussions for different business venture opportunities
3 concerning the domain name. At the same time, Perzow decided to explore the possibility of a
4 strategic sale whereby he would sell the www.invest.com domain at a discounted cash price in
5 exchange for receiving an equity or other ongoing interest in the resulting business.

6 26. Perzow sent a note to Ron to ask whether Conversion Pros remained interested in
7 helping Heath Global sell or monetize the www.invest.com domain name. Perzow made clear
8 that he would only entertain offers of at least \$4 million, with the intention that this low price
9 would result in a competitive bidding process among serious potential investors. Ron
10 responded, expressing interest, but Perzow did not press the issue at that time as he was focused
11 on other opportunities.

12 27. Subsequently, Ron contacted Perzow in Los Angeles, asking that he return the
13 call as soon as possible, which Perzow did.

14 28. On the call, Ron suggested that they bring in defendant Hoge, who he described
15 as an Israeli venture capital investor who controlled a venture capital fund, a series of entities
16 generally operating under the moniker "Singulariteam," to fund the purchase of the domain
17 name and as a "trusted and ideal strategic partner" for the www.invest.com business. Ron made
18 a number of representations about Hoge and his involvement with Mobli, a competitor to
19 Instagram which, according to Ron, had an "over one billion dollar valuation." Ron also told
20 Perzow that Hoge and Singulariteam had just completed a transaction for Pheed, a technology
21 company based in the United States, in a part-stock and part-cash transaction. Ron explained
22 that there was an opportunity for Perzow to partner together with Hoge on the venture. Ron
23 assured Perzow that Hoge was highly-respected, could be trusted and could be a great partner
24 for Perzow to put the www.invest.com domain to its biggest and best use.

25 29. Perzow expressed to Ron that the www.invest.com domain was worth more than
26 \$5 million and possibly on the order of \$16 million. Similar premier financial services domain
27 names had sold for such amounts, including www.insure.com, which sold for \$16 million.

1 Perzow told Ron that, if Hogege wanted to become involved in the www.invest.com domain, he
2 would have to move quickly and also recognize the brand's true value as the premier financial
3 services domain and brand in the world.

4 30. Acting as the agent of Hogege and Hogege's investment fund, Ron introduced
5 Perzow to Hogege.

6 31. Ron, on behalf of Hogege and Hogege's fund, informed Perzow that Hogege
7 preferred not to purchase the www.invest.com domain outright for a cash price that reflected its
8 true value, but instead wanted to enter into a broader agreement with Perzow to build the
9 Invest.com business in a joint venture similar to what Perzow and Ron had discussed previously
10 and Ron had described in his prior email to Perzow. In other words, rather than sell the
11 www.invest.com domain for an all-cash price at full value, Perzow would partner with Hogege
12 and be part of the venture.

13 32. Hogege was aware of Perzow's and Ron's previous discussions and the nature of
14 the joint venture structure they had discussed. Indeed, Ron's earlier email outlining the joint
15 venture arrangement Ron and Perzow had discussed was forwarded to Hogege, and Hogege
16 subsequently forwarded that email to others.

17 33. Thereafter, Hogege, Perzow (in California) and others spoke by telephone. Hogege
18 reiterated what Ron had told Perzow previously. Rather than purchase the www.invest.com
19 domain outright for an all-cash price at full value, he would pay substantially less than the
20 domain's full value in cash and, in exchange, Perzow would participate in and have an equity
21 interest in the intended business venture. Discussion about this proposed joint venture ensued.

22 34. Perzow provided Hogege with detailed information about the basis for the price he
23 believed the domain name should sell for, including a valuation of the www.invest.com domain
24 that had been commissioned approximately two years earlier, information about the \$16 million
25 sale price of www.insure.com and information about a more recent purchase of
26 www.insurance.com for \$36 million.

27 35. Perzow and Hogege agreed that www.invest.com was most comparable and had
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1 similar attributes to www.insure.com due to the domains both being short (6 letters), both being
2 category-leading financial service brands, and both being action verbs (prompting consumer call
3 to action). Perzow also expressed that this was the price or valuation of the domain name at that
4 time, that time was of the essence to close a deal, and that he would have to go in another
5 direction with regard to the domain name if something could not be agreed on promptly.

6 36. Although Hogeg claimed he had big ideas for the www.invest.com brand, those
7 ideas were limited to foreign currency exchange. He was open, however, to bifurcating the
8 business by having a US based division contemporaneously with an international forex business,
9 which could operate another line of financial services. Hogeg also expressed that he was not
10 prepared to lose the opportunity to become involved with www.invest.com, expressing during
11 the call that the domain name would “unlock the value” for a multi-billion dollar deal, providing
12 immediate global leadership recognition to the joint venture as a financial services leader, instill
13 confidence with investors all over the world, and attract retail and major institutional investors
14 into the deal itself.

