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6
7 **UNITED STATES DISTRICT COURT**
8 **DISTRICT OF NEVADA**

9 ACE AMERICAN INSURANCE
COMPANY, a Pennsylvania corporation,

CASE NO.

10 Plaintiff,

11 vs.

12 LAWRENCE HALLIER, an individual, also
known as LAURENCE HALLIER and also
13 known as LAURENT HALLIER; HALLIER
PROPERTIES, LLC, a Nevada limited
14 liability company; PANORAMA TOWERS II
MEZZANINE, LLC, a Nevada limited
15 liability company; HALLIER PANORAMA
HOLDINGS, LLC, a Nevada limited liability
16 company; HALLIER GROUP HOLDINGS,
INC., a Nevada corporation; HALLIER
17 INVESTMENTS, LLC, a Nevada limited
liability company; PANORAMA TOWERS
18 III, LLC, a Nevada limited liability company;
HALLIER AVIATION, LLC, a Nevada
19 limited liability company; DOES 1-10, and
ROE CORPORATIONS 1-10,

**PLAINTIFF’S COMPLAINT AND
DEMAND FOR JURY TRIAL**

20 Defendants.
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22
23 COMES NOW Plaintiff, ACE AMERICAN INSURANCE COMPANY (“ACE”), by and
24 through its counsel, Lewis Brisbois, Bisgaard & Smith, LLP, and hereby complains and alleges causes
25 of action against Defendants, LAWRENCE HALLIER (a/k/a Laurence or Laurent) (“Mr.
26 HALLIER”), HALLIER PROPERTIES, LLC (“HP”), PANORAMA TOWERS II MEZZANINE,
27 LLC, (“PTM”), HALLIER PANORAMA HOLDINGS, LLC (“HPH”), HALLIER GROUP
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1 HOLDINGS, INC. (“HGH”), HALLIER INVESTMENTS, LLC (“HINV”), PANORAMA TOWERS
2 III, LLC, (“PT III”), HALLIER AVIATION, LLC (“HAV”), DOES 1-10, and ROE
3 CORPORATIONS 1-10 as follows:

4
5 **JURISDICTION AND VENUE**

6 1. The United States District Court for the District of Nevada has jurisdiction in this
7 matter pursuant to 28 U.S.C.A. § 1332.

8 2. Plaintiff ACE is and was citizen and domiciled in the Commonwealth of Pennsylvania.

9 3. At all relevant times, ACE is and was informed and believes, and thereon alleges, that
10 Mr. HALLIER is a citizen and domiciled of the State of Nevada.

11 4. At all relevant times, ACE is and was informed and believes, and thereon alleges, that
12 Mr. HALLIER owns and controls all LLC Defendants named in this Complaint. As such, at all
13 relevant times, Defendants HALLIER PROPERTIES, LLC (“HP”), PANORAMA TOWERS II
14 MEZZANINE, LLC, (“PTM”), HALLIER PANORAMA HOLDINGS, LLC (“HPH”), HALLIER
15 INVESTMENTS, LLC (“HINV”), PANORAMA TOWERS III, LLC (“PT III”) and HALLIER
16 AVIATION, LLC (“HAV”) are all citizens and domiciled in the State of Nevada.

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18 5. At all relevant times, HALLIER GROUP HOLDINGS, INC. (“HGH”), is and was a
19 corporation organized and existing under the laws of the State of Nevada and was and is a citizen and
20 resident of the State of Nevada.

21 6. The amount in controversy in this matter exceeds \$75,000.

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23 7. Venue is proper in the District of Nevada pursuant to the provisions of 28 U.S.C.
24 §1391(a)(2) or (3), as this judicial district is where a substantial part of the events giving rise to the
25 causes of action herein allegedly occurred. Therefore, Defendants are subject to personal jurisdiction
26 in the District of Nevada.

27
28 **THE PARTIES**

1 8. ACE is a corporation organized under the laws of the Commonwealth of Pennsylvania,
2 with its principal place of business in Philadelphia, Pennsylvania.

3 9. ACE is informed and believes that at all relevant times herein Judgment Creditor and
4 Defendant Panorama Towers, II, LLC (“PT II”) is and was a limited liability company organized
5 under the laws of the State of Nevada. At all times relevant hereto, PT II was conducting business
6 within Clark County, Nevada.

7 10. Upon information and belief, at all relevant times herein, Panorama Towers II
8 Mezzanine, LLC (“PTM”) is and was a limited liability company organized and existing under the
9 laws of the State of Nevada and conducted business within the County of Clark.

10 11. Upon information and belief, at all relevant times herein, PTM was the sole Member of
11 PT II. PTM controlled and governed PT II, and PTM and PT II had a unity of interest and ownership,
12 thereby, constituting PT II and PTM as being inseparable. Any profits or losses from PT II flowed
13 directly to PTM, and PTM filed tax returns at reported income from both entities. Therefore, the PT II
14 Judgment should include PTM as a judgment debtor since PT II is the alter ego of PTM and/or its
15 guarantor.

16 12. ACE is also informed and believes Judgment Creditor Sasson Hallier Properties, LLC
17 (“SHP”) is and was a limited liability company organized and existing under the laws of the State of
18 Nevada and was conducting business within the County of Clark.

19 13. ACE is informed and believes that when SHP entered the SHP contract with ACE, the
20 Members of SHP were Mr. HALLIER and Andrew Sasson.

21 14. ACE is informed and believes that Mr. Sasson sold his Membership interest in SHP to
22 Mr. HALLIER and/or HALLIER Panorama Holdings, LLC and that Mr. HALLIER arranged to
23 change the name of SHP to HALLIER PROPERTIES, LLC.

24 15. As is set forth in paragraphs 12 through 14 above, upon information and belief,
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1 HALLIER PROPERTIES, LLC is the same entity as SHP and is thus the party responsible for the
2 SHP Judgment.

