

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

AARON GOODWIN and ERIC GOODWIN,

Plaintiffs,

v.

GORDON REES SCULLY MANSUKHANI,
LLP, ALONZO LLORENS, and C.
ANTHONY MULRAIN

Defendants.

Index No.

COMPLAINT**JURY TRIAL DEMANDED**

Plaintiffs Aaron Goodwin and Eric Goodwin (together, the “Goodwins”), by and through undersigned counsel, for their Complaint against Defendants Gordon Rees Scully Mansukhani, LLP (“Gordon Rees”), Alonzo Llorens, and C. Anthony Mulrain, allege as follows:

NATURE OF THE ACTION

1. This civil action against Defendants—a national law firm and two of its former partners—centers around their duplicitous actions to conspire and assist their clients Decade S.A.C., LLC (“Decade”), Christopher Aden, and Dorsey James in committing a brazen bait-and-switch fraud to mislead the Goodwins into selling their thriving sports management business. Worse, Defendants also engineered a cover-up as Decade and its principals’ deception unraveled.

2. After a prior trial in Delaware bankruptcy court, a federal bankruptcy judge found that the Goodwins were “the innocent victims,” having been “defrauded” by Aden, “aided and abetted by his partner, Dorsey James, as well as Aden’s attorneys” (*i.e.*, Defendants here). *In re Decade, S.A.C., LLC*, 635 B.R. 735, 740 (Bankr. D. Del. 2021). The Goodwins now bring this action to hold Defendants responsible for their substantial role in the fraud.

3. Aaron Goodwin is among the most prominent and successful National Basketball Association (“NBA”) player agents. He established Goodwin Associates Management Enterprises, Inc. (“GAME”), a renowned professional basketball agency, and leads its day-to-day operations. Eric Goodwin, his twin brother, is a top sports marketing expert and founded Goodwin Sports Management, Inc. (“GSM”), a premier marketing company for professional basketball athletes.

4. At all times relevant, Decade was an entity managed by Messrs. Aden and James that proposed to purchase GAME and GSM (collectively, the “Goodwin Entities”) from the Goodwins.

5. At all times relevant, Defendants represented Decade and its principals, Messrs. Aden and James.

6. Messrs. Aden and James falsely portrayed themselves to the Goodwins as having the management experience and the financial resources to create and aggressively grow a Black-owned conglomerate talent agency to represent athletes and entertainers.

7. In reality, Messrs. Aden and James were fraudsters with no substantive experience in professional sports and little financial means to deliver on their promises.

8. Messrs. Aden and James sought to secretly leverage the Goodwins’ prominent reputation and their lucrative receivables, *i.e.*, assets that Decade did not own, as collateral so Decade could convince a third-party lender to loan Decade millions of dollars. Messrs. Aden and James would then personally enrich themselves with those loan proceeds until the next bait-and-switch scheme. This fraudulent scheme placed all the financial risk on the Goodwins while Messrs. Aden and James reaped all the benefits of millions of dollars in loans.

9. Decade and its principals' fraud ultimately unraveled with multiple loan defaults, failed attempts to secure new loans, civil lawsuits from its third-party lender, and bankruptcy proceedings.

10. To facilitate and perpetuate this fraudulent scheme before it unraveled, Defendants knowingly and fraudulently affixed the Goodwins' signature pages to an alternative version of the deal documents that the Goodwins never saw or agreed to. These alternative documents were separately negotiated by Defendants and their clients with XXIII Capital, the third-party lender to Decade that loaned \$20 million towards the purchase of the Goodwin Entities. The alternative transaction documents included terms from XXIII Capital that were unfavorable to the Goodwins that, as Defendants knew, the Goodwins did not and would not agree to. Defendants then facilitated a fraudulent in-person "closing" on the purchase transaction in New York City without inviting the Goodwins or providing them with copies of the alternative transaction documents.

11. Upon information and belief, Defendants earned lucrative fees from representing Decade and its principals.

12. Defendants' role in the fraud remained unknown to the Goodwins and reasonably unknowable until at least September 9, 2019, when previously withheld discovery was produced in the bankruptcy litigation arising out of Decade's bankruptcy.

13. In connection with that litigation, and as noted above, a federal bankruptcy judge in Delaware, on December 27, 2021, after a bench trial, expressly found that the Goodwins were "defrauded" by Mr. Aden, who was "aided and abetted" by Mr. James and "Aden's attorneys" (*i.e.*, Defendants) and others, and that Defendants and others "[a]t worst, . . . were downright fraudsters." *In re Decade*, 635 B.R. at 740.

14. On January 31, 2022, the Goodwins and Defendants entered into a tolling agreement, which, with subsequent amendments, tolled all statutes of limitations or other limitations periods on any claims brought by the Goodwins through and including December 31, 2022.

15. To redress Defendants' unlawful conduct, the Goodwins assert the following causes of action: (1) fraudulent inducement, (2) fraudulent misrepresentation, (3) aiding and abetting fraud, (4) civil conspiracy to commit fraud, and (5) breach of fiduciary duty.

16. The Goodwins seek compensatory, consequential, and punitive damages, costs, reasonable attorney's fees, and such other and further relief as this Court deems just and proper. The amount of the Goodwins' damages is a subject for trial, but for purposes of the monetary thresholds set forth in 22 N.Y.C.R.R. 202.70(a), the Goodwins' damages, exclusive of punitive damages, interest, costs, disbursements, and counsel fees claimed, are at least approximately \$92 million, which includes past and future lost profits from player salary and endorsement contracts and lost corporate opportunities as a result of the wrongful conduct.

PARTIES

17. Goodwin is a citizen and resident of the state of California.

18. Eric Goodwin is a citizen and resident of the state of Washington.

19. Upon information and belief, Gordon Rees is a limited liability partnership organized under California law with one or more of its partners a resident of each state in the United States.

20. Upon information and belief, Alonzo Llorens is a citizen and resident of the state of Georgia. At all relevant times, Defendant Llorens was a partner at Gordon Rees and was licensed to practice law in Pennsylvania, Georgia, and Washington D.C.

21. Upon information and belief, C. Anthony Mulrain is a citizen and resident of the state of Georgia. From at least on or around December 2014 through on or around March 2017, Defendant Mulrain was a partner at Gordon Rees and was licensed to practice law in New York and Georgia. From at least on or around March 2017 through August 2022, Defendant Mulrain was a partner in the New York office of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz Levin”).

22. Upon information and belief, Defendant Mulrain is presently a partner Holland & Knight LLP, where he has a New York office and a New York office phone number.

JURISDICTION AND VENUE

23. Jurisdiction over Defendants is proper pursuant to New York CPLR § 301 because Gordon Rees maintains law offices in the State of New York and has claimed that it is a citizen of New York.

24. As of the date of the present filing, Gordon Rees’s website identifies four offices in the State of New York, collectively home to over 100 lawyers associated with the firm.

25. Because Gordon Rees maintains continuous and systematic contacts with New York, the firm is subject to general jurisdiction in New York.

26. Additionally, jurisdiction over Defendant Mulrain is proper pursuant to New York CPLR § 301 because Defendant Mulrain has an office in New York, New York and is licensed to practice law in New York.

27. Alternatively, jurisdiction over Defendants is proper pursuant to New York CPLR § 302(a) because Defendants transacted business in New York (including by closing the transaction with the Goodwin Entities in New York, thus earning Gordon Rees fees), provided services to their client Decade in New York (Decade is a Delaware limited liability company

with a principal place of business in New York, New York), and committed multiple tortious acts within the State of New York, as alleged further herein.

28. Among other torts committed in New York, Defendants aided and abetted a fraud upon the Goodwins by (1) drafting and compiling deal documents in New York used to defraud the Goodwins; (2) making misrepresentations from New York to the Goodwins; (3) convening a sham closing in connection with the Decade transaction, held at Gordon Rees's New York offices, to which the Goodwins were not invited; (4) holding multiple conferences in New York with XXIII Capital, the lender that financed Decade's purchase of the Goodwin Entities; and (5) holding multiple conferences at the New York offices of XXIII Capital's law firm, concerning the unlawful delivery of irrevocable direction letters to the Goodwins' clients, recruits, and corporate partners purporting to "direct" the recipients to remit directly to the third party any payments owed to the Goodwins.

29. Venue is proper pursuant to New York CPLR §§ 503 and 509.

STATEMENT OF FACTS

I. The Goodwins' Background

30. From 1988 to present, Aaron Goodwin ("Goodwin") has been a licensed NBA agent.

31. Goodwin has represented several of the greatest players in the NBA, including LeBron James, Kevin Durant, Dwight Howard, Jason Kidd, Gary Payton, and Chris Webber.

32. Goodwin currently represents NBA All-Star players Damian Lillard and DeMar DeRozan, among others.

33. GAME, a California corporation, is a holding company in whose bank accounts Goodwin deposited fees he earned from player representations.

34. At all relevant times, Goodwin has owned 100% of the issued and outstanding shares of GAME.

35. Eric Goodwin is Goodwin's twin brother and business partner.

36. Eric Goodwin negotiates and cultivates marketing relationships for Goodwin's clients.

37. GSM, a Washington corporation, administers and holds certain marketing contracts negotiated on behalf of Goodwin's clients.

38. At all relevant times, Eric Goodwin has owned 100% of the issued and outstanding shares of GSM.

39. At all times relevant, Goodwin advised Eric Goodwin of opportunities to sell the Goodwin Entities and of ongoing and finalized negotiations to sell the Goodwin Entities and obtained Eric Goodwin's written consent for purchase terms the Goodwins had agreed upon.

40. Goodwin has earned a reputation as a top-tier NBA agent representing top NBA All-Stars, negotiating his clients' record contracts and lucrative endorsement deals.

41. A reputation for integrity is paramount for any NBA agent because some professional agents and financial advisors to NBA players have abused their clients' trust by, among other things, embezzling, swindling, or outright stealing from players. As a result of such flagrant abuses of trust, athletes are wary of hiring an agent when there are even rumors or whispers that the agent is in some way connected to any potential fraud, scam, or con.

42. Most top-tier NBA agents are associated with large international marketing and management agencies, each representing dozens of NBA players. Such corporate-styled agencies have several divisions representing professional athletes across various sports, as well as television and media divisions representing actors and writers. The Goodwins, on the other

hand, own and operate Black-owned, boutique businesses exclusively representing select professional basketball players.

43. From 2000 through 2016, Goodwin signed sixteen NBA first round picks, including LeBron James (the first overall pick in 2003) and Dwight Howard (the first overall pick in 2004) in back-to-back drafts.

44. Goodwin's success is largely due to (1) his extraordinary reputation for integrity amongst players and corporate sponsors; (2) his ability to cultivate relationships with top recruits and their families; and (3) his established reputation for securing lucrative shoe and equipment endorsements—the most significant financial component for athletes.

45. Goodwin is known to aggressively negotiate lucrative player contracts for his clients with NBA teams. For example, in July 2022, he negotiated a \$122 million, two-year contract extension with the Portland Trail Blazers for Damian Lillard; this deal was among the most lucrative annual contracts in all of professional sports.

46. Goodwin has also established incomparable success obtaining endorsement deals for his clients. For example, Goodwin scored massive rookie shoe deals for LeBron James, Dwight Howard, and Kevin Durant. Indeed, LeBron James selected Goodwin as his first agent because “he had a history of doing big shoe deals.” Brian Windhorst, *When LeBron learned the power of saying no*, ESPN (Mar. 20, 2019),

https://www.espn.com/nba/story/_/id/26333024/when-lebron-learned-power-saying-no.