15 37. During the call, Hogeg also bragged about Mobli, his previous venture which had
16 reached a valuation of over one billion dollars, and his recent acquisition of Pheed for a \$40
17 million cash/stock transaction. Hogeg represented to Perzow that the Pheed founders made
18 “tens of millions” in that deal. Hogeg professed that the Invest.com project would be worth in
19 the billions, more even than Mobli’s then-current over \$1 billion dollar valuation, and
20 represented that Perzow would make much more money by partnering with Hogeg than with
21 other options for the domain name. Perzow was impressed and agreed that working with Hogeg
22 was a great opportunity in light of Hogeg’s claim that he had turned Mobli into a billion dollar
23 plus business starting from nothing. (Unbeknownst to Perzow, Mobli was not in the condition
24 Hogeg professed, and would soon falter and become almost worthless).

25 38. Without reaching final agreement the exact value of the www.invest.com domain,
26 Hogeg and Perzow agreed that the domain had a value of at least \$5 million and as much as \$16
27 million, and agreed to a two-part deal: (i) one of the companies in Hogeg’s fund, Singulariteam,
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1 Ltd., would pay the \$2.5 million necessary to acquire the www.invest.com domain under Heath
2 Global's contract with the sellers from whom Heath Global had agreed to purchase the domain
3 and would also pay additional, relatively small amounts for other services, and (ii) Perzow
4 would participate in the subsequent www.invest.com business as a joint venture partner with an
5 ownership interest and a role in management of the new Invest.com business enterprise.

6 39. As to the first component, Perzow would agree to assign Heath Global's rights to
7 the domain to Hogege or his fund. Hogege's fund would contribute the capital necessary for the
8 venture to complete the purchase of the www.invest.com domain from sellers with whom Heath
9 Global had contracted (\$2.5 million) and would also pay some additional amounts necessary to
10 satisfy certain related debts and pay for certain related services. The total cash outlay would be
11 \$3.15 million. The parties agreed, however, that substantially less than the domain was worth
12 even as a stand-alone asset

13 40. As to the second component, Perzow would be awarded an ownership stake and
14 management role in the future www.invest.com business enterprise commensurate with the
15 value he was causing to be contributed to the venture. The value of Perzow's contribution
16 would be agreed upon in good faith between the parties at a later date using the \$5 million to
17 \$16 million valuation range that had been discussed previously.

18 41. During a lengthy follow-up telephone call to that initial conference call, Perzow
19 and Hogege reconfirmed the elements of the overall two-component deal. They reaffirmed that
20 Perzow was contributing the domain name rights to the venture at a reduced cash price, that
21 Hogege or his fund was contributing capital, and that Perzow would receive an ownership stake
22 and management role in the future Invest.com venture (based on the agreed upon value of the
23 domain and Perzow's contribution).

24 42. Thereafter, Perzow wrote to Hogege, telling him that, while Perzow had
25 reservations about the small size of Hogege's capital contribution, he would honor the deal
26 because Hogege had agreed to compensate Perzow with ownership and management of the future
27 business:

28 "Nonetheless, I will do the deal with you at \$3.15 mm and the reason is

1 because I see a big opportunity to be involved with you. I believe there is a
2 massive upside to this global brand.

3 So I will sign our deal at \$3.15 mm, but I want us to have an
4 understanding that we will plan to meet next week regarding my future
5 involvement (we can meet in LA OR NYC, whichever you prefer).

6 Anyway, please let me know your schedule so we can coordinate meeting
7 for dinner.”

8 43. Hoge responded “Tuesday in LA,” confirming the agreement regarding
9 Perzow’s future involvement in the new business enterprise and in regard to their overall two-
10 component deal they had already agreed to.

11 44. Perzow subsequently wrote to Hoge again shortly before the parties signed the
12 paperwork for the transfer of the www.invest.com domain name. Perzow again stated
13 unequivocally that the parties’ arrangement involved the two components to which they had
14 previously agreed:

15 “Moshe - Quick update, It seems we are almost done with the closing
16 paperwork for the asset sale component of the deal.

17 In light of the asset sale closing today as well as our discussion to build
18 something of magnitude in tandem, I will be officially notifying all the other
19 groups / investors that Invest.com is officially off the market as of today.”

