

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

FILED
2009

CASE NO. 06-20039

THE BIG FOUR-OH, LLC, a South Carolina)
limited liability company, SUMMER 2003,)
LLC, a South Carolina limited liability)
company, and EFI NO. 32, LLC,)
a South Carolina limited liability company,)
Plaintiffs,)

vs.)

THE ENTERTAINMENT GROUP FUND,)
INC., a Florida corporation, and)
WORLDWIDE ENTERTAINMENT, INC., a)
Delaware corporation,)
Defendants.)

RECORDED
FILED
2009

**VERIFIED COMPLAINT FOR THE APPOINTMENT
OF A RECEIVER AND RELATED RELIEF**

Plaintiffs, THE BIG FOUR-OH, LLC ("BIG FOUR-OH"), SUMMER 2003, LLC ("SUMMER 2003"), and EFI NO. 32, LLC ("EFI NO 32") (collectively, the "Lenders" or the "Plaintiffs") hereby sue Defendants, THE ENTERTAINMENT GROUP FUND, INC. ("TEGFI") and WORLDWIDE ENTERTAINMENT, INC. ("WWE") (collectively, the "Borrowers" or the "Defendants"), and allege:

NATURE OF THE ACTION

This is an action brought by the Plaintiffs against the Defendants for the appointment of a receiver ("Receiver") and other equitable relief in connection with a series of loans (collectively, the "Loans") made by the Lenders to the Borrowers or their related entities, pursuant to the terms of certain business loan agreements (collectively, the "Business Loan Agreements"). American Enterprises, Inc. ("AEI") is the sole member-manager of each of the Lenders. As of the date of

this Complaint, pursuant to the terms of the Business Loan Agreements, the Borrowers owe the Lenders collectively in excess of \$10,000,000. The Borrowers were to use the proceeds of the Loans as working capital in connection with the funding of numerous domestic and international concerts, entertainment, and other projects.

Despite repeated requests, the Borrowers have failed to provide a proper, sufficient, and complete accounting to the Lenders. The Plaintiffs seek the appointment of a Receiver for the Defendants to manage and preserve the assets of the Defendants, so the Receiver may, among other things, locate and recover and/or preserve and/or maximize the value of the Borrowers' assets for the benefit of the Lenders and to repay the Loans in accordance with the terms of the Business Loan Agreements.

In addition, the Plaintiffs seek equitable relief of an accounting in connection with the Loans.

THE PARTIES, JURISDICTION AND VENUE

1. Plaintiff, BIG FOUR-OH, is a South Carolina limited liability company. Through AEI, its sole member-manager, its principal place of business is in Hahnville, Louisiana.

2. Plaintiff, SUMMER 2003, is a South Carolina limited liability company. Through AEI, its sole member-manager, its principal place of business is in Hahnville, Louisiana.

3. Plaintiff, EFI NO. 32, is a South Carolina limited liability company. Through AEI, its sole member-manager, its principal place of business is in Hahnville, Louisiana.

4. Defendant, TEGFI is a Florida corporation. Based on information and belief, TEGFI has an office located in Miami Beach, Florida.

5. Defendant, WWE is a Delaware corporation. Based on information and belief, WWE has its principal address located in Miami Beach, Florida.

6. This Court has subject matter jurisdiction over the matter pursuant to 28 U.S.C. § 1332(a)(3)(2005). There is complete diversity of citizenship among the parties, and the amount in controversy exceeds the sum of \$75,000.00, exclusive of interest, costs, and attorneys' fees.

7. This Court has personal jurisdiction over each Defendant, since each Defendant has an office or its principal place of business in Miami-Dade County, Florida, and/or it engages in substantial and not isolated activities or business in Miami-Dade County, Florida.

8. Each Borrower and each Lender has agreed pursuant to the terms of the Business Loan Agreements to submit to the trial and appellate courts of the State of Florida. Venue is proper pursuant to 28 U.S.C. § 1391(a)(2005), based on the following: (a) the causes of action set forth herein accrued in whole or in part in Miami-Dade County, Florida, and (b) the Defendants have an office located in Miami-Dade County, Florida.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

A. The Business of the Lenders

9. Each of the Lenders was formed for the sole purpose of raising capital from third party investors. The Lenders loaned the net capital obtained exclusively to the Borrowers, pursuant to the terms of the Business Loan Agreements.

