UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

MARK E. PHILLIPS and NEW DOT CORPORATION (formerly "A DOT Corporation"), Plaintiffs, v. KYLEEN ELISABETH CANE, JUANITA MARY JARDINE aka JAN MARY WALLACE, aka JAN JARDINE, aka JOAN REARDON, aka ROB SCRUGGS, CHLOE JARDINE-CUTLER, CORRINE MILLS, AMIN AND AFSHAN LAKHA, CLAIRE AMBROSIA, GRACE H. SIM, MUJIT S. and DEVI JOHAL, SCOTT DONEY, KELLY BLACK and DOES 1-25, Defendants.	Case Number: **COMPLAINT FOR DAMAGES** **RACKETEERING INFLUENCE AND CORRUPT ORGANIZATIONS (RICO) (18 U.S.C. § 1961-1968 et seq.);** **JURY DEMAND**

Plaintiffs Mark E. Phillips and New DOT Corporation, upon information and belief, hereby allege as follows:

INTRODUCTION

This case involves a sophisticated criminal organization (hereinafter "the Organization") that hides and operates under a patina of legality provided by attorney members of the organization, that uses fraud and deception, as well as employing complex securities maneuvers in order to assume control of small corporations and enterprises, and then uses an extensive network of off-shore accounts and business in order to launder the proceeds of its ill-gotten gains. In achieving its goals, the organization violates multiple state and federal laws, including but not limited to fraud, deception, securities fraud, extortion, money laundering, tax evasion, and threats of violence.

The organization has a number of different members who each contribute different talent to achieve the ends of the organization. Defendant Jan Wallace, as her numerous aliases will attest, is a con-woman, and the femme fatale of the organization, who uses her guile and her sexuality in order to "embed" herself in the corporation or enterprise that is the target of the organization. She is a Canadian citizen who lacks the requisite visa status to work in the United States, and who has used almost as many social security numbers as she has aliases in her criminal ventures. She has a business background that allows her to "speak the language" to up and coming entrepreneurs, many of whom seek her advice and guidance as a "sophisticated, successful business woman." Once embedded in the target corporation, Ms. Wallace uses her whiles and experience to either loot the target corporation or take control of the enterprise, often using false claims, sexual abuse or fraud. Because she is often the "face" of the organization, Ms. Wallace uses her daughter, defendant Chloe Jardine-Cutler, in order to set up corporations or holding companies off-shore to protect her assets, to launder money of the organization, and to avoid her tax liabilities in the United States. Ms. Wallace also uses her sister, Corrine Mills, to hide her assets. Ms. Mills, a resident of Canada, is a signatory on many of Ms. Wallace's bank accounts and is used to transfer funds to Ms. Wallace.

Defendants Kyleen Cane (the former Michael Cane nee Michael Eiselman), Claire Ambrosia, Scott Doney, and the law firm of Cane Clarke, LLP, provide the organization with legal advice and strategies that help the organization achieve its goals, often employing complex legal strategies. Defendant Ms. Cane and her law firm own multiple "shelf" corporations, corporations that are legally formed in the State of Nevada but currently inactive. Once Ms. Wallace is able to leverage her position in the target corporation, Ms. Cane devises a strategy that allows them to "reverse merger" the target corporation into a "shelf" corporation owned by the organization, or "cram down" the ownership interest of the other shareholders in the target corporation. Once Ms. Wallace and Ms. Cane assume control of the target corporation, they often employ a "pump and dump" scheme, "pumping up" the value of the stock by making false or misleading claims and then "dumping" or selling some of the shares and moving the proceeds from the sale off-shore to avoid any tax consequence and to protect the proceeds.

Defendant Amin "Andy" Lakha is a wealthy Seattle businessman who owns wide tracts of strip malls and other real estate. He is a longtime friend of Ms. Wallace, is active in investment circles, and is often the conduit that introduces Ms. Wallace to an entrepreneur who becomes the target of the organization. Mr. Lakha introduced Ms. Wallace to plaintiff, telling him that she was an "experienced business woman" and that she could provide him with "expert advice" on corporate governance. Indeed, Ms.

Wallace is his right-hand woman; she provides Mr. Lakha with the corporate structures that allow him to "launder" a significant amount of money overseas. Ms. Wallace bragged to Mr. Phillips and others that she "laundered money for Andy."

Grace H. Sim, Mujit S. Johal, and Devi Johal are also integral parts of the Organization. Ms. Sim has helped set up some of the corporate structures that the Organization has used to fulfill its purposes. She has also been appointed to the board of directors of several of the companies once Ms. Wallace gains control of the entity. Mr. Mujit Johal is a CPA who is often appointed as the financial officer of the various companies as Ms. Wallace gains control. He is responsible for "maintaining" the financial records of the target corporation and has served on the board of directors of many of the entities. Devi Johal, a resident of the Bahamas, is instrumental in the Organization's holding in the Caribbean Islands, performing such functions such as transferring stock, opening accounts, and is able to physically transfer asset of the Organization as needed.

Plaintiff became a target of the organization in March of 2006 when he was introduced to Ms. Wallace by Mr. Lakha at a fundraiser in Palm Springs. Mr. Phillips was introduced to Ms. Wallace as an "up and coming entrepreneur in Seattle," which introduction no doubt caught Ms. Wallace's attention. At the time, Mr. Phillips was the sole shareholder of A DOT, a company set up to develop Mr. Phillips' IP concerning monetary transactions and transfers. Additionally Mr. Phillips was the majority shareholder of MOD Systems, Inc., a company set up to develop Mr. Phillips' IP concerning the download and transfer of digital content. Ms. Wallace quickly ingratiated herself with plaintiff, by initially offering to advise him on corporate matters, and then dating him. Almost immediately, Ms. Wallace began setting up Mr. Phillips. She set up a "bizarre method of payment," and illegally accessed his corporate and personal computer files. When Mr. Phillips shook up the board of directors of MOD, Ms. Wallace recommended her "attorney," co-defendant Ms. Cane. Ms. Wallace failed to mention their long, sordid history at the time of her appointment. When Mr. Phillips cut off their personal relationship, Ms. Wallace approached a major investor in MOD, Mr. Robert Arnold, and made false allegations of wrong-doing against Mr. Phillips.

When Mr. Arnold filed a lawsuit against Mr. Phillips and MOD, Ms. Cane was instrumental in convincing MOD to set up a "Demand Review Committee" to review Mr. Arnold's allegations. She was also instrumental in having herself appointed to the DRC. Once the DRC made a recommendation against Mr. Phillips and offered a "settlement" that would force Mr. Phillips to resign as CEO and to place his majority shares in a voting trust, Ms. Cane employed a combination of threats and cajoling to convince Mr. Phillips to agree to sign the settlement and appoint her as his proxy over the voting trust. Only after Ms. Cane was appointed as Mr. Phillips' fiduciary did he discover the long, sordid history or fraud and corporate malfeasance of Ms. Cane and Ms. Wallace. The result was Mr. Phillips was ousted from MOD and the Organization surely would have raided the MOD coffers if Mr. Phillips was not able to regain control over his voting trust and put a hold on the MOD bank account. However, by that time, the great majority of the assets of MOD had been misspent and wasted. Plaintiff now sues for the damages suffered as a result of the actions of Ms. Wallace, Ms. Cane and the Organization.

THE PARTIES

1. Plaintiff Mark E. Phillips is an individual and a resident of King County, State of Washington. He is the founder and at various times was the majority shareholder of MOD and Banana, businesses organized under the laws of the State of

Washington with their principal places of business in King County, State of Washington. He is the sole shareholder of plaintiff New DOT Corporation.

2. Plaintiff New DOT Corporation, formerly A DOT Corporation, is a corporation organized under the laws of the state of Washington with its principal place of business in King County, Washington. A DOT was Mr. Phillips' "technology incubator," where he would develop technology, write code and manufacture hardware to be used in future business projects.