20 45. The structure of the arrangement Perzow and Hoge agreed upon is
21 unmistakable. Had Hoge had any issue whatsoever with Perzow’s characterization, there were
22 multiple opportunities over the following several days for him to say so.

23 46. But Hoge neither objected nor corrected Perzow because Perzow’s emails
24 accurately referenced the agreement that had been made.

25 47. Thereafter, one of the entities affiliated with Hoge’s fund, Singulariteam, Ltd.,
26 and Perzow (on behalf of Heath Global and himself personally) signed an Asset Purchase
27 Agreement (“APA”), memorializing the first component of the two-component agreement.
28 Namely, that APA specified the terms and arrangements for paying the sellers of the
www.invest.com domain the \$2.5 million purchase price and transferring the domain name into
Singulariteam, Ltd..

48. After Hoge, through his fund, gained control over the www.invest.com domain,

1 Perzow grew concerned that Hogege might not honor the rest of the parties' agreement.

2 49. Perzow learned that Singulariteam's Chairman (as Hogege often described him
3 publicly) was former Israeli Prime Minister Ehud Olmert, who was under indictment for bribery,
4 fraud, breach of trust and obstruction of justice (Olmert was subsequently sent to prison).
5 Perzow also learned that Singulariteam's then CEO, Adi Yehuda Sheleg, was involved in a
6 major fraud case of his own relating to Nochi Dankner, an Israeli businessman who was
7 convicted of a multi-billion dollar stock manipulation scam relating to IDB Holdings. Sheleg
8 was accused of aiding and abetting Mr. Dankner and helping facilitate the stock price
9 manipulation fraud and was allegedly complicit with Dankner as a financial advisor.

10 50. Separately, Hogege's agent, Ron, began complaining to Perzow that he was
11 entitled to a commission (despite his being an agent of and fully compensated by Hogege or
12 Hogege's fund), and also mischaracterizing the nature of the Perzow-Hogege two-component deal.
13 Perzow promptly corrected Ron's misstatements.

14 51. First, Perzow wrote to Ron:

15 "I only agreed to sell the domain to Moishe's group not for the price of the
16 domain, but because I can be involved with a strong group after the sale. When
17 you guys approached me last weekend, I had a variety of interested groups as well
18 as buyers who were all interested in the domain. All of them we're very attractive
19 paths (including one path that wanted to take the Invest.com public) I should also
20 mention that none of those directions involved a broker. We only wanted a broker
21 if we could get a sale of at least \$ 4 million and if we were going to hire a domain
22 broker we also needed to get court approval ahead of time for something like this.

23 In the end, my decision to move this forward with Moshe was based
24 primarily on the fact that I can have an opportunity to be involved in the upside of
25 Invest.com. I believe in what they bring to the table in terms of capital, reputation,
26 experience and ability (as well as your company's involvement on the marketing
27 end). Therefore I know there is a big upside and bright future ahead, hence why I
28 declined all my other options in favor of this path. The price for the domain was
NOT the main reason I did this deal, and that's why Moishe and I are planning to
meet on Tuesday evening here in Los Angeles regarding the future business."

24 52. Thereafter, Perzow wrote to both Ron and Hogege:

25 "My goal has always been to build [the www.invest.com domain], or
26 partner with a group on it and build something big. I have had the domain since
27 2011 and have turned down offers of \$5 million. Recently, I have also been
28 dealing with a very impressive group out of New York who wanted to take
Invest.com public right away and has a lot of experience with public company's.
Another major media group out of LA wanted to partner with me and create a TV
show based on crowdfunding. I was about to do a deal with another group when

1 you and Moshe called me last Sunday out of nowhere. this all happened very
2 quickly and I was about to go in another direction. You caught me at the last
3 possible minute. These other deals were very attractive too and would have made
4 me a lot of money (perhaps tens of millions over the long term).

5 Since you guys approached me last Sunday, I did more research on
6 Moshe's group and realized there was a big opportunity and I was highly
7 impressed with what they have done in the past. So I told Moshe that even though
8 I had other options with the domain, that If we could come to a mutual agreement
9 with him for my future involvement with the business, then I would sign with him
10 for 3.15 mm. He agreed.....so I signed the deal (and they got an amazing price on
11 this domain). We also set up a plan to meet tomorrow night in LA (Tuesday).

12 With that said, If you don't mind I would like to sit down with Moshe
13 tomorrow night as we have planned, and then we can speak on a call on
14 Wednesday. I think that will be better. I want to know more about everything.

15 This week has been crazy for me so I apologize if I have been hard to
16 reach. I have been dealing with Moshe's group and his lawyers as well as
17 speaking with my other opportunities for Invest.com right up until this weekend. I
18 haven't had much sleep, so I ask that we can speak on Wednesday so everyone is
19 on the same page and is clear after I speak with Moshe."

