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

MARK BOYCE, HULL CAPITAL MANAGEMENT, LLC, and PIPE SELECT FUND, LLC

Plaintiff,

-against-

T SQUARED INVESTMENTS, LLC, T SQUARED PARTNERS, LLC, T SQUARED CAPITAL LLC, T SQUARED INVESTMENT COMPANY LLC, THOMAS SAUVE and MARK JENSEN,

Defendants.

Index No. 651660/2014

COMPLAINT

Plaintiffs Mark Boyce, Hull Capital Management, LLC and Pipe Select Fund, LLC, by and through their attorneys, Becker & Poliakoff LLP, allege as follows against defendants T Squared Investments, LLC, T Squared Partners, LLC, T Squared Capital LLC, T Squared Investment Company, LLC, Thomas Sauve and Mark Jensen:

SUMMARY OF ACTION

1. This is a civil action, arising under the laws of the States of New York and Delaware, alleging individual and derivative claims for breach of contract; breach of fiduciary duty; fraud; misappropriation; conversion; gross negligence; unjust enrichment; an accounting; specific performance; and avoidance of fraudulent transfer of assets made in violation of New York Debtor and Creditor Law §§ 276, 278 and/or 279.

PARTIES AND OTHER RELEVANT PERSONS AND ENTITIES

2. Plaintiff Mark Boyce is an individual investor who maintains mailing addresses at P.O. Box, 1166 Ladson, South Carolina 29456 and 211 Rainbow Drive, Livingston, Texas 77399.

3. Plaintiff Hull Capital Management, LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 8 East 48th Street, Suite 4E, New York, New York 10017. J. Mitchell Hull is the sole and managing member of Hull Capital Management, LLC.

4. Plaintiff PIPE Select Fund, LLC is a limited liability company organized and existing under the laws of the State of Delaware, with a principal place of business at 8 East 48th Street, Suite 4E, New York, New York 10017. Pipe Select Fund, LLC is the investment vehicle through which Hull Capital Management, LLC invested in the Fund. J. Mitchell Hull is the sole member and managing member of the Fund. (Hull Capital Management, LLC and PIPE Select Fund, LLC are hereafter referred to as "Hull").

5. Defendant Mark Jensen is a resident of St. Croix, United States Virgin Islands, and is a co-founding member, principal and managing member of T Squared Capital LLC, the managing member of the Fund, and T Squared Investment Co, the Fund's investment manager. Jensen also holds himself out as the Chief Executive Officer and Chairman of Quest Energy Corp., which owns and operates coal assets in the eastern Appalachian region and Illinois basin, and Quest LNG LLC, which is "focused on small scale LNG storage and logistics in the Caribbean market as well as the mainland United States." Jensen also serves as an "independent director" of China For-Gen Corp., one of T Squared's largest holdings.

6. Defendant Thomas Sauve is a resident of St. Croix, United States Virgin Islands, and the co-founding member, principal and managing member of T Squared Capital LLC, the managing member of the Fund, as well as the principal and managing member of the Fund's investment manager, T Squared Investment Co. Sauve is also the Chief Financial Officer of Quest LNG and Quest Energy Corp. At all relevant times herein, Defendants T Squared

Capital and T Squared Investment Co. have acted and continue to act by and through their principals and agents, defendants Jensen and Sauve.

7. Defendant T Squared Investments, LLC ("T Squared" or "the Fund") is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 1325 Sixth Avenue, 27th Floor, New York, New York 10019.

8. Defendant T Squared Partners, LLC ("T Squared 2") is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 1325 Sixth Avenue, 27th Floor, New York, New York 10019. T Squared 2 was organized for the sole purpose of receiving, without consideration, the most valuable assets of T Squared so as to defeat the lawful claims of T Squared's creditors.

9. Defendant T Squared Capital, LLC ("T Squared Capital") is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 1325 Sixth Avenue, 27th Floor, New York, New York 10019. T Squared Capital serves as managing member of the Fund, through its principals, Jensen and Sauve.

10. Defendant T Squared Investment Company, LLC ("T Squared Investment Co.") is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 1325 Sixth Avenue, 27th Floor, New York, New York 10019. T Squared Investment Co. serves as the investment manager of the Fund, through its principals, Jensen and Sauve.

JURISDICTION AND VENUE

11. The amount of damages sought in this action exceeds $5,000,000.

12. This Court has jurisdiction over the person of Defendants in that they are citizens of, or reside or do business in, the State of New York and the matters complained of occurred in the State of New York.

13. This Court has personal jurisdiction over the Fund pursuant to N.Y. C.P.L.R. § 302 because it, either directly or through an agent, transacted business in the State of New York and County of New York.

14. Venue is proper pursuant to N.Y. C.P.L.R. § 503 because the actions complained of occurred in New York County, at least one of the parties resides in New York County, and the Fund has its principal place of business in New York County.

SUMMARY OF ALLEGATIONS

15. Plaintiffs are creditors of the Fund under Del. Code Tit. 6 § 18-606 because the Fund has failed to remit cash or securities owed to Plaintiffs in satisfaction of their crystallized redemption rights.

16. The Fund has suffered substantial losses as a result of the fraudulent mismanagement and self-interested transactions of Sauve and Jensen (the "Individual Defendants").

17. Plaintiffs seek monetary and equitable relief under the laws of the States of New York and Delaware and all other appropriate remedies to which they are entitled including: monetary damages sufficient to satisfy Plaintiffs' long overdue redemption; disgorgement of management fees and Fund assets misappropriated and/or converted by the Individual Defendants; equitable relief to enjoin or redress the Individual Defendants' fraudulent

transfers of assets; punitive damages to punish and deter Defendants for their intentional, knowing, and malicious misconduct; and an accounting of the Fund, including all assets, sales and purchases, net profits and losses, and distributions of the Fund.

18. During operation of the Fund, Defendants breached the Fund's Operating Agreement in several critical ways causing substantial losses to the Fund, including by: investing fund assets in at least three fraudulent investments; failing to perform even minimally competent due diligence as to those investments; refusing to provide Plaintiffs access to a complete set of books and records of the Fund; charging excessive annual management fees; reimbursing themselves for out-of-pocket expenses in excess over the reimbursement amount permitted under the LLC Agreement, including start up fees and personal tax benefits achieved by moving operation of the Fund to St. Croix, United States Virgin Islands; and failing to manage the business and affairs of the Fund, including maintenance of the books and records of the Fund, in an honest and competent manner.