Goodwin also negotiated a substantial shoe endorsement for Damian Lillard worth over \$100 million.

47. The Goodwins have long sought to establish one of the nation's leading Black-owned multi-sports agencies to compete with the established, large agencies and have had

numerous opportunities to sell or combine the Goodwin Entities with other agencies and companies during their careers.

48. From the 2000's through the mid-2010's, the Goodwins received solid interest from numerous international or larger talent agencies that lacked a strong Black ownership presence, but the Goodwins declined those multiple inquiries and offers to sell or merge the Goodwin Entities.

II. Gordon Rees's Clients Christopher Aden and Dorsey James

49. Messrs. Aden and James—through an evolving series of entities, first called “Stealth,” then “NewCo,” and finally “Decade”—continually pitched to the Goodwins their vision to create a Black-led sports conglomerate, encompassing leading sports agencies from across the country with a stated goal to grow to a \$1 billion business that would include the Goodwin Entities.

50. From 2015 through March 2017, Defendants represented Stealth, NewCo, and Decade as well as Messrs. Aden and James. Defendant Mulrain continued to represent these clients after he left Gordon Rees from March 2017 through at least June 2017.

51. Unbeknownst to the Goodwins, Defendants' clients had no financial assets or investors to deliver on their intended purchase of the Goodwin Entities or their stated vision of creating a \$1 billion Black-owned sports conglomerate.

52. Unbeknownst to the Goodwins, Defendants' clients secretly leveraged their acquisition targets' receivables as collateral to secure third-party loans, misused substantial portions of those loan proceeds for personal enrichment, and repeatedly lied to third-party lenders and the principals of their acquired partners, including the Goodwins, about their financial misdeeds.

53. The Goodwins chose to pursue the opportunity with Messrs. Aden and James because of (1) Decade and its principals' stated vision; (2) Defendant Mulrain's personal assurances to Goodwin of Messrs. Aden and James's integrity and legitimacy; and (3) the Goodwins' lack of knowledge of Decade's plans to leverage the Goodwins' receivables to secure a loan for Decade to purchase the Goodwin Entities.

54. From 2015 through early February 2016, the Goodwins negotiated purchase terms with Defendants and their clients' successive entities: (1) Stealth SME, (2) NewCo, and then (3) Decade, as more fully described herein. Those negotiations between the parties resulted in respective written purchase terms, more fully described herein, as (1) the "Stealth SPA," (2) the "Executed NewCo LOI," and, finally, (3) the "Executed Decade LOI."

55. At all times relevant, Defendants, on behalf of their clients, were active participants in the negotiations and had full knowledge of the finalized terms the Goodwins had agreed to in the Stealth SPA, the Executed NewCo LOI, and the Executed Decade LOI.

56. At all times relevant, Defendants, on behalf of their clients, were active participants in the negotiations with attorneys for XXIII Capital, their clients' lender, for an alternative version of the purchase terms more fully described herein as the "Decade SPA."

57. At all times relevant, Defendants had knowledge that the Goodwins did not participate in the negotiations between Defendants and XXIII Capital's attorneys, did not ever receive any copies of drafts or the final execution copy of the Decade SPA prior to closing and would not have agreed to the Decade SPA terms.

A. The Stealth SPA

58. In March 2014, Stealth SME, LLC ("Stealth") was formed by Mr. Aden, Mr. James, and Harvey Newkirk and established its headquarters in New York City.

59. According to a Stealth press release, Mr. Aden announced that “Stealth will employ a growth strategy based on selective acquisitions across sports, media and entertainment; organic development; and cross-platform 360 offerings. Stealth prides itself on providing a comprehensive, personal service to our clients, maintaining a boutique agency feel.”

60. In relevant part, William Strickland, a widely respected veteran NBA agent who pioneered the industry for Black NBA agents, joined Stealth as a senior managing partner, and Life Sports Management, run by Todd Ramasar, joined Stealth as an acquisition company.

61. Brevet Capital Management, a New York-based private equity firm, funded Stealth at its inception and financed its acquisition of five sports agencies and Cenergy, a brand activation agency.

62. As part of its purported growth strategy, Stealth expressed interest to the Goodwins in purchasing the Goodwin Entities. Mr. Aden advised the Goodwins that Stealth viewed the Goodwin Entities as a premier, Black-owned agency that was tailor-made to blend into Stealth’s global objectives. Mr. Aden assured the Goodwins that he and his principals had both the experience and the financial resources to purchase the Goodwin Entities and to grow the proposed conglomerate.

63. During the Stealth negotiations, the parties were each represented by attorneys. The Goodwins were represented by Perkins Coie LLP. Stealth was represented by Mr. Newkirk, an attorney and Stealth principal.

64. During the negotiations, Goodwin, in relevant part, steadfastly made clear to Stealth that he would not agree to remit payments owed to Goodwin or the Goodwin Entities to a lockbox controlled by any third party.

65. On or about December 29, 2014, Defendant Mulrain and Goodwin discussed the opportunity with Stealth. At that time, Goodwin had known Defendant Mulrain for years since Defendant Mulrain had represented one of Goodwin's NBA clients and trusted Defendant Mulrain.

66. That same day, Defendant Mulrain sent a series of text messages to Goodwin stating, in part:

Mulrain: Great catching up with you AG. Hey man, for what it's worth, I really think a lot of Stealth.

...

Mulrain: Let me know what I can do to be helpful. I've known [Bill] Strickland for almost 15 y[ea]rs. Great dude. I've known [Todd] Ramasaar, Chris [Aden] and a bunch of the others for a minute. Good people over there.

...

Mulrain: But I'm confident everything will work out with Stealth.

67. Defendant Mulrain's reference to Mr. Strickland influenced Goodwin's acceptance of Defendant Mulrain's endorsement that he "really think[s] a lot of Stealth" and "Good people over there" because Goodwin had and has deep respect for Mr. Strickland, a venerable NBA agent.

68. During 2014 and early 2015, Stealth and the Goodwins, through their respective counsel, negotiated the terms of Stealth's prospective purchase of the Goodwin Entities culminating in a February 2015 draft share purchase agreement (the "Stealth SPA"), which Stealth was prepared to sign.

69. Under the Stealth SPA, the Goodwins would receive \$35 million for shares of the Goodwin Entities, retain various specified percentages of the Goodwin Entities' receivables going forward, and would each be paid a yearly salary and bonus.

70. The Stealth SPA also had two critical provisions required by the Goodwins and agreed to by Stealth: (1) a remedy provision (the “Section 10.4 Exclusive Remedy”) providing the Goodwins with reversion rights of their receivables; and (2) a no third-party beneficiaries clause (the “Section 12.2 No Third-Party Beneficiaries clause”).

71. The Section 10.4 Exclusive Remedy provided that, in the event Stealth failed to “make any payment when the same shall be due and payable pursuant to this Agreement” and failed to cure within seven days of the breach, then ownership of the Goodwin Entities’ rights under any NBA player contracts would revert to Goodwin.

72. With respect to the Section 12.2 No Third-Party Beneficiaries clause, Stealth understood that the provision was required by the Goodwins because (1) the collective bargaining agreement in place between the NBA Players’ Association and the NBA forbid the assignment of player contracts without a player’s express consent, and (2) third parties contacting players on behalf of agents regarding payments was viewed with deep distrust and suspicion by the players because of past misconduct by certain agents and financial professionals.

73. During the negotiations, Stealth concealed material facts from the Goodwins, including (1) its dire financial status whereby funds were being improperly diverted and agents, employees, and consultants were not getting paid; (2) a subsequent default on the loan from Brevet Capital; and (3) that Harvey Newkirk, its lawyer, and a Stealth principal, was engaged in criminal conduct and later arrested by federal law enforcement for orchestrating a fraud against lenders.

74. The U.S. Department of Justice, in a press release dated April 1, 2015, alleged that Mr. Newkirk “falsely promised lenders assets owned” by an executive “in order to mislead

lenders into believing that they would receive sufficient collateral for their loans.” In addition, Mr. Newkirk “attempted to hide from the Executive the existence of a lawsuit filed by one lender in which that lender sought to obtain the Executive’s assets that [Mr. Newkirk] had pledged to the lender without the Executive’s knowledge.”

75. Upon information and belief, Mr. Newkirk discontinued representing Stealth as transactional counsel at or around the time of his April 2015 arrest.

76. Upon information and belief, at around this time, in early 2015, an employee of Stealth Media House, a subsidiary of Stealth, also uncovered evidence that Stealth had been diverting funds of a Stealth Media House client to pay Stealth’s other debts.

77. In 2015, Gordon Rees was engaged to represent and provide legal advice to Stealth and Messrs. Aden and James regarding their proposed purchase of the Goodwin Entities and to replace Mr. Newkirk. Specifically, Mr. Aden selected and hired Defendant Mulrain at Gordon Rees.

78. Upon information and belief, Defendants were aware of (1) the negotiations between Stealth and the Goodwins including the Goodwins’ non-negotiable required provisions of reversion rights and no third-party beneficiaries; (2) the finalized terms of the Stealth SPA; (3) Stealth’s disastrous financial status; and (4) Mr. Newkirk’s criminal scheme against lenders.

B. The Executed NewCo LOI

79. After the Stealth SPA was agreed to in February 2015, the momentum to finalize the Stealth purchase of the Goodwin Entities stalled for almost six months.

80. In or around August 2015, Mr. Aden re-engaged with Goodwin regarding the prospective purchase agreement of the Goodwin Entities.

81. Goodwin reiterated to Mr. Aden that the terms of any new purchase deal would have to be consistent with the Stealth SPA terms, including the purchase price, the Goodwins' reversion rights, and the prohibition on third-party beneficiaries.

82. Upon information and belief, in August 2015, Defendants provided legal advice to Stealth regarding Stealth's renewed effort to purchase the Goodwin Entities and were aware of Goodwin's reiteration that the purchase must be consistent with the Stealth SPA terms.

83. On or about August 18, 2015, Defendant Mulrain texted Goodwin confirming that "I'm representing stealth and they are doing a deal with you."

84. Around that same time, Mr. Aden told Goodwin that the prospective purchaser entity would not be Stealth but rather a newly formed entity called NewCo Ventures, LLC ("NewCo") owned by Messrs. Aden and James without Mr. Newkirk.

85. On or about August 9, 2015, Goodwin forwarded an email to Mr. Aden reminding Mr. Aden that "[t]his was the final version that was signed," with the Stealth SPA attached.

86. On or about August 19, 2015, Goodwin sent a text message to Mr. Aden that the Goodwins were "not negotiating new terms" and that any purchase transaction would need to be "the same deal as we had before" with Stealth.

87. On August 21, 2015, NewCo, represented by Defendants, and the Goodwins executed a letter of intent and attached a summary of terms with respect to NewCo's purchase of the Goodwin Entities (the "Executed NewCo LOI").

88. Mr. James signed the Executed NewCo LOI on behalf of NewCo. Goodwin and Eric Goodwin signed the Executed NewCo LOI on behalf of GAME and GSM, respectively.

89. The Goodwins agreed to and accepted the terms of the Executed NewCo LOI because they were substantially similar to the terms set forth in the Stealth SPA, including the purchase price, the fee collection structure, and the prohibition of third-party beneficiaries.