3. Defendant Kyleen Cane is a resident of the State of Nevada, and an attorney licensed to practice within the states of California, Nevada and Washington.

4. Defendant Jan Wallace, aka Jan Jardine (and other various pseudo-names) is a citizen of Canada who currently resides in Scottsdale, State of Arizona, at the time of the conduct alleged herein. Ms. Wallace has had interests in various businesses in the United States and abroad over the years. At all times relevant herein, Ms. Wallace had entered the US using a B2 visitor visa and was legally barred from employment in the United States or from any activity related to providing any services in exchange for remuneration.

5. Defendant Chloe Cutler is a resident of the State of California, and is believed to be attending college. She is the daughter of co-defendant Jan Wallace and further believed to be the owner or director of certain foreign corporations domiciled in the Cayman Islands, including the Chloe Group of Companies.

6. Defendant Corrine Mills is a resident of Ottawa, Ontario, Canada, and is Ms. Wallace's sister, who has signatory authority on various corporations owned by Ms. Wallace in the US and overseas.

7. Defendant Amin "Andy" Lakha is a resident of King County, State of Washington.

8. Defendant Claire Ambrosia is a resident of California, and an attorney licensed to practice law within the State of California.

9. Defendant Grace Sim is a resident of the State of Arizona.

10. Defendant Mujit Johal is a resident of the State of California and is licensed by the State of California as a certified public accountant.

11. Defendant Devi Johal is a resident of the Island of Bermuda.

12. Defendant Scott Doney is a resident of Clark County, Nevada and licensed to practice law in the State of Nevada and is employed as an attorney at Cane Clark, LLP.

13. Defendant Kelly Black is a resident of the State of Arizona and is the long-time business partner of defendant Jan Wallace and co-owner of Wallace Black, their consulting business.

14. Doe defendants 1 thru 25 are individuals who acted in concert with the named defendants in their illegal and tortious conduct, and whose identities or conduct are unknown to plaintiffs at this time. When such identity or conduct is discovered, plaintiffs will seek leave of court to amend the complaint.

JURISDICTION AND VENUE

15. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331. Although the court does not have exclusive jurisdiction of a claim under the Racketeering Influence and Corrupt Organizations act, it does have subject matter jurisdiction under 18 U.S.C. § 1971.

16. This Court has personal jurisdiction over all defendants because each defendant conducts business activities in this jurisdiction and has caused harm to plaintiffs in this jurisdiction.

17. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b) and (c) because defendants have substantial contacts with and/or may be found in this district; many of the events giving rise to this lawsuit have arisen and continue to occur in this district; and defendants have committed the majority of their alleged tortious acts in this district.

FACTUAL ALLEGATIONS

18. On or about April 2003, Mr. Phillips incorporated plaintiff A DOT Corporation as a wholly-owned entity in the State of Washington. A DOT was Mr. Phillips' "technology incubator" that allowed him to develop various code projects.

19. On or about April of 2005, POP Media (later named "MOD Systems, Inc.") was founded by Mark Phillips and Anthony Bay. Mr. Phillips was the majority shareholder. MOD's business included developing high-end technical software applications for data encryption in the digital entertainment industry, computer hardware, semiconductor, software development, system analysis, and business analysis.

20. On or about March of 2007, Phillips was introduced to Jan Wallace and Amin "Andy" and Afshan Lakha, husband and wife by Seattle Socialite J.J. McKay in Palm Springs. Lakha told Phillips that Wallace was his "right hand woman" in considering investments. Wallace, in turn, introduced Phillips to Carlo Mondavi, scion of the Robert Mondavi wine empire.

21. Ms. Wallace told Mr. Phillips that she was a resident of the Cayman Islands as well as an expert in the derivatives market. She also told Mr. Phillips that she had extensive corporate experience and she currently worked "advising" start-up corporations.

22. Phillips, in turn, told Wallace that he was developing an "anti-money laundering software program" through his company, code-named "Banana," and was interested in hiring her as a consultant.

23. At the time he met Ms. Wallace, plaintiff was unaware of the long, sordid history between Ms. Wallace and her primary co-conspirator, Ms. Cane, and was unaware of the relationship between Ms. Wallace and Mr. Lakha. The knowledge of the full breath of these relationships would unfortunately come to plaintiff too late to protect himself.

The Long History of Wallace, Cane and Lakha; and the Other Members of the Organization

24. The association of Ms. Wallace and Ms. Cane go back to as early as the late 1990's; the first known business, Dynamic Associates, in which both Ms. Wallace and Ms. Cane were involved. It is unknown when Mr. Lakha joined the pair, but it is believed that Mr. Lakha and Ms. Wallace began doing business in early 2000.

25. Ms. Wallace was introduced to plaintiffs as a "fund raiser" and a corporate adviser to start-up companies. She held herself out as the CEO of several companies as well as a corporate consultant. She is none of the above. She is an accomplished con woman, liar and fraud.

26. Ms. Wallace, a Canadian citizen, was in the United States on a B2 visitor's visa, making her ineligible to work or earn money. To get around this prohibition, she used up to six different social security numbers, kept most of her money off shore, and hid behind a plethora of corporate identities and structures.

27. Ms. Wallace's long history as a con-woman date back to as early as 1983. As a young business woman and owner, she was accused of defrauding a bank in order to secure a loan for one of her companies. See American Bank & Trust Company v. Jan

Wallace, United States Curt of Appeals, No. 82-5044 (a true and correct copy is attached hereto as Exhibit "A.")

28. Ms. Wallace's career as a con-woman and charlatan continued unabated. A review of her "resume" shows that in every company that she has been involved the result is litigation and an allegation of fraud. See her Resume, attached hereto as Exhibit "B." Some of the many lawsuits filed against Ms. Wallace are discussed, *infra*. However, two earlier lawsuits that fall outside the ten year time frame are instructive of the methods employed by Ms. Wallace; Burwell v. Wallace and MW Medical; and Westminster Agencies v. Wallace.

29. In Burwell, plaintiff was hired by Ms. Wallace as her national sales manager for her company, MW Medical. When sales failed to reach levels that Ms. Wallace had represented, MW simply stopped paying Mr. Burwell. It also blocked him from exercising his stock. In a pattern that would emerge in later schemes, Ms. Wallace blamed Mr. Burwell for the low sales and then accused him of breaking into the offices to "steal the sales leads." She reported the "break-in" to the police but nothing came of it. A true and correct copy of Mr. Burwell's complaint is attached hereto as Exhibit "C."

30. In Westminster, Ms. Wallace's company Dynamic Associates sought to purchase a medical services company and issued "notes" to complete the purchase. The notes were marketed only to foreign investors thereby avoiding registration with the SEC. Predictably, the payments on the notes were not paid and the plaintiff investors sued to recover their investment. As the complaint shows, Ms. Wallace employed a fairly complex legal scheme coupled with fraudulent representations about the value of the company she wanted to acquire, a pattern that would also be repeated over the years. A true and correct copy of the Westminster Complaint is attached hereto as Exhibit "D."

31. Ms. Cane, the former Michael Cane, a male lawyer, leads a law firm in Nevada that holds itself out as specializing in corporate transactions and securities matters. Her firm, Cane Clark, LLP, markets and sells "shell" corporations, corporations that have already

32. Ms. Wallace's ties to her co-conspirator and partner, Ms. Cane, go back many years. For over a decade they have been involved in various ventures; several instances in which Ms. Cane represented Ms. Wallace and her companies when they have been sued for questionable transactions and/or fraud. In addition Ms. Cane has represented Ms. Wallace in various corporate transactions and matters.

33. More relevant, Ms. Wallace and Ms. Cane have a distinct modus operendi for assuming control of small or start-up corporations. Over the years the duo have perfected their various schemes.