10. AEI is the sole member-manager of each of the Lenders. As the managing member of these Lenders, AEI is responsible for administering and managing the Lenders. These responsibilities include the administration of the Loans.

B. The Business of the Borrowers

11. The Borrowers, including related entities, are independent producers and promoters of entertainment projects and events. The Borrowers, including related entities,

present an extensive range of events, including musical acts of all genres, comedians, and theatrical productions and events around the world. The entertainment venues include places in North America, Europe, South America, Asia, and Australia.

12. The Borrowers, own or lease and manage various high profile performance venues throughout the world.

C. The Business Relationship between the Borrowers and the Lenders

13. For almost ten years, AEI, through numerous entities, including the Lenders, has been involved in the funding of various entertainment projects and the performance venues produced or controlled by the Borrowers.

14. As part of these activities, the Lenders loaned in excess of \$10,000,000 to the Borrowers, pursuant to the Business Loan Agreements. The Loans constituted virtually all of the capital of the Lenders. The purposes of the Loans were (a) to finance various entertainment shows and theatrical productions in and outside the United States; (b) to purchase performance venues located in the United States and abroad; and (c) to engage in the concert and promotion business throughout the world. On behalf of the Lenders, AEI negotiated the terms of each Business Loan Agreement.

D. The Business Loan Agreements

15. Pursuant to the terms of the Business Loan Agreements, the Lenders transferred the loan proceeds to the Borrowers. An unsecured promissory note payable to the order of the Lender evidenced each Loan.

16. Under the Business Loan Agreements, the Lenders are entitled to receive the following: (a) a return of the principal amount of the Loan no later than the end of a specified time period; (b) a fixed interest rate; and (c) reimbursement of the Lender's operating expenses

(up to a fixed amount), associated with obtaining the Lenders' capital and making the Loan to the Borrowers.

17. Despite repeated requests, the Borrowers have not provided complete, proper, and sufficient information to account for the outstanding Loan amounts, which exceed \$10,000,000.

E. A Receiver Is Needed to Protect against Losses and to Preserve the Borrowers' Assets

18. The Plaintiffs bring this action, *inter alia*, for the appointment of a Receiver who can competently and/or effectively manage the Defendants' businesses and recoup from the Defendants' business operations all amounts owed to the Lenders pursuant to the terms of the Business Loan Agreements.

19. Based on information and belief, the Defendants' books and records are unclear, incomplete, and do not accurately reflect the Defendants' business transactions and their assets and liabilities. The Defendants have not made available for inspection by the Plaintiffs the books and records of the Defendants.

20. Based on information and belief, utilizing the proceeds from the Loans, Defendants' projects have generated revenues, which should be used to repay the Loans. Although Defendants have never missed a passed payment, on occasion the Defendants' payments to the Lenders have been late. Over \$10,000,000.00 will be payable from the Defendants to the Plaintiffs during calendar year 2006.

21. Based on information and belief, Defendants' businesses suffer from other handicaps, which impede the proper functioning of such businesses. These handicaps include, but are not limited, to the following:

- (a) there appear to be questions concerning the amount of the Defendants' receivables, thereby possibly hampering the Defendants' ability to repay the Loans;
- (b) the Defendants have little or no internal accounting controls;
- (c) the Defendants never had a thorough external audit performed;
- (d) the Defendants have insufficient accounting systems;
- (e) the Defendants lack a segregation of the accounting functions from their business operations;
- (f) the Defendants have mismanaged their accounting systems and personnel;
- (g) the Defendants fail to keep adequate and proper books and records.

22. Because the Defendants operate internationally, some of their assets may be located abroad. This is of critical concern to the Lenders.

F. Conditions Precedent

23. The Plaintiffs have satisfied or performed all conditions precedent to the bringing of this action.

24. The Plaintiffs have retained counsel to represent them in this matter and are obligated to pay their counsel a reasonable fee for counsel's services.