90. Among the pertinent terms from the Executed NewCo LOI were for the establishment of Executive Employment Agreements for Goodwin and Eric Goodwin, Goodwin's continued sole control of the day-to-day operations, and the fee collection structure providing that all commissions and fees from player clients would be collected by the Goodwin Entities, who would then forward to NewCo an agreed-upon portion of such receivables.

91. Specifically, the fee collection structure, as set forth in the Executed NewCo LOI Post-Closing Operations, specified that "[a]ll commissions and/or fees will be billed and collected by, GSM and GAME, and forwarded to NewCo." This fee collection structure differs from the payment of receivables to a lender-controlled lockbox which requires fees and commissions owed to the Goodwins to be paid directly by players to a lender, a concept Goodwin expressly and repeatedly rejected in the Stealth negotiations.

92. The Executed NewCo LOI fee collection structure did not have any provision for payment of receivables owed to the Goodwins to be sent to a third-party lender or any assignment to a third-party lender, which the Goodwins would never have agreed to.

93. Upon information and belief, in September and October 2015, Defendants provided legal advice to NewCo and Messrs. Aden and James regarding the negotiation and finalization of the terms of the Executed NewCo LOI, the fee collection structure set forth therein, and their clients' options to finance the purchase of the Goodwin Entities.

C. Defendant Mulrain's Personal Assurances to Goodwin

94. The closing of the NewCo purchase of the Goodwin Entities pursuant to the Executed NewCo LOI terms likewise stalled, notwithstanding the newly Executed NewCo LOI, the prior Stealth SPA, and the extensive involvement of Defendants.

95. Unbeknownst to the Goodwins at around this time, Defendants and their clients began negotiating with XXIII Capital, a new third-party lender, with the intention to utilize the Goodwins' contract receivables as collateral to secure the XXIII Capital loan in direct conflict with the Goodwins' non-negotiable prohibition of third-party beneficiaries.

96. During this same time, Goodwin expressed doubt about NewCo and Messrs. Aden and James's legitimacy and their actual financial ability to purchase the Goodwin Entities. Goodwin specifically complained about the continued delays and general negative rumors to Defendant Mulrain.

97. In response, Defendant Mulrain personally vouched for his clients assuring Goodwin that his clients were honest and legitimate business partners. Defendant Mulrain also assured Goodwin that financing was forthcoming and that he would let Goodwin know if his own clients' proposed transaction was "nose diving."

98. On or about September 6, 2015, Goodwin and Defendant Mulrain exchanged a series of direct text messages, in part, as follows:

Goodwin: Been hearing from other people nothing but negative things All I am hearing from others is negative reports. The guys Rob [Ponger] is making them look pretty bad to the sports world.

Mulrain: Really? Wow. I'm going to talk to Chris [Aden].

Goodwin: Have you heard that things are still moving positive?

Mulrain: I know based on my recent discussions with Chris [Aden], he is really confident that financing is coming through another source. And Aaron, I gave

you my word that if I ever thought it was nose diving, I'm going to tell you (or insist that they tell you).

99. On or about September 22, 2015, Defendant Mulrain provided additional assurances to Goodwin that “the financiers are very serious” and that his clients “are in it.”

100. Upon information and belief, Stealth was on the verge of collapse at this time due to corporate malfeasance and improper diversion of funds. Defendant Mulrain did not disclose Stealth's financial distress to Goodwin despite his personal vouching and promise to advise Goodwin of any “nose diving.”

101. At all times relevant, Goodwin did not withdraw from the purchase transaction deal because he relied on Defendant Mulrain's personal assurances and Goodwin's misplaced trust in him.

D. The Executed Decade LOI

102. In early November 2015, Mr. Aden updated Goodwin that the purchase of the Goodwin Entities would proceed, but the purchasing entity would now be Decade. In text exchanges with Goodwin, Mr. Aden confirmed that the revisions to the Executed NewCo LOI were to simply replace the name of the purchasing entity. Mr. Aden also confirmed that he was discussing the Goodwins' concerns with Defendant Mulrain.

103. On or about November 3, 2015, Goodwin and Mr. Aden exchanged a series of direct text messages, in part, as follows:

Aden: You have [the Executed NewCo] LOI that is under the deal. Then there are the deal docs. There isn't anything further for us to provide.

Aden: I can have Tony [Mulrain] send a letter but if want that additional aspect.

Goodwin: The LOI is under Stealth Chris which is not happening. Means nothing at this point. I am just trying to convince everyone this is legit Chris. Tony [Mulrain] knows this

104. On November 4, 2015, Mr. Aden emailed Goodwin, copying Defendants Mulrain and Llorens and Mr. James, attaching an updated letter of intent, dated November 1, 2015, that was substantively identical to the Executed NewCo LOI except that it replaced NewCo with the new purchaser, Decade (the “Executed Decade LOI”).

105. Upon information and belief, Defendants provided legal advice to Decade regarding the negotiation and finalization of the terms of the Executed Decade LOI.

106. On November 9, 2015, Stealth President Rob Ponger unexpectedly announced his resignation, just three months after Stealth announced his hire. Stealth’s marketing director and their hockey agent each confirmed their departure from Stealth. A veteran NFL agent stated “[m]y consulting relationship with Stealth ended a few months ago when they stopped paying me” and that he would collaborate “with several former Stealth football agents who left the platform.” Liz Mullen, *Stealth SME President Rob Ponger, others depart the firm*, Sports Bus. J. (Nov. 9, 2015), <https://www.sportsbusinessjournal.com/Journal/Issues/2015/11/09/Labor-and-Agents/Labor-and-Agents.aspx>.

107. Following Stealth’s collapse, the purchase transaction yet again stalled.

108. Goodwin, however, again chose to continue to pursue the purchase because of Defendant Mulrain’s personal assurances and Goodwin’s trust in Defendant Mulrain.

109. In December 2015, Goodwin exchanged texts with Defendant Mulrain, asking if he thought that the Decade transaction was “serious.” Defendant Mulrain continued to provide assurances to Goodwin designed to keep Goodwin involved in the Decade transaction, noting that Defendant Mulrain thought it was “very serious” and that he did “think it’s [g]oing to close. I need it to close so I can get paid.”

110. In January 2016, Goodwin checked in with Mr. Aden and received additional assurances that Defendants and their clients were finalizing the purchase terms and that Decade had secured financing from XXIII Capital.

111. On or about January 11, 2016, Mr. Aden responded to a check-in from Goodwin, stating, “I am awaiting work back from Tony (Gordon & Rees) I expect Tony [Mulrain] to call me back later this afternoon.”

112. On or about January 13, 2016, Goodwin and Mr. Aden exchanged a series of direct text messages, in part, as follows:

Aden: Status: I got a final commitment and provided it to Tony [Mulrain] this morning for his review. . . . XIII wants everyone to come to NYC for the close so I need to schedule that.

. . .

Goodwin: Sounds great Chris! Eric and I are in NY tomorrow through Sunday AM. I’m hoping we can get it done while he in NY.

III. Decade’s Third-Party Lender XXIII Capital

113. At all times relevant, XXIII Capital was a London-based lender from which Decade sought financing for its prospective purchase of the Goodwin Entities.

114. Defendants, on behalf of Decade, negotiated with XXIII Capital and its attorneys for the terms of a loan by XXIII Capital to Decade for \$20 million to purchase the Goodwin Entities.

115. Defendants and their clients offered a security interest in the Goodwins’ contract receivables—which Decade did not then own—as collateral for the loan. The Goodwins were unaware of this offer, did not consent to any provision in which their receivables would serve as collateral, and would have never agreed to any such term.

116. Defendants and their clients knew that a security interest in the Goodwins' contract receivables would be in direct conflict with the purchase terms the Goodwins agreed to, which were set forth in the Stealth SPA and Executed Decade LOI, and that Goodwin had specifically and repeatedly rejected such terms.

117. Upon information and belief, the Decade principals had employed this same strategy for its prior acquisitions by Stealth: offering yet-to-be acquired receivables of target companies—without the target companies' knowledge—as collateral to secure loans.

118. Upon information and belief, Defendants knew that the Goodwins did not know that their receivables were being offered to secure a XXIII Capital loan to Decade to purchase the Goodwin Entities and that the Goodwins would not have consented to such a condition.

119. The Goodwins would have rejected any term offering their receivables as collateral to secure a loan to Decade because Decade would have received the sole benefit of the \$20 million loan proceeds and, in the event of default, the Goodwins would have borne all financial risk.

120. Starting in or around October 2015 through January 2016, Decade and XXIII Capital began negotiating a loan term sheet to finalize a \$20 million loan by XXIII Capital to Decade (the "Executed Loan Term Sheet").

121. Defendants, on behalf of Decade, also provided XXIII Capital and its attorneys drafts of (1) a share purchase agreement for the Goodwin Entities and (2) the post-acquisition employment agreements for Aaron Goodwin and Eric Goodwin.

122. In late January and early February 2016, XXIII Capital and Decade, through their attorneys, exchanged drafts and substantive edits to (1) the Executed Loan Term Sheet; (2) the

share purchase agreement for the Goodwin Entities; and (3) the Goodwins' employment agreement drafts.

123. On February 9, 2016, Defendant Mulrain emailed XXIII Capital's attorneys, attaching drafts of the Goodwins' employment agreements and noting that he had "accepted all of [XXIII Capital's] proposed changes."

124. Defendants, on behalf of their clients, ultimately accepted XXIII Capital's edits to the share purchase agreement without the Goodwins' knowledge or consent (hereinafter "Decade SPA").

125. Neither Defendants nor any other party shared these drafts or any edits whatsoever from XXIII Capital of the Decade SPA with the Goodwins.

126. Upon information and belief, Defendants and their clients did not share any drafts or substantive edits from XXIII Capital of the Decade SPA with the Goodwins because they knew that the Goodwins would reject such edits and that such edits directly conflicted with the Goodwins' non-negotiable terms.

127. Defendants never even sent the Goodwins the final copies of the transaction documents that were purportedly "executed" at an in-person closing in New York City, which the Goodwins did not attend and were not even invited to.

A. The XXIII Capital Executed Loan Term Sheet

128. The Executed Loan Term Sheet required, as "Salient Conditions," that the Goodwins be "expressly advised" of XXIII Capital's purported security interest in the Goodwin Entities and of other aspects of the financing arrangement, and that the Goodwins were to "acknowledge[]" that "anticipated payments per the proposed acquisition documents would breach" certain "covenants" between Decade and XXIII Capital.

129. Upon information and belief, Defendants received a copy of the Executed Loan Term Sheet and were aware that the Goodwins were to be expressly advised of XXIII Capital's purported security interest and that Defendants were to obtain the Goodwins' required acknowledgment.

130. Defendants never advised the Goodwins of XXII Capital's purported security interest and did not obtain any such acknowledgment from the Goodwins.

B. Defendants' Obligations to the Goodwins Under the Decade SPA

131. Among the pertinent Decade SPA provisions, Section 2.4 obligated Defendants to hold the Goodwins' signature pages in escrow until the closing. Specifically, Section 2.4 Contingent Consideration states "[u]ntil such time as all of the Acquisition Transactions are consummated, the signature pages for each transaction shall be held in escrow, by [XXIII Capital's attorneys] and by Gordon & Rees LLP, until such time as [Decade] determines that all of the Acquisition Transactions have consummated on the date of the Closing."