34. Ms. Wallace's motivation for turning the stolen information from Mr. Phillips over to Ms. Cane is believed to be in furtherance of one of their long-running schemes to gain control of MOD. In the past, Ms. Wallace and Ms. Cane, working in concert and with the participation of the other defendants, target companies desiring to go public, force them into shell companies in a reverse merger (sometimes laden with undisclosed or mis-described debt instruments that later are "called" by Wallace or her cohorts after the transaction is consummated), cause "whistleblower" complaints against company executives often involving a pattern of allegations involving sexual misconduct or drug abuse, instituting sham litigation review committees or audit committees, installing members of their own small group of cronies on the boards of the target companies and/or the sham litigation/audit committees, and ultimately taking over the companies.

35. The scheme (as documented by publicly available securities records and legal pleadings in other cases, and outlined in greater detail below) sometimes involves bankrupting the companies and/or issuing large amounts of securities to connected parties, and sending assets offshore into nominee bank accounts in the Cayman Islands and Bermuda.

36. Companies affiliated with Wallace and/or Cane, as well as some of the other defendants, have been or are the targets of government investigation in securities fraud and money laundering schemes. Wallace, Cane and/or their business associates usually end up in control of the companies they target. Mr. Phillips, A DOT, and MOD are believed to have become targets of the Organization as early as 2007.

37. The nefarious activities of the Organization have resulted in several lawsuits and investigations. A brief summary of their activities can be found in the whistle blower complaint filed with the IRS by forensic accounting expert, Dennis Mandell. A true and correct copy of Mr. Mandell's complaint is attached hereto as Exhibit "E."

38. Ms. Wallace is the perfect "face" of the organization because she is a vibrant, attractive woman who has corporate experience and can "speak" the language that young entrepreneurs and businessmen understand. She is a Canadian citizen who operates in the United States using a tourist visa making her ineligible to work while in the United States. She keeps most of her assets off shore, so she is "judgment proof" when she is sued for her wrongful acts.

39. While Ms. Wallace is the "face" of the organization, the "femme fatale" who imbeds herself in the target company, Ms. Cane, along with her law firm Cane Clark, LLP, the attorneys in her office, including Scott Doney, and California attorney Claire Ambrosia, provide the legal advice and maneuvering for the Organization. Ms.

Cane is licensed in the States of Nevada, California and Washington, and, along with her firm has purchased or incorporated a number of "shell" corporations that the Organization uses to shift stock and ownership among other members of the Organization, and to diminish or extinguish the equity holdings of shareholders of the target companies. It is believed that Ms. Cane is the "legal mastermind" who devises the complex and intricate legal strategies employed by the Organization. Members of her firm are also adept at the complex legal maneuverings required to complete the goals of the Organization. The legal maneuverings help the members of the Organization to hostilely takeover target corporations, hide ownership interests in various companies, transfer interests to overseas corporations or entities, and minimize not only the exposure of corporate ownership, but also tax liabilities to the great detriment of the United State Treasury.

40. Ms. Ambrose is a sole practitioner who has represented Ms. Wallace on various matters, particularly when Ms. Cane is also involved as a corporate attorney in a matter in which Ms. Wallace has been sued.

41. Mr. Lakha is one of the "money men" behind the Organization, with business not only in the United States but also in the Caribbean Island jurisdictions. In addition, Mr. Lakha is active in various fundraising events (such and the Zino Society in Seattle) and other business organizations that give him contact with "up and coming" business men and entrepreneurs. Plaintiffs are not the first entrepreneurs and companies that have been targeted by the Organization.

42. Ms. Wallace has bragged on several occasions that she "launders money for Andy." She is indeed his "right-hand" woman. Mr. Lakha not only participates in some of the overseas corporations as an owner and director, but he is often the "moneyman," lending money to Ms. Wallace or others in the Organization to assist in the Organization's endeavors.

43. Mr. Lakha cultivates the impression of having "mob ties" to European and Russian mafia. On several occasions he is known to have solicited the services of Russian prostitutes, bragging that he can "do that with no fear." He has a violent temper and threatens anyone who challenges him (he was previously arrested for assault which was pleaded down to a misdemeanor after attending an "anger management" course). He allows others to threaten people in his name. Mr. Lakha, through others, threatened to kill Mr. Phillips on more than one occasion.

44. Ms. Kelly Black is the long-time partner of Ms. Wallace and the co-owner of the consulting business. While Ms. Wallace is the "point-man" in dealing with their corporate clients (and targets), Ms. Black also becomes involved in the management of any company and seems particularly adept at placing and trading stock in foreign exchanges.

45. Mr. Munjit Johal is one of the financial people who assist the Organization in the management of its operations. He frequently serves as the financial officer of the companies that the Organization controls. He is active in transferring shares and assets to other entities or to entities outside of the United States.

46. Grace Sim is another financial advisor who assists the Organization in the management of its operations. She is from Singapore and knowledgeable in the creation of various subsidiaries used for the issuance of derivatives and underlying securities used to launder funds, as in MW Asia.

47. Ms. Devi Johal is a key member of the organization who resides in the Cayman Islands and manages affairs for the Organization there.

48. Chloe Jardine-Cutler, Ms. Wallace's daughter, has donated her identity to help her mother hide assets overseas. Ms. Cutler is the "owner" of the Chloe Group of Companies (and has been since she was a minor) which, it is believed, not only helps hide Ms. Wallace's assets, but also transfers assets to accounts that Ms. Wallace can access while in the United States.

49. Some of the past affiliations and malfeasance of the Organization is detailed herein.

FIRST PREDICATE ACT
DAVI SKIN, INC

50. The Davi Skin case provides a good overview of the operations of the Organization. Davi Skin included a corporate takeover, reverse mergers, a stock transfer, a stock pump, and the sale of some of the securities that had been held in an account in the Caribbean.

51. Davi Skin is a "skin care company" started by a scion of the Mondavi wine family from California.

52. Ms. Wallace was recommended to Parish Medley, CEO of Davi Skin, by Ms. Cane. Davi Skin quickly became a target of Ms. Wallace and the Organization. Ms. Cane represented Ms. Wallace as she negotiated the "services" she would perform for the company. The documents were finalized and signed at the Cane Clark offices in Las Vegas.

53. On and around June 21, 2004, Wallace merged publicly-traded MW Medical (formerly Legal Access Technologies) with Davi Skin. Cane was the securities attorney handling the transaction. As a result of the merger, Wallace and her CFO, Grace Sim, resigned. The new board, comprising of Davi Skin's founders Carlo Mondavi, Parrish Medley, and Josh Levine was formed on August 1, 2004. As part of the transaction, Wallace assigned her $200,000 promissory note against MW Medical to Parrish Medley.

54. On and around August 31, 2004, Cane, through Legal Access Technology, issued 2,341,279 shares to CEDE & CO, a Depository Trust Company. Later, on and about July 13, 2007, a Davi Skin Shareholder Report stated that CEDE & CO held 2,249,825 shares of Cane's indirectly owned and undisclosed stock in Davi Skin. A true and correct copy of the Davi Skin Shareholder Report is attached hereto as Exhibit "F."

55. In and around the Fall of 2004, Legal Access Technologies' 10-KSB SEC filing reported that Cane had served as Legal Access Technologies' President, CEO, and Director since the June 12, 2001 reverse acquisition and had been the president, CEO, and director of TeleLawyer since its inception in May of 1989.

56. In and around April of 2006, Cane, through Legal Access Technologies (formerly Dynamic Associates), transferred 1.4 million shares to Robert Saucier and Carpathia Associates.

57. On and about April 21, 2006, David Kagel and Parrish Medley sued Wallace in connection with a $200,000 promissory note that she assigned to them during the MW Medical/Davi Skin reverse merger, see David L. Kagel v. Jan Wallace, Parrish Medley v. Jan Wallace, United States District Court, District of California, No. 2006-3357-R and No. 2006-3370-R, related No. BC351142 and BC-351143 in California Los Angeles Superior Court, alleging defamation per se, defamation per quod, intentional infliction of emotional stress, and negligent infliction of emotional distress. Additionally, Mr. Medley sued Ms. Wallace because she filed false charges of sexual misconduct against him, which charges were used to oust him from Davi Skin. A true and correct copy of the lawsuit and Mr. Medley's declaration is attached hereto as Exhibit "G."