19. In addition to these contractual breaches, Defendants made intentional and fraudulent misrepresentations and omitted material facts in communications with Members, including Plaintiffs. Defendants did so to mislead Plaintiffs into continuing their investment in the Fund by misrepresenting the value of the Fund and to prevent Plaintiffs from learning the nature and extent of Defendants' fraudulent conduct.

20. Such material misrepresentations and omissions by Defendants include falsely representing the value of the Fund's holdings and failing to inform Plaintiffs and other investors of material information regarding the Fund's holdings.

21. Defendants have further breached their fiduciary duties by failing to manage the business and affairs of the Fund, including maintenance of the Fund's books and records,

honestly and competently; misusing, misappropriating, and committing waste of the Fund's assets for Defendants' own personal gain; taking annual management fees based upon knowingly inflated valuations of the Fund's holdings and improperly taking reimbursements; and diverting the Fund's remaining valuable assets to a second fund for their own self-enrichment and to defeat the claims asserted herein.

22. After Boyce invested in the Fund, he requested a partial redemption in June 2013. The Individual Defendants improperly delayed acting on his request. He was then compulsorily redeemed by the Fund with his redemption interest crystallized and valued by April 2014. Hull was an original or "seed" investor in the Fund and has partially redeemed, with its rights fully crystallized as of October in 2011. Thus, both are creditors of the Fund but the Fund has failed to make the full redemption payments due to them.

23. Boyce is owed at least $500,000, exclusive of statutory interest. (Exh. 1 (February 28, 2014 Statement). While the Fund has purported to make a tender of payment "in kind", *i.e.*, in stock, to Boyce, that tender consists of several non-tradable securities worth far less than the amount due, and other putative securities which have not even been tendered but are being physically retained by the Fund despite due demand having been made therefor. To date, Boyce has received $1,970 in cash and a handful of worthless securities – less than 1% of his $700,000 his investment in the Fund.

24. Hull has received nothing since 2011 when small payments were made on the original redemption. As of October 13, 2011, Defendants confirmed that they owed Hull $3,825,000. (Exh. 2 (10-13-11 Sauve Email); Exh. 3 (2012 T Squared Financial Statements at 14). Including statutory interest at 9% per annum, the amount now owing to Hull exceeds $4,720,050.

25. As creditors, Plaintiffs stand first in line ahead of equity holders. Pursuant to § 13.2 (b) of the T Squared Operating Agreement, "upon dissolution of the Company, the liquidators . . . shall cause the cancellation of the Certificate, liquidate the assets of the Company, **pay off known liabilities** … (Exh. 4).

26. Yet, on May 6, 2014, T Squared advised Hull and other T Squared investors that it intends to "put [T Squared Investments] into full liquidation." (Exh. 5). Investors will have the option to convert the unaudited value of their securities positions into a new fund to be called "T Squared Partners LLC". (*Id*.) T Squared wrote that "[t]his self-liquidating fund will have up to December 31, 2016 to complete the liquidation of its securities to pay the notes payable, at which time the remaining securities, if any, will be fully distributed to the note holders pro-ratably, and **T Squared Investments LLC will cease to exist**." (*Id*.) (emphasis added).

27. The Individual Defendants organized this new fund -- T Squared 2 -- for the sole purpose of diverting assets away from the Fund, avoiding liabilities of the Fund, and misappropriating the most valuable of the Fund's assets for their own self-enrichment.

28. Defendants other wrongful conduct is more fully described below, but, in short, Defendants have repeatedly manufactured delays and falsehoods to stall the payment of the sums due to Plaintiffs and have engaged in conduct that constitutes fraud, breach of fiduciary duty or other intentional misconduct under applicable law for which compensatory damages and punitive damages for breach of fiduciary damages are appropriate.

ALLEGATIONS COMMON TO ALL CLAIMS

29. The Fund commenced operation in or about May 3, 2007 for the purpose of investment in private placements in public equity ("PIPE") transactions and private investments in private companies ("private equity") transactions pursuant to the terms of its

operating agreement. (Exh. 4 at 2). The third amended limited liability company operating agreement, dated as of August 1, 2010, remains in effect and governs the Fund's activities (the "LLC Agreement").

Hull's Investment, and later Redemption, in the Fund

30. From October 4, 2007 through August 1, 2008, Hull invested approximately $9,425,000 into the Fund.

31. On March 29, 2011, Hull gave notice of a partial withdrawal as a member and requested redemption in the amount of $4,000,000.

32. Hull's withdrawal was effective the last day of the quarter at least 60 days thereafter, *i.e.*, on June 30, 2011 (the "Withdrawal Date"). (Exh. 4 (Op. Agmt. § 7.2 (a)).

33. Payment of Hull's redemption was due 30 days from the Withdrawal Date, *i.e.*, no later than July 30, 2011. (*Id*., § 7.2 (b) (ii)).

34. With its withdrawal final and its right to payment fixed, Hull, as of June 30, 2011, had the status of, and was entitled to all remedies available to, a creditor of the Fund. *See* Del. Code Tit. 6 § 18-606.

35. On October 4, 2011, T Squared purported to suspend members' redemptions; but that was months after Hull's status became that of a creditor and not a member and thus did not affect Hull's rights as a creditor. And moreover, it is believed the Fund in any event has made redemptions to other select investors after the purported suspension.

36. On October 13, 2011, T Squared confirmed that Hull's "creditor account" was $3,825,000. (Exh. 2 (10-13-11 Email from defendant Sauve to Lucas)).

37. As a creditor, Hull stands first in line ahead of equity holders, *i.e.*, members of the Fund, even if the Fund is dissolved. (Exh. 4 (Op. Agmt. § 13.2 (b)).

38. With the exception of two small payments, Hull has received no payments from Defendants since the original redemption payment came due even though Defendants confirmed by email an outstanding amount payable of $3,825,000 as of October 13, 2011, exclusive of statutory interest at 9% per annum.

39. Indeed, Defendants, in their audited financial statements, themselves acknowledged that such payment should have been made, and this liability "satisfied by the end of 2013." (Exh. 3 at 14). Further, "[w]ithdrawals payable represents a withdrawal request received as of July 31, 2011 from an early investor of the Fund that provided seed capital to the Fund ('Seed Investor'). The Fund is currently negotiating payment with the Seed Investor and expects to (sic.) this liability to be satisfied by the end of 2013.") (*Id*. at 14).

40. Despite these admissions, Defendants failed to pay any part of that amount, they repeatedly lied to Hull, made false excuses, stalled and otherwise acted in bad faith to avoid payment. At the same time, the individual Defendants repeatedly withheld or misstated material information, improperly took excessive payments for themselves and their family members, misled investors and otherwise disregarded their fiduciary duties to investors.