20 53. Hogeg responded to Perzow, writing, in pertinent part "I don't know you, I wanna
21 meet you and explore possible venues but it's not a condition to the deal in any way. We will get
22 to know each other and see if we can enjoy each other."

23 54. This email was of great concern to Perzow, as it sounded as if Hogeg was
24 backtracking and pretending as if the parties' agreement did not include the second component
25 that had been agreed upon, and that he was free to move forward with use of the domain name
26 without any further obligation to Perzow. Perzow decided that he needed to clarify any
27 misunderstanding at their upcoming meeting in Los Angeles.

28 55. During their in-person meeting in Los Angeles shortly after this exchange,
Perzow told Hogeg that if he did not intend to honor his obligations to Perzow, namely that
Perzow would receive an ownership interest and management role in the Invest.com business, it
was still possible to unwind the deal and return the domain name to Perzow because the
transaction had not yet been fully consummated and could still be unwound somewhat easily.

56. Also at that meeting in Los Angeles, Perzow reminded Hogeg of the billion-
dollar opportunity they had to use the best domain in the world relating to online consumer
financial services, that together they could build the Invest.com brand into a massive success,

1 and that they should resolve and clarify any lingering issues so that they could move forward by
2 coming to a clear understanding about the deal.

3 57. Perzow insisted that Hogege either unambiguously commit to the two-component
4 deal or tell Perzow then and there that there had been some kind of mistake or misunderstanding
5 between the parties. Hogege agreed to everything that Perzow said, confirmed that he did not
6 want to unwind the deal and stated that they had a clear understanding for the two-component
7 deal.

8 58. Hogege agreed unconditionally that Perzow had indeed allowed Hogege and his
9 fund to acquire the www.invest.com domain for the express and sole purpose of their joint
10 venture. He also stated that he wanted to proceed with the arrangement, including with pursuing
11 the www.invest.com venture together with Perzow and in which Perzow would receive an
12 ownership stake and management role commensurate with the value he was causing to be
13 contributed to the venture, which value would be agreed upon in good faith between the parties
14 at a later date using the \$5 million to \$16 million valuation range that had been discussed
15 previously.

16 59. After Hogege confirmed his commitment to the parties' agreement, Perzow
17 explained his vision and business plan for the www.invest.com domain and informed Hogege that
18 he believed the better path for the business was to go in the direction of a "Robo-Advisory"
19 business, including portfolio management for retail investors, which he believed would be a
20 billion dollar opportunity. Perzow explained that this would be the biggest and best use of the
21 flagship www.invest.com domain and brand. Perzow also explained that he believed the
22 direction that Defendants wanted to go (a foreign exchange ("forex") service) was a mistake. He
23 explained that such use of the domain would be the wrong messaging and branding, and that it
24 would ultimately tarnish the premium brand of the www.invest.com domain due to the
25 reputation of forex as a gambling-like financial product that was highly speculative and frowned
26 upon by the credible investment community.

27 60. Finally, during that Los Angeles meeting, having confirmed their mutual
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1 agreement and understanding, the parties also agreed to meet again in Israel so that Perzow
 2 could explain and deliver his ideas about the business model and marketing to the entire team as
 3 well as finalize specifics on Perzow's deal for the venture.

4 61. Following the meeting, in an effort to document where things stood and what had
 5 been discussed and agreed upon in language that was positive and cooperative, rather than
 6 accusatory or too formal, Perzow wrote to Hogeg:

7 “ Before I signed the agreement with you, I believe I made sure that we
 8 were in agreement that we would figure something out for my future involvement
 9 with the company. So i thought we had an understanding and a level of trust
 10 (even though we had never met in person yet). After being introduced to you by
 11 Gal, I recognized quickly that you had a big vision and the ability to make
 12 something happen. So i decided to sign the deal. Gal had also told me that there
 13 was an opportunity for me to be involved in the business. This is how he sold me
 14 on you. I don't want to make this complicated because i think we are on the same
 15 page in terms of our energy. I really enjoyed meeting you last night and I think
 16 we can work very well together. I also think I can bring the business a lot of
 17 value (I also think we can do many other business things together aside from
 18 invest.com but that is another discussion for later). So instead of focusing on
 19 what was discussed between us before I signed the contract with you, and whether
 20 or not my involvement was a condition for me signing the contract, I think its just
 21 easier for us to discuss a role for me in the business. We are both smart,
 22 motivated guys and honorable people. I'm sure you also recognize the value of
 23 the brand is much more than \$3.15 million.....I sold it to you cheap because I
 24 recognized the bigger opportunity. The brand is worth tens of millions in reality,
 25 and the only reason I didn't partner with another group is because i sensed the
 26 opportunity with you. The only issue was that we didn't have a lot of time so i
 27 couldn't spend the time to get to know you first. So i took a chance (That is also
 28 why I asked that we come to an agreement for my involvement in the company
 before I signed). Basically, I trusted you !.....”