58. Ms. Wallace installed many of the co-conspirators to assist in the theft of Davi Skin. Mr. Johal was installed as the chief financial officer, Ms. Ambrosia assisted in preparation of the financial reports in preparation for the transfer of the stock, and Mr. Doney assisted in preparing to transfer the shares of Davi Skin overseas. Ms. Cane managed her stock at the CEDE & CO depository trust, Ms. Jardine-Cutler executed various paperwork managing Chloe Group of Company and managing expenses in the Cayman Islands. Kelly Black was used with Wallace Black in a con to entrap a director of Davi Skin.

59. The Organization's "clearing house," LOM Holding in Bermuda, has caught the attention of federal authorities for its involvement in "pump and dump" schemes involving thinly capitalized corporations. In and around 2007, a complaint against LOM Holdings, a Bermuda based parent company of a group of financial services companies founded by brothers Brian and Scott Lines, was filed by the SEC. "LOM" stands for Lines Overseas Management. The SEC is currently suing the Lines Brothers and LOM Holdings for "pump and dump" penny stock scams. The complaint was filed in the U.S. District Court of New York. See SEC v. Lines et al., 2011 U.S. Dist. LEXUS 91354 and SEC v. Lines et al., 2011 U.S. Dist. LEXIS 91360 involving off-shore undisclosed stock ownership with Sedona Software. A true and correct copy of the complaint is attached hereto as Exhibit "H."

60. On or about July 13, 2007, 1.8 million shares of Davi Skin were sold for $2.1 million dollars. The same day the Pacific Stock Transfer Company issued a Davi Skin Shareholder Report that listed the four largest unrestricted common stock holders as Arch Ltd., Hepburn Holdings Ltd., Sunshine Ltd., and The Chloe Group of Companies (Chloe is the name of Wallace's daughter, also believed to control off-shore accounts) totaling 2,295,388 shares or 573,847 per account. All four of these companies are owned and/or controlled by Wallace, Cane, Lakha, and Saucier and all four use The LOM Building, 27 Reid St., Hamilton, Bermuda for registration. (Another large Davi Skin shareholder, Artist House Holdings, Inc., based in Japan, sued Davi Skin and its principal in 2006 for securities fraud. According to a Form 8-K filed with the SEC by Davi Skin on July 9, 2008 and signed by Wallace the lawsuit was settled for $650,000. Artist House had 566,000 shares.) On the same date, there were 5,926,598 shares of free-trading stock in Davi Skin. On that date Cane, Wallace, Lakha, and Saucier either controlled or owned almost 85% of the free-trading stock for a total of 4,545,213 shares. Of the Total Issued Shares of about 14.7 million, Arch Ltd., Hepburn Holdings Ltd., Sunshine Ltd., and The Chloe Group of Companies held 3.9 percent apiece. Meanwhile, CEDE, because of its status as a Depository Trust Company, was not required to report Cane's holdings. A true and correct copy of the Pacific Stock Transfer Company Shareholder List for Davi Skin is attached as Exhibit "F" and a true and correct copy of a Davi Skin Stock Trade Analysis and Timeline is attached as "I."

61. Ms. Wallace's interest in Hepburn Holdings, Ltd., is a perfect example of the methods employed by her and other in the organization to obscure their ownership. Once Ms. Wallace gained control of Davi Skin, she brought in Lakha as an investor, who was given a "convertible note," which shares would be deposited in Hepburn Holdings; one of the Organizations' off-shore companies. Another interesting fact about the "convertible note" is the fact that is was signed on behalf of Davi Skin by "Joe Spellman, it CEO." However just one month earlier Ms. Wallace had signed the verification as the Davi Skin CEO for its SEC filings. A true and correct copy of the Lakha Convertible Note is attached hereto as Exhibit "J" and true and correct copies of Ms. Wallace's e-mails with LOM Securities paying for the Cayman, Bermuda, and

Caribbean off-shore corporations are attached as Exhibit "K." Ms. Devi Johal handled the Organization's interests at LOM.

62. On and about July 20, 2007, 1.7 million shares of Davi Skin were sold for $1.9 million.

63. In and around September of 2008, Wallace successfully ousted Carlo Mondavi, the founder, from Davi Skin by threatening a shareholder lawsuit against him for his personal expenses. In fact, Wallace and Cane orchestrated his removal from the company to reverse split the stock and bankrupt the company, leaving only the claims of Wallace, Claire Ambrosia, Munjit Johal, and Cane's legal fees against the company. Wallace sought the support of Mr. Phillips, who she had appointed to the board of directors. Mr. Phillips, however, disapproved of the ouster of Mr. Davi and refused to ratify the actions and resigned.

SECOND PREDICATE ACT
THOMAS AND WONG GENERAL CONTRACTING

64. In 2007, Ms. Wallace and Ms. Cane were involved in another fraudulent transaction. In the Summer of 2007, Ms. Wallace met Ed Tarapasky, the general manager of international construction firm Thomas & Wong.

65. After befriending Tarapasky, she convinced him to make a "bridge loan" to BVD, a company owned by an "acquaintance" of Ms. Wallace, Mr. Beardmore. The loan, which would give BVD operating capital until the "$25 million" financing was put in place, would be "collateralized" by gold dore (raw, earthen by-product of gold mining that can be quite valuable) owned by BVD. When Tarapasky was initially hesitant to rely on the collateral, additional collateral (including separate stock) was promised, and Ms. Wallace agreed to personally complete the "due diligence" on the security to guarantee the loan. In fact, Ms. Wallace was appointed to the BVD board to represent Thomas & Wong. One of Ms. Wallace's duties was to actually inspect the "gold dore" supposedly held in a secured location.

66. Unbeknownst to Tarapasky, Ms. Wallace had a separate agreement with BVD that awarded her $250,000 for "securing the bridge loan." She then convinced Tarapasky to place the funds in escrow with her "usual lawyer;" Ms. Cane (who was then Michael Cane of Cane O'Neill LLP).

67. After Ms. Wallace assured Tarapasky that all of the collateral was "verified," he signed the loan documents. Also unbeknownst to him, Ms. Wallace had already instructed Ms. Cane's office to release some of the funds to Mr. Beardmore's girlfriend which was used to purchase a condominium in Minnesota. Ms. Wallace approved a separate transfer to Mr. Beardmore's girlfriend, a transfer that Ms. Wallace could not later explain.

68. When BVD failed to repay the note as agreed (the financing did not come through), Tarapasky instructed Wallace to begin converting the collateral. It was at that time that Tarapasky learned that there was no "gold dore." Wallace was forced to admit that she never inspected the "gold dore." The other collateral failed to come close to paying the amount owed to Thomas & Wong.

69. After BVD failed to repay the loan, Tarapasky began to check the "work" that Ms. Wallace had performed on behalf of Thomas & Wong. He not only found that she had a separate agreement with BVD, but that she had approved disbursements from her co-conspirator, Ms. Cane (then Mr. Cane), without his approval, and she had lied to him about the "gold dore." (Tarapasky eventually found what was probably supposed to be the gold dore, but the material tested as worthless).

70. Thomas & Wong sued Wallace, alleging breach of fiduciary duty and fraud.

71. In January 2009, a jury awarded Thomas & Wong a $1.3 million judgment. See Thomas and Wong General Contractor v. Blume Law Firm PC, Gary Blume, Jan Wallace, and other individuals, No. 2007-A-549856-C in Nevada Clark County 8th Judicial District. A true and correct copy of the Appeal from the Superior Court in Maricopa County filed February 11, 2010 is attached as Exhibit "L".

THIRD PREDICATE ACT
SECURED DIVERSIFIED INVESTMENTS

72. In 2005, Ms. Wallace was hired by Secured Diversified Investment to review the management of SDI and make recommendations regarding its profitability.