41. On May 6, 2014, T Squared advised Hull, and other T Squared investors, that it intends to "put [T Squared Investments] into full liquidation" and by December 31, 2016, T Squared Investments LLC will cease to exist." (Exh. 5).

42. But, T Squared is not really being dissolved; its assets are being rolled over to the same members in a new fund created by Defendants for the sole purpose of defeating Plaintiffs' claims as creditors and enriching the Individual Defendants who will own the majority of that fund.

43. In an attempt to conceal their fraud, Defendants refused to provide any information with respect to the new fund after Plaintiffs served a pre-suit demand. In fact, even though suitability is a function of the appropriateness of a given investment for a potential investor based on the investors' profile (*i.e*., net worth, risk tolerance, etc.), Defendants advised that Hull was "unsuitable" as an investor in the new fund, without explanation or any valid reason, and for the real purpose of freezing Hull in a Fund the Individual Defendants were stripping of assets and loading with liabilities to benefit themselves and a small group of close associates. (Exh. 6 (Sauve May 28, 2014 email)).

Boyce's Investment, and later Redemption, in the Fund

44. On June 19, 2008, Boyce signed a subscription agreement and invested $700,000 in the Fund.

45. Over the course of Boyce's investment, he provided assistance to the fund by, *inter alia*: visiting the Fund's Quest/Samuel Coal investment in Kentucky; contributing ideas about the social investment nature of Quest; attending conferences at the Fund's auditor, Marcum; and providing consulting work related to China For-Gen in 2013.

46. In June 2013, Boyce requested a partial redemption of his investment in T Squared in the amount of $195,000. The Individual Defendants led Boyce to believe that they would permit him to redeem in cash or cash equivalents a portion of his investment in consideration for the consulting work he had performed for the Fund.

47. As a result of his consulting work, Boyce came to learn of serious irregularities in the Fund, including, for example, $17 million missing from China For-Gen's coffers, indications that proper due diligence had not been conducted with respect to other investments, and false representations made by defendants Sauve and Jensen. Further, Boyce learned of fraud

perpetrated by two other major investments of the Fund, L&L Energy, Inc. ("LLEN") and Dolphin Digital Media, Inc. ("Dolphin"), further confirming, at best, gross negligence with respect to the Individuals Defendants' due diligence with respect to these investments or, worse, intentional and complicit wrongdoing.

48. Given Boyce's discovery of the issues with LLEN and Dolphin, and because Boyce was asking too many questions and coming too close to uncovering the truth, the Individual Defendants thwarted Boyce's efforts to obtain information, unreasonably refused to provide him information with respect to his investment and to answer reasonable questions, delayed payment of his redemption by manufacturing sham issues regarding his forwarding address and forwarding instructions, and refused to provide timely and accurate valuation of the nature, type and amount of the securities to be redeemed.

49. On September 30, 2013, Boyce was informed by the Individual Defendants that he would receive a full redemption.

50. On September 30, 2013, Sauve also emailed Boyce a distribution agreement in connection with the redemption of his investment in the Fund as well as a "consulting agreement," which purported to require an additional capital contribution from Boyce in the amount of $200,000 for direct investment in one of the Fund's holdings, China For-Gen. (Exh. 7). Both agreements were addressed to Boyce at his proper, P.O. Box 1166, Ladson, SC 29456, mailing address. (*Id*.)

51. Pursuant to the T Squared Investments LLC Distribution Agreement, the Fund elected to distribute to Boyce securities in satisfaction of his redemption request. (*Id*., Art. I, § 1.1). On October 1, 2013, T Squared served email notice pursuant to § 7.2 (c) of Boyce's redemption from the Fund. This email forwarded a prior September 18, 2013 email in

which Jensen proposed giving Boyce the following: (a) $100,000 of L&L Energy shares; (b) $150,000 of debt owed to the Fund by Landree Mine, an Indiana coal mine that Jensen and Suave were working to take over and which constituted one of the Fund's largest positions; and (c) a distribution of principal in a convertible note in China For-Gen. (Exh. 26).

52. On October 15, 2013, the Individual Defendants provided a breakdown of the securities Boyce would be receiving pursuant to the redemption which would be proportional to the size of the account. Some of the breakdown was provided in electronic form, some in hard copy.

53. Before they effected the redemption, the Individual Defendants demanded that Boyce sign a comprehensive release which purported to exonerate them from anything they had ever done. (*Id*.) However, Boyce's redemption request was motivated by, among other things, Defendants' desire to avoid answering specific questions about the portfolio, accounting for expenses and use of fund assets, and justifying family members on the payroll. Defendants also had sought to conceal certain assets and side deals, to keep assets inflated so that ongoing fees could be accrued at an inflated rate, and to force other investors to redeem and keep more valuable assets for fund managers. Therefore Boyce did not sign the release.

54. Defendants thereafter made numerous excuses to delay redemption.

55. What followed over the next ten months were revelations of fraud in three of the Fund's investments (beyond what Boyce had learned in the preceding few months) and excuse after excuse as pretext for delay so that the Individual Defendants could manipulate the amount and timing of Boyce's redemption for their own self-interested reasons.

Fraud in Connection with LLEN.

56. On November 18, 2013, the NASDAQ placed a T-12 trading halt on LLEN.

57. On April 8, 2014, LLEN announced that it had notified NASDAQ of its intention to voluntarily delist its common stock.

58. On March 27, 2014, the United States Department of Justice unsealed an indictment against LLEN's then Chairman and Chief Executive Officer, Dickson Lee, charging him with securities fraud. Mr. Lee resigned effective April 2, 2014. On May 7, 2014, the Department of Justice issued a superseding indictment to add LLEN as a codefendant, formally arraigning the Company on May 22, 2014. (Exh. 8 (05-07-14 Superseding Indictment).

59. Lee is currently in federal custody and is awaiting trial.

60. Despite the fact that T Squared is one of the largest institutional holders of LLEN, LLEN comprises a considerable portion of the Fund's portfolio and the Individual Defendants had always boasted of their close relationship to the principals of the company, they refused to answer legitimate questions about this investment; kept Boyce away from the portfolio companies; and focused the lion's share of their efforts toward Quest – the coal mine in which their personal investments lie.