19 62. Perzow had now reiterated the understanding arrived at between him and Hogeg
 20 during the meeting in Los Angeles by stating that, rather than “making things complicated” (*i.e.*
 21 fighting about the meaning of the deal through legal process or unwinding the deal altogether),
 22 the next step would be to continue with the arrangement agreed upon by mutually deciding in
 23 good faith the fair value of Perzow's contribution to the venture.

24 63. Thereafter, Perzow began furnishing Hogeg with the reasons a robo-advisory
 25 business was the superior business in order to shift Hogeg's thinking away from the speculative
 26 and ill-reputed forex model. Later, Perzow would convey more detailed and various confidential
 27 and novel business ideas about the business model for Invest.com to Hogeg and others at
 28

1 Hoge's fund. Chief among these ideas was (a) Perzow's determination, and detailed analysis
2 supporting that determination, that Invest.com should be used to build a "robo-advisory"
3 business, which would include asset management/portfolio management, utilizing alternative
4 investment products and custom portfolios, rather than a forex business, as Hoge had been
5 intending; and (b) Perzow's insistence that any marketing and branding lead with the concept of
6 the domain being used to exemplify pure "simplicity", ease of use, trust for the masses which
7 Perzow demonstrated to through detailed explanations of his due diligence and exemplar
8 materials that he prepared and shared with Defendants.

9 64. In the weeks that followed, news articles discussed the acquisition of the
10 www.invest.com domain by Hoge's fund. Based on information provided or approved by
11 Hoge or his agent, Ron, those articles described the deal as an over \$5 million domain name
12 sale. That, of course, was consistent with the parties' agreement that Perzow's stake in the
13 venture would be determined based on a valuation of the www.invest.com domain between more
14 than \$5 million and \$16 million. *Finance Magnates* published an article entitled "Exclusive:
15 Over \$5 Million Paid for Invest.com by Israeli VC to Enter the Forex Business." *GeekTime*
16 published a similar article. Furthermore, the *Forex Magnates* article properly articulated that
17 Hoge spearheaded the deal, and that they had "invested" over \$5 million to acquire the domain
18 which properly articulated the exact nature of the deal as dual part cash part "equity" concept.

19 65. Thereafter, Perzow began communicating with Hoge on Facebook. First,
20 Perzow asked Hoge to confirm his receipt of the email Perzow wrote following their meeting in
21 Los Angeles. Hoge confirmed receiving the email without challenge. Perzow also asked when
22 Hoge wished to have Perzow come to Israel to continue working on the development of the
23 Invest.com business they had agreed to pursue together.

24 66. In the course of that Facebook exchange, Perzow continued recommending and
25 pushing his ideas for the business model that Invest.com should adopt, by indicating the need for
26 the parties to switch courses from the Forex concept and pointing out other successful leading
27 businesses in the robo-advisory and portfolio management space (Betterment and Wealthfront).

1 Notably, as discussed below, Defendants ultimately did in fact co-opt this idea in its entirety for
2 the Invest.com business, without any compensation to Perzow.

3 67. Hearing nothing from Hoge in response to those communications, Perzow wrote
4 to Hoge again, stating “Hey man, Still haven't heard back from you re: our understanding and
5 meeting in Israel. Also didn't hear from you about the PR you put out. Hope all is well.”

6 68. Hoge responded about scheduling: “Hi, I didn't put any PR, they just wrote what
7 they think, I didn't respond to it. Wanna come to Israel in the 23'?”. Perzow confirmed that the
8 date suggested by Hoge worked for Perzow to travel to Israel to continue the parties’
9 implementation of their agreement. In a subsequent exchange, Hoge confirmed to Perzow “Hi,
10 Yeah, you should definitely come here”. Once again, Perzow was gratified that there were no
11 issues with the deal.

12 69. Perzow travelled to Israel as arranged. While Perzow was in Israel, Hoge
13 provided Perzow with a car and driver, a mobile phone to use, meals, coordination of Perzow’s
14 schedule utilizing the office administration assistant to set him up on meetings amongst
15 themselves (Hoge) and various third parties associated with the venture, and also took care of
16 all of Perzow’s hotel bills.