73. Almost immediately, Ms. Wallace installed her own "financial expert" Mujit Johal, and forced the company to sever ties with its then corporate counsel. Not surprisingly, she recommended that the company retain her co-conspirator, Ms. Cane.

74. On and about June 30, 2005, Wallace delivered her scathing "whistleblower/audit Report" to the Secured Diversified Investment Board of Directors alleging corporate malfeasance against its management: Clifford Strand, William Biddle, and Gernold Trolf. The report included false allegations of financial irregularities and also alleged the expenditure of non-business related expenses by the corporation, expenses which she, herself, had caused.

75. Not surprisingly, the only employee of SDI that was praised in the report was her own financial co-conspirator, Mr. Johal.

76. On or about July 5, 2005, Wallace caused Secure Diversified Investments to form an audit/litigation committee. Unbelievably, the board of directors agreed to appoint Ms. Cane, Mr. Johal (the CFO), and Ms. Wallace to the committee.

77. In and around September of 2005, Secure Diversified Investments' 8-K Disclosure reported that Strand, Biddle, and Trolf had resigned and that Ms. Wallace had been elevated to the office of the President. Secure Diversified Investments also had a "consulting contract" with Wallace and her company, Wallace-Black. Ms. Cane prepared the SEC filing for the corporation as the corporate securities counsel.

78. In and around 2006, Ms. Strand filed a complaint against Wallace. See Clifford Strand v. Jan Wallace, No. 2006-CC-02350 in California Superior Court of Orange County. A true and correct copy of the complaint is attached as Exhibit "M."

79. Now firmly in control of SDI, the Organization began its complex financial maneuvers to monetize its advantage.

80. On and about February 2, 2006, Secure Diversified Investments filed a Schedule 13-D form with the SEC stating, in pertinent part, that "Iomega [Investments LLC] converted its 250,000 shares…for 15,000,000 shares of Company's common stock." Iomega was owed the shares because of a note it held against SDI.

81. This is important because Wallace had secretly purchased the Iomega note of $250,000 for a discount rate of $40,000. When the shares were converted by Iomega, per the agreement they were deposited in a new company, set up by Cane, Wallace, Mujit Johal, Lakha, and Ambrosia; their ownership interest went undisclosed.

82. Cane, Wallace, and Munjit Johal then placed these 15,000,000 shares into offshore accounts, again with LOM Securities, which has accounts in the Cayman Islands and Bermuda. Immediately after the shares were issued and deposited off shore, Kelly Black of Wallace-Black began to prepare the trading of the Secure Diversified Investment shares on the Frankfurt exchange.

83. On and about February 28, 2006, Ms. Cane, Ms. Wallace, Mr. Johal and Scott Doney backdated corporate records of Diversified as well as the agreements to issue 15,000,000 shares of Secure Diversified Investment stock to Iomega Investments LLC. Wallace controlled those shares but that fact was "undisclosed" to the public or other shareholders. The documents were backdated specifically because Diversified stock was trading at a much lower price on December 14, 2005. True and correct copies of the e-mail exchanges between Ms. Cane, Ms. Wallace, Mr. Johal, Mr. Doney are attached as Exhibit "N."

84. On and about May 4, 2006, Secure Diversified Investment founders Strand, Biddle, and Trolf filed suit against Wallace. The complaint, Clifford Strand, William Biddle, Gernot Trolf, individuals, National Commercial Brokers, a California Corporation v. Jan Wallace, Secure Diversified Investments Ltd., Nevada Corporation, Alliance Title Company, Superior Court of California, County of Orange, Central Justice Center, No. 2006-CC-02350, alleged causes of action for fraud and misrepresentation, negligent misrepresentation, breach of contract, breach of the covenant of good faith and fair dealing, and conversion. In pertinent part, the complaint alleged:

> "Immediately upon her hire, Defendant Wallace initiated a campaign primarily designed to personally gain complete control of the corporation, financially destroy SDI and to devise, initiate and secure financial interests designed for her own personal profit. Defendant Wallace made false and fraudulent representations to SDI Directors as well as others, in order to induce these individuals to surrender money, property and legal rights. In complete and unlawful disregard for the welfare of SDI and its stockholders, both of which she owed fiduciary duty to, Wallace fragmented the board of directors, polarized board members against management, bought a small amount of stock and immediately threatened a minority shareholder lawsuit. As a direct result of Defendant's destructive actions, the income of the corporation was substantially reduced, assets were diminished, and the value of the stock plunged from about \$1.00 per share, to about \$0.05 per share."

A true and correct copy of the complaint is attached as Exhibit "M."

85. On or about May 5, 2005, Grace Sim, Wallace, and Cane created Secure Diversified Lending in which Wallace and Lakha were nominated as directors and members. Upon information and belief, Secured Diversified Lenders was set up to hold some of the SDI stock which would obscure the true ownership and prevent any individual in the Organization from exceeding the SEC reporting limits.

86. On or about June 14, 2006, while Wallace and Jay Kister were officers and directors of Secure Diversified Investments, they engaged in an accounting fraud to bolster the company's books. First, Kister secured a $250,000 loan from Infinity Lending Services for Secure Diversified Lending. They then reported the money on Secure Diversified Lending's books. Next, Secure Diversified Lending transferred the money to Secure Diversified Investments, where it was reported on Secure Diversified Investments' books. Finally the money was returned to Infinity Lending Services. In this manner, Wallace and Kister were able to make Secure Diversified Investments appear to have $500,000 cash available. True and correct copies of the Kister – Wallace e-mails are attached as Exhibit "O."

87. On and about November 14, 2006, Secure Diversified Investments issued a 10-QSB which stated in part, "On February 2, 2006, Iomega converted its 12,500 shares…for 750,000 shares of Company's common stock." However, on and about December 31, 2006, the Company stated "Iomega converted 250,000 shares…for 15,000,000 shares of Company's common stock."

88. In and around 2007, a complaint against LOM Holdings, a Bermuda based parent company of a group of financial services companies founded by brothers Brian and Scott Lines, was filed by the SEC. "LOM" stands for Lines Overseas Management. The SEC is currently suing the Lines Brothers and LOM Holdings for "pump and dump" penny stock scams. The complaint was filed in the U.S. District Court of New

York. See SEC v. Lines et al., 2011 U.S. Dist. LEXUS 91354 and SEC v. Lines et al., 2011 U.S. Dist. LEXIS 91360 involving off-shore undisclosed stock ownership with Sedona Software, a company that defendants Ms. Cane, Mr. Brian Clark (of Cane Clark LLP) and Mr. Doney control.

89. In and around September of 2009, Cane caused the involuntary bankruptcy of Secure Diversified Investments by demanding the payment for $200,000 in her outstanding legal fees. Wallace, Claire Ambrosia, and Munjit Johal, the corporate officers of SDI at the time, did not contest the claim. Cane presented a Bankruptcy Plan and Reorganization to sell the corporate shell to Robert Saucier of Galaxy Gaming, the same Mr. Saucier who Ms. Cane had transferred shares to in the Davi Skin deal.

90. On information and belief, Cane, Wallace, and Munjit Johal concealed the true amount of Secure Diversified Investment stock held in undisclosed, off-shore entities. The various corporate entities are so intertwined that it is difficult to separate them. For example, Galaxy Gaming is owned by Organization member Robert Saucier, who provided a corporate entity during the Davi Skin deal. Cane Clark Productions, a wholly-owned entity by the law firm, is the holder of a $50,000 promissory note in Galaxy Gaming. Ms. Cane is the corporate attorney for Galaxy Gaming and was involved in its incorporation.

THE ORGANIZATION TARGETS MR. PHILLIPS, A DOT, and MOD
Wallace Steals Passwords and Invades Mr. Phillips' Corporate Computers

91. Ms. Wallace, who styles herself at times as a fundraiser for start-up companies and at other times as the CEO of shell companies, managed and marketed with her business associate, Nevada attorney Kyleen Cane, was introduced to Mr.

Phillips as someone who could help him raise additional funds to help MOD and his other businesses expand.