3 16. Alternatively, if HP is not the same entity as SHP, then HP was the successor to SHP's
4 obligations under the contract. Therefore, HP was responsible for causing the damages that are the
5 subject of the SHP Judgment, and/or HP assumed the obligations of SHP and is obligated to pay the
6 amount of the SHP judgment to ACE. Therefore, the SHP Judgment should include HP as a judgment
7 debtor.
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9 17. At all relevant times herein, HALLIER Panorama Holdings, LLC ("HPH") is and was a
10 limited liability company organized and existing under the laws of the State of Nevada and conducting
11 business within the County of Clark, State of Nevada.

12 18. HPH was held a 50 percent Membership interest in HP and PTM. Mr. HALLIER held
13 a 99 percent Membership interest in HPH. The remaining one percent interest was held by HGH
14 (described below).
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16 19. Mr. HALLIER was Director, President, and Treasurer of HGH. Mr. HALLIER
17 controlled HPH, and he had a unity of interest and ownership in HPH thereby constituting Mr.
18 HALLIER and HPH as being inseparable.

19 20. Upon information and belief, all monies that were transferred by HPH were assigned
20 directly to Mr. HALLIER.
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22 21. HPH was an alter ego of Mr. HALLIER, and Mr. HALLIER utilized this alter ego to
23 deplete all financial resources and monies from the Panorama Towers project.

24 22. At all relevant times herein, Defendant HALLIER GROUP HOLDINGS, INC.
25 ("HGH") was a Nevada corporation conducting business within the County of Clark, State of Nevada.

26 23. HGH held a one percent Membership interest in HPH. Mr. HALLIER was the
27 President, Treasurer, and Director of HGH. Mr. HALLIER controlled HGH and he had a unity of
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1 interest and ownership in HGH, thereby, constituting Mr. HALLIER and HGH as being inseparable.

2 24. Upon information and belief, all monies that were transferred from HGH were assigned
3 directly to Mr. HALLIER, thereby, rendering HGH as an alter ego of Mr. HALLIER.

4 25. Mr. HALLIER utilized this alter ego to deplete all financial resources and monies from
5 the Panorama Towers project.

6 26. At all relevant times herein, Defendant HALLIER INVESTMENTS, LLC (“HINV”) is
7 and was a limited liability company organized and existing under the laws of the State of Nevada and
8 conducting business within the County of Clark.

9 27. Mr. HALLIER was the sole Member of HINV, and he directed \$1,500,000.00 to be
10 transferred from HP to HINV in an effort to deplete financial resources and monies from HP.

11 28. Mr. HALLIER also directed PTM to transfer over \$900,000 to HINV in an effort to
12 deplete financial resources and monies from PTM.

13 29. Mr. HALLIER and HINV had a unity of interest and ownership, thereby, constituting
14 Mr. HALLIER and HINV as being inseparable.

15 30. Upon information and belief, all monies that were transferred to HINV were assigned
16 directly to Mr. HALLIER and that HINV is an alter ego of Mr. HALLIER.

17 31. At all relevant times herein, Defendant HALLIER AVIATION, LLC (“HAV”) was a
18 limited liability company organized and existing under the laws of the State of Nevada and conducting
19 business within the County of Clark.

20 32. Mr. HALLIER was the sole Member of HAV, and he directed over \$580,000 to be
21 transferred from HP to HAV in an effort to deplete financial resources and monies from HP.

22 33. Mr. HALLIER and HINV had a unity of interest and ownership, thereby, constituting
23 Mr. HALLIER and HINV as being inseparable.

24 34. Upon information and belief all monies that were transferred to HAV were assigned
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1 directly to Mr. HALLIER, thereby, rendering HAV as an alter ego of Mr. HALLIER.

2 35. At all relevant times herein, Defendant PANORAMA TOWERS III, LLC (“PT III”)
3 was a limited liability company organized and existing under the laws of the State of Nevada and
4 conducting business within the County of Clark.

5 36. Mr. HALLIER and HPH were the only Members of PT III. Mr. HALLIER directed
6 more than \$1,200,000.00 to be transferred from HP to PT III in an effort to deplete financial resources
7 and monies from HP.

8 37. Through Mr. HALLIER’s direct Membership interest and control HPH, which was Mr.
9 HALLIER’s alter ego, Mr. HALLIER and PT III had a unity of interest and ownership, thereby
10 constituting Mr. HALLIER and PT III as being inseparable.

11 38. Upon information and belief, all monies that were transferred to PT III were assigned
12 directly to Mr. HALLIER, thereby, rendering PT III is Mr. HALLIER’s alter ego.

13 39. Upon information and belief, Mr. HALLIER is a resident in the State of Nevada. ACE
14 bases this belief, in part, because Mr. HALLIER and/or his businesses have been parties to multiple
15 civil actions in the State of Nevada. Mr. HALLIER admitted to being a resident in the State of
16 Nevada at all relevant times herein. Since Mr. HALLIER is a Member of all of LLC Defendants, the
17 LLC Defendants are deemed to be residents in the State of Nevada pursuant to Johnson v. Columbia
18 Props. Anchorage, LP, 437 F.3d 894 (9th Cir. Alaska 2006).

19 40. Mr. HALLIER, individually, and/or by and through the LLC Defendants and
20 corporation, maintained 100 percent direction and control over the Membership interests in the LLC
21 Defendants. In particular, Mr. HALLIER controlled the Judgment Creditor SPH and changed its
22 name to HALLIER PROPERTIES, LLC. In addition, Mr. HALLIER controlled the Judgment
23 Creditor PT II and its sole Member PTM.

24 41. Mr. HALLIER has maintained a unity of interest and ownership in SPH, HP, PT II and
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1 PTM, thereby, rendering Mr. HALLIER and these entities as being inseparable.

2 42. Mr. HALLIER controlled and directed the remaining LLC and corporate Defendants
3 because he personally owned and/or controlled 100 percent Membership and/or shareholder interest in
4 all of the LLC and corporate Defendants, and at times, used the LLC and/or corporate Defendants as
5 alter egos to fraudulently deplete financial resources and monies that were directly assigned to Mr.
6 HALLIER instead of to Mr. HALLIER's creditors.