17 70. Upon Perzow’s confirmation that he arrived in Israel, Hoge messaged Perzow
18 on Facebook informing him “are you busy tomorrow? Please keep Tuesday open”. Perzow
19 confirmed he would be available, and the series of meetings in Israel ensued.

20 71. Over the course of his multi-week trip to Israel, Perzow met in person six times
21 with Hoge, Hoge’s team and affiliated parties. During these meetings, after further in-person
22 confirmation that Perzow was a partner in the venture, Perzow continued explaining his
23 confidential and novel ideas for the Invest.com business and tried to convince the group
24 involved in the discussions in Israel to move away from the forex model.

25 72. At the very first of these meetings, Perzow was introduced as a “partner” in the
26 Invest.com business to the rest of the team by Hoge, which included Sheleg, Micky Sapir and
27 his partner Uri from IntelAgent, as well as a few other Singulariteam executives. A few days
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1 later, Perzow was introduced to Ophir Gertner and Udi Cohen and Perzow was also confirmed to
2 be a partner in the business to them as well.

3 73. Perzow later would meet again one-on-one with Gertner to discuss Invest.com.
4 Throughout the meetings in Israel Perzow and Hogege discussed the structure of Perzow's future
5 stake in the Invest.com business and his role in the enterprise. Perzow shared ideas about the
6 robo-advisory business and portfolio management in general with the team (with which neither
7 Hogege nor Gertner were very familiar, particularly because Gertner had come from the forex
8 industry and Hogege did not know about this space in general), as well as to ultimately turn
9 Invest.com into a multi-division service brand once it established trust in the robo-advisory and
10 portfolio management space – meaning it could create other lines of services once establishing
11 itself. Perzow helped to explain the path forward, and also mentioned he wanted to bring Steven
12 Perlstein to the table (as part of Perzow's contribution toward the venture) to help with the
13 overall effort to push Invest.com forward on the path Perzow had recommended.

14 74. Hogege and other parties expressed their enthusiasm about meeting with Perlstein
15 and the new robo-advisory direction Invest.com was to be taken in. They also expressed interest
16 in Perzow's idea to ultimately incorporate a number of additional services and product lines
17 once Invest.com demonstrated its category leadership in portfolio management and robo-
18 advisory.

19 75. Perzow met several more times with Hogege while Perzow was in Israel. During
20 those meetings, Perzow and Hogege discussed their excitement about Invest.com and the huge
21 opportunity in front of them. They also discussed the structure of Perzow's future stake in the
22 Invest.com business, including that he would head U.S. operations for the Invest.com business
23 enterprise that would offer financial services different from those offered internationally and
24 would run all business development for Invest.com. Hogege also expressed that he was now
25 convinced that Perzow's plan for the business was the right one.

26 76. When Perzow returned to Los Angeles from Israel, he felt secure in the
27 knowledge that Hogege was committed to honoring their agreement and was serious about
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1 adopting Perzow's idea to shift course for the business away from Forex, and toward robo-
2 advisory. To that end, Perzow even formed a United States entity to house the U.S. operation he
3 was to run. As it turned out, Perzow was only half right.

4 77. In the months that followed, Perzow had difficulty communicating with Hoge, Hoge's
5 fund or the fund's principals. Perzow called Hoge numerous times, but Hoge did not
6 answer Perzow's calls or respond to them until, finally, after several months of unanswered
7 calls, Hoge told Perzow that things were moving slowly with the new business enterprise,
8 because they were switching courses from Hoge's forex model to Perzow's robo-advisory
9 model and alternative asset management concept, and that they needed more time before they
10 could integrate Perzow into the business.

11 78. Perzow waited patiently, as he did not see any reason for major concern. Perzow
12 knew that the team was, in fact, working diligently on developing the Invest.com business and
13 had not yet launched the web site and business.

14 79. As the months passed, however, Perzow grew concerned. He reached out to
15 Hoge, but was met first with feigned ignorance ("What can I help you with?") and then with
16 outright denials of the parties' agreement.

17 80. When Perzow wrote to Hoge, saying "you are a very hard man to reach...are
18 you cutting me out of the deal?", Hoge responded:

19 "As you know I am a very busy man and sometimes, with no intention,
20 hard to reach.

21 I was very surprised by your e-mail and don't understand the basis for
22 your questions. Following the closing of the domain acquisition, we met a few
23 times and discussed a potential cooperation, however we never agreed on such
24 cooperation and it in fact didn't happen. I was not aware that you moved to Israel
25 or even that you had plans to do so. We never discussed it and it is certainly not
26 something that I suggested or encouraged in any way. However I would be happy
27 to discuss future cooperation."