61. In fact, on November 19, 2013, Hull pointedly asked Jensen "is this a fraud?" Jensen responded "no"; and confirmed that he spoke with LLEN's management often. (Exh. 27). When asked if he knew whether "these problems were coming with LLEN," Jensen responded "[t]he halt – no" suggesting that he knew more than we was letting on. (*Id*.)

62. After avoiding Boyce's repeated requests concerning his redemption, T Squared suddenly became responsive on Friday November 15, 2013 -- the last trading day before the LLEN trading halt -- asking where T Squared could "send shares, or brokerage accounts for

those shares we can send electronically (such as LLEN)." (Exh. 28). It is significant that Sauve specifically listed LLEN and that the trading halt followed the next trading day.

63. As of December 31, 2012, the Fund held $2,264,800 shares of LLEN common stock valued at $4,303,120 (as against a cost of $4,755,130); and 125,000 shares of restricted common stock valued at $237,500 (as against a cost of $961,625). (Exh. 3 at 4).

64. At the time trading in LLEN was suspended, its last closing price was $1.68. When trading resumed on April 21, 2014, LLEN opened at $0.24 and closed at $0.21.

Fraud in Connection with China For-Gen Holdings

65. During 2013, Boyce worked with China For-Gen's management, at the Fund's request, to assess the overall condition of its business (and the Fund's holdings in this venture) as well as its future prospects. Boyce conferred with leading investment banks and other investors to gauge their view of the "seedling forestry" market of the company.

66. In the course of his work, Boyce learned that China For-Gen was a government-related business with very few customers, and that its sales had dropped 69.99% and were continuing to decline. (Exh. 29). Even more disturbing, China For-Gen's Chief Financial officer, Jun Fang, along with two other China For-Gen investors, confirmed that all, or substantially all, of the Company's cash -- $17 million -- was missing from China For-Gen's coffers. Despite this shocking disclosure, the Individual Defendants failed -- or refused -- to identify any concrete steps taken to verify this information, let alone locate and/or recover these funds.

67. As of December 31, 2012, the Fund held $2,216,250 in convertible China For Gen notes; 1,091,708 warrants in China For-Gen Corp. stock; shares of China For-Gen stock valued at $429,049 (at a cost of $283,550); and 66,667 in stock options. (Exh. 3 at 6-7).

Fraud in Connection with Dolphin

68. Just as in LLEN, a third instance of fraud was ultimately uncovered in connection with another Fund investment, Dolphin.

69. On September 30, 2011, Jensen wrote to Boyce and advised that he had personally purchased 500,000 shares and that the Fund had over 17 million shares and penny warrants. (Exh. 10 (09-30-11 Jensen Email to Boyce)).

70. On December 7, 2011, the Securities and Exchange Commission filed a complaint in the United States District Court for the Eastern District of New York against Dophin shareholders Giuseppe Baldassare, Robert Mouallem and Malcolm Stockdale captioned *SEC v. Baldassare, et al*. (11-5970). (Exh. 9.)

71. According to the Complaint, Baldassare was Dolphin's President from May 15, 2007 until March 20, 2009 and served as its Chief Executive Officer from May 15, 2007 until June 25, 2008. (*Id*., ¶ 13).

72. Dolphin stock began trading publicly on November 2, 2006.

73. At all relevant times, "Dolphin common stock qualified as a penny stock as it did not meet any of the exceptions from the definition of penny stock contained in Rule 3a51-1 of the Exchange Act." (*Id*., ¶ 18).

74. For the quarterly period ended September 30, 2010, Dolphin had net losses over a nine month period of $2,627,365 and recorded an accumulated deficit of approximately $30,156,891 as of September 30, 2010. (*Id*., ¶ 17).

75. The fraudulent scheme undertaken by the Dolphin defendants contemplated the sale in or around March 2010 of 7,000,000 Dolphin shares worth at least $3,000,000-4,000,000. (*Id*., ¶ 38).

76. On August 20, 2012, a federal grand jury found Baldassare and Mouallem guilty of conspiracy, securities fraud and commercial bribery.

77. As of the December 31, 2012 Fund financial statement, the Fund held 5,689,901 shares of Dolphin common stock, valued at $285,059 (despite a cost of $1,931,560); 4,171,012 shares of Dolphin convertible preferred stock, valued at $208,968 (despite a cost of $1,042,753); and 14,231,000 warrants valued at $45,214 (despite a cost of $1,625,000). (Exh. 3 at 4-5).

78. At relevant times, these three fraudulent companies are believed to have comprised well over 50% the Fund's assets.

T Squared Unjustifiably Delayed Boyce's Redemption

79. The Individual Defendants continued to maneuver and delay the redemptions payable to Boyce on his June 30, 2013 redemption request, so that they could weather the delisting of LLEN and avoid the transfer of $100,000 in then-liquid LLEN stock to Boyce. (*See* Exh. 25 (07-10-13 Email from Jensen to Boyce confirming June 30, 2013 redemption request).

80. They did so through pretextual inquiries regarding Boyce's address to engender additional delay. Thus, on October 22, 2013, Boyce requested an update from Jensen by email: "called last Friday and again this morning – need update with dates, process etc. on redemption and related matters." (Exh. 11).

81. On November 4, 2013, Boyce again emailed Jensen and demanded to know why there was a hold up and asked why the redemption requested in June 2013 -- payable September 30 -- still had not been effected. (Exh. 12).

82. Jensen responded: "Understood. Let me see where we are at today." (*Id*.).

83. Yet, the Individual Defendants did nothing; Jensen's response was simply further illustrative of their pattern of delay and deception.

84. As of November 20, 2013, T Squared's audited financial statement for Boyce showed a year-to-date market value of $493,629. (Exh. 13 (11-20-13 Boyce Statement).

85. The Individual Defendants continued their games to delay delivery of Boyce's securities to his broker, Merrill Edge, into March 2014.

86. As of March 31, 2014, the T Squared statement Boyce received showed him to have a net asset value in the Fund of approximately $500,000, exclusive of statutory interest. (Exh. 14 (March 31, 2014 statement)). However, this statement showed a balance after Defendants' sham "potential incentive allocation owed to the General Partner" of $416,000. Had Defendants not improperly delayed the redemption and had it occurred in any prior period, this value would have been approximately $500,000. (*See, e.g.*, Exh. 1 (February 28, 2014 statement)).

87. On April 3, 2014, Boyce confirmed with VITEOS Fund Services, Ltd. ("Viteos"), the Fund's administrator that, contrary to the representations made by Jensen and Sauve, and notwithstanding Boyce's numerous requests, the first date of redemption recorded was on or about March 27, 2014. This was so despite the fact that Jensen had confirmed that the redemption was received and recorded in July 2013. (Exh. 15 (April 3, 3014 Email)).