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8 43. Mr. HALLIER used the LLCs in an effort to defraud the Judgment Debtors so that the
9 LLCs could skirt any judgments awarded to ACE. It is clear Mr. HALLIER created the LLC and
10 corporate Defendants to operate as alter egos so that Mr. HALLIER could fraudulently transfer and
11 deplete financial resources and monies from the LLC and corporate defendants and assign and direct
12 all financial resources and monies depleted from the LLC and corporate Defendants to Mr. HALLIER.
13 Mr. HALLIER's conduct and misappropriation of financial resources and monies from the LLC and
14 corporate Defendants has caused ACE significant injustice.

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16 44. ACE further alleges that the true names or capacities, whether individual, corporate,
17 associate or otherwise of Defendants, DOES I through X and/or ROE CORPORATIONS I through
18 X inclusive, may not be known to ACE, therefore, ACE sues said defendants by such fictitious
19 names. Plaintiff is informed and believes, and therefore alleges, that in addition to Mr. HALLIER
20 and the other identified LLC Defendants and corporate Defendant that the defendants designated as
21 DOE and/or ROE CORPORATIONS are responsible in some manner for the events and
22 happenings herein referred to, and caused damages to ACE as herein alleged; that ACE will ask
23 leave of this Court to amend this Complaint to insert the true names and capacities of said
24 Defendants, DOES I through X and/or ROE CORPORATIONS I through X, inclusive, when the
25 same have been ascertained by ACE, together with appropriate charging allegations, and to join
26 such defendants in this action. Specifically, ACE will ask leave to amend to include any and all
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1 culpable officers, directors, shareholders, owners, subsidiaries, affiliates and/or agents of the
2 Defendants who assisted Mr. HALLIER and the other named Defendants in their efforts that have
3 damaged ACE and caused a significant injustice to ACE.

4 **FACTS AND GENERAL ALLEGATIONS**

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6 45. Plaintiff brings causes of action against Defendants to enforce two judgments obtained
7 by ACE and to pierce the corporate/LLC veil. The first Judgment was entered in favor of ACE
8 against Defendant PANORAMA TOWERS II, LLC (“PT II”) in the amount of \$145,687.00 on June
9 19, 2012, in the United States District Court for the Eastern District of Pennsylvania (“PT II
10 Judgment”). The second Judgment was entered in favor of ACE against Sasson-HALLIER Properties,
11 LLC (“SHP”) in the amount of \$1,034,476.96 on June 7, 2012, in the United States District Court for
12 the Eastern District of Pennsylvania (“SHP Judgment”).

13
14 46. In connection with the development of Panorama Towers in Las Vegas, ACE
15 offered Sasson-HALLIER Properties, LLC (“SHP”) a contract entitled “Funded Multi-Line
16 Deductible Program” (the “SHP Contract”), which SHP accepted.

17 47. In addition, ACE offered PT II a contract entitled “Funded Multi-Line Deductible
18 Program” (the “PT II Contract”), which PT accepted.

19 48. The original SHP Contract was signed by the parties in December 2004/January
20 2005. An addendum to the original contract was signed on January 24, 2005 (collectively, the
21 “SHP Contract”). The SHP contract provided coverage from July 26, 2004 through December
22 31, 2007.

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24 49. The original PT II Contract was signed in June 2005/July 2005. An addendum to
25 the original contract was signed on July 25, 2005 (collectively, the “PT II Contract”). The PT II
26 Contract provided coverage from March 15, 2005 through December 31, 2008.

27 50. The SHP and PT II contracts stated that ACE would provide claims management
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1 services for the benefit of SHP and PT II, respectively. ACE would also provide certain policies
2 of insurance, including a General Liability policy of insurance and a Worker's Compensation
3 policy of insurance, covering certain periods. (The services and insurance coverage set forth
4 above shall be collectively referred to as the "Program").

5
6 51. In accordance with the SHP Contract, ACE sent invoices to SHP in February 2009
7 that reflected an outstanding balance in the amount of \$729,491.37 due for excess monies paid
8 by ACE pursuant to the SHP insurance policies.

9 52. Pursuant to the PT II Contract, ACE sent invoices to Panorama in January 2010
10 that reflected an outstanding balance in the amount of \$145,687.00 for the PT II insurance
11 policies. Neither SHP nor PT II paid the invoices sent by ACE.

12 53. The SHP and PT II contracts provided that any disputes between the parties
13 arising under the contracts were to be submitted to binding arbitration. Further, a judgment
14 upon any award issued by a panel of arbitrators must be entered by any court of competent
15 jurisdiction.

16
17 54. Both SHP and PT II failed to respond to ACE's multiple demand for arbitration.
18 However, with respect to the SHP Contract, an Arbitration hearing was finally conducted on
19 June 1, 2011. On August 22, 2011, the arbitrators appointed to hear the dispute issued a "Final
20 Order" (the "SHP Award") in favor of ACE. SHP was ordered to pay ACE the amount of
21 \$729,491.37 as damages for breach of the SHP Contract, together with interest in the amount of
22 \$295,626.24 at the rate of 1.5 percent per month since March 12, 2009 (the date of the breach)
23 and attorneys' fees in the amount of \$9,359.35 that ACE incurred as a consequence of having to
24 invoke the arbitration proceeding pursuant to the SHP contract.
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26 55. In regard to the PT II contract, an Arbitration hearing was finally conducted on
27 June 1, 2011. The arbitrators appointed to hear the dispute issued a "Final Order" (the "PT II
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1 Award”) in favor of ACE. The Award ordered PT II to pay ACE the amount of \$145,687.00 as
2 damages due to the breach of the PT II Contract by Panorama, together with interest in the
3 amount of \$37,150.19 at the rate of 1.5 percent per month since January 21, 2010 (the date on
4 which the breach occurred) and attorneys’ fees in the amount of \$9,359.35 which ACE incurred
5 as a consequence of having to invoke the arbitration proceeding pursuant to the PT II contract.
6

7 56. Both SHP and PT II refused to satisfy the arbitration awards despite ACE’s
8 demands. As such, ACE filed Petitions to confirm both awards in the United States District
9 Court for the Eastern District of Pennsylvania. The Petitions were granted, and Judgments were
10 entered on behalf of ACE against SHP (EDPA Case No. 12-0706) and PT II (EDPA Case No.
11 12-0707).