28 81. Perzow was shocked. He responded:

"As was made clear between us on several calls and specific notice via
email (s) prior to entering into the deal, the premise for entering into the domain
sale component of the overall deal, and reducing the price of the domain from the
asking price to the price that we contracted for, was the explicit understanding
and representation(s) that the delta in price would be translated into a deal for
myself with Invest.com.

1 Without this assurance there would have been no deal and I made sure we
2 were clear prior because I didn't want any issues to arise (whereby you turned
3 your back on me after you controlled the domain).

4 I hope you understand why I'm upset. I genuinely went into this with high
5 hopes but I feel I was deceived and taken advantage of....and also wasted energy
6 and time when I could have gone in another direction from the start."

7 82. Perzow attempted to contact Hogege several more times thereafter and even asked
8 Hogege to provide the contact information for his legal counsel so the matter could be resolved.
9 But Hogege ignored Perzow and stopped responding to Perzow altogether.

10 83. Shortly after these last communications, Defendants launched the new Invest.com
11 without fulfilling their obligations to Perzow. They did not honor their agreement that Perzow
12 would hold an equity stake in the business and also breached their agreement that Perzow would
13 be included in the business' management.

14 84. The new Invest.com bore all of the hallmarks of the valuable, confidential and
15 novel business ideas that Perzow had shared with Defendants. It was and continues to be a robo-
16 advisory service using alternative investments, rather than Hogege's original forex concept, and
17 its branding used and continues to employ Perzow's "simplicity" concepts prominently and
18 pervasively. The Invest.com group has even branched out to offer related products, taking
19 advantage of the good will of the Invest.com brand in those other lines of service (as Perzow had
20 also recommended and described as his strategy).

21 85. After years of protecting the www.invest.com domain and working to position
22 the domain so it could achieve maximum value, Perzow's dreams for Invest.com had become a
23 nightmare. Defendants had excluded him from the venture, procured the domain through a
24 pattern of wrongful and fraudulent conduct and used Perzow's business plans without his
25 consent.

26 86. As a result of this misconduct and these breaches of contract by Defendants,
27 Plaintiff has been damaged in an amount to be proved at trial but which Plaintiff estimates to be
28 tens of millions of dollars or more.

FIRST CAUSE OF ACTION

(Breach of Contract)

(Against Hoge and Doe Defendants 1 through 10)

87. Plaintiff realleges and incorporates by reference the allegations contained in the preceding paragraphs of this complaint, as though fully set forth herein.

88. A valid and enforceable contract, the terms of which are alleged above, existed between, on the one hand, Plaintiff and, on the other hand, Hoge and Doe defendants 1 through 10.

89. At the time the contract was made, Hoge was acting on his own behalf and for his own benefit, as well as on behalf of and for the benefit of Doe defendants 1 through 10, with their express, implied or apparent authorization.

90. Plaintiff fully performed all of his material obligations under the parties' contract, except to the extent his performance was prevented by the Defendants' conduct.

91. Hoge and Doe defendants 1 through 10, through the conduct alleged above, failed to perform their obligations under the parties' agreement.

92. Defendants' breaches of the parties' agreement alleged herein caused Plaintiff to suffer damages in an amount to be proved at trial.

SECOND CAUSE OF ACTION

(Breach of Fiduciary Duties)

(Against All Defendants)

93. Plaintiff realleges and incorporates by reference the allegations contained in the preceding paragraphs of this complaint, as though fully set forth herein.

94. By their agreements alleged above, the parties agreed to form and did form a joint venture to pursue the Invest.com business using the www.invest.com domain and were joint venturers with one another.

95. As joint venturers to Perzow, Hoge and Doe defendants 1 through 10 owed fiduciary duties of good faith, fairness, honesty and loyalty to Perzow.

1 96. Hoge and Doe defendants 1 through 10 breached those fiduciary duties by the
2 conduct alleged in this complaint.

3 97. Doe defendants 11 through 20 aided and abetted these breaches of fiduciary duty
4 by Hoge and Does 1 through 10. Each of Does 11 through 20 was aware that the conduct of
5 Hoge and Does 1 through 10 alleged herein breached the fiduciary duties they owed to Perzow
6 and knew that the purpose and effect of those acts was to benefit Hoge and Does 1 through 10
7 at the expense of Perzow. Despite that knowledge, Does 11 through 20 provided substantial
8 assistance to Hoge and Does 1 through 10 in carrying out their conduct.