132. Among the pertinent Decade SPA provisions, Section 3.2 required Defendants to ensure the Goodwins duly and validly executed the Decade SPA. Specifically, Section 3.2 Authorization; Enforceability of the Decade SPA states, "[t]his Agreement has been duly and validly executed and delivered by such Seller, and assuming due authorization, execution and delivery by each other party hereto, constitutes the valid and legally binding obligations of such Seller"

133. During negotiations, Goodwin was repeatedly assured by Defendant Mulrain and others that Defendants would hold the Goodwins' signature pages in escrow until an in-person closing where counsel would ensure that the Goodwins' signature pages were affixed to the agreed-upon transactional documents.

134. Defendants did not hold the Goodwins' signature pages in escrow or ensure that the Goodwins duly and validly executed the Decade SPA. Upon information and belief, Defendants did not do so because they knew that the Goodwins had not received any copy of the Decade SPA prior to the closing and would have rejected the Decade SPA.

C. XXIII Capital's Edits to the Decade SPA

135. Unbeknownst to the Goodwins, Defendants and their clients accepted XXIII Capital's edits to the Decade SPA ("SPA Edits") after weeks of proposed revisions between Defendants and XXIII Capital's attorneys.

136. The key SPA Edits from XXIII Capital included:

- a. The removal of the Goodwins' rescission rights and the reversion of contract rights to Goodwin if Decade breached and
- b. The insertion of a provision recognizing XXIII Capital as a third-party beneficiary.

137. The Goodwins never saw or accepted the SPA Edits from XXIII Capital.

138. Upon information and belief, Defendants and their clients did not share either the Decade SPA or the SPA Edits with the Goodwins prior to the sham closing because they knew the Goodwins would not accept the Decade SPA with the SPA Edits, that XXIII Capital would not provide the loan to Decade without the Decade SPA with the SPA Edits, and that their clients desperately needed the XXIII Capital loan to continue their fraud and that Defendants would not receive lucrative attorneys' fees at the sham closing.

D. XXIII Capital's Edits to the Goodwins' Employment Agreements

139. As set forth in the Executed Decade LOI, the Goodwins agreed to sign agreements governing their prospective employment as Decade executives (the "Employment

Agreements”), an integral component of the Decade transaction, without which the purchase transaction would not have occurred.

140. Defendants and their clients also accepted XXIII Capital’s edits and revisions to the Employment Agreements.

141. Upon information and belief, Defendants and their clients knew that XXIII Capital would not extend the \$20 million loan to Decade without their edits and additions to the Employment Agreements.

IV. Defendants Continue to Assure the Goodwins

142. As described herein, Defendants and their clients proceeded to “close” the sale of the Goodwin Entities to Decade at an actual, in-person closing in New York City, without the Goodwins’ presence, knowingly affixing the Goodwins’ signature pages to alternative purchase transaction documents that Defendants and their clients knew the Goodwins did not agree to.

143. On or about February 2, 2016, Mr. Aden texted Goodwin, “[w]e are organizing the final run of the documents outstanding points tomorrow since everyone, including XXIII, are all here in NYC now.”

144. On or about February 4, 2016, Goodwin and Defendant Mulrain exchanged a series of text messages, in part, as follows:

Goodwin: So you think this deal is going to close? I have my brother on hold with a deal that could of [sic] closed last week and the dates keep changing. I don’t want to look bad if the other opportunity goes away. He would be very unhappy with me.

Mulrain: Brother this deal is absolutely going to close. There are basically no outstanding business issues that would prevent it from closing. There was a face to face earlier today in NY. . . . The other thing is that the lawyer whose [sic] on the other side is a brother I’ve known for 15 years. He’s not going to pull any BS. And Chris has know [sic] the business guy for 20 years. We are good. And I need it to close too. That’s how I get paid bruh.

Goodwin: Yes, my problem is I have another deal that WILL CLOSE and I asked the [sic] for a drop dead date or I had to move on and it was last week. Now they are saying Friday, now []Monday and you who I trust is saying Tuesday. I really can't hold my brother up that long

Mulrain: It's going to close Aaron. There's pretty much zero chance that it doesn't close. This will close. It was supposed to be tomorrow. . . . This WILL CLOSE. There's no business issues. Everything has been agreed to brother.

145. Upon information and belief, the statements by Defendant Mulrain, made on or about February 4, 2016, that there were “basically no outstanding business issues that would prevent it from closing,” that “[w]e are good,” and that “[e]verything has been agreed to brother” were knowingly false because Defendants and their clients knew that the Goodwins had never seen or agreed to the Decade SPA and knew the key terms the parties had agreed to in the Executed Decade LOI and Stealth SPA were in direct conflict with the Decade SPA as revised at the behest of XXIII Capital.

146. Upon information and belief, Defendant Mulrain's assurances were calculated to induce the Goodwins into signing signature pages to the Decade SPA and to confirm Mr. Aden's prior false representations to Goodwin, on November 3, 2015, that the Executed Decade LOI constituted the “deal docs,” that there “isn't anything further” for Aden and Defendant Mulrain to provide, and that a letter from Defendant Mulrain was not necessary.

147. In addition to the Decade SPA, the Employment Agreements with the Goodwins were also instrumental agreements to the deal. On February 9, 2016, Defendant Mulrain emailed the Goodwins the first drafts of the Employment Agreements, copying Messrs. Aden and James and Defendant Llorens, stating, “Aaron, [a]ttached please find the employment agreements for you and Eric. Please call me with any questions. Tony.”

148. Upon receipt, Goodwin immediately identified two provisions therein to Defendant Mulrain as inconsistent with the parties' agreement and entirely unacceptable:

(a) Section 27, which prescribed “Fee Tails” that would entitle Decade to certain fees owed to the Goodwins even in the event of Decade’s “material breach of this Agreement,” and

(b) Section 28, which provided for the assignment, release, and quitclaim to Decade of “all and any interest” that the Goodwins maintained in contracts with the Goodwins’ pre-existing clients and any payment owed to the Goodwins thereunder (together, “Sections 27 and 28”).

149. Thereafter, from February 9, 2016 through February 11, 2016, Goodwin repeatedly advised Messrs. Aden and James and Defendant Mulrain—via emails, text messages, and phone calls—that Sections 27 and 28 were unacceptable to the Goodwins and demanded that they be stricken from the Employment Agreements in their entirety.

150. For example, on February 9, 2016, Goodwin emailed Defendant Mulrain: “These are not the agreements I have agreed to. . . . I never signed a non compete or agreed to quite a few things in this agreement. I am under the impression that [XXIII Capital’s attorney] works for Twenty Three Capital, so not sure why he would be involved with an employment agreement with me.”

151. In his aforementioned statement to Mulrain “not sure why [XXIII Capital’s attorney] would be involved with an employment agreement with me,” Goodwin meant that he rejected any edits from XXIII Capital or its attorneys.

152. From February 10, 2016, through and including February 15, 2016, the Goodwins were in Toronto for the NBA All-Star Weekend.

153. On February 10, 2016, Goodwin emailed Defendant Mulrain, that, with respect to the Employment Agreements, he did not agree that Decade would be entitled to fees if the Goodwins separated from Decade and reiterated that the terms set forth in the Stealth SPA were the final, agreed upon terms.

154. Defendant Mulrain replied to Goodwin that, “I will discuss this with Chris [Aden]. But you should know that this is pretty much the form that Chris [Aden] uploaded in the Dropbox. I didn’t fool with non-competes or anything. All I did was alter the form to deal with the Assignment Concerns that 23 had. Just wanted you to know.”

155. Upon information and belief, Defendant Mulrain’s statement, “I didn’t fool with non-competes or anything,” was deceptive because he knew and accepted the changes that were being made to the Employment Agreements, even if the changes were not his, and because he knew the Goodwins never saw and would not have agreed to the Decade SPA.

156. Upon information and belief, Defendant Mulrain’s assurances were calculated to later induce the Goodwins into signing signature pages to the Decade SPA and to confirm his prior assurances on February 4, 2016 and Mr. Aden’s prior false representations to Goodwin on November 3, 2015 that the transactional terms had not changed.

157. Thereafter, Goodwin emailed Defendant Mulrain in response, “I believe it was an honest mistake,” because he believed Defendant Mulrain. Goodwin added, “These continued delays really are attacking my credibility and relationships.”

158. Upon information and belief, Defendant Mulrain and Mr. Aden discussed the sum and substance of Goodwins’ objections to the Employment Agreements around the same time.

159. On February 10, 2016, Goodwin texted Mr. Aden to confirm the sum and substance of the assurances he received from Mr. Aden and Defendant Mulrain, *i.e.*, that the agreed upon purchase terms remained the same as the Stealth SPA and Executed Decade LOI:

that all the documents, per our discussion remain the same, just the name change from Stealth to Decade. And there is no reason to reopen these discussion [sic]. This includes the previously negotiated purchase agreement, promissory note, executive employment agreement, nominee agreement, pledge agreement etc. [I]s this accurate?

160. On or about February 10, 2016, Mr. Aden confirmed, in a telephone call, to Goodwin that all the transactional documents remained the “exact same” as had been previously negotiated and agreed upon.

161. The following day, on February 11, 2016, Goodwin reiterated, via text messages, phone calls, and emails to Mr. Aden and Defendant Mulrain, that the Employment Agreements remained unacceptable to the Goodwins and that the Goodwins would not agree to the Employment Agreements unless Sections 27 and 28 were removed in their entirety.

162. Mr. Aden told Goodwin that Sections 27 and 28 would be deleted and that Defendant Llorens would make the changes.

163. Upon information and belief, Defendants provided legal advice to Mr. Aden regarding Goodwin’s objections to the Employment Agreements.

164. On the evening of February 11, 2016, Mr. Aden emailed Goodwin, copying Defendants Llorens and Mulrain, attaching what he characterized as “signature blocks” for various transactional documents with instructions to “[s]ign and scan back to me. Then Fed Ex the originals” to Defendant Llorens.

165. The “signature blocks” attachments referenced “Appendix A Share Purchase Agreement,” but the Decade SPA was not included as an attachment.

166. Afterwards, Mr. Aden emailed Goodwin a second time, copying Defendants Llorens and Mulrain, attaching additional blank signature blocks for what he characterized as “Asset Purchase and Employment Agreements” in connection with the Decade transaction and requested that the Goodwins “sign and scan this back also. You can place the originals with the other FedEx package your [sic] sending to Alonzo at Gordon & Rees.”

167. The attachments to Mr. Aden's email contained only the signature pages in connection with the Decade SPA and the entire Employment Agreements; however, the Decade SPA itself was not included as an attachment.

168. Late into the night of February 11, 2016, Goodwin sent a text message to Mr. Aden asking about the purchase price and noting that Goodwin only had the Executed NewCo LOI.

169. In response to Goodwin's text message, on February 12, 2016, Mr. Aden forwarded Goodwin an email that Mr. Aden had sent Goodwin on November 4, 2015, re-attaching the Executed Decade LOI dated November 1, 2015 (which was substantively identical to the Executed NewCo LOI) with the intention to deceive Goodwin about the revised terms set forth in the Decade SPA that Decade intended to close on with XXIII Capital, without the Goodwins' involvement or review.

170. Upon receipt of the aforementioned email from Aden, Goodwin reasonably believed that the transactional terms remained the same as those reflected in the Executed NewCo LOI and the Stealth SPA.