12 57. On or about June 7, 2012, the SHP Judgment was registered/domesticated in the
13 United States District Court for the District of Nevada (Civil Action Number 2:12-MS-00069)
14 (“SHP Nevada Judgment”).
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16 58. On or about June 19, 2012, the PT II Judgment was registered/domesticated in the
17 United States District Court for the District of Nevada (Civil Action Number 2:12-MS-00068)
18 (“PT II Nevada Judgment”) (the SHP and PT II Nevada Judgments are hereinafter collectively
19 referred to as the “Judgments”).
20

21 59. In an attempt to enforce the Judgments, ACE conducted post-judgment discovery
22 pursuant to Federal Rules of Civil Procedure 45 and 69.

23 60. Information Subpoenas were served on Mr. HALLIER and Andrew Sasson (hereinafter
24 referred to as “Mr. Sasson”) that required them to produce certain books and records of SHP and PT.

25 61. When Mr. Sasson was served with the Information Subpoena, he indicated that his
26 interest was bought by Mr. HALLIER, who had agreed to indemnify Mr. Sasson. Mr. HALLIER
27 conceded to indemnifying Mr. Sasson.
28

1 62. Mr. HALLIER's deposition was taken in November 2012. Mr. HALLIER produced
2 certain tax returns for HP, PTM and HPH.

3 63. During his deposition, Mr. HALLIER stated HP acquired control of SHP as the
4 developer after Mr. HALLIER bought Mr. Sasson's interest in 2005. However, Mr. HALLIER could
5 not recall whether a simple name change occurred or whether SHP dissolved. Mr. HALLIER stated
6 that PT did not have its own tax returns and that its results were reported through PTM.
7

8 64. In regard to the tax returns, Mr. HALLIER testified he could not remember much about
9 this matter, and he deferred the questions posed to his accountant, Mark Jolley.

10 65. Mr. HALLIER was questioned in regard to ACE contracts, the administration of
11 worker's compensation and general liability matters, but Mr. HALLIER testified he could not recall
12 any information in regard to these matters and deferred information in this regard to his former Chief
13 Financial Officer, Bob Beenken.
14

15 66. Mr. HALLIER was questioned as to the location of company records. However, Mr.
16 HALLIER could not provide any information. Mr. HALLIER speculated that company records may
17 be located in an office Panorama previously used. Mr. HALLIER speculated that company records
18 could also have been left at Panorama Towers after the lenders foreclosed on the project. Mr.
19 HALLIER testified, however, that Mr. Jolley had copies of certain records.
20

21 67. Mr. HALLIER was also questioned during his deposition about 20 to 30 entities
22 incorporating "HALLIER" and/or "Panorama" into the entity name. Mr. HALLIER testified he could
23 not recall the purpose of multiple companies, and the majority of the entities had one or two addresses
24 that HALLIER maintained in Las Vegas, Nevada.

25 68. Mr. HALLIER was further questioned in regard to the tax returns that he had produced
26 at his deposition. The tax returns produced by Mr. HALLIER revealed that he received exorbitant
27 distributions between \$1,000,000 and \$25,000,000. Mr. HALLIER could not provide any information
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1 in regard to these distributions.

2 69. Mr. HALLIER was questioned in regard to how HP and PTM had accrued for the ACE
3 payment that would be due. Mr. HALLIER continued to state that he had very little recollection of
4 this matter, and he deferred this line of questioning to Mr. Jolley. Mr. HALLIER's deposition was
5 then suspended.

6 70. Since Mr. HALLIER deferred many questions to Mr. Jolley, a subpoena was served on
7 Mr. Jolley compelling him to testify and produce various books and records for HP, PTM, and HPH.
8 ACE retained Craig Greene, a forensic accountant to review the tax returns produced by Mr.
9 HALLIER and records produced by Mr. Jolley.

10 71. Mr. Jolley was partially deposed on May 23, 2013. However, Mr. Jolley's deposition
11 was continued to September 11, 2013.

12 72. Mr. Jolley could not recall answers to multiple questions and was evasive during the
13 course of his deposition. For example, certain K-1s issued to Mr. HALLIER indicated that large cash
14 distributions were made to Mr. HALLIER as reported on Line 19 of the K-1 with an "A" in the left
15 column of Line 19. Mr. Jolley stated that although the distributions were identified as cash, they may
16 not be cash. When questioned further about the nature of the distributions, Mr. Jolley could not
17 provide a clear answer.

18 73. During the course of his deposition, Mr. Jolley confirmed that HP was the successor to
19 SHP. It became clear the pervasive control Mr. HALLIER had over a number of entities. For
20 example, Mr. HALLIER owned a 50 percent interest in HP. HPH owned the remaining 50 percent
21 interest. Mr. HALLIER owned 99 percent of HPH, and HALLIER Group Holdings, Inc. ("HGH")
22 owned 1 percent. Mr. HALLIER was the President, Treasurer, and Director of HGH.

23 74. Mr. Jolley also testified that Mr. HALLIER withdrew over \$1.4 million from HP to
24 purchase the Royalton at River Oaks Condominium Project in Dallas, Texas. Mr. Jolley testified that
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1 the Royalton was unrelated the Panorama Towers project. He also testified that Mr. HALLIER
2 purchased the project as a personal investment. Mr. Jolley did not believe Mr. HALLIER repaid HP
3 because the money withdrawn was utilized as a distribution to Mr. HALLIER. At this juncture, it
4 appears Mr. HALLIER commingled funds, withdrew monies without following corporate laws,
5 policies and procedures, and/or treated Panorama-related accounts as his personal accounts.
6

7 75. A Dallas news source in 2007 reported as follows:

8 Royalton Condominium LP paid nearly \$40 million last week to HALLIER Properties
9 LLC for 86 unsold condos in the 253-unit property at 3333 Allen Parkway, just west of
10 downtown. Royalton Condominium LP is a Canadian investment group affiliated with
11 Group LSR, a Montreal-based real estate firm.

