MCDONALD-CARANO-WILSON\$

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- Upon information and belief, Defendant Don W. Jones is an individual residing in 3. the State of Kentucky.
- Upon information and belief, Defendant Games Marketing Limited is a 4. corporation organized under the laws of Ireland and maintaining its principal place of business in the United Kingdom.
- Upon information and belief, Defendant Gametek, LLC is a limited liability 5. company organized under the laws of the Isle of Man and maintaining its principal place of business in the United Kingdom.
- Defendant Mikohn Gaming Corporation is a corporation organized under the laws 6. of Nevada and maintaining its principal place of business in Nevada.
- Defendant Progressive Games, Inc. is a corporation organized under the laws of 7. Delaware and maintaining its principal place of business in Nevada.
- Upon information and belief, Defendant Wagerworks, Inc. is a corporation 8. organized under the laws of Delaware and maintaining its principal place of business in California.
- Upon information and belief, Defendant Progressive Games Partners, LLC, is a 9. limited liability company organized under laws of the Isle of Man.
- Upon information and belief, Defendants Tablemax Holdings, LLC; Tablemax 10. International, LLC; Tablemax Manufacturing, LLC; Tablemax North America, LLC; Tablemax Partners, LLC; and Tablemax CA, LLC are limited liability companies organized under the laws of California and having their principal places of business in California.
- The United States District Court has jurisdiction over the subject matter of this 11. Complaint pursuant to 28 U.S.C. §§ 1331, 1332, and 1367.
- Venue for this action lies in the United States District Court for the District of 12. Nevada pursuant to 28 U.S.C. §1391(b).

#### **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

- 13. In or around early 1998, Defendant Daniel Jones represented to Plaintiff that

  Daniel Jones owned the Internet rights to the casino games commonly known as "Caribbean Stud

  Poker" and "21 Superbucks."
- 14. In or around early 1998, Defendant Daniel Jones offered to sell the Internet rights to the casino games commonly known as "Caribbean Stud Poker" and "21 Superbucks" to Plaintiff.
- 15. On June 8, 1998, Defendant Daniel Jones and Plaintiff Gregory Mullally entered into a contract entitled "Agreement For Purchase And Sale Of Assets" (the "Agreement").
- 16. Under the Agreement, Daniel Jones transferred to Mullally certain assets in exchange for \$100,000 in payments to be paid in a manner dictated by Jones. These assets included, among other things, the Internet rights to the casino games commonly known as "Caribbean Stud Poker" and "21 Superbucks," including the exclusive right to disseminate the games worldwide (except for Aruba) (hereinafter, the "Intellectual Property").
- In addition to the \$100,000 in payments from Mullally to Daniel Jones, the Agreement further called for Mr. Mullally to pay Mr. Jones 2/3 of the net revenues to be derived by Mullally from his use and exercise of his rights to the Intellectual Property.
- 18. Following the parties' execution of the Agreement, Mr. Mullally arranged for a software provider to develop an internet version of the "Caribbean Stud" game and, for a period of time, collected some royalties generated by licensing of the game to internet casino operations. In accord with the Agreement, Mr. Mullally forwarded 2/3 of all revenue he received on account of the "Caribbean Stud" game to Daniel Jones.
- 19. Apparently dissatisfied with a mere 2/3 of the revenue being generated by the Intellectual Property, Daniel Jones, in active concert with his son, Defendant Don Jones, began selling licenses to use the "Caribbean Stud" game on the Internet. The Jones' have sold and continue to sell such licenses through Defendant Games Marketing Limited, a company controlled by Daniel Jones and/or Don Jones.

- 21. Fearing that Nevada's gaming regulatory officials would disapprove of Mikohn's direct business involvement with Mr. Jones, Mikohn, PGI, and the Jones' arranged for the Intellectual Property and other items of value to be formally licensed to a straw purchaser known as Albert J. Courtney. The final draft of the document under which Mikohn and PGI purported to grant an exclusive license to the Intellectual Property was executed by Mr. Courtney as the "licensee" on or about June 30, 2000. The following day, Mr. Courtney assigned his rights under the purported license to Defendant Don Jones. Defendants Mikohn and PGI, as well as the Jones', took such actions with knowledge of the Plaintiff's prior exclusive rights in the Intellectual Property and with the intent to profit by depriving the Plaintiff of his ownership and enjoyment of such property.
- Shortly after purporting to acquire the Intellectual Property through the Albert Courtney straw transaction with Mikohn and PGI, the Jones' purported to assign their rights to such property to two corporations owned and/or controlled by them, Defendants Gametek, LLC ("Gametek") and Games Marketing Limited ("GML"). In series of transactions occurring on or about September 15, 2000, the Jones' assigned their purported exclusive rights in the Intellectual Property to Gametek. On the same day, Gametek purported to assign all of its rights to GML under an agreement requiring GML to pass back to Gametek the majority of any revenues generated by the Intellectual Property. The Jones', Gametek, and GML, took such actions with knowledge of the Plaintiff's prior exclusive rights in the Intellectual Property and with the intent to profit by depriving the Plaintiff of his ownership and enjoyment of such property.