9 98. These breaches of fiduciary duty and acts of aiding and abetting breaches of
10 fiduciary duties have proximately caused Plaintiff to be damaged in an amount to be proved at
11 trial by, *inter alia*, depriving Perzow of his rightful equity interest in the Invest.com business,
12 depriving Perzow of his right to participate in the management of the Invest.com business, and
13 depriving Perzow of other rights and interests he would have received but for Defendants'
14 conduct.

15 99. Defendants' conduct in breach of the fiduciary duties owed to Plaintiff and which
16 aided and abetted the breaches of fiduciary duties owed to Plaintiff were done with malice,
17 oppression or fraud and with the intent to cause damage to Plaintiff, entitling Plaintiff to an
18 award of exemplary damages.

19 100. Plaintiff is accordingly entitled to an award of damages in an amount to be
20 proved at trial, imposition of a constructive trust, exemplary damages, and other equitable relief.

21 **THIRD CAUSE OF ACTION**

22 **(Fraud)**

23 (Against All Defendants)

24 101. Plaintiff realleges and incorporates by reference the allegations contained in the
25 preceding paragraphs of this complaint, as though fully set forth herein.

26 102. As alleged herein, Hoge, both on behalf of himself and on behalf of Doe
27 defendants 1 through 10, made representations and promises that Plaintiff would receive an
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1 equity interest in the Invest.com business commensurate with the value of his contribution to
2 that business (as measured by the difference between \$2.5 million and the actual value of the
3 www.invest.com domain between more than \$5 million and \$16 million). He also made
4 representations and promises that Plaintiff would have an ongoing role in the Invest.com
5 business as one of its managers. Hogue also made numerous representations regarding himself
6 and his prior ventures that were knowingly untrue.

7 103. More than that, during the parties' discussions regarding the terms of their
8 arrangement, Hogue remained silent in the face of Plaintiff's unambiguous statements regarding
9 what he understood the parties were agreeing upon. Indeed, Hogue made numerous statements
10 to Plaintiff which, in that context, were false and misleading without the disclosure of additional
11 information, including that Hogue did not intend that Plaintiff would have an equity interest or
12 management role in the Invest.com business venture.

13 104. Those promises and representations were a material inducement to Plaintiff's
14 agreement to permit Defendants to acquire the www.invest.com domain as well as Plaintiff's
15 disclosure of his confidential plans and strategies for the Invest.com business.

16 105. Defendants intended that Plaintiff would rely on their representations and
17 promises and, in fact, Plaintiff did reasonably rely on those representations and promises.

18 106. At the time they made the representations and promises alleged herein,
19 Defendants did not intend to perform those promises and intended to act in a manner contrary to
20 those representations.

21 107. As alleged above, Defendants, in fact, did not perform those promises and acted
22 in a manner contrary to those representations.

23 108. Plaintiff has been damaged by Defendants' conduct, and his reliance on
24 Defendants' representations and promises were a substantial factor in causing Plaintiff to suffer
25 that harm.

26 109. Defendants' false promises and misrepresentations were made with malice,
27 oppression or fraud and with the intent to cause damage to Plaintiff, entitling Plaintiff to an
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1 award of exemplary damages.

2 110. Plaintiff is accordingly entitled to an award of damages in an amount to be
3 proved at trial, exemplary damages, and other equitable relief.

4 **PRAYER**

5 Wherefore, Plaintiff prays for judgment against defendants as follows:

6 1. For general and incidental damages in an amount to be determined at trial;

7 2. For equitable relief, including imposition of a constructive trust, awarding
8 Plaintiff an equity interest in the Invest.com business commensurate with the value of his
9 contribution to that business and directing that Plaintiff be permitted to participate in the
10 management of the Invest.com;

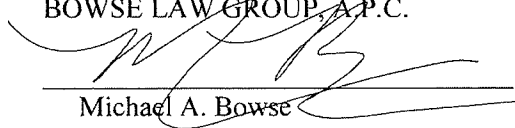
11 3. For exemplary damages;

12 4. For costs of suit herein; and

13 5. For such further relief as the Court may deem just and proper.

14 BOWSE LAW GROUP, A.P.C.

15 Dated: November 9, 2018

16 
Michael A. Bowse

17 HUFFINE CHUNG, A.P.C.

18 Dustin Huffine

19 Attorneys for Plaintiff, Adam Perzow
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DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury to the full extent permitted by law.

BOWSE LAW GROUP, A.P.C.

Dated: November 9, 2018

Michael A. Bowse

HUFFINE CHUNG, A.P.C.

Dustin Huffine

Attorneys for Plaintiff, Adam Perzow