12 There is no evidence to show the distribution was paid to HP.

13 76. The HP records produced by Mr. Jolley also showed numerous distributions or
14 payments to Defendant HALLIER INVESTMENTS, LLC in the amount of \$1,500,000.00 and to
15 Defendant HALLIER AVIATION, LLC in amounts exceeding \$580,000. There was also a payment
16 made to Michael Rea in the amount of \$600,000. Mr. Jolley testified that money from HP was
17 transferred to HALLIER INVESTMENTS, LLC and that Mr. HALLIER used this money to invest in
18 real estate on an unrelated project to the Panorama Towers Project. This is further evidence to show
19 commingling of funds, refusal to follow the laws, policies and procedures of corporations and Mr.
20 HALLIER's use of HP funds for his own personal gain.

21 77. Mr. Jolley also testified he had no personal knowledge as to the purpose for the
22 transfers to Defendant HALLIER AVIATION, LLC or Mr. Rea. However, it is important to note that
23 Mr. Greene discovered two entries in 2006 that wrote off investments and/or advances to Defendant
24 HALLIER AVIATION that totaled \$908,390. These payments were treated as expenses rather than a
25 distribution to Mr. HALLIER. This treatment was a clear violation of generally accepted accounting
26 principles, and it caused HP to understate its income.
27

28 78. The above transactions evidenced a commingling of funds, unauthorized withdrawals,

1 and a violation of the policies and procedures of the corporate form of HP.

2 79. From 2005 to 2010, Mr. HALLIER withdrew more than \$5.5 million in distributions
3 from HP when he was only allocated \$52 million in profits. This left HP undercapitalized.

4 80. Mr. Jolley also testified that HP did not maintain any formal minutes or corporate
5 resolutions. The failure to maintain records has deprived ACE the opportunity to ascertain whether
6 there was any legitimate business purpose regarding the transactions and distributions made to Mr.
7 HALLIER.
8

9 81. The failure to maintain formal minutes or corporate resolutions evidences wrongful,
10 knowing and intentional commingling of funds.

11 82. The records produced by Messrs. HALLIER and Jolley show inexplicable large
12 “reclassifications” and withdrawals or transfers made that were assigned directly to Mr. HALLIER.
13

14 83. At all times relevant hereto, Mr. Jolley was Mr. HALLIER’s personal accountant and
15 he prepared tax returns and allocated gains and losses to minimize any personal liability of Mr.
16 HALLIER.

17 84. Despite Mr. Jolley being Mr. HALLIER’s personal accountant, he could not recall
18 multiple large distributions that were either (1) reflected on the K-1s or (2) recorded as transfers to
19 companies that assigned monies directly to Mr. HALLIER. Mr. Jolley handled the taxes for numerous
20 HALLIER-owned entities and his firm conducted audits that were required by lenders on the project.
21

22 85. Multiple large “reclassifications” were made into journal entries for HP. These
23 reclassifications constitute, relate and/or refer to fraudulent transfers.

24 86. At all times relevant hereto, HP failed to document its liability to ACE as provided for
25 in the SHP Contract, despite multiple other contingencies/liabilities being reported.

26 87. With respect to PTM, it owned PT II, which was a single-member LLC. All of the
27 financial information relating to PT II was reported on PTM’s records and tax returns.
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1 88. PT II was an alter ego of PTM. Mr. HALLIER and HPH each owned a 50 percent
2 interest in PTM. Mr. HALLIER owned 99 percent interest in HPH and HGH owned a 1 percent
3 interest. Mr. HALLIER was the President, Treasurer and Director of HGH.

4 89. Mr. HALLIER received more than \$9 million in distributions from PTM that included
5 the following: (1) \$980,000 to Defendant HALLIER INVESTMENTS, LLC; (2) more than \$5.7
6 million from the proceeds of a Vestin Loan; and (3) more than \$2.5 million accounted for as
7 “Laurence HALLIER/Other” or “Unknown Difference.”
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9 90. Mr. HALLIER received more than \$4.53 million from 2006 to 2010 over the allocated
10 distributions to him in the amount of \$4.58 million from PTM.

11 91. In addition, PTM transferred \$22 million to Panorama Towers III and left PTM grossly
12 undercapitalized with approximately \$3 million in capital and \$11 million owed to creditors.

13 92. In 2009, there were multiple large reclassifications affecting Mr. HALLIER’s “owner’s
14 contribution” records, including a \$19 million reclassification. These reclassifications constitute,
15 relate or refer to fraudulent conduct on behalf of Mr. HALLIER.
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17 93. At no time was the liability owed to ACE under the contracts documented on PTM’s
18 books.

19 94. These transactions evidence a commingling of funds and unauthorized withdrawals
20 with respect to PT. This left PT undercapitalized.
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22 95. PT also failed to maintain any formal minutes or corporate resolutions. The failure to
23 maintain these records has deprived ACE of the opportunity to ascertain whether there was any
24 legitimate business purpose regarding the transactions and distributions made to Mr. HALLIER.

25 96. The failure to maintain formal minutes or corporate resolutions evidences wrongful,
26 knowing and intentional commingling of funds.

27 97. The records produced by Messrs. HALLIER and Jolley show inexplicable large
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1 “reclassifications” and withdrawals or transfers made that were assigned directly to Mr. HALLIER.

2 98. At all times relevant hereto, Mr. Jolley was Mr. HALLIER’s personal accountant and
3 he prepared tax returns and allocated gains and losses to minimize any personal liability of Mr.
4 HALLIER.