88. Further, although the Individual Defendants had represented that valuations were determined by Viteos, an independent third-party administrator, on April 11, 2014, Viteos confirmed to Plaintiffs that "[p]er the Offering Terms and the Operating Agreement, valuations are determined by the Managing Member (T Squared Capital LLC). Managing Members Mark Jensen and Thomas Sauve are marked on the email, you may direct your query to them." (Exh. 16).

89. Thus, valuation of the Funds' securities positions and the bundle of securities purportedly tendered to Boyce in satisfaction of his redemption were not determined by a third party as represented, but by the Individual Defendants themselves.

90. On April 15, 2014, Boyce was further advised that the first communication Viteos had received regarding a redemption request was November 2014, even though the Fund had proposed making a mandatory redemption effective September 30, 2013 and, in December 2013, the Individual Defendants had cancelled the mandatory redemption effective September 30, 2013. (Exh. 17).

91. Although Boyce should thus have been redeemed much sooner, even by Defendants' formulation, the redemption had crystallized as of April 2014, and Boyce was a creditor of the Fund at least as of that date if not sooner. (*Id*.)

92. On April 15, 2014, Jensen instructed Viteos not to correspond with Boyce any further despite Boyce's valid information requests. (Exh. 19).

93. On April 16, 2014 Jensen sent Boyce a letter which detailed the securities T Squared purported to tender in satisfaction of his redemption as follows:

Security	**Dollar Value**	**Fund Share Price**	**Shares Issued**
China For-Gen Convertible Note	$83,355.17	n/a	n/a
China For-Gen Stock	$10,965.57	$1.515	7,238
ANNO Shares	$9,163.96	$0.0817	112,166
BRS Shares	$62,749.05	$4.55	13,791
Jinpeng Poly Chem Shares	$9,583.75	$1.25	7,667
LLEN Shares	$90,449.52	$1.68	53,839
Sino Green Land Shares	$10,478.23	$0.0173	605,678
ANNO Note	$2,040.11	n/a	n/a
Ansheng Convertible Preferred	$6,389.47	n/a	n/a
HEB/VHGI Note	$96.476.45	n/a	n/a
DPDM shares	$20,161.75	$0.080	252,022
WNDM shares	$12,800.48	$0.116	110,349
Quest Option	$0.00	$0.000	2.00
Cash (via enclosed check)	$1,917.49	n/a	n/a

(Exh. 18).

94. On April 21, 2014, trading resumed in the LLEN stock at $0.24. Immediately prior to its trading halt, LLEN had traded at $1.68 but had theretofore traded as high as $13-14 per share.

95. The transmission of Jensen's April 16, 2014 letter five days before trading resumed, and Jensen's close relationship with the LLEN principals, suggests that the Individual Defendants had inside information and overvalued LLEN and transmitted the shares just prior to the reopening of trading so that they could unload over-inflated and undesirable assets on Boyce to his detriment.

96. Had LLEN been valued at its opening price of $0.24, the tender to Boyce of such stock would have been worth $12,921.36, not $90,449.52. Thus, the LLEN shares alone were overvalued by more than seven times their true market value.

97. In purported partial "in kind" payment of the $500,000 redemption owing to Boyce, Defendants ultimately sent certificates for three penny-stocks to Boyce's current broker, Merrill Edge, which certificates were ultimately rejected by Merrill Edge because they were illiquid and effectively worthless. T Squared also purported to make a payment in securities that have not even been tendered but are being physically retained by T Squared.

98. After the Individual Defendants were served with a demand letter by Plaintiffs' counsel, T Squared sent Boyce an additional three certificates for illiquid securities with virtually no value given their illiquidity. Although T Squared has stated values for these securities, there is no readily ascertainable market for the securities and they are not worth anything close to the value T Squared has ascribed to them.

99. On May 6, 2014 and May 23, 2014, T Squared advised its investors that it intends to liquidate T Squared and put its assets into a new entity beginning as soon as June 6, 2014. (*See* Exh. 5 and 6). This would render it insolvent and incapable of satisfying its obligations.

100. On June 26, 2014, counsel for Plaintiffs wrote to counsel for Defendants and demanded that T Squared transfer to them the remaining securities that it purported to tender to Boyce in satisfaction of his redemption, which were detailed in Jensen's April 16, 2014 letter.

101. Plaintiffs have received no response to this demand.

102. Boyce still has not received the China For-Gen note; the HEB (Indiana Coal Mine) Note; or the LLEN stock that is currently non-tradable and effectively worthless. Clearly, T Squared purposely delayed Boyce's redemption to game LLEN's delisting and its failure to remit the securities owed to Boyce.

103. In short, no secondary market exists for the securities that Defendants have tendered or purported to tender, and they are not worth the paper they are printed on. Accordingly, the Defendants owe Boyce at least $500,000.

104. Nonetheless, Defendants have failed to tender any additional payment or securities, and have repeatedly lied to Boyce, made false excuses, stalled and otherwise acted in bad faith to avoid payment.

Defendants Have Intentionally Breached Their Fiduciary Duties through Self-Dealing

105. Aside from improperly delaying and withholding redemptions they acknowledge are owed to Boyce and Hull, and failing to remit securities sufficient to satisfy those redemptions, Defendants breached their fiduciary obligations by, *inter alia*, over-paying expenses to benefit Jensen and Sauve and by moving the Fund to the St. Croix, United States

Virgin Islands, for personal tax reasons, and billing the Fund for all of the costs associated with moving operations to St. Croix to secure for themselves a more favorable tax status.

106. By letter dated December 22, 2013, Hull requested copies of all expenses incurred to establish an office in St. Croix, including all disbursements and organizational expenses incurred in connection with the transition. (Exh. 20).

107. By email dated December 12, 2013, Jensen confirmed that the move was motivated by personal interest: "[o]n the personal side it was also attractive for us as we really wanted to leave as much money in the fund as possible (our goal is and always has been to become the largest investor). As part of the economic incentive program if we expanded our business on island (meaning grew our fund using local under utilized talent) we get a break on our personal taxes - the break was approximately 90% of our personal taxes." (Exh. 21).

108. The Individual Defendants' self-interest and self-dealing is illustrative of the fact that the Fund has been run like a family "piggy bank" with nepotistic "consultant positions" reserved for relatives of Jensen and Sauve.