- Summer of 2000, the Jones' and their controlled corporations Gametek and GML began to exploit the Intellectual Property by selling several non-exclusive licenses to use the "Carribean Stud" game on the Internet. In direct violation of the Agreement, the Jones, Gametek, and GML have entered into such transactions without Mr. Mullally's consent and have wrongfully retained the revenue generated by such non-exclusive licenses for themselves. Those purchasing such non-exclusive licenses from the Jones, Gametek, and/or GML include, but are not necessarily limited to, Wagerworks, Inc., Cryptologic, Inc., Wagerlogic Limited, Wagerlogic (UK) Limited, Boss Media AB, Realtime Gaming Holding Company, LLC, and KDMS International, LLC.
- 24. Subsequent to granting non-exclusive licenses to the Intellectual Property to the above-named entities, the Jones, 'Gametek, and GML entered into an agreement to assign their purported exclusive rights to the Intellectual Property to defendant Progressive Games Partners, LLC ("PGP"). PGP, the Jones', Gametek, and GML entered into such transaction with knowledge of the Plaintiff's prior exclusive rights in the Intellectual Property and with the intent to profit by depriving the Plaintiff of his ownership and enjoyment of such property.
- proceeded to commercially exploit the Intellectual Property by, among other things, using it in conjunction with the "Tablemax" casino game operated and sold by its affiliated companies, including Defendants Tablemax Holdings, LLC, Tablemax International, LLC, Tablemax Manufacturing, LLC, Tablemax North America, LLC, Tablemax Partners, LLC, and Tablemax CA, LLC (hereinafter, collectively, the "Tablemax Entities.") PGP and the Tablemax Entities have engaged in such activity with knowledge of the Plaintiff's prior exclusive rights in the Intellectual Property and with the intent to profit by depriving the Plaintiff of his ownership and enjoyment of such property.

## FIRST CAUSE OF ACTION (Breach of Contract – Daniel Jones)

Plaintiff by this reference incorporates each of the preceding paragraphs as if set forth in full.

As a proximate result of Daniel Jones' breaches of the Agreement, Plaintiff has suffered damages in excess of \$3,000,000, the exact amount to be proven at trial.

# SECOND CAUSE OF ACTION (Unjust Enrichment – Daniel Jones, Don Jones, Gametek, GML, PGP and the Tablemax Entities)

- 29. Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.
- 30. The Defendants' participation in purported assignments of exclusive and non-exclusive rights to the Intellectual Property, as described above, and their receipt and retention of the revenues from such transactions has unjustly enriched each of them at the expense of Plaintiff.
- 31. Defendants have been unjustly enriched at the expense of Plaintiff in an amount in excess of \$3,000,000, the exact amount to be proven at trial.

# THIRD CAUSE OF ACTION (Conversion – Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities))

- Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.
- Under the terms of the Agreement, Plaintiff is the exclusive owner of the right to use and disseminate the casino games commonly known as "Caribbean Stud Poker" and "21 Superbucks" on the Internet.
- 34. The Defendants have intentionally exercised personal dominion and control over the Internet-use rights to the "Caribbean Stud" game, in derogation, exclusion, and defiance of Plaintiff's rights to such property.

- As a proximate result of the Defendants' conversion of Plaintiff's property, as described above, Plaintiff has been damaged in an amount in excess of \$3,000,000, the exact amount to be proven at trial.
- 36. Defendants have converted Plaintiff's property willfully, maliciously, and with intent to injure Plaintiff.
- 37. As a direct and proximate result of Defendants' conversion of Plaintiff's property, Plaintiff is entitled to punitive damages in an amount deemed appropriate to deter such conduct by Defendants in the future.

# FOURTH CAUSE OF ACTION (Civil Conspiracy – Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities))

- 38. Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.
- Defendants, and each of them, agreed and acted in concert to unlawfully participate in the purported assignments of exclusive and non-exclusive rights to the Intellectual Property, as described above, and to unlawfully retain the revenue generated by such transactions for themselves, all with the purpose of harming Plaintiff.
- 40. As a proximate result of Defendants' unlawful conspiracy against him, as described above, Plaintiff has been damaged in an amount in excess of \$3,000,000, the exact amount to be proven at trial.
- Defendants' engaged in an unlawful conspiracy against Plaintiff, as described above, willfully, maliciously, and with intent to injure the Plaintiff.
- 42. As a direct and proximate result of Defendants' unlawful conspiracy against Plaintiff, Plaintiff is entitled to punitive damages in an amount deemed appropriate to deter such conduct by Defendants in the future.