5 99. Despite Mr. Jolley being Mr. HALLIER’s personal accountant, he could not recall
6 multiple large distributions that were reflected on the K-1s for HP, PTM, and HPH and/or transferred
7 to entities that funneled money directly to Mr. HALLIER.

8 100. Mr. Jolley handled the taxes for numerous HALLIER-owned entities, and his firm
9 conducted audits that were required by lenders on the project.

10 101. Multiple large “reclassifications” were made, but there is no evidence to show the
11 purpose of the had to be made to journal entries. Mr. Jolley could not recall the purpose of most of the
12 reclassifications.
13

14 102. These reclassifications constitute, relate or refer to knowing and intentional fraudulent
15 conduct.
16

17 103. With respect to HPH, Mr. HALLIER received a distribution of more than \$25M in
18 2006 as shown on the K-1 of the related to HPH’s “amended” tax return for 2006. Mr. HALLIER took
19 this distribution even though the tax return showed that HPH incurred a \$3M loss for 2006. The
20 “original” tax return indicated that Mr. HALLIER received a \$5.9M distribution. Mr. Jolley could not
21 remember why Mr. HALLIER received such a large distribution in connection with the “amended”
22 return. Further, in 2007, PT II distributed over \$12M to HPH. This distribution was far in excess of
23 the \$6.9M in income from PT II. It appears that HPH was another conduit that Mr. HALLIER used to
24 strip the cash out of PT II and HP.
25

26 104. Finally, it is also important to note that although Mr. Jolley referred many questions to
27 Mr. Beenken, Mr. Beenken was no longer CFO after 2007 (when many of large withdrawals occurred;
28

1 including the Amendment to the 2006 PT II return which provided for the \$25M distribution to
2 Mr. HALLIER). Incredibly, Mr. Jolley could not remember who the company contacts for the various
3 and of the LLC/corporate Defendants after 2007. Importantly, he could not remember who he
4 communicated with about: (1) preparing the “amended return” for PT II in 2006, or (2) the \$19.7M
5 reclassification relating to the Member Distribution Account and \$19.0M reclassification to Retained
6 Earnings for PT II in 2009.

7
8 105. ACE deposed Mr. Beenken because Mr. HALLIER and Mr. Jolley had referred many
9 questions to Mr. Beenken. Mr. Beenken also had great trouble recollecting certain accounting
10 transactions that occurred while was the CFO. When ACE asked him about the source of the funds for
11 a \$24M investment in PT III, he could not recall the source of the funds; or who told him about the
12 investment. ACE asked about a \$15.9M in reclassification to the Member’s Equity account that was
13 reflected on the 2005 Trial Balance for HPH. This reclassification reflected an increased of \$15.9 in
14 Mr. HALLIER’s Membership Equity. Mr. Beenken said he could not recall why this large and
15 noteworthy reclassification was made.

16
17 106. Mr. Beenken also testified that HP and PT II did not maintain minutes of any meetings.
18 His title was VP of Finance. However, when I asked him if he would sign any contract without
19 running it by Mr. HALLIER, he said “Absolutely not!” He also testified that he did work on the
20 Royalton project but that it had nothing to do with the Panorama Towers Project.

21
22 107. Based on: (1) the records provided by Mr. HALLIER and Mr. Jolley; and the first
23 deposition of Mr. HALLIER, the deposition of Mr. Jolley and the deposition of Mr. Beenken, ACE
24 was able to determine the following:

- 25 A. It is apparent from the QuickBooks accounting records that neither HPLLC nor
26 PT II set up any liability to ACE for their respective obligations to the
27 company for unpaid premiums. There would have been available funds for
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each company to pay their respective obligation to ACE but for the actions of Mr. HALLIER in distributing all available profits and funds from HPLLC and PT II to himself and/or his related company HPHLLC for his benefit.

B. An analysis of the income tax returns of HPLLC found that Mr. HALLIER withdrew in excess of \$5.5 million more than the profits earned by the Company for the years 2005 – 2010. The profits earned by the Company were overstated since an appropriate liability to ACE had not been recorded in its records. In addition another \$908,000 was inappropriately expensed by HPLLC for advances to HALLIER Aviation, LLC.

C. An analysis of the QuickBooks records for HPLLC found that the Company received \$720,000 more in developer fees from PT II than represented in the audit conducted by Mr. Jolley’s firm. These funds were inappropriately accounted for on the respective accounting records of each company.

D. An analysis of the income tax returns of PT II found that HALLIER withdrew in excess of \$4.5 million more than the profits earned and allocated by the Company to HALLIER for the years 2006 – 2010. The profits earned by this Company were also overstated since an appropriate liability to ACE had not been recorded in its records.

E. Mr. HALLIER took a personal distribution from HPHLLC in the amount of \$25.1 million.

F. Of the distributions to HALLIER from PT II \$5.7 million of the amount was from debt incurred by PT II that was designated as a construction loan. Cash flow from PT II that could have been made available to pay the ACE obligation was used to pay down this debt.

1 G. Mr. HALLIER in his deposition testified that the companies lost substantial
2 amounts of money and as a result were defunct. ACE's analysis has found that
3 excessive distributions to HALLIER and his related company, HPHLLC in
4 fact caused the companies to become defunct.