109. For example, the 2012 Financial Statements revealed that, on September 1, 2009, the Fund "engaged a consultant [Gregory Q. Jensen], who is a relative of one of the Managing Members, to conduct due diligence on prospective portfolio investments, monitoring of on-going portfolio holdings, and assisting management of the Fund with its day-to-day operating and strategic matters and other issues as they arise." (Exh. 3 at 26; Exh. 22 (Consulting Agreement)). For these services, Gregory Jensen, defendant Mark Jensen's brother, was paid a monthly *cash* fee of $6,000 plus expense reimbursement. (*Id*.) On September 15, 2012, this amount was reduced to $3,000 per month. (*Id*.)

110. The Fund also engaged a "consultant [Vanessa Jensen], who is a relative of one of the managing members, to perform graphic designs, website development, the development of investor relations communications and other related duties." (Exh. 3; Exh. 23 (Consulting Agreement). Ms. Jensen, defendant Mark Jensen's wife, was paid a cash fee of $1,000 plus expense reimbursement. (*Id*.)

Plaintiffs Are Excused from Making a Demand on the Fund's Managing Member

111. Plaintiffs bring this action both to vindicate their individual rights and derivatively on behalf of the Fund.

112. To the extent required, a demand upon Defendants would be futile because the Individual Defendants themselves have been accused of wrongdoing and face a substantial personal liability; the Individual Defendants control the Managing Member of the Fund, own large positions in the Fund and thus are personally interested in the transactions and/or lack independence; and the Individual Defendants have failed to exercise sound business judgment in the performance of their responsibilities.

113. As alleged with particularity herein, Defendants face a substantial likelihood of personal liability as a result of a derivative action for their breaches of contract, making of fraudulent, intentional, and knowing misrepresentations and omissions of material fact, and intentional breaches of fiduciary duties to the Fund, self-dealing, waste and misappropriation of Fund assets and grossly negligent acts of mismanagement

114. The Individual Defendants cannot possibly evaluate in a disinterested, independent, and objective manner whether to sue themselves and whether doing so would be in the best interests of the Fund.

115. For these reasons, Plaintiffs should be excused from making a demand upon Defendants to bring the derivative claims asserted herein because such demand would be futile.

FIRST CAUSE OF ACTION
Breach of Contract

116. Plaintiffs repeat the allegations heretofore stated.

117. The LLC Agreement constitutes a valid and enforceable contract that is binding upon the Fund and its Managing Member.

118. Plaintiffs fully performed all of their obligations under the LLC Agreements, by contributing to the Fund the agreed upon capital amounts and by complying with all applicable conditions and obligations under the LLC Agreements.

119. Defendants failed to perform their obligations under and breached the LLC Agreement by, *inter alia*:

a) failing to tender to Plaintiffs' securities and/or cash sufficient to satisfy their respective redemptions;

b) refusing to provide access to Plaintiffs and their representatives to the complete set of books and records of the Fund;

c) withdrawing excessive management fees beyond those permitted by the LLC Agreements;

d) receiving reimbursements for out-of-pocket expenses in substantial excess of the reimbursement amounts permitted under the LLC Agreements;

e) failing to manage the business and affairs of the Fund, including maintenance of the books and records of the Fund, competently and honestly;

f) failing to provide accurate reports and valuations of the Fund's positions throughout the Fund's operation;

g) improperly delaying Plaintiffs' respective redemption dates; and

h) forming T Squared 2 to siphon valuable assets from T Squared, leaving it insolvent and incapable of satisfying its creditors, including Plaintiffs.

120. If T Squared is going to satisfy its redemption obligations by making a payment "in kind" to Plaintiffs, *i.e.*, a tender of stock, that stock must have a fair market value as of the tender date equal to the dollar amount owed. *Matter of Pine St. Associates, L.P. v. Southridge Partners, L.P.*, 965 N.Y.S.2d 15, 19-20 (1st Dep't 2013) (fund must tender stock which has a value equivalent to the cash amount owing to satisfy redemption obligation); *see* also, *Schuss v. Penfield Partners, L.P.*, 2008 WL 2433842 *7-8 (Del. Ch. June 13, 2008).

121. T Squared has made no such tender. In fact, T-Squared has made no tender at all to Hull and a facially insufficient tender to Boyce.

122. Despite this, on May 6, 2014, Defendants advised the members that they intend to "put [T Squared Investments, LLC] into full liquidation." They further advised that the members could move their securities positions into "T Squared 2", and that as of December 31, 2016 the Fund itself would cease to exist. (*See* Exh. 5).

123. As of April 30, 2014, T Squared represented that the T Squared Fund was composed of the following investor interests:

Investor	**Investment Value**	**Percentage**
T Squared Capital LLC	$1,970,288.60	20.11%
Mark Jensen	$135,534.08	1.38%
Pipe Select Fund, LLC	$2,336,721.57	23.85%
T Squared Partners LLC 401(K) Profit Sharing Plan	$17,244.97	0.18%
Thomas Sauve	$79,426.16	0.81%
Total	$4,539,215.38	46.33%
Other Limited Partners	$5,257,046.08	53.67
Total	$9,796,261.46	100%

(Exh. 24 (04-30-14 T Squared Fund Register)).

124. Thus, based on these figures, because Hull has been frozen out of T Squared 2, the Individual Defendants, through their direct investments in the Fund, and through their partnership interests in defendant T Squared Capital LLC, which owned 20.11% of the Fund's

assets as of April 30, 2014, will own nearly 50% of the capital interest in T Squared 2. As such, the Individual Defendants will be unjustly enriched by the transfer of these assets from the Fund to its clone, T Squared 2, for their benefit.

125. As a direct and proximate result of Defendants' breach of the LLC Agreement, the Plaintiffs have been deprived the value of their crystallized redemption rights and, prior to redemption, they suffered a diminution in their respective membership interests as a result of Defendants' mismanagement, gross negligence and/or intentional misconduct, and self-dealing.

SECOND CAUSE OF ACTION
Common Law Fraud

126. Plaintiffs repeat the allegations heretofore stated.

127. Defendants fraudulently, intentionally, and knowingly made false statements, misrepresentations, and omissions of material fact, including but not limited to the following:

a) falsely representing the value of the Fund's holdings in the Fund's Annual Reports distributed during the Fund's term of operation and falsely stating the Fund's inventory;

b) failing to inform Members of material information regarding the Fund's investments; and

c) misrepresenting the effective dates of Plaintiffs' respective redemptions.

128. Moreover, Defendants have continued their misrepresentations in this litigation by making false statements in this lawsuit in connection with Plaintiffs' application for provisional relief.