92. Actually, Ms. Wallace's history as a fraud and a con-woman goes way back to 1983, when as a young business woman she made material misrepresentations to help one of her companies secure a loan. See American Bank & Trust Company v. Jan Wallace et al., Case No. 82-5044, attached as Exhibit "A."

93. In 2007 and 2008, Ms. Wallace and Mr. Phillips spent a substantial amount of time together, and, in addition to the business relationship that Ms. Wallace had with MOD, A DOT, Banana and Mr. Phillips, a personal relationship developed between the two. While Mr. Phillips was busy working to obtain investment from Toshiba, Ms. Wallace was using her business and personal relationship with Mr. Phillips to gain access to all of Mr. Phillips' property; to glean information about MOD, A DOT, Banana, and the other companies; and to illegally access the computers of MOD, A DOT, Banana, and the other companies.

94. At no time was Ms. Wallace given permission to access any of the data on any of the computers for any of the companies by Mr. Phillips or any other person.

95. It is believed that Ms. Wallace gained unauthorized access to the computers of all the companies by copying down passwords she found or stole from documents or computers, or by surreptitiously observing passwords being typed into portable computers.

96. Ms. Wallace also attempted to ingratiate herself with Mr. Phillips' assistants and it is believed that some of the confidential and protected information she obtained was gleaned either surreptitiously from them or by creating some ruse to get the information. She is an experienced and accomplished con.

97. Starting in the spring of 2008, Ms. Wallace boasted to various individuals that she had gained access to all of Mr. Phillips' computers and had used that access on numerous occasions for her personal purposes, and that she had given the information to others, including some defendants, most notably, Mr. Smyth.

98. The personal relationship between Ms. Wallace and Mr. Phillips ran hot and cold. There were many occasions of warmth when expensive gifts and travel was indulged, as well as many instances of anger and verbal abuse. Sometime in 2008, Ms. Wallace became extremely angry with Mr. Phillips because he did not award her any stock in MOD during a substantial Series A financing in which Toshiba Corporation, NCR, Inc., and Deluxe Entertainment Services Group, Inc. invested $35 million. It is believed that around this time, Ms. Wallace hacked into A DOT's computers and stole confidential information from them for the specific purpose of extracting an extorted payment or shares in MOD from Mr. Phillips. Ms. Wallace also had the ability to manipulate data on the computers, and it is believed that she did so on several occasions.

99. Ms. Wallace, unable to extort money from Mr. Phillips, contacted defendant Mr. Arnold, and his attorney, Mr. Smyth, and offered them access to the information she had illegally copied/obtained.

100. While Ms. Wallace had possession of one A DOT computer, on or about September 2008, she lied to Mr. Phillips and other A DOT employees, telling them that the computer was "locked" and "not opened." In truth, Ms. Wallace accessed the computer without authorization using stolen passwords, and emailed confidential, protected documents to her own email address and possibly others. Internet and temporary file creation logs for the dates and times in question confirm that Wallace breached the computers' security and hacked into A DOT's system. Other computer records, including computer access logs, permission logs, RAID disk mirroring monitoring records, file and power logs also verify access to A DOT's computers by a person without A DOT's approval.

101. Mr. Phillips learned of or became aware of the conduct of Ms. Wallace in May of 2010 after reviewing a computer report prepared by the FBI Computer Analysis and Recovery Team (CART). Subsequent computer analysis prepared after that date have confirmed Ms. Wallace unauthorized access to the plaintiffs' computers.

Wallace Invades Mr. Phillips' Personal Computers and Accounts

102. Without authorization from Mr. Phillips, Ms. Wallace accessed his personal computers and personal accounts, including his G-mail account.

103. Ms. Wallace would access Mr. Phillips' personal information and then email the documents to her own email account. It is believed that Ms. Wallace then erased the email that "sent" Mr. Phillips' personal information to her own account to conceal her theft and access from Mr. Phillips' and his companies' computers.

104. The information that Ms. Wallace accessed and stole was personal and, in turn, confidential. For example, Ms. Wallace stole personal emails between plaintiff Mr. Phillips and his mother and sister. More importantly, Ms. Wallace accessed Mr. Phillips personal financial information, including statements from his money managers. The stolen statement would be used against him by the defendants in seeking to force him to settle their unfounded claims against him.

105. At about this time, defendant Mr. Lundvall was an employee of plaintiff Mr. Phillips and MOD. Mr. Lundvall enjoyed a close relationship with Mr. Phillips and would often perform unique tasks on behalf of Mr. Phillips for which he was paid. For example, Mr. Lundvall traveled to Ms. Wallace's house to set up her computers, configure her wireless, and ensure that A DOT computers were secure.

106. After the personal relationship between Ms. Wallace and Mr. Phillips ended, Mr. Lundvall was dispatched Mr. Phillips' envoy to recover Mr. Phillips' personal possessions from Ms. Wallace, including a 2007 Aston Martin automobile.

107. It is believed that Mr. Lundvall, using his close relationship with Mr. Phillips, surreptitiously gleaned passwords and other personal information from Mr. Phillips. It is further believed that Mr. Lundvall shared the passwords and personal information that he stole from Mr. Phillips with defendant Ms. Wallace.

108. In fact, Mr. Lundvall changed loyalty from Mr. Phillips to Ms. Wallace; and in particular, to Ms. Wallace's teenage daughter, Chloe Jardine-Cutler. Either unbeknownst to Ms. Wallace, or at her urging, Mr. Lundvall entered into a consensual, sexual relationship with Ms. Wallace's underage, teenage daughter. This fact became important after it was later discovered that Mr. Lundvall and Ms. Wallace conspired to set up a "rape for hire" against Mr. Phillips.

109. On three separate occasions, Ms. Wallace made a report to a law enforcement agency that Mr. Phillips had "hired" Mr. Lundvall to "rape" her daughter, Chloe, and that he would then pay Mr. Lundvall upon the completion of the "rape." Defendant Ms. Wallace attempted to use this "rape for hire" conspiracy to extort money from plaintiff Mr. Phillips, and, when that proved unsuccessful, as proof to law enforcement of Mr. Phillips' criminal conduct.

110. At the time that defendant Ms. Wallace made the allegations against Mr. Phillips, she knew or should have known that those allegations were false. The Assistant United States Attorney who prosecuted Mr. Phillips was forced to acknowledge the existence of the "Wallace/Lundvall Rape For Hire Conspiracy" during a custody hearing. A true and correct copy of that hearing is attached hereto as Exhibit "P."

111. The false allegations of the "rape for hire," which occurred in March of 2010, were some of the last actions undertaken by members of the Organization in their criminal scheme to hostilely takeover MOD and to keep their methods and strategies secret. By making the false allegations, Ms. Wallace knew that the judge would remand Mr. Phillips' immediately take him into custody, thereby making it more difficult, if not impossible for Mr. Phillips to discover the breadth and depth of the conspiracy against him, and making it nearly impossible to protect his interests in MOD, A DOT, or MetaWallet.

112. In furtherance of the goals of the Organization, and to further attempt to protect their criminal enterprise, as a final step in the conspiracy, Ms. Wallace and Ms. Cane offered false testimony against Mr. Phillips at his criminal trial in February 2011. The false testimony was further designed to protect the criminal schemes of the Organization and to prevent Mr. Phillips from further discovering the entirety of the Organization.

Wallace Gives Stolen Data to Cane and Smyth

113. Without authorization from Mr. Phillips/A DOT, Ms. Wallace showed data she stole from Mr. Phillips and A DOT computers, including confidential banking and accounting records belonging to Mr. Phillips/A DOT, to her long-time business associate, Ms. Cane, an attorney, who Ms. Wallace herself had recommended and helped seat on MOD's board of directors. Wallace also showed the data to Mr. Bay. She is believed to have manipulated some of the data she stole before delivering it to others, including defendants Mr. Smyth and Ms. De Haan.