171. Upon information and belief, throughout February 2016, Defendants and their clients had numerous communications concerning the Goodwins' objections to the Employment Agreements and Mr. Aden's communications with Goodwin.

172. Upon information and belief, on or about February 11, 2016, Defendants discussed the Decade transaction, the Employment Agreements, attorney due diligence review, agency receivables, NBA player contracts, and irrevocable direction letters with their clients, Messrs. Aden and James.

173. Upon information and belief, Defendants were aware of Mr. Aden's intentional concealment of the Decade SPA and of Mr. Aden's re-forwarding his November 4, 2015 email to Goodwin to mislead Goodwin into believing the deal terms remained consistent with the Executed NewCo LOI and the Stealth SPA.

174. After reviewing the Employment Agreements with his brother Eric Goodwin, Goodwin edited the Employment Agreements and, in pertinent part, replaced the substance of Sections 27 and 28 with the terms that the Goodwins and Defendants' clients had agreed upon.

175. Goodwin and Eric Goodwin then faxed to Mr. Aden as a single transmittal the revised Employment Agreements (with Goodwin's initials indicated on any pages that contained his edits), along with the other signature pages, including the Decade SPA signature page that Defendants would later surreptitiously attach to the Decade SPA, unbeknownst to the Goodwins.

V. Defendants Swap the Goodwins' Signature Pages

176. As described herein, Defendants and their clients—knowing that the Goodwins would not accept XXIII Capital's version of the purchase transaction documents and that XXIII Capital would not provide the necessary \$20 million to Decade without XXIII Capital's edits and revisions to the purchase transaction documents—purposefully lifted the Goodwins' faxed signature pages from the version of transaction documents the Goodwins agreed to, fraudulently affixed those faxed signature pages to the XXIII Capital alternative version, and "closed" on the purchase in New York City without the Goodwins present.

177. On February 12, 2016, at approximately 12:38 pm ET, Goodwin faxed a 43-page transmittal to Mr. Aden, comprised of (1) the signed Aaron Goodwin Employment Agreement revised by the Goodwins (fax pages 2-17); (2) the signed Eric Goodwin Employment Agreement

revised by the Goodwins (fax pages 18-32); and (3) the signature blocks for the Asset Purchase and Employment Agreements (fax pages 33-39) (collectively, the “Fax Transmittal).

178. The versions of the Goodwins’ Employment Agreement in the Fax Transmittal omitted Sections 27 and 28, with Goodwin’s initials, “AG,” on the bottom-right-hand corner of the first page of the Employment Agreements and on each page that contained revisions.

179. The Goodwins signed the signature blocks (fax pages 33-39) in the Fax Transmittal because Mr. Aden and Defendant Mulrain had repeatedly assured him, via email and phone calls, that (1) the deal terms remained the same as those reflected in the Executed Decade LOI and Stealth SPA, and (2) the Goodwins’ signature pages would be held in escrow by Gordon Rees until such time as an in-person closing was held.

180. Neither Defendants, their clients, nor the XXIII Capital team informed or invited the Goodwins to the Decade closing scheduled to take place in New York City. Upon information and belief, Defendants and Decade did not invite the Goodwins because they knew the Goodwins had not seen or agreed to the terms set forth in the Decade SPA or the alternative version of the Employment Agreements edited by XXIII Capital.

181. Minutes after receiving the Fax Transmittal, Mr. Aden emailed Defendants an attachment titled “Goodwin Pages – Scan 2-print.pdf” which was the signed, revised Eric Goodwin Employment Agreement, *i.e.*, pages 18-32 of the Fax Transmittal, bearing Goodwin’s edits and initials.

182. A moment later, Mr. Aden emailed Defendants a second attachment titled “Goodwin Pages – Scan 3-print.pdf” which was the revised signed Aaron Goodwin Employment Agreements, *i.e.*, pages 2-17 of the Fax Transmittal, bearing Goodwin’s edits and initials.

183. Upon information and belief, Mr. Aden separately emailed Defendants a third attachment containing the signature blocks signed by the Goodwins for the Decade SPA and Employment Agreements, *i.e.*, pages 33-39 of the Fax Transmittal. In relevant part, Page 33 of the Fax Transmittal was the Goodwins' signed signature page to the Decade SPA.

184. Upon information and belief, on or about February 12, 2016, Defendants lifted the Goodwins' signature pages off the Employment Agreements from the Fax Transmittal and attached them to the version of the Employment Agreements with XXIII Capital's edits, to which the Goodwins had expressly and repeatedly objected and to which they never agreed.

185. The Goodwins did not agree or authorize Defendants to affix their respective signature pages to the version of Employment Agreements with XXIII Capital's edits.

186. Upon information and belief, on or about February 12, 2016, Defendants also lifted the Goodwins' signature page for the Share Purchase Agreement, *i.e.*, page 33 of the Fax Transmittal, and affixed it to the Decade SPA, which neither Defendants nor their clients ever provided to the Goodwins because the Decade SPA contained terms that, as Defendants and their clients were aware, the Goodwins never would have agreed to.

187. The Goodwins did not agree or authorize Defendants to affix their signature page to the Decade SPA, which they had never seen or agreed to.

188. Upon information and belief, Defendant Llorens scanned or caused to be scanned the following transactional documents:

- a. At 2:17 p.m. ET, the "Execution Copy" of the Decade SPA with the Goodwins' signature page from page 33 of the Fax Transmittal.
- b. At 2:20 p.m. ET, the "Execution Copy" of Eric Goodwin Employment Agreement with Eric Goodwin's signature page from page 37 of the Fax Transmittal.

- c. At 2:27 p.m. ET, the “Execution Copy” of the Aaron Goodwin Employment Agreement with Aaron Goodwin’s signature page from page 34 of the Fax Transmittal.

189. On February 12, 2016, just hours after receiving the Goodwins’ signature pages, Defendant Llorens sent an email falsely representing to XXIII Capital and its counsel that the Goodwins’ various signature pages from the Fax Transmittal “correspond[]” with: (1) versions of the Employment Agreements and (2) the Decade SPA, as revised by XXIII Capital and not agreed to by the Goodwins.

190. None of the Defendants met their promises to the Goodwins or at least their contractual obligations set forth in the Decade SPA, including to hold the Goodwins’ signature pages in escrow until an in-person closing or to ensure that the Goodwins duly and validly executed the Decade SPA. Upon information and belief, Defendants did not do so because they knew the Goodwins would have rejected the Decade SPA and XXIII Capital would not have closed on the \$20 million loan to Decade.

191. Upon information and belief, Defendants knew that the Goodwins never authorized or agreed to any further revisions to the Employment Agreements following the Fax Transmittal and that the Goodwins never saw or agreed to the SPA Edits or the Decade SPA.

VI. The Sham Closing in New York City Without the Goodwins

192. As described herein, Defendants and their clients proceeded to “close” the sale of the Goodwin Entities to Decade—without the Goodwins—knowingly utilizing alternative purchase transaction documents that the Goodwins never saw and never agreed to, with the Goodwins’ signature pages fraudulently affixed, in direct violation of Defendants’ contractual obligations set forth in the Decade SPA as well as their verbal promises to the Goodwins.

193. On President's Day, Monday, February 15, 2016, Goodwin and Mr. Aden exchanged a series of text messages, in part, as follows:

- a. **Goodwin:** So is everything still good? No changes over the weekend?
- b. **Aden:** No changes.
- c. **Aden:** Quiet because of the holiday.

194. Upon information and belief, in mid-February 2016, Defendants and their clients discussed the transmission of receivables from players, knowing that the Goodwins were unaware of the Decade SPA or the lockbox provision therein.

195. In mid-February 2016, Messrs. Aden and James also confirmed via phone calls with Goodwin that his revisions to the Employment Agreements made from his hotel room in Toronto during the 2016 All-Star weekend were accepted.

196. On or about February 23, 2016, Mr. James texted Goodwin, "XXIII accepted all the changes."

197. Between February 12 and 22, 2016, Defendants and others attended two in-person closings (the "Closings") in connection with the Decade transaction:

- a. The first was held at the Gordon Rees office in New York, New York; and
- b. The second was held at the Gordon Rees office in Florham Park, New Jersey.

198. Defendants Mulrain and Llorens, with their clients and XXIII Capital representatives and their counsel, attended the Closings.

199. The Goodwins were not invited by Defendants or their clients and did not attend either of the Closings.

200. The Decade SPA required "on or prior to" the Closings, the execution copies of the Decade purchase transaction documents were to be delivered to the Goodwins. Pursuant to

the “Closing Checklist,” Defendants were the “Responsible Party” for all of the “Goodwin Acquisition” documents. And Defendant Mulrain and others assured Goodwin that Defendants would hold the Goodwin’s signature pages in escrow until an in-person closing where counsel would ensure that the Goodwins’ signature pages were affixed to the agreed-upon transactional documents.

201. Neither Defendants nor any other person delivered to the Goodwins fully executed versions of any of the transaction documents, including the Decade SPA and the Employment Agreements, on or before the Closings.

VII. Defendants Conceal Their Involvement from the Goodwins

202. On April 20, 2016, a paralegal for Gordon Rees emailed Mr. Aden the alternative Aaron Goodwin Employment Agreement that had Goodwin’s faxed signature page fraudulently affixed and had been counter-signed by Decade for use at the sham Decade closing. Mr. Aden then forwarded the email from the Gordon Rees paralegal to Goodwin.

203. Goodwin promptly notified Decade and its principals and Defendant Mulrain—via phone calls and text messages—that the attachment to Mr. Aden’s April 20, 2016 email reflected a purported employment agreement that was “either fraudulent or incorrect.”

204. Defendant Mulrain advised Goodwin via phone call that he was “upset” about the “discrepancy” and would talk with Decade to ascertain what had happened.

205. On or about May 4, 2016, Defendant Mulrain and Goodwin exchanged a series of text messages, in part, as follows:

Mulrain: I’m sitting here talking with Chris [Aden]. My man I didn’t make a change to your agreement. I don’t roll like that and even if I did, I would never do something like that to you.

Goodwin: TM I KNOW you didn’t and wouldn’t do anything like that. I believe an OLD document was incorporated with a newer version at some point BEFORE

you ever got involved It's not a big deal, you guys are my partners, we will figure it out[.] Plus, you KNOW you are my guy!!

206. At the time, Goodwin understood Defendant Mulrain to signify that neither he nor any other Defendant had a role in, or knowledge of, how Goodwin's signature page was improperly affixed to the alternative Employment Agreement, that it was an isolated mistake that would be promptly corrected, and that there were no other "mistakes."

207. Upon information and belief, Defendant Mulrain sought to give Goodwin the false impression that he and the other Defendants had no role in the fraudulent bait-and-switch scheme.

208. Unbeknownst to the Goodwins, in or around May 2016, Defendant Mulrain as well as Gordon Rees General Counsel, Tom Quinn, preformed an internal "inquiry" at Gordon Rees.

209. Defendants did not speak with either Goodwin or Eric Goodwin during their internal "inquiry" or relay the existence or the conclusions of the "inquiry" to the Goodwins.

210. Defendants did not take any corrective action, as required under their ethical duties or consistent with Defendant Mulrain's assurances to Goodwin, with respect to the sham Decade closing after the internal "inquiry."