129. For example, Defendants misrepresented that they did not have a valid address for Boyce, specifically as follows: "After several months of Boyce evading TSI's requests for information, Boyce sent me an email on May 22, 2014 requesting that the shares be sent to a post

office box in Ladson, South Carolina, which was an address that was unfamiliar to Sauve and me." (Jensen Aff., ¶ 74 (ECF Doc. No. 26)).

130. The Individual Defendants knew this statement was false, as they had sent Boyce an email on September 30, 2013, containing two agreements -- a consulting option purchase agreement in the amount of $200,000 and a distribution agreement accompanied by a comprehensive release which purported to release the Individual Defendants from anything they have ever done -- which were addressed to Boyce at his proper, P.O. Box 1166, Ladson, SC 29456, mailing address. (*See* ¶¶ 50-54, *supra*).

131. Similarly, Defendants misrepresented to the Court that valuations of the Fund's assets are prepared by Viteos.

132. Specifically, in an email dated April 11, 2014, Viteos confirmed to Hull that "[p]er the Offering Terms and the Operating Agreement, **valuations are determined by the Managing Member** (T Squared Capital LLC). Managing Members Mark Jensen and Thomas Sauve are marked on the email, you may direct your query to them." (*See* ¶ 82, *supra*) (emphasis added).

133. Defendants made these representations and omissions knowing that they were false and/or misleading at the time they were made.

134. Defendants intended that these misrepresentations and omissions would induce Plaintiffs to invest in the Fund, continue their investment and/or prevent Plaintiffs from learning the true nature of Defendants' scheme, and/or mislead the court to Plaintiffs' detriment.

135. Plaintiffs had a right to rely and, in fact, reasonably relied on the misrepresentations and omissions of material facts Defendants made to them in investing in the

Fund, entering into the Subscription and LLC Agreements, and continuing their investments in the Fund and not seeking redress for Defendants' wrongful acts sooner.

136. Had Plaintiffs known the truth about Defendants' misrepresentations and omissions, Plaintiffs would not have invested in the Fund and signed the LLC and Subscription Agreements and, once invested, would have promptly taken steps to protect their investments.

137. As a direct and proximate result of Defendants' misrepresentations and omissions of material fact, Plaintiffs' still have not received the value of their redemptions nor compensation for the diminution of their holdings caused by Defendants' mismanagement, gross negligence and/or intentional misconduct, and self-dealing.

138. Furthermore, because Defendants' misconduct was intentional, willful, knowing, and malicious, involving a high degree of moral turpitude and wanton dishonesty or reckless indifference equivalent thereto and was directed at the investing public generally, punitive damages are appropriate.

THIRD CAUSE OF ACTION
Breach of Fiduciary Duty

139. Plaintiffs repeat the allegations heretofore stated.

140. As Managing Member and Investment Manager of the Fund, Defendants owed a fiduciary duty to the Fund's members to act in their best interests with due care.

141. Pursuant to Article § 3.4 of the LLC Agreement, Defendants were required, in the discharge of their duties, to refrain from engaging in grossly negligent conduct, intentional misconduct or any knowing violation of law.

142. Defendants breached their fiduciary duties with gross negligence or willful misconduct by, *inter alia*:

a) misusing, misappropriating, and committing waste of the Fund's assets for their own self-enrichment by (i) overvaluing Fund assets to increase their management fees; (ii) employing relatives through sham "consulting" positions at the Fund's expense; (iii) reimbursing themselves for relocating the Fund's operations to St. Croix for personal tax benefits; and (iv) expending unreasonable amounts of money and time to prop up their personal venture in Quest;

b) failing to manage the business affairs of the Fund, including failure to honestly maintain the Fund's books and records;

c) taking excessive Management Fees, sales commissions, and other reimbursements after the Fund should have been dissolved under the terms of the LLC Agreement;

d) creating a second shell fund -- T Squared 2 -- for the purpose of misappropriating the Fund's most valuable assets in order to defeat creditors of the Fund; and

e) unreasonably delaying and manipulating the timing, manner and substance of Plaintiffs' respective redemptions to devalue their redemptive rights and pass off illiquid and worthless securities to Plaintiffs so that they could retain for themselves the most valuable holdings of the Fund.

143. On May 6, 2014, T Squared advised Hull and other T Squared investors that it intends to "put [T Squared Investments] into full liquidation" and thus, its intention to move T Squared's assets into a new fund, T Squared Partners, LLC -- a clone -- so that the remaining investors would be left with an empty shell, thereby defeating its creditors, including Plaintiffs. (*See* Exh. 5).

144. The movement of assets out of T Squared will leave it with no assets to satisfy its creditors and any remaining members, which include Hull and one or two other investors.

145. All, or substantially all, of the Fund's assets will be transferred to T Squared 2, in which Defendants, including the Individual Defendants, will share handsomely.

146. In essence, Defendants are loading up the liabilities of T Squared in the Fund while cherry-picking assets and transferring all of the value to T Squared 2 so that they can continue their pattern of abuse and self-enrichment.

147. Defendants have already notified Hull that it is "unsuitable" for participation in the new fund and will effectively be forced to remain in an insolvent shell after all of its assets are fraudulently transferred to the Individual Defendants and a small group of associates for no consideration.

148. As a direct and proximate result of Defendants' intentional breaches of fiduciary duty, Plaintiffs' still have not received the value of their redemptions nor compensation for the diminution of their holdings caused by Defendants' mismanagement, gross negligence and self-dealing.

149. Furthermore, because Defendants' misconduct was intentional, willful, knowing, and malicious, involving a high degree of moral turpitude and wanton dishonesty or reckless indifference equivalent thereto and was directed at the investing public generally, punitive damages are appropriate.

FOURTH CAUSE OF ACTION
Misappropriation

150. Plaintiffs repeat the allegations heretofore stated.

151. As set forth *supra*, in committing multiple acts of misconduct, Defendants misappropriated the Fund's assets by causing or allowing to be caused the transfer for their own personal use and benefit monies and other assets belonging to the Fund without any consideration provided to the Fund.

152. Defendants intentionally misappropriated the Fund's assets by taking exorbitant management based upon overinflated valuations of the Fund's assets, by paying sham

"consulting fees" to relatives, by reimbursing expenses in excess of those permitted under the LLC Agreement and in connection with the movement of the fund to St. Croix for their own admittedly selfish tax benefits and by transferring the Fund's most valuable assets to a new Fund in which they will profit handsomely, while leaving the liabilities in the Fund unsatisfied and thereby defeating creditors, including Plaintiffs.