114. Ms. Wallace has boasted to third parties that she was able to "steal" protected data from A DOT computers over a period of several months and that she gave this stolen data to Mr. Smyth, who as Mr. Arnold's attorney was frequently at odds with MOD's management over various issues, including the ownership of Mr. Phillips' intellectual property and corporate control issues. Ms. Wallace was motivated to steal and then use the stolen information and data from the plaintiff' computers by sheer greed and revenge. Ms. Wallace had already tried, on several occasions, to extort more money from plaintiff, and, she was aware of the value of the Series A financing from Toshiba, et al to Mr. Phillips and to MOD.

115. Ms. Wallace was incensed at Mr. Phillips when he rejected any attempt to grant stock and or options in MOD to Ms. Wallace following the Series A financing deal. She not only argued repeatedly and vehemently with Mr. Phillips, but threatened him and told third parties that she would "ruin [and destroy] him." Additionally, Ms. Wallace wanted revenge against Mr. Phillips, who had again unilaterally ended their turbulent, tumultuous personal relationship in December 2007; a relationship that Ms. Wallace fostered solely to gain access to Mr. Phillips' assets and to enrich herself.

116. In March 2008, Ms. Wallace contacted Mr. Arnold and was put in contact with his attorney, Mr. Smyth. It is believed that Ms. Wallace offered to share the information she had stolen from A DOT computers with Mr. Smyth. According to Mr. Smyth's statements to the FBI in January of 2011, he met with Ms. Wallace in December 2008, January 2009, and again in December 2009 in Seattle or at her home in Arizona and downloaded stolen information on a thumb drive, or received e-mails and documents he knew to be stolen. Over the same period of time, third parties have witnessed Mr. Smyth and Ms. Wallace engaged in a personal flirtatious and drunken relationship, further cementing their conspiracy against plaintiff.

117. Mr. Smyth knew that the information he received from Ms. Wallace was "stolen" from Mr. Phillips, that Ms. Wallace was not authorized to access the Phillips/A DOT computers, and that she was not authorized to share any information or data that she had illegally acquired.

118. However, Mr. Smyth also lied to law enforcement officials during that interview. In what is believed to be an effort to downplay his contacts with defendant Ms. Wallace, Mr. Smyth denied that messages sent from his cell phone, titled "Jeff's iPhone," were not from "his" cellular phone, and, in fact, denied owning an iPhone at that time. A true and correct copy of that interview with Mr. Smyth is attached hereto as Exhibit "Q."

119. Ms. Wallace has stated to third parties and testified in federal court that she accessed computers and stole data from them upon Mr. Smyth's specific request for certain data. During the 2008 time period when MOD was engaged in the $35 million Series A financing round from Toshiba and others, Mr. Smyth was attempting to improve Mr. Arnold's bargaining position as an existing shareholder, in large part by using data that Ms. Wallace stole from Phillips/A DOT computers.

120. On and about May 14, 2010, Lundvall was interviewed by FBI Spencer Walker in relation to his "rape-for-hire" extortion scheme with Wallace against Phillips. During this interview, Lundvall gave them a Western Digital hard drive with the serial number "14822668321" that contained stolen Banana/MetaWallet files and raw data. The data included evidence of Wallace's co-conspirators in her securities fraud, money laundering, and tax evasion schemes including: Claire Ambrosia, Jan Wallace's personal attorney, licensed in California, and trustee of her Panamanian accounts; Kyleen E. Cane (aka "Michael Cane"), her personal and corporate securities attorney; Scott Doney, partner of Cane Clark LLP; Devi Johal, Kevin Gunther, Scott and Brian Lines, account managers and owners of LOM Securities; Mujit Johal and Grace Sims, corporate CFOs; Amin "Andy" and Afshan Lakha, "billionaire" angel investors; Robert Saucier, "casino entrepreneur"; and Chloe Jardine-Cutler, Wallace's daughter and inspiration for LOM Securities brokerage account: Chloe Group of Companies.

Cane Forms MOD DRC and is Appointed as Phillips' Fiduciary

121. When Mr. Phillips reconstituted the MOD board of directors, Ms. Wallace recommended a "good corporate attorney" Ms. Cane as a board member.

122. Ms. Wallace failed to divulge her long history with Ms. Cane. Mr. Phillips was under the impression that Ms. Cane would be an "independent" board member.

123. After Ms. Wallace stole Mr. Phillips business and personal information and approached Mr. Arnold, Ms. Cane recommended that MOD form a "Demand Review Committee" which would investigate the allegations and report to the corporation.

124. One of the allegations alleged by Ms. Wallace was that he was "using her bank account" to "lauder money ($100,000)" for his use - primarily to purchase expensive watches. Integral to this plan is the claim by Ms. Wallace that she could not have purchased the watches on her own. However, the claim of insufficient funds in her personal account, or the account of her business, "Wallace Black," ignores the fact that she was given access to her other, off shore funds by her sister, Corrine Mills.

125. Ms. Mills was integral to Ms. Wallace's operations in the United States, since she was a signatory on many of Ms. Wallace's off shore accounts and continually transferred funds to be used by Ms. Wallace. To this day, the claim that Ms. Mills is "loaning" money to Ms. Wallace is a ruse to avoid those many creditors who have received a judgment against her. An example of Ms. Mills' involvement managing

Wallace Black LLC can be seen in her signatory authority see Exhibit "R." Ms. Cane also formed the entity with Kelly Black and Ms. Wallace as a shell entity for sham audits against management in Davi Skin, SDI, and Mr. Phillips.

126. Likewise, Ms. Ambrosia has been integral to assisting Ms. Wallace to carry out her frauds. Ms. Ambrosia has been a signatory on several of the accounts held by Ms. Wallace, and likewise has taken steps to obscure any assets held by Ms. Wallace to help her avoid her creditors.

127. At the start of the DRC, Ms. Cane was assuring Mr. Phillips that she would "look out for him" and "protect his interests." Ms. Cane failed to disclose that she had participated in several DRC's prior to MOD (in fact she lied to federal investigators about this fact as well), each involving allegations of malfeasance that had been made by Ms. Wallace.

128. When MOD pressured Mr. Phillips to resign and to place his shares in a "voting trust," Ms. Cane again assured Mr. Phillips that she would "protect his interests" and was appointed as Mr. Phillips' fiduciary. At the time that Ms. Cane was appointed as Mr. Phillips' fiduciary, he was unaware of the long, sordid history between Ms. Cane and Ms. Wallace.

129. Once Mr. Phillips became aware of Ms. Cane's obvious bias, he moved the court for an order removing her as the trustee of the voting trust. On or about November 12, 2009, Judge Erlick granted Mr. Phillips' motion to remove Ms. Cane as the trustee and to remove Ms. Cane and Mr. Bay from the DRC. As Mr. Phillips had argued from the beginning, the DRC was hopelessly corrupted.

130. In addition to telling Mr. Phillips that she would "protect his interests," Ms. Cane also threatened Mr. Phillips in order to convince him to resign as CEO and to install her as the trustee, telling him that Ms. Wallace and Mr. Lakha had put a "contract" out on him.

131. On another occasion, Ms. Cane threatened Mr. Phillips, telling him that he "should know that Jan wants to kill you."

132. When Mr. Phillips resigned as CEO, he was almost simultaneously fired as CTO in violation of the Transition Agreement. During the approximately 6 months that it took Mr. Phillips to learn of Ms. Cane's bias, MOD had wasted or mis-used approximately $11 million of the investment money.

133. During the subsequent federal investigation, Ms. Cane lied to federal investigators not only about her prior experience with Demand Review Committees, but also her holdings in companies that were affiliated with Ms. Wallace. On or about January 5, 2011, Cane misrepresented her interest in Legal Access Technologies when interviewed by federal authorities:

> "In 1989 TeleLawyer was formed. TeleLawyer went through a 'reverse merger' with Dynamic Associates, which was a public company. After the reverse merger CANE became a director. CANE defined reverse merger as 'when a private company takes over a public company.' Dynamic Associates later changed its name to Legal Access Technologies. Legal Access Technologies was eventually taken over by a public company [MW Medical]. As a result, CANE was removed as a director. CANE never sold any shares that she owned in Legal Access Technologies. CANE believes she still owns a small amount of stock in Legal Access Technologies."