211. On information and belief, Defendants concealed the internal inquiry and findings from the Goodwins to ensure the Goodwins' continued performance on the Decade SPA (including by continuing to make payments to Decade) and to prevent the Goodwins' from discovering that Defendants had played an indispensable and substantial role in the fraudulent scheme.

VIII. The Goodwins Perform on Prior Agreed Upon Terms

212. Starting in April 2016, the Goodwins performed in good faith on the terms that the Goodwins had agreed and understood were their contractual obligations set forth in the Stealth SPA and the Executed Decade LOI notwithstanding the lack of receipt of the “execution” copies of the Decade transactional documents,

213. From April 8, 2016 through and including May 1, 2017, Goodwin transferred over \$1.7 million to Decade in the manner and amount requested by Decade and, in actuality, overpaid the portion of receivables owed to Decade under the Stealth SPA and Executed Decade LOI.

214. Neither Defendants nor their clients objected to Goodwin’s payments or advised him of any purported violation of any contractual terms, including any purported requirement that players direct payment to a lockbox account.

215. Decade, on the other hand, failed to pay approximately over \$25 million owed to the Goodwins for the purchase of the Goodwin Entities’ shares.

216. Unbeknownst to the Goodwins, the loan agreement entered into between and among Decade and XXIII Capital to finance the Decade transaction anticipated that Goodwin would remit payments under the SPA to a lockbox controlled by XXIII Capital in direct conflict with the express terms the Goodwins had agreed to, including the Executed Decade LOI Post-Closing Operations provision that “all commissions and/or fees will be billed and collected by, GSM and GAME, and forwarded to Decade.”

217. Throughout the spring of 2016, XXIII Capital’s principals and its lawyers had extensive discussions with Defendants and their clients—in person at offices in New York City,

via phone, and via email—concerning the establishment of lockbox accounts to be controlled by XXIII Capital.

218. Goodwin was never invited to the New York meetings or aware of any discussions concerning the establishment of lockbox accounts to be controlled by XXIII Capital.

219. On information and belief, Defendants knew that Goodwin was unaware of any requirement that he remit payments under the Decade SPA to a lockbox controlled by XXIII Capital.

220. Goodwin did not remit any payments to any lockbox controlled by XXIII Capital because he was unaware of the terms of the Decade SPA and did not yet have any “executed” copies of the transactional documents.

221. In late November 2016, a representative of an investor of XXIII Capital called Goodwin directly to demand what the investor characterized as overdue payments to the lockbox accounts established to facilitate transfers of receivables owed to Goodwin and/or the Goodwin Entities.

222. Goodwin advised the XXIII Capital investor that he had been meeting his contractual obligations and making all required payments to Decade.

223. Afterwards, Goodwin called Mr. Aden to discuss the XXIII Capital investor call, and Mr. Aden told him “don’t pay it any attention.” On or about December 1, 2016, Mr. Aden texted Goodwin to “Ignore all of the XXIII bullshit.”

224. In response, Goodwin demanded that Mr. Aden send him the purported execution copies of the transactional documents. On or about December 1, 2016, Goodwin received—for the first time—the Decade SPA and the Employment Agreements with the Goodwins’ faxed signature pages fraudulently affixed.

225. Upon review, Goodwin promptly notified Messrs. Aden and James that the transactional documents were fraudulent but, at that time, Goodwin did not know of Defendants' substantial role in their clients' fraud.

226. Meanwhile, "Decade gave false and misleading explanations [to XXIII Capital] of why funds were not being deposited into the Lockbox, often assuring XXIII that funds would be" forthcoming, as XXIII Capital itself alleged in a civil lawsuit filed on September 12, 2017, in the U.S. District Court for the Southern District of New York.

227. On information and belief, Defendants concealed from Goodwin the establishment of lockbox accounts to be controlled by XXIII Capital, both (1) to prevent Goodwin from discovering their role in affixing the Goodwins' signature pages to the alternative purchase terms that the Goodwins never saw and would have rejected and (2) to further benefit from Goodwin's continued cash transfers to Decade for more than one year after the Closings.

IX. The Unauthorized Delivery of Direction Letters to the Goodwins' Clients

228. As a direct result of the fraudulent conduct and efforts to conceal the same by Defendants and their clients, XXIII Capital sent irrevocable direction letters ("IDLs") that substantially interfered with and severely damaged the Goodwins' relationships with their clients, recruits, and corporate endorsement partners.

229. Upon information and belief, Defendants and their clients knew that XXIII Capital would improperly rely on the Decade SPA, which Defendants and their clients knew was fraudulently executed, including to enforce their contractual rights against the Goodwins in court.

230. Upon information and belief, Defendants and their clients knew that the Goodwins were unaware of their purported contractual obligations under the Decade SPA and

instead were performing on the previously agreed-upon terms that Defendants and their counsel repeatedly assured the Goodwins reflected the final deal terms.

231. During the spring and summer of 2016, XXIII Capital's principals and Defendants coordinated in the preparation and delivery of IDLs addressed to several of the Goodwins' clients, recruits, and corporate endorsement partners.

232. The IDLs purported to irrevocably direct the recipients to remit any payments owed to the Goodwins directly to XXIII Capital.

233. The IDLs represented that the Goodwins had assigned to a third party, XXIII Capital, their contractual interest in any fees the Goodwins were owed under player-agent and endorsement contracts.

234. Upon information and belief, Defendants knew that the IDLs were false.

235. On or about May 27, 2016, Decade sent IDLs to various NBA player clients of the Goodwins and certain corporate sponsors, instructing them to "make all commission payment amounts to [Decade] . . . to [Decade's] bank account." The May 27, 2016 IDLs stated that Decade had granted "a lien and security interest in our right to commission payments" to XXIII Capital.

236. On or about March 29, 2017, XXIII Capital sent a second set of IDLs to NBA clients of the Goodwins and certain corporate sponsors informing them that payments "should now be made to [XXIII Capital] directly" and any direct payments to the Goodwins would result in "DOUBLE LIABILITY."

237. Upon information and belief, Defendants took no actions whatsoever to correct, prevent, or stop the transmission of the IDLs and concealed from the Goodwins their role in drafting and sending IDLs out.

238. Upon information and belief, Defendants knew such IDLs would substantially harm the Goodwins' sterling business reputation amongst their clients, other NBA players, recruits, and corporate sponsor partners.

239. Upon information and belief, the recipients of the IDLs shared copies with other professional athletes, recruits, and other corporate sponsor partners.

240. Several NBA players, college recruits, and corporate sponsor partners advised the Goodwins that they reviewed the IDLs, and that the IDLs raised serious questions about the Goodwins' business practices, reputation, and integrity.

241. Upon information and belief, the Goodwins' NBA agent competitors referenced the IDLs in discussions with the Goodwins' potential recruits and corporate sponsor partners to damage the Goodwins' reputation.

242. From 2017 through and including 2021, the IDLs directly caused reputational and business harm to the Goodwins thereby denying and impeding their access to the NBA's top recruits, including several recruits with whom the Goodwins had cultivated important relationships prior to the transmittal of the IDLs.

243. The Goodwins' recruitment during the period 2017-2021 contrasted sharply with the Goodwins' prior track record: on average, the Goodwins added one new first-round NBA draft pick to their client roster every year from 2003 through and including 2016.

244. Goodwin did not sign a first-round NBA draft pick from the transmittal of the IDLs until the 2019 NBA Draft.

245. On December 7, 2016, and unbeknownst to the Goodwins at the time, XXIII Capital sent a default notice to Defendants, asserting that Decade had defaulted on its loan obligation.

246. Upon information and belief, during the fall of 2016, Defendants and their clients were in discussions with Arena Investors to replace XXIII Capital as their lender using the Goodwins' contract receivables as collateral, again unbeknownst to the Goodwins.

247. On or about February 19, 2017, Goodwin met an Arena Investor executive in New Orleans during the 2017 NBA All-Star Weekend and confirmed the executive's belief that Goodwin did not and would not consent to allowing Decade to utilize his contract receivables as collateral for a loan to Decade.

248. On February 21, 2017, Defendant Mulrain emailed an attorney for Goodwin, stating that Gordon Rees "is outside general counsel to Decade" and that their respective clients "hit a bit of a 'speed bump' over the weekend that is having a significant impact on Decade's ability to close its refinancing with Arena."

249. On or about March 21, 2017, XXIII Capital sent Decade and Defendants a second default letter, accelerated the terms of the loan, and demanded a full repayment of \$20,703,475 for the loan.

250. On or about March 24, 2017, Defendant Mulrain left Gordon Rees and joined Mintz Levin, as a member in the New York City office where, upon information and belief, Defendant Mulrain continued to represent Decade through at least July 2017.

X. Decade's Fraud Unravels

251. In the fall of 2017, XXIII Capital inspected Decade's financial records and uncovered corporate malfeasance and improper diversion of Decade funds for personal expenses and for unidentifiable entities with no discernable business purpose.

252. On September 12, 2017, XXIII Capital filed a civil lawsuit against Decade, its principals, and the Goodwins accusing the Goodwins, in pertinent part, of fraud. In July 2018,

Decade filed for Chapter 7 bankruptcy, and the XXIII Capital lawsuit was stayed. On January 23, 2019, David W. Carickhoff, in his capacity as chapter 7 trustee (the “Trustee”) for the estates of the Debtors filed a complaint in the Bankruptcy Court in Delaware against the Goodwins seeking a declaratory judgment that the Decade SPA is valid and enforceable.

253. The fraud accusations by XXIII Capital and the Trustee’s pursuit of a declaratory judgment against the Goodwins were a direct result of the Decade fraudulent scheme and Defendants’ participation therein, which caused severe reputational harm to the Goodwins among their clients, NBA players, recruits, and corporate sponsor partners.

A. XXIII Capital Lawsuit in Federal Court in New York

254. On September 12, 2017, XXIII Capital filed suit in the U.S. District Court for the Southern District of New York (the “SDNY Court”) against Decade, Aden, James, and the Goodwins in connection with the Decade transaction (the “SDNY Litigation”). (*XXIII Capital Limited v. Decade, S.A.C., LLC, et al.*, No. 1:17-cv-06910-GHW, Dkt. No. 1.)

255. XXIII Capital alleged that Decade engaged in “malfeasance, in gross violation of its contractual obligations,” including by soliciting additional loans from unspecified lenders, receiving clandestine payments into Decade’s bank accounts, making disbursements to unnamed or unfamiliar entities for no discernible business purpose, and making excessive disbursements to Decade principals for “professional services.”

256. XXIII Capital’s claims for breach of contract and equitable relief were predicated on the validity and enforceability of the Decade SPA, to which Defendants fraudulently affixed the Goodwins’ signature pages and which the Goodwins did not see until more than nine months after the sham Decade closing.

257. On October 20, 2017, the Goodwins answered and asserted cross-claims against Decade and Messrs. Aden and James which, at bottom, centered on the invalidity of the Decade SPA. At the time the Goodwins filed their crossclaims and counterclaims, the role of Defendants in conspiring with and aiding their client Decade was not known or knowable to the Goodwins.

258. On or about February 15, 2018, Goodwin reached out to Defendant Mulrain via text, not knowing of the substantial role Defendants played in the fraudulent scheme. He and Defendant Mulrain exchanged a series of texts, in part, as follows:

Mulrain: Well brother, [I] don't participate in scams. Anyone who knows anything about me knows that.

Goodwin: I know you and I know that Tony. I believe you was [sic] snowed just as we were.