153. This misappropriation was undertaken without any accounting to Fund Members and without authorization.

154. The Fund has suffered actual injury as a direct, foreseeable, and proximate result of Defendants' misappropriation of the Fund's assets.

155. The Fund is entitled to monetary damages for Defendants' misappropriation of assets in an amount to be determined at trial, plus pre- and post-judgment interest thereon.

156. Furthermore, because Defendants' misconduct was intentional, willful, knowing, and malicious, involving a high degree of moral turpitude and wanton dishonesty or reckless indifference equivalent thereto and was directed at the investing public generally, punitive damages are appropriate.

FIFTH CAUSE OF ACTION
Conversion

157. Plaintiffs repeat the allegations heretofore stated.

158. As set forth above, in committing multiple acts of misconduct, Defendants intentionally converted for their own personal use and benefit monies and other assets belonging to the Fund without any consideration provided to the Fund.

159. These actions were taken by Defendants without any accounting to the Fund's Members and without authorization.

160. The Fund has suffered actual injury as a direct, foreseeable, and proximate result of Defendants' misappropriation of the Fund's assets.

161. The Fund is entitled to monetary damages for Defendants' conversion of Fund assets in an amount to be determined at trial, plus pre- and post-judgment interest thereon.

162. Furthermore, because Defendants' misconduct was intentional, willful, knowing, and malicious, involving a high degree of moral turpitude and wanton dishonesty or reckless indifference equivalent thereto and was directed at the investing public generally, punitive damages are appropriate.

SIXTH CAUSE OF ACTION
Unjust Enrichment

163. Plaintiffs repeat the allegations heretofore stated.

164. Defendants have been unjustly enriched by Defendants self-dealing, misappropriation of Fund assets, and conversion of securities they acknowledge are owed to Plaintiffs in satisfaction of their crystallized redemption rights.

165. It would be unjust to permit Defendants to retain funds and assets that they improperly obtained without proper payment to Plaintiffs and/or other Fund creditors.

166. The Fund has suffered and will continue to suffer actual injury as a direct, foreseeable, and proximate result of Defendant' unjust enrichment.

167. Accordingly, Defendants should be ordered to disgorge these unjust gains.

SEVENTH CAUSE OF ACTION
Accounting

168. Plaintiffs repeat the allegations heretofore stated.

169. The Fund's assets have been wasted, misused, and/or misappropriated, resulting in substantial losses to Plaintiffs' investment in the Fund.

170. As principals of the Managing Member and Investment Manager of the Fund, the Individual Defendants owed a fiduciary duty to Plaintiffs, while members, to act in their interest with due care. The Individual Defendants breached their fiduciary duties owed to Plaintiffs with respect to their management of the Fund and the Fund's assets.

171. Plaintiffs, as creditors and members or former members in the Fund, are entitled to an accounting of the Fund's assets and all of its transactions.

172. As a direct and proximate result of Defendants' breach of fiduciary duty, Plaintiffs are entitled to an Order directing Defendants to provide an immediate accounting of the assets, sales/purchases, net profits/losses, and distributions of the Fund.

EIGHTH CAUSE OF ACTION
Specific Performance

173. Plaintiffs repeats the allegations heretofore stated.

174. Pursuant to § 7.2 of the LLC Agreement, Plaintiffs have redeemed in whole or in part their interests in the Fund.

175. Hull's withdrawal was effective the last day of the quarter at least 60 days thereafter, *i.e.*, on June 30, 2011 (the "Withdrawal Date"). (Exh. 4, § 7.2 (a)).

176. Payment of Hull's redemption was due 30 days from the Withdrawal Date, *i.e.*, no later than July 30, 2011. (*Id*., § 7.2 (b) (ii)).

177. With its withdrawal final and its right to payment fixed, Hull, as of June 30, 2011, had the status of, and was entitled to all remedies available to, a creditor of the Fund. *See* Del. Code Tit. 6 § 18-606.

178. As a creditor, Hull stands first in line ahead of equity holders, *i.e.*, members of the Fund, even if the Fund is dissolved. (Exh. 4 (Op. Agmt. § 13.2 (b)).

179. Having been redeemed no later than April 1, 2014, Boyce became a creditor of the Fund. In June 2013, Defendants purportedly tendered securities to Boyce in satisfaction of his redemption.

180. Defendants have stated that they also intend to make Hull's redemption payment in kind rather than in cash.

181. Despite due demand, Defendants have not tendered any securities to Hull and continue to withhold securities that they represented they would release to Boyce.

182. Pursuant to the LLC Agreement, Defendants have no right to withhold these securities, which should have been transferred to Plaintiffs long ago.

183. Plaintiffs have fully performed their obligations under the LLC Agreement by making the required investment and service notice of redemption in accordance therewith.

184. Accordingly, the Court should order specific performance of the Defendants' obligations under the LLC Agreement requiring them to deliver these securities to Plaintiffs forthwith, subject to Plaintiffs' rights to challenge the value thereof or sufficiency of the tender.

NINTH CAUSE OF ACTION
Fraudulent Transfer – New York Debtor and Creditor Law §§ 276, 278 and/or 279

185. Plaintiffs repeats the allegations heretofore stated.

186. At the time Defendants began liquidating the Fund and began moving assets to T Squared 2, they knew that this lawsuit had been or would shortly be filed and they intended to defeat the judgment that Plaintiffs would obtain.

187. Each transfer of assets from the Fund to T Squared 2 was a conveyance by Defendants as defined under the New York Debtor and Creditor Law ("DCL") § 270.

188. Each transfer was made with actual intent to hinder, delay or defraud Plaintiffs which had instituted suit against Defendants.

189. Each transfer was made without consideration leaving the Fund insolvent and unable to pay its creditors.

190. Defendants have made each of the fraudulent transfers for their own self-enrichment and in furtherance of a scheme to defraud Plaintiffs by transferring ownership of the Fund's assets in violation of § 276.

191. As a result, pursuant to DCL §§ 276, 276-a, 278 and/or 279, Plaintiffs are entitled to a judgment against Defendants: (a) avoiding the fraudulent transfers and preserving the property transferred, (b) recovering the value of the fraudulent transfers from Defendants; and (c) awarding Plaintiffs their reasonable attorney's fees as permitted by §276-a.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment against the defendants as follows:

1. On all causes of action, compensatory and punitive damages;

2. For attorneys' fees and costs; and

3. For such other, further and different relief as the Court deems just and proper.

July 22, 2014

BECKER & POLIAKOFF LLP

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