COUNT I
APPOINTMENT OF A RECEIVER

25. The Plaintiffs reallege and incorporate the allegations contained in paragraphs 1 through 24 above, as if fully set forth herein.

26. This is an action for the appointment of a Receiver or Custodian *pendente lite* to manage and efficiently collect the outstanding receivables of the Defendants to conserve, protect, and maximize the value of the Defendants' assets, so the Receiver may, among other things,

repay the Loans to the Lenders from the assets of the Borrowers. The appointment of a Receiver is also necessary to prevent any possible waste of the Defendants' assets.

27. As more fully set forth above, the Plaintiffs believe, and therefore allege, that the Defendants have mishandled the Defendants' books and records that pertain to the Lenders' Loans to the Borrowers.

28. If the Defendants continue to manage their own affairs and to control their assets, without a Receiver or Custodian *pendente lite*, there is a real and imminent danger that the Defendants' property and/or assets will be lost or dissipated. Given that Defendants' businesses are operated worldwide, there is a serious, real and legitimate fear that Defendants' assets will be transferred beyond the jurisdiction of this Court. Should this occur, it may deprive the Lenders from repayment on the Loans.

29. The Plaintiffs and Defendants agree to the appointment of a Receiver or Custodian, as reflected by Exhibit "A."

30. All parties also agree that a receivership will well serve the Lenders' interests, that the resulting good will outweigh the harm, if any, that might result from the appointment, and that the receivership will preserve the existing rights of the Lenders and the other, unaffiliated creditors of the Borrowers. (See Exhibit "A.")

31. Appointment of a Receiver will enable this Court to accomplish, as far as practical, complete justice between and among the parties, including the preservation, protection, and proper disposition of the Defendants' assets for the benefit of the Plaintiffs and others in need of protection.

32. The exigencies of this action require the appointment of a Receiver for the following reasons: (a) no other protection appears available to collect and return monies due and

owing to the Lenders and (b) to protect the Borrowers' assets and to repay the Loan to the Lenders from the assets of the Borrowers. A Receiver is particularly appropriate in cases, where as here, much of the Borrowers' assets are highly liquid, and it is possible for the Borrowers to transfer such assets to unknown, related entities, thereby raising questions about the location of these assets or funds.

33. Without a Receiver and immediate action by this Court, all parties and others will suffer irreparable injury, which otherwise could be prevented.

WHEREFORE, the Plaintiffs respectfully request (a) that this Court take all actions necessary to preserve and control the assets of the Borrowers for the benefit of the Plaintiffs, (b) appoint a Receiver or Custodian *pendente lite* until a full hearing on the matter can be held, (c) retain jurisdiction over the Defendants to adjudicate any claims described herein, and (d) to provide such other and further relief as this Court deems just and appropriate.

COUNT II ACCOUNTING

34. The Plaintiffs reallege and incorporate the allegations contained in paragraphs 1 through 24 above, as if fully set forth herein.

35. This is an action in equity for an accounting against the Defendants.

36. The parties have a contractual relationship in which the Defendants owe the Plaintiffs a duty arising from the Business Loan Agreements. This duty requires the Defendants to render an accounting to the Plaintiffs for the monies loaned to the Borrowers by the Lenders.

37. The Plaintiffs entrusted the proceeds of the Loans to the Borrowers. The Lenders had the reasonable expectation that the Borrowers would use the proceeds of the Loans properly to finance the Borrowers' various entertainment projects. Moreover, the Lenders had a reasonable expectation that the Borrowers would properly use the profits generated from their

projects to pay the Lenders amounts owed to them pursuant to the terms of the Business Loan Agreements. Finally, the Plaintiffs appropriately expected that the Defendants would properly account for the Loans.

38. The Defendants are obligated to provide the Plaintiffs an accounting of the funds entrusted by the Plaintiffs to the Defendants for investment and/or financing purposes.

39. The Defendants' books and records are unclear, incomplete, and do not accurately reflect the Defendants' business transactions and their assets and liabilities. In addition, the nature of the Defendants' businesses, especially given that their operations are located throughout the United States and abroad, are so complex as to compel an accounting.