259. Goodwin continued to believe that Defendants had no role in the Decade fraudulent scheme based, in part, on Defendant Mulrain's assurance that he did not "participate in scams."

B. The Trustee's Lawsuit in Delaware Bankruptcy Court

260. On January 23, 2019, the Trustee filed a complaint in the Bankruptcy Court against the Goodwins. The Trustee sought a judicial declaration that the Decade transaction was validly consummated pursuant to the Decade SPA and that Decade S.A.C. Contracts, LLC was therefore the rightful owner of all shares in the Goodwin Entities.

261. On February 25, 2019, the Goodwins answered and asserted various counterclaims which, at bottom, again centered on invalidity of the Decade SPA. At the time the Goodwins filed their counterclaims, the role of Defendants in conspiring with and aiding their client Decade was not known or knowable to the Goodwins.

262. On September 9, 2019, supplemental discovery that had been initially withheld under attorney-client privilege was produced in the bankruptcy proceeding, including the aforementioned Fax Transmittal and Defendants' transmission of the alternative transactional documents with the Goodwins' faxed signature pages improperly affixed to XXIII Capital's attorneys. This discovery revealed for the first time the incriminating knowledge and substantial role of Defendants in conspiring and assisting their clients' fraudulent scheme.

263. This supplemental discovery was produced after the fact discovery deadline and after the Trustee had filed a motion for summary judgment.

264. Through this supplemental discovery, the Goodwins learned that Aden sent the entire Fax Transmittal to Defendants, and it was Defendants who had surreptitiously affixed their signature pages to the Decade SPA unseen by the Goodwins and the alternative Employment Agreements whose terms were expressly rejected by the Goodwins.

265. The Bankruptcy Court conducted a trial in October and November 2021. The Goodwins and Defendant Mulrain each testified. The court described Aaron Goodwin as a "completely credible, detailed, and reliable witness" and "completely honest and persuasive on all points." The court described Defendant Mulrain as "vague and evasive." *In re Decade, S.A.C., LLC*, 635 B.R. 735, 760 (Bankr. D. Del. 2021).

266. After Defendant Mulrain's testimony, Defendant Llorens "refused to testify" when called as a rebuttal witness by the Goodwins and his "selective absence," led the court to draw a negative inference against him. *Id.* at 760, 763.

267. In a 72-page findings of fact and conclusions of law, the Bankruptcy Court found "in favor of the Goodwins on their counterclaims for fraud in the execution, fraudulent

misrepresentation, and fraudulent inducement; and against the Trustee on his claims for declaratory judgment.” *Id.* at 775 (citations omitted).

268. The Bankruptcy Court also found, in pertinent part, that Decade, through Defendants, “fraudulently appended [the Goodwins’ signed signature blocks] to transactional documents containing terms which the Goodwins consistently objected.” *Id.* at 761.

XI. Damages to the Goodwins

269. From 2000 through 2015, the Goodwins signed 16 first round picks, including the number one overall pick in 2003, LeBron James, and in 2004, Dwight Howard.

270. From 2017 through 2021, the aforementioned Decade fraud and ensuing two lawsuits caused substantial economic and reputational harm to Aaron Goodwin and to Eric Goodwin and diminished their access and ability to attract and sign top athletes, thereby causing substantial lost profits to the Goodwins.

271. From 2017 through 2021, the aforementioned Decade fraud and ensuing two lawsuits caused substantial economic and reputational harm to Aaron Goodwin and to Eric Goodwin; namely, it harmed their reputation with corporate sponsors and impeded their ability to obtain lucrative endorsement deals for their clients, causing substantial lost profits to the Goodwins.

272. Decade and the Trustee’s public, unfounded allegations—proven flat wrong by a federal bankruptcy judge—caused reputation harm.

273. From 2016 through present, various top recruits who either read or heard of the IDLs and the lawsuits against the Goodwins chose not to meet or sign with Goodwin. Several of those players were drafted in the first round of the NBA draft and have since earned hundreds of millions in player contracts and endorsements.

274. Agents generate commissions through their player contracts and endorsement agreements. Goodwin typically earns 4% of player contracts and earns 15-20% of player endorsement deals, and Eric Goodwin typically receives a percentage of Goodwin's commissions.

275. Goodwin did not sign a first-round NBA draft pick from 2017 through 2020 because of Defendants' substantial role in their clients' fraudulent scheme.

276. But for the Decade fraud perpetrated by Defendants and their clients, the sham Decade transaction would not have closed, XXIII Capital would not have sent out the IDLs, and XXIII Capital and the Trustee would not have sued the Goodwins.

277. But for the Decade fraud perpetrated by Defendants and their clients, the Goodwins' sterling reputation amongst their clients, NBA players, recruits and corporate sponsors would not have been damaged and the Goodwins' ability to attract and sign NBA first-round draft picks would not have been severely weakened.

FIRST CAUSE OF ACTION
(Fraudulent Inducement)

278. The Goodwins repeat and reallege each of the allegations of the preceding paragraphs as if fully set forth at length herein.

279. A defendant is liable for fraudulent inducement where the following elements are met: (1) misrepresentation (false representation, concealment, or nondisclosure); (2) knowledge or falsity, *i.e.*, scienter; (3) intent to defraud, *i.e.*, to induce reliance; (4) justifiable reliance; and (5) resulting damage.

280. Each of the elements set forth in the preceding paragraph is met as to Defendants.

281. As described herein, Defendants made multiple material misrepresentations to induce the Goodwins' participation in the Decade transaction.

282. Among other material misrepresentations, Defendant Mulrain (a) repeatedly represented to Goodwin that Messrs. Aden and James were honest and legitimate business partners; (b) represented that there were no business issues that would prevent the Decade transaction from closing despite knowing that the Goodwins had not been provided with deal documents that contained provisions Defendants knew the Goodwins would not agree to; (c) concealed from the Goodwins the terms of the proposed financing arrangement agreed upon by Decade and XXIII Capital; (d) concealed from the Goodwins the SPA Edits demanded by XXIII Capital; (e) upon Goodwin's specific inquiry regarding his discovery of the unauthorized insertion of Sections 27 and 28 to the Employment Agreements, falsely represented to Goodwin that he "didn't make a change to your agreement;" and (f) concealed the existence and conclusions of the Gordon Rees internal inquiry.

283. Among other material misrepresentations, Defendant Llorens falsely represented to XXIII Capital and its counsel that the Goodwins' signature pages from the Fax Transmittal

“correspond[]” with versions of the Employment Agreements that *included* Sections 27 and 28, despite Goodwin’s consistent objection to those provisions and Goodwin’s striking of those very provisions from the Employment Agreements that accompanied the signature pages in the Fax Transmittal.

284. Defendants acted with scienter as to each of the misrepresentations and concealments identified herein.

285. Defendant Mulrain was aware of Messrs. Aden and James’s prior fraudulent conduct, including, without limitation, Stealth’s default on a \$10 million loan extended by Brevet.

286. Defendant Mulrain was aware of Harvey Newkirk’s criminal conduct and fraudulent scheme to defraud lenders by falsely representing the ability to secure the loans with others’ collateral without knowledge or consent.

287. Instead of disclosing that and other red flags to Goodwin, with whom he had a longtime relationship, Defendant Mulrain induced the Goodwins’ participation in the Decade transaction by vouching for Messrs. Aden and James’s character and reputation.

288. Defendants were aware of the SPA Edits, having been copied on numerous email communications, in late January and early February 2016, with XXIII Capital and its attorneys.

289. Defendants were aware that the Goodwins had sought to confirm on multiple occasions—and ultimately received confirmation from Mr. Aden—that the terms of the Decade SPA remained the same as those agreed to by the parties pursuant to the Executed Decade LOI, the Executed NewCo LOI, and the Stealth SPA.

290. Having participated firsthand in the negotiations concerning the Decade SPA and related transactional documents, Defendants were aware that the Goodwins were specifically opposed to the SPA Edits proposed by XXIII Capital.

291. Having participated firsthand in the negotiations concerning the Decade SPA and related transactional documents, Defendants were aware that the Goodwins were specifically opposed to Sections 27 and 28 in the Employment Agreements and had stricken Sections 27 and 28 from the Fax Transmittal.

292. Defendants intended to induce the Goodwins' reliance on the misrepresentations and concealments identified herein because, among other things, Defendants (a) believed that XXIII Capital would not close on the Decade transaction—and hence Defendants would not be paid—without incorporating the SPA Edits and Sections 27 and 28 of the Employment Agreements, yet (b) recognized that the Goodwins would not agree to transactional terms that included the SPA Edits and Sections 27 and 28 of the Employment Agreements.

293. The Goodwins justifiably relied on Defendants' representations because of, among other things, Goodwin's prior relationship with Defendant Mulrain (which long predated the Decade transaction), Defendant Mulrain's express verbal and written assurances to Goodwin, and Defendants Mulrain and Llorens's status as partners at a national law firm.

294. Defendants' misrepresentations and concealments resulted in substantial damage to the Goodwins.

295. But for the tortious conduct alleged herein, the Goodwins would have pursued and consummated a lucrative combination proposed by other alternative agencies.

296. Additionally, but for the tortious conduct alleged herein, Goodwin would have retained his existing clients as of 2017.

297. Additionally, but for the tortious conduct alleged herein, Goodwin would have expanded his client roster consistent with his historical track record.

SECOND CAUSE OF ACTION
(Fraudulent Misrepresentation)

298. The Goodwins repeat and reallege each of the allegations of the preceding paragraphs as if fully set forth at length herein.

299. A defendant is liable for fraudulent misrepresentation where the following elements are met: (1) the defendant misrepresents or omits material facts; (2) with knowledge of the falsity of the representations or omissions; (3) with intent to defraud or induce reliance; (4) which induces justifiable reliance by the plaintiff; (5) to his or her detriment.

300. Each of the elements set forth in the preceding paragraph is met as to Defendants.

301. As described herein, Defendants made multiple material misrepresentations in connection with the Decade transaction.

302. Among other misrepresentations of material facts, Defendant Mulrain (a) repeatedly represented to Goodwin that Messrs. Aden and James were honest and legitimate business partners; (b) represented that there were no business issues that would prevent the Decade transaction from closing despite knowing that the Goodwins had not been provided with deal documents that contained provisions Defendants knew the Goodwins would not agree to; and (c) upon Goodwin's specific inquiry regarding his discovery of the unauthorized insertion of Sections 27 and 28 to the Employment Agreements, falsely represented to Goodwin that Defendant Mulrain "didn't make a change to your agreement."

303. Among other misrepresentations of material facts, Defendant Llorens falsely represented to XXIII Capital and its counsel that the Goodwins' signature pages from the Fax Transmittal "correspond[]" with versions of the Employment Agreements that *included* Sections

27 and 28, despite Goodwin's consistent objection to those provisions and Goodwin's striking of those very provisions from the Employment Agreements that accompanied their signature pages in the Fax Transmittal.

304. Defendants acted with knowledge of the falsity of the representations.

305. Defendant Mulrain was aware of Messrs. Aden and James's prior fraudulent conduct, including, without limitation, Stealth's default on a \$10 million loan extended by Brevet. Instead of disclosing that and other red flags to Goodwin, with whom he had a longtime relationship, Defendant Mulrain induced the Goodwins' participation in the Decade transaction by vouching for Messrs. Aden and James's character and reputation.