5 H. As a result, ACE concluded that Mr. HALLIER and his related entities
6 stripped all the working and equity capital from HPLLC and PT II and as a
7 result left no assets or capital to pay its obligation to ACE.
8

9 108. ACE conducted a second/continued deposition of Lawrence HALLIER. ACE asked
10 Mr. HALLIER about the various issues that arose during the depositions of Mr. Jolley and Mr.
11 Beenken. ACE also asked Mr. HALLIER about the determinations that are described in paragraph 61
12 above. In particular, ACE asked Mr. Jolley about several large distributions and reclassifications. Mr.
13 HALLIER consistently said he did not remember anything about these matters. He did not offer any
14 substantive explanation regarding these matters and he frequently made the blanket assertion that he
15 "lost millions on the project." Yet, he could not recall whether his contributions were in cash, land, or
16 other property. He did not recall who instructed Mr. Jolley after Mr. Beenken left the company. When
17 ACE asked HALLIER about discussions with Mr. Jolley, his counsel instructed him not to answer
18 based on the accountant-client privilege.
19

20 109. Mr. HALLIER and HP, PT, HSH, HGH, DOES 1-10, and ROES 1-10, (collectively,
21 the "HALLIER Controlled Parties") engaged in deceptive activity in an effort to leave the Judgment
22 Debtors with no assets to pay the amounts owed to ACE. ACE has suffered significant damages as
23 result of such deceptive conduct and ACE's damages amount to a substantial injustice.
24

25 110. At all relevant times herein, Mr. HALLIER, his business associates, who worked at
26 the direction and control of Mr. HALLIER, and the Hallier Controlled Parties conspired to dominate
27 and control the numerous parties and their affiliated entities to engage in wrongful and intentional
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1 conduct toward ACE by using the corporate and LLC fictions as a veil behind which to hide. Mr.
2 HALLIER and the Hallier Controlled Parties engaged in such wrongful and intentional conduct in an
3 effort to fraudulently deplete financial resources and monies from the Panorama Towers project in
4 order to provide Mr. HALLIER with exorbitant amounts of money that he wrongfully, intentionally,
5 knowingly and fraudulently obtained.
6

7 111. Mr. HALLIER and the Hallier Controlled Parties engaged in deceptive activity in an
8 effort to skirt having to pay the Judgments awarded to ACE. As a result of Mr. HALLIER and the
9 Hallier Controlled Parties wrongful, intentional and knowing deceptive and fraudulent conduct, ACE
10 has suffered and continues to suffer significant damages and substantial injustice.

11 112. As a result of Mr. HALLIER and the Hallier Controlled Parties wrongful, intentional
12 and knowing deceptive and fraudulent conduct, ACE was forced to retain the services of attorneys in
13 this matter and, therefore, seeks an award of reasonable attorneys' fees and costs in having to
14 prosecute its causes of action.
15

16 113. ACE seeks declaratory judgment from this Court in finding Mr. HALLIER and/or the
17 Hallier Controlled Parties liable to ACE for the Judgments awarded to it under the theory of alter ego.

18 114. ACE also alleges herein causes of action against Mr. HALLIER and the LLC and
19 corporate Defendants to set aside fraudulent conveyances, for breach of fiduciary duty, and for unjust
20 enrichment.
21

22 115. Plaintiff is informed and believes and therefore alleges that Mr. HALLIER and the
23 other named LLC and corporate defendants, Does I through X and Roe Corporations I through X,
24 and each of them, have attempted to use the various corporate forms to wrongfully, knowingly and
25 intentionally deplete financial resources and monies from the Panorama Tower project and allocate
26 those monies for themselves and/or to attempt to avoid the SHP and PT II Judgments to the
27 detriment of Plaintiff. In so doing, Plaintiff is informed and believes and therefore alleges that Mr.
28

1 HALLIER, the LLC and corporate Defendants, and Does I through X and Roe Corporations I
2 through X have utilized various corporate forms for personal business and as an alter ego,
3 undercapitalized SHP, PT II, HP, PM, and HPH, failed to properly maintain SHP, PT II, HP, PM,
4 and HPH as distinct entities, intermingled business funds, and misrepresented their relationship
5 with SHP, PT II, HP, PM, and HPH and the nature of these entities, resulting in fraud and/or
6 causing substantial injustice upon Plaintiff such that the corporate veil, if any, as the named LLC
7 and corporate Defendants should be deemed pierced and set aside and Mr. HALLIER, the named
8 LLC and corporate Defendants, Does I through X and Roe Corporations I through X be held
9 responsible for the amounts owing to Plaintiff as alleged herein.
10

11 116. Alternatively, Plaintiff is informed and believes and therefore alleges that, at all
12 times relevant hereto, Mr. HALLIER and the named LLC and corporate defendants were affiliates,
13 joint ventures and/or that SHP, PT II, HP, PM, and HPH were the agents of these entities and they
14 are obligated for the amounts owing to Plaintiff as alleged herein.
15

16 **CLAIMS FOR RELIEF**

17 **FIRST CAUSE OF ACTION**

18 **(Declaratory Judgment of Alter-Ego Liability Against All Defendants)**

19 117. ACE repeats and realleges the allegations set forth in paragraphs 1 through 116 above
20 with the same force and effect as if set forth fully herein.

21 118. As set forth in the Facts and General Allegations set forth above, Mr. HALLIER,
22 individually, and in working with numerous other parties, abused the corporate form to damage
23 ACE to its detriment. Mr. HALLIER, individually, together with certain business associates, who
24 worked at the direction of Mr. HALLIER, and the Hallier Controlled Parties, at all relevant times,
25 conspired to dominate and control numerous parties and their affiliated entities, to engage in wrongful
26 and intentional conduct toward ACE by hiding behind and, indeed, abusing the corporate fiction. Mr.
27 HALLIER, individually, together with the Hallier Controlled Parties engaged in such wrongful and
28

1 intentional conduct in an effort to veil their depletion of financial resources and monies from the
2 Panorama Towers project and ACE as Judgment Creditor, and provide Mr. HALLIER with enormous
3 amounts of money from fraudulent transfers and withdrawals from LLC and corporate Defendants.

4 119. Mr. HALLIER and the Hallier Controlled Parties engaged in their deceptive activity in
5 an effort leave any potential Judgment Debtor with no assets to pay the amounts owed to ACE. ACE
6 has suffered significant damages as result of such deceptive conduct and ACE's damages amount to a
7 substantial injustice.

8 120. Mr. HALLIER unilaterally governed and absolute influence and control over
9 Defendants Hallier Properties, LLC, Panorama Towers II Mezzanine, LLC, Hallier Panorama
10 Holdings, LLC, Hallier Group Holdings, Inc., Hallier Investments, LLC, Panorama Towers III, LLC,
11 and Hallier Aviation, LLC.