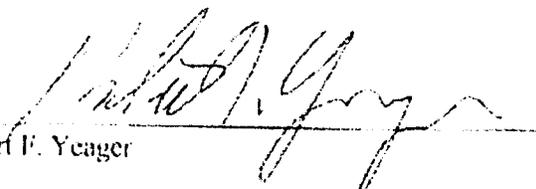
40. The Defendants have failed to provide a proper, sufficient, and complete accounting.

41. The Plaintiffs have no adequate remedy at law that is as full and expeditious as an accounting.

WHEREFORE, the Plaintiffs demand that this Court conduct an equitable accounting of the books and records of the Defendants and demand costs of this action and other relief as this Court deems just and proper.

VERIFICATION

I HEREBY VERIFY that I have read the contents and allegations of the foregoing Complaint for the Appointment of a Receiver and Related Relief, and verify that all factual allegations including the allegations contained in paragraphs 1 through 24 are true and correct to the best of my personal knowledge and belief formed after reasonable inquiry into the facts and circumstances described above.


Robert E. Yeager

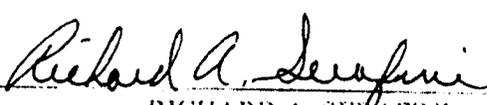
As Representative of American Enterprises, Inc.,
the Member Manager for the Plaintiffs

DATED: this 13th day of January, 2006

Respectfully submitted,

GREENBERG TRAURIG, P.A.
401 East Las Olas Boulevard, Suite 2000
Fort Lauderdale, FL 33301
Telephone: (954) 765-0500
Telecopy: (954) 765-1477

By:


RICHARD A. SERAFINI
Florida Bar No. 0972037

JOINDER AND CONSENT TO RECEIVERSHIP COMPLAINT

Without admitting or denying the allegations, the undersigned, as the respective representatives of THE BIG FOUR-OH, LLC, SUMMER 2003, LLC, EFI NO. 32, LLC, (collectively, the "Lenders"), THE ENTERTAINMENT GROUP FUND, INC., and WORLDWIDE ENTERTAINMENT, INC. (collectively, the "Borrowers"), do hereby certify that the following stipulations and consents are in full force and effect.

1. **RESOLVED:** It is desirable and in the best interest of the Borrowers, their creditors, stockholders and other interested parties, that the Borrowers consent to the relief for the appointment of a Receiver or Custodian as set forth in the Complaint and related motion and memorandum of law to be filed by the Lenders in the District Court for the Southern District of Florida.

2. **RESOLVED:** It is agreed that a receivership will well serve the Lenders' interests, that the resulting good will outweigh the harm, if any, that might result from the appointment, and that the receivership will preserve the existing rights of the Lenders and the other, unaffiliated creditors of the Borrowers.

[signatures on next page]

EXHIBIT A

THE BIG FOUR-OIL, LLC

BY: AMERICAN ENTERPRISES, INC.

Member-Manager

By: _____

Donna Yeager,
President

SUMMER 2003, LLC

BY: AMERICAN ENTERPRISES, INC.

Member-Manager

By: _____

Donna Yeager,
President

EFI NO. 32, LLC

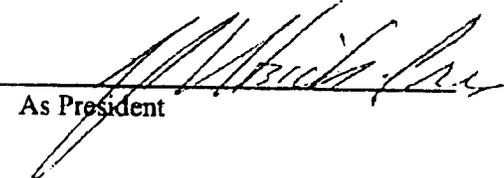
BY: AMERICAN ENTERPRISES, INC.

Member-Manager

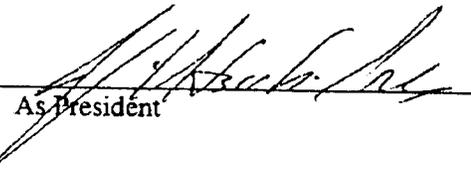
By: _____

Donna Yeager,
President

THE ENTERTAINMENT GROUP FUND, INC.

By: 
As President

WORLDWIDE ENTERTAINMENT, INC.

By: 
As President

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