306. Defendants were aware of the SPA Edits, having been copied on numerous email communications, in late January and early February 2016, with XXIII Capital and its attorneys.

307. Defendants were aware that the Goodwins had sought to confirm on multiple occasions—and ultimately received confirmation from Mr. Aden—that the terms of the Decade SPA remained the same as those agreed to by the parties pursuant to the Executed LOI and the Stealth SPA.

308. Having participated firsthand in the negotiations concerning the Decade SPA and related transactional documents, Defendants were aware that the Goodwins were specifically opposed to the SPA Edits proposed by XXIII Capital.

309. Having participated firsthand in the negotiations concerning the Decade SPA and related transactional documents, Defendants were aware that the Goodwins were specifically opposed to Sections 27 and 28 in the Employment Agreements and had stricken Sections 27 and 28 from the Fax Transmittal.

310. Having spearheaded the Gordon Rees inquiry, Defendant Mulrain knew that the countersigned Employment Agreements did not reflect the versions of the documents that the Goodwins signed and returned via fax.

311. Having participated in the Gordon Rees inquiry, Defendant Llorens knew that the countersigned Employment Agreements did not reflect the versions of the documents that the Goodwins signed and returned via fax.

312. As partners associated with a national law firm, Defendants Mulrain and Llorens knew that applicable law forbid their misrepresentations and required their disclosure to the Goodwins of the SPA Edits and the re-introduction of Sections 27 and 28 to the Employment Agreements.

313. Defendants intended to induce the Goodwins' reliance on the misrepresentations and concealments identified herein because, among other things, Defendants (a) believed that XXIII Capital would not close on the Decade transaction—and hence Defendants would not be paid—without incorporating the SPA Edits and Sections 27 and 28 of the Employment Agreements, yet (b) recognized that the Goodwins would not agree to transactional terms that included the SPA Edits and Sections 27 and 28 of the Employment Agreements.

314. The Goodwins justifiably relied on Defendants' representations because of, among other things, Goodwin's prior relationship with Defendant Mulrain (which long predated the Decade transaction) and Defendants Mulrain and Llorens' status as partners at a national law firm.

315. Defendants' misrepresentations resulted in substantial damage to the Goodwins.

316. But for the tortious conduct alleged herein, the Goodwins would have pursued and consummated a lucrative combination proposed by an alternative acquirer.

317. Additionally, but for the tortious conduct alleged herein, Goodwin would have retained his existing clients as of 2017.

318. Additionally, but for the tortious conduct alleged herein, Goodwin would have expanded his client roster consistent with his historical track record.

THIRD CAUSE OF ACTION
(Aiding and Abetting Fraud)

319. The Goodwins repeat and reallege each of the allegations of the preceding paragraphs as if fully set forth at length herein.

320. A defendant is liable for aiding and abetting fraud where the following elements are met: (1) the existence of the underlying fraud; (2) actual knowledge; and (3) substantial assistance.

321. Each of the elements set forth in the preceding paragraph is met as to all Defendants.

322. The existence of the underlying fraud perpetrated on the Goodwins in connection with the Decade transaction was found by the Bankruptcy Court following trial.

323. Defendants had actual knowledge of the fraud found by the Bankruptcy Court.

324. Defendant Mulrain was aware of Messrs. Aden and James's prior fraudulent conduct, including, without limitation, Stealth's default on a \$10 million loan extended by Brevet. Instead of disclosing that and other red flags to Goodwin, with whom he had a longtime relationship, Defendant Mulrain induced the Goodwins' participation in the Decade transaction by vouching for Messrs. Aden and James's character and reputation.

325. Defendants were aware of the SPA Edits, having been copied on numerous email communications, in late January and early February 2016, with XXIII Capital and its attorneys.

326. Defendants were aware that the Goodwins had sought to confirm on multiple occasions—and ultimately received confirmation from Mr. Aden—that the terms of the share purchase agreement remained the same as those agreed to by the parties pursuant to the Executed LOI and the Stealth SPA.

327. Having participated firsthand in the negotiations concerning the Decade SPA and related transactional documents, Defendants were aware that the Goodwins were specifically opposed to the SPA Edits proposed by XXIII Capital.

328. Having participated firsthand in the negotiations concerning the Decade SPA and related transactional documents, Defendants were aware that the Goodwins were specifically opposed to Sections 27 and 28 in the Employment Agreements and had stricken Sections 27 and 28 from the Fax Transmittal.

329. Defendants substantially assisted the fraud found by the Bankruptcy Court.

330. Among other instances, Defendant Mulrain substantially assisted fraud by: (a) repeatedly representing to Goodwin that Messrs. Aden and James were honest and legitimate business partners; (b) concealing from the Goodwins the terms of the proposed financing arrangement agreed upon by Decade and XXIII Capital; (c) concealing from the Goodwins the SPA Edits demanded by XXIII Capital; (d) undertaking to be the party responsible for providing deal documents to the Goodwins as a condition to closing and then deliberately failing to do so in order to facilitate the sham closing; (e) assuring Goodwin that there were no business issues with the transaction, knowing that the deal documents incorporated provisions that the Goodwins were unaware of and had consistently rejected; and (f) upon Goodwin's specific inquiry regarding his discovery of the unauthorized insertion of Sections 27 and 28 to the Employment Agreements, (1) falsely representing to Goodwin that Defendant Mulrain "didn't make a change

to your agreement” and (2) concealing from the Goodwins the existence and conclusions of the ensuing Gordon Rees inquiry.

331. Among other instances, Defendant Llorens substantially assisted fraud by falsely representing to XXIII Capital and its counsel that the Goodwins’ signature pages from the Fax Transmittal “correspond[.]” with versions of the Employment Agreements that *included* Sections 27 and 28, despite the Goodwins’ consistent objection to those provisions and the Goodwins’ striking of those very provisions from the Employment Agreements that accompanied their signature pages in the Fax Transmittal.

FOURTH CAUSE OF ACTION
(Civil Conspiracy to Commit Fraud)

332. The Goodwins repeat and reallege each of the allegations above as if fully set forth herein.

333. A defendant is liable for a civil conspiracy to commit fraud where the following elements are met: (1) the primary tort; (2) an agreement between two or more parties; (3) an overt act in furtherance of the agreement; (4) the parties’ intentional participation in the furtherance of a plan or purpose; and (5) resulting damage or injury.

334. Each of the elements set forth in the preceding paragraph is met as to all Defendants.

335. The existence of the primary tort of fraud in connection with the Decade transaction was found by the Bankruptcy Court following trial.

336. Defendants made multiple agreements in furtherance of the fraud found by the Bankruptcy Court, including, without limitation: (a) an agreement between Defendants and their clients (among others) to conceal from the Goodwins the terms of the proposed financing arrangement agreed upon by Decade and XXIII Capital; (b) an agreement between Defendants

and their clients (among others) to conceal from the Goodwins the SPA Edits and the Decade SPA; (c) an agreement between Defendants and their clients (among others) to conceal from the Goodwins the draft and execution versions of the transaction documents prior to the Closings; (d) an agreement between Defendants and their clients (among others) to conceal from the Goodwins the establishment of lockbox accounts to be controlled by XXIII Capital; and (e) an agreement between Defendants and their clients (among others) to conceal from the Goodwins the preparation and delivery of IDLs to the Goodwins' clients, recruits, and their corporate endorsement partners.

337. Among other overt acts in furtherance of Defendants' agreements identified in the preceding paragraph, Defendant Mulrain (a) repeatedly represented to Goodwin that Messrs. Aden and James were honest and legitimate business partners and, (b) upon Goodwin's specific inquiry regarding his discovery of the unauthorized insertion of Sections 27 and 28 to the Employment Agreements, falsely represented to Goodwin that Defendant Mulrain "didn't make a change to your agreement."

338. Among other overt acts in furtherance of Defendants' agreements, Defendants accepted the SPA Edits demanded by XXIII Capital without ever sharing those edits with the Goodwins.

339. Among other overt acts in furtherance of Defendants' agreements, Defendants affixed the Goodwins' signature pages in the Fax Transmittal to versions of the Employment Agreements that included Sections 27 and 28, which the Goodwins had consistently opposed and had stricken from the executed Employment Agreements.

340. Among other overt acts in furtherance of Defendants' agreements, they attended the Closings, to which the Goodwins were not invited.

341. Defendants participated in the conspiracy to defraud the Goodwins in furtherance of the following purposes, among others: (a) to prevent the Goodwins from discovering that their signature pages had been affixed to transactional terms that the Goodwins consistently rejected, and (b) to further benefit from the Goodwins' continued cash transfers to Decade for more than one year after the Closings.

342. Defendants' acts resulted in substantial damage to the Goodwins.

343. But for the tortious conduct alleged herein, the Goodwins would have pursued and consummated a lucrative combination proposed by an alternative sports agency.

344. Additionally, but for the tortious conduct alleged herein, Goodwin would have retained his existing clients as of 2017.

345. Additionally, but for the tortious conduct alleged herein, Goodwin would have expanded his client roster consistent with his historical track record.

FIFTH CAUSE OF ACTION
(Breach of Fiduciary Duty)

346. The Goodwins repeat and reallege each of the allegations above as if fully set forth herein.

347. A defendant is liable for a breach of fiduciary duty where the following elements are met: (1) the defendant owed the plaintiff a fiduciary duty; (2) the defendant committed misconduct; and (3) the plaintiff suffered damages caused by that misconduct.

348. Each of the elements set forth in the preceding paragraph is met as to all Defendants.

349. Defendants owed the Goodwins a fiduciary duty as an escrow agent, both in accordance with the text of the Decade SPA and Defendant Mulrain's oral assurance to Goodwin on or about February 12, 2016, that the Goodwins' signature pages would be held in escrow by

Gordon Rees and another law firm engaged by XXIII Capital, until such time as an in-person closing was held.

350. Defendants breached their fiduciary duty by, among other things, (a) attending the Closings without inviting the Goodwins to participate; (b) accepting the SPA Edits demanded by XXIII Capital without ever sharing those edits with the Goodwins; (c) affixing the Goodwins' signature pages in the Fax Transmittal to versions of the Employment Agreements that included Sections 27 and 28, which the Goodwins had consistently opposed and had stricken from the executed Employment Agreements; (d) failing to deliver to the Goodwins the fully executed Decade SPA, Employment Agreements, and other transactional documents on or prior to the Closings; and (e) vouching for the authenticity of the Decade SPA and other transactional documents to the parties present at the Closings.

351. The Goodwins suffered substantial damages as a result of the breaches identified herein.

352. But for the breaches identified herein, the Goodwins would have pursued and consummated a lucrative combination proposed by an alternative sports agency.

353. Additionally, but for the breaches identified herein, Goodwin would have retained his existing clients as of 2017.

354. Additionally, but for the breaches alleged herein, Goodwin would have expanded his client roster consistent with his historical track record.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs Aaron Goodwin and Eric Goodwin respectfully demand judgment against Defendants as follows:

1. An award against Defendants in the form of compensatory, consequential, and punitive damages in an amount to be determined at the time of trial but no less than \$92 million;
2. Costs and expenses, including reasonable attorneys' fees;
3. Prejudgment and post-judgment interest; and
4. Such other and further relief as this Court deems just and proper.

WHEREFORE, Plaintiffs Aaron Goodwin and Eric Goodwin respectfully demand a trial by jury.

Dated: New York, New York
January 11, 2023

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