## FIFTH CAUSE OF ACTION (Patent Infringement, 35 U.S.C. §§271, 281, 283, 284 – All Defendants)

Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.

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The Intellectual Property, as described above, includes the exclusive right to
Internet use of inventions covered under several United States Letters Patents. Such Letters
Patents ("the Patents") include, but are not necessarily limited to, the following patents duly and legally issued by the United States:

Patent No. 4,836,553; Patent No. 4,948,134; Patent No. 5,022,653; Patent No. 5,288,077; Patent No. 5,544,893; Patent No. 5,725,216; Patent No. 6,045,130; Patent No. 6,206,374; Patent No. 6,312,330; Patent No. 6,336,859; Patent No. 6,485,368.

- 45. Pursuant to the Agreement, the exclusive rights to the Patents as they pertain to the "Caribbean Stud" and "21 Superbucks" games on the Internet were assigned to Plaintiff.
- Defendants have infringed on Plaintiff's rights by selling, offering for sale, and causing others to sell "Caribbean Stud" games on the Internet which embody one or more claims of one or more of the Patents. Defendants Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities have engaged in such activity with full knowledge of such assignment of the Patent rights to Plaintiff. Upon information and belief, the Licensee Defendants have engaged in such activity without actual knowledge of Plaintiff's rights to the Intellectual Property.
- 47. As a proximate result of Defendants' infringement on Plaintiff's exclusive Patent rights, Plaintiff has been damaged in an amount in excess of \$3,000,000, the exact amount to be proven at trial.
- 48. The Defendants will continue their acts of infringement on Plaintiff's exclusive rights under the Patents, as described above, if not enjoined.
- In equity, Plaintiff is entitled to an injunction from the Court barring further infringement by Defendants on Plaintiff's exclusive rights under the Patents.

# SIXTH CAUSE OF ACTION (Declaratory Relief, 28 U.S.C. §§ 2201, 2202 – Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities)

50. Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.

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- 52. With regard to the Intellectual Property, there is an actual controversy between Plaintiff on the one hand and Defendants on the other hand which is within the jurisdiction of the United States District Court and the Court may declare the rights and other legal relations of the parties to this action and enter further necessary or proper relief based on its declaratory judgment.
- 53. Plaintiff is entitled to a declaration by the Court that he is rightful, sole, and exclusive owner of the Intellectual Property and that Defendants have no right, title, or interest in such property.

## SEVENTH CAUSE OF ACTION (Constructive Trust – Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities)

- 54. Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.
- 55. For the reasons set forth above, the Intellectual Property and licensing revenues and other proceeds of such property belong, in good conscience, to the Plaintiff.
- 56. Defendants have wrongfully exercised ownership and dominion over the Intellectual Property and have retained control of the Intellectual Property and its revenues and other proceeds for themselves.
- 57. In equity, Plaintiff is entitled to the imposition of a constructive trust over all of the Intellectual Property and over all of the revenues and other proceeds generated by such property which are in the possession or control of Defendants or in the possession or control of other entities or instrumentalities which are owned or controlled, directly or indirectly, by Defendants.

## EIGHTH CAUSE OF ACTION (Declaratory Relief, 28 U.S.C. §§ 2201, 2202 – Wagerworks Inc.)

- 58. Plaintiff by this reference incorporates each of preceding paragraphs as if set forth in full.
- 59. With regard to the Intellectual Property, there is an actual controversy between Plaintiff on the one hand and Defendants on the other hand which is within the jurisdiction of the

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United States District Court and the Court may declare the rights and other legal relations of the parties to this action and enter further necessary or proper relief based on its declaratory judgment.

Plaintiff is entitled to a declaration by the Court that he is rightful, sole, and exclusive owner of the Intellectual Property and that all payments required from Wagerworks Inc. under their current licenses for use of the Intellectual Property shall hereafter be directed to Plaintiff and not to any other person or entity.

### NINTH CAUSE OF ACTION (Intentional Misrepresentation - Daniel Jones)

- 61. Plaintiff by this reference incorporates each of the preceding paragraphs as if set forth in full.
- 62. In or about early 1998, Daniel Jones falsely represented to Plaintiff that Jones owned the Internet rights to Caribbean Stud Poker and 21 Superbucks.
- At the time Daniel Jones represented to Plaintiff that Jones owned the Internet rights to Caribbean Stud Poker and 21 Superbucks, Jones knew that his representation was false.
- 64. At the time of Daniel Jones' false representation, Jones intended to induce Plaintiff to pay Jones for the internet rights to Caribbean Stud Poker and 21 Superbucks.
  - 65. Plaintiff reasonably relied, to his detriment, on Daniel Jones' false representation.
- 66. In accordance with Plaintiff's reasonable reliance on Daniel Jones' false representation, Plaintiff did, in fact, pay Daniel Jones for the Internet rights to Caribbean Stud Poker and 21 Superbucks.
- As a proximate result of Plaintiff's reasonable reliance on Jones' false representation, Plaintiff suffered damages in excess of \$100,000.00, the exact amount to be proven at trial.