134. Mr. Phillips, his attorney and his financial expert, Mr. Dennis Mandell, carefully examined the actions of the Organization and became so concerned that he filed a "Whistleblower Complaint" on or about February 12, 2010. Mr. Mandel outlined some of the actions undertaken by the Organization and the scheme of using thinly capitalized shell corporations to "reverse merge" private corporations, and then use the "new" corporations in a "pump and dump" scheme while keeping the profits off shore. A true and correct copy of the Mandel Complaint is attached hereto as Exhibit "E."

135. In the end, the actions of Ms. Wallace and Ms. Cane brought about the complete destruction of MOD, completely extinguishing plaintiff's interest in the $123 million company, disrupting his annual salary, and destroying his interests in his other companies. The damage to plaintiff has been extensive and significant.

FIRST CAUSE OF ACTION
VIOLATION OF THE RACKETEERING INFLUENCE AND CORRUPT ORGANIZATIONS ACT (18 U.S.C. Section 1961 et seq.)
(Against All Defendants)

136. Plaintiff repeats and incorporates each and every allegation as if set forth in full herein.

137. Plaintiff alleges that he was the victim of a Racketeering Influence and Corrupt Organization that leveled false allegations against him in order to gain control over his wholly- or majority-owned companies, in order to seize and convert valuable cash, assets, and intellectual property worth in excess of a $100 million; that retaliated against him by making numerous false and malicious accusations that did slander his character; whose members offered and gave perjured testimony under oath that resulted in his imprisonment; whose members threatened to "kill" him if he did not cooperate or if he complained; and who otherwise sought to destroy plaintiff by taking from him anything he had of value.

138. Defendant Organization is an "enterprise or entity" as contemplated by 18 U.S.C. § 1961 et. seq. The Organization has members who use their various talents in order to achieve its goals, namely the acquisition of corporations or other corporate wealth which they then launder in order to avoid tax consequences as well as liability for their wrongful actions.

139. The Organization does employ actions and methods that violate specific federal and state statutes in its pursuit of ill-gotten gains. As outlined in great detail above, the Organization specifically violates and has violated the following criminal statutes:

a. Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq;

b. Money Laundering, 18 U.S.C. § 1524;

c. Mail Fraud, 18 U.S.C. § 1341;

d. Wire Fraud, 18 U.S.C. § 1343;

e. Securities Fraud, 18 U.S.C. § 4213;

f. Tax Fraud, 18 U.S.C. § 5300 et seq.;

g. Fraud in the Inducement, RCW 41.20.430;

h. Threat to Kill, RCW 9A.46 et seq.;

140. The Organization has engaged in at least two similar "schemes" within the past 10 years, both of which predicate acts have been outlined in great detail, supra.

141. Specifically, the Organization violated state and federal laws in its planning and execution of the scheme that allowed them to gain control of Davi Skin. Specifically the Organization violated the following state and federal laws:

a. Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq;

b. Money Laundering, 18 U.S.C. § 1524;

c. Mail Fraud, 18 U.S.C. § 1341;

d. Wire Fraud, 18 U.S.C. § 1343;

e. Securities Fraud, 18 U.S.C. § 4213;

f. Tax Fraud, 18 U.S.C. § 5300 et seq.;

g. Fraud in the Inducement, RCW 41.20.430;

h. Threat to Kill, RCW 9A.46 et seq.;

142. In the Thomas & Wong matter, the Organization violated the following state and federal laws in the planning and execution of its scheme:

a. Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq;

b. Money Laundering, 18 U.S.C. § 1524;

c. Mail Fraud, 18 U.S.C. § 1341;

d. Wire Fraud, 18 U.S.C. § 1343;

e. Securities Fraud, 18 U.S.C. § 4213;

f. Tax Fraud, 18 U.S.C. § 5300 et seq.;

g. Fraud in the Inducement, RCW 41.20.430;

h. Threat to Kill, RCW 9A.46 et seq.;

143. Finally, in the planning and execution of the SDI matter, the Organization violated the following state and federal laws:

a. Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq;

b. Money Laundering, 18 U.S.C. § 1524;

c. Mail Fraud, 18 U.S.C. § 1341;

d. Wire Fraud, 18 U.S.C. § 1343;

e. Securities Fraud, 18 U.S.C. § 4213;

f. Tax Fraud, 18 U.S.C. § 5300 et seq.;

g. Fraud in the Inducement, RCW 41.20.430;

h. Threat to Kill, RCW 9A.46 et seq.;

144. In the instant case, the Organization has used fraud and deception in order to attempt to gain control of the corporation by having its member, Ms. Wallace, level false, malicious allegations against Mr. Phillips.

145. Ms. Wallace violated the Computer Fraud and Abuse Act in order to gain access to plaintiff's corporate and personal files as she prepared her false, slanderous allegations against plaintiff. Ms. Wallace also used the internet to transmit plaintiff's stolen information in violation of the Wire Fraud Act.

146. Ms. Cane threatened plaintiff with great bodily harm, even death, in order to gain his cooperation to resign his position as CEO and lose control of his majority shares, thereby assuring that he would be unable to prevent his ouster from MOD.

147. Additionally, Ms. Cane is the board member who recommended that MOD empanel a DRC to review the allegations of Mr. Arnold against plaintiff. Ms. Cane failed to inform the board that she had previously sat on two prior DRCs to investigate allegations of wrongdoing that had been instigated by her cohort in crime, Ms. Wallace.

148. Ms. Cane and Ms. Wallace used the telephone and internet lines to transmit fraudulent or false documents, including but not limited to SEC filings for Davi Skin and SDI; the fake documents regarding the "due diligence" in the Thomas & Wong matter; and documents that misled or obscured the true ownership of defendants in various corporate entities both in the US and overseas.

149. Both Ms. Wallace and Ms. Cane testified falsely during the federal investigation and during plaintiff's criminal trial. Tellingly, Ms. Cane lied to federal investigators when she denied that she was still a significant shareholder of Davi Skin (or Davi Skin filed a false 10k Disclosure). Ms. Cane misled federal investigators in attempting to "down play" her relationship with Ms. Wallace by denying she was still an owner of Legal Access Technologies and denying that she had been involved in prior Demand Review Committees.

150. Ms. Wallace, Ms. Cane and Chloe attempted to have additional criminal charges filed against Mr. Phillips for a "rape for hire" scheme that they attempted to perpetrate against him. Ms. Wallace made multiple allegations to three different law enforcement agencies alleging that Mr. Phillips had paid an acquaintance, Mr. Lundvall, to rape her then-minor daughter, Chloe.

151. Because of these spurious, false allegations, Mr. Phillips' pre-trial release was cancelled and he was forced back into pre-trial custody where he could not effectively defend himself. He was also unable to oppose the actions of the

Organization. This also prevented him from further discovery of the truth about the scope and breadth of the Organization.

152. As a result of the Organizations' wrongful actions, plaintiff has suffered significant damages, including loss of his equity interest in MOD, loss of income, and other damages that plaintiff will more fully itemize at trial.

PRAYER FOR RELIEF

153. WHEREFORE, plaintiffs pray for judgment against defendants, jointly and severally, as follows:

154. For actual and consequential damages in an amount to be determined at trial, but believed at this time to exceed $100,000,000;

155. For treble damages pursuant to 18 U.S.C. § 1961 in an amount to be determined at trial;

156. For attorney's fees to the extent permitted by law or by contract;

157. For costs of suit; and

158. Such other and further relief as this Court deems just.

DEMAND FOR JURY TRIAL

Under Fed.R.Civ.P. 38(b), plaintiff demands jury trial of all issues raised by the Complaint.

Date: March 3, 2014

By: mark e phillips

MARK E. PHILLIPS
Pro-Se