## TENTH CAUSE OF ACTION (Negligent Misrepresentation -Daniel Jones)

Plaintiff by this reference incorporates each of the preceding paragraphs as if set forth in full.

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Caribbean Stud Poker and 21 Superbucks.

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Daniel Jones made the false representations in the course of his business. 70. Alternatively, Jones made the false representations in an action in which he had a pecuniary interest; namely, the transfer of Internet rights to Caribbean Stud Poker and 21 Superbucks from Jones to Plaintiff.

Daniel Jones falsely represented to Plaintiff that Jones owned the internet rights to

- Daniel Jones made false representations concerning his ownership rights to 71. Caribbean Stud Poker and 21 Superbucks on the Internet to guide Plaintiff in Plaintiff's business transactions; specifically, to guide Plaintiff in his decision to purchase the Internet rights to Caribbean Stud Poker from Jones.
- Daniel Jones failed to exercise reasonable care or competence in communicating 72. to Plaintiff the actual ownership status of the Internet rights to Caribbean Stud Poker and 21 Superbucks.
  - Plaintiff justifiably relied on Daniel Jones' false representations. 73.
- In accordance with Plaintiff's justifiable reliance on Daniel Jones' false 74. representation, Plaintiff did, in fact, pay Daniel Jones for the Internet rights to Caribbean Stud Poker and 21 Superbucks.
- As a result of Plaintiff's justifiable reliance on Daniel Jones' false representations 75. concerning Jones' ownership of the Internet licensing rights to Caribbean Stud Poker and 21 Superbucks, Plaintiff suffered pecuniary loss in excess of \$100,000.00, the exact amount to be proven at trial.

## (Promissory Fraud - Daniel Jones)

- Plaintiff by this reference incorporates each of the preceding paragraphs as if set 76. forth in full.
- At the time Daniel Jones purported to sell Plaintiff the Internet rights to Caribbean 77. Stud Poker and 21 Superbucks, Jones intended to induce Plaintiff to purchase those rights.
- Daniel Jones induced Plaintiff to purchase the Internet rights to Caribbean Stud 78. Poker and 21 Superbucks.

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- 79. At the time Daniel Jones induced Plaintiff to purchase the Internet rights to Caribbean Stud Poker and 21 Superbucks, Daniel Jones knew he did not own the Internet rights to Caribbean Stud Poker and 21 Superbucks.
- 80. At the time Daniel Jones induced Plaintiff to purchase the Internet rights to Caribbean Stud Poker and 21 Superbucks, Daniel Jones had no present intention of performing his obligation to provide Plaintiff with said rights.
- Daniel Jones thus knew he could not perform his obligations pursuant to the 81. Purchase and Sale Agreement he entered into with Plaintiff.
- 82. As a result of Daniel Jones' fraudulent promise, Plaintiff suffered damages in excess of \$100,000.00, the exact amount to be determined at trial.

WHEREFORE, Plaintiff prays for entry of a judgment and other relief in his favor as follows:

- An award of compensatory damages against Daniel Jones, Don Jones, Mikohn, 1. PGI, Gametek, GML, PGP and the Tablemax Entities, the exact amount to be proven at trial; and
- 2. An award of attorney's fees and costs as provided by the Agreement, by statute and/or by other applicable law as against Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities; and
- An award of punitive damages against Daniel Jones, Don Jones, Mikohn, PGI, 3. Gametek, GML, PGP and the Tablemax Entities in such amount as may be deemed appropriate by the Court; and
- 4. An injunction from the Court barring further infringement by all Defendants on Plaintiff's exclusive rights under the Patents; and
- A declaration by the Court that Plaintiff is rightful, sole, and exclusive owner of 5. the Intellectual Property and that Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax Entities have no right, title, or interest in such property; and
- Imposition of a constructive trust over all of the Intellectual Property and over all 6. of the revenues and other proceeds generated by such property which are in the possession or control of Daniel Jones, Don Jones, Mikohn, PGI, Gametek, GML, PGP and the Tablemax

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Entities or in the possession or control of other entities or instrumentalities which are owned or controlled, directly or indirectly, by such Defendants; and

- 7. A declaration by the Court that Plaintiff is rightful, sole, and exclusive owner of the Intellectual Property and that all payments required from Wagerworks Inc. under its current licenses for use of the Intellectual Property shall hereafter be directed to Plaintiff and not to any other person or entity; and
  - 8. For such other and further relief as the Court deems necessary and proper.

    DATED this 29 Harday of March, 2007.

McDONALD CARANO WILSON LLP

By:

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