12 121. The LLC and corporate Defendants and Mr. HALLIER are indistinguishable and
13 inseparable, thereby, rendering them alter egos of each other.

14 122. Mr. HALLIER and Defendants Hallier Properties, LLC, Panorama Towers II
15 Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier Group Holdings, Inc., Hallier
16 Investments, LLC, Panorama Towers III, LLC, and Hallier Aviation, LLC disregarded basic and
17 fundamental corporate formalities and principles of corporate governance in the management and
18 operation of these entities.

19 123. Mr. HALLIER, individually, and Hallier Properties, LLC, Panorama Towers II
20 Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier Group Holdings, Inc., Hallier
21 Investments, LLC, Panorama Towers III, LLC, and Hallier Aviation, LLC routinely commingled their
22 funds and assets and Mr. Hallier treated each of these entities as his personal piggy bank.

23 124. Mr. HALLIER, alone, and sometimes with the assistance of certain business associates,
24 failed to act independently in the best interest of Hallier Properties, LLC, Panorama Towers II
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1 Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier Group Holdings, Inc., Hallier
2 Investments, LLC, Panorama Towers III, LLC, and Hallier Aviation, LLC; instead, they acted entirely
3 for the benefit of Mr. Hallier.

4 125. Mr. HALLIER, in his individual capacity, together with occasional assistance from
5 business associates, arranged for numerous improper diversions of company funds that were
6 ultimately directly assigned and/or transferred to Mr. HALLIER's personal accounts and/or he used
7 them to buy and invest for his own benefit.

9 126. Mr. HALLIER and Hallier Properties, LLC, Panorama Towers II Mezzanine, LLC,
10 Hallier Panorama Holdings, LLC, Hallier Group Holdings, Inc., HALLIER Investments, LLC,
11 Panorama Towers III, LLC, and Hallier Aviation, LLC failed to maintain adequate minute and/or
12 corporate records.

13 127. Hallier Properties, LLC, Panorama Towers II Mezzanine, LLC, Hallier Panorama
14 Holdings, LLC, Hallier Group Holdings, Inc., Hallier Investments, LLC, Panorama Towers III, LLC,
15 and Hallier Aviation, LLC were owned by Mr. HALLIER, and Mr. HALLIER's employees and
16 consultants handled each entity as though they were working for Mr. HALLIER. Mr. Jolly was the
17 company accountant and Mr. HALLIER's personal accountant. Mr. Beenken refused to sign any
18 document without HALLIER's approval, despite Mr. Beenken being a seasoned Vice President and
19 Chief Financial Officer who had experience on similar projects.

20 128. HALLIER Properties, LLC, Panorama Towers II Mezzanine, LLC, HALLIER
21 Panorama Holdings, LLC, HALLIER Group Holdings, Inc., HALLIER Investments, LLC, Panorama
22 Towers III, LLC, and HALLIER Aviation, LLC all used common addresses. They used the same
23 employees, counsel, and auditing firms.

24 129. The actions of Mr. HALLIER and Hallier Properties, LLC, Panorama Towers II
25 Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier Group Holdings, Inc., Hallier
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1 Investments, LLC, Panorama Towers III, LLC, and Hallier Aviation, LLC caused these companies to
2 undercapitalized and unable to meet HP and PTM's obligations to ACE.

3 130. Mr. HALLIER authorized numerous inter-company cash transfers, which were
4 disguised as valid loans, investments, or Membership distributions.

5 131. The actions of Mr. HALLIER and Hallier Properties, LLC, Panorama Towers II
6 Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier Group Holdings, Inc., Hallier
7 Investments, LLC, Panorama Towers III, LLC, and Hallier Aviation, LLC amounted to nothing less
8 that fraud. As a result, ACE has suffered damages and substantial injustice.

9 132. As a result of Mr. HALLIER's fraudulent conduct, the corporate veil of Hallier
10 Properties, LLC, Panorama Towers II Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier
11 Group Holdings, Inc., Hallier Investments, LLC, Panorama Towers III, LLC, and Hallier Aviation,
12 has been pierced to obtain the assets of and satisfy the Judgments against Mr. HALLIER.
13
14

15 **COUNT TWO**
16 **(Fraudulent Conveyance Against All Defendants)**

17 133. ACE repeats and re-alleges the allegations set forth in paragraphs 1 through 132 above
18 with the same force and effect as if set forth fully herein.

19 134. The large majority of significant transfers (1) from Hallier Properties, LLC, (2)
20 Panorama Towers II Mezzanine, LLC, (3) to/from Hallier Panorama Holdings, LLC, (4) to Hallier
21 Group Holdings, Inc., (4) to Hallier Investments, LLC, (5) to/from Panorama Towers III, LLC, and to
22 Hallier Aviation occurred in late 2007 when real estate market began feeling the worst of the Great
23 Recession. In January 2008, Mr. HALLIER was quoted in Casino City Times, in pertinent part, as
24 follows:
25

26 *Laurence HALLIER, developer of Panorama Towers, said he was surprised to hear of*
27 *the default notice issued by Deutsche Bank. Unlike Miami, where 50,000 condo units*
28 *are being built, Las Vegas only has five or six "legitimate" condo projects with about*
7,000 units, he said.

1 *“I believe they were doing well in presales,” HALLIER said. “I don’t know all the*
2 *details of the project and why it didn’t work. No doubt, the market has changed*
3 *drastically in the last year or year and a half, but we’re finding more foreign buyers*
4 *and California buyers, not a lot of investors.”*

(Emphasis added).

5 135. HP, PTM, and HPH filed their 2006 tax returns in October 2007. HP reported income
6 of approximately \$450,000. HP’s dropped more than \$1 million that year. Nevertheless, Mr.
7 HALLIER withdrew \$2.2 million from the company and included a \$1.25 million payment to Hallier
8 Investments. PTM had little activity in 2006 as condominiums were under construction. HPH filed
9 an “Amended” 2006 return in October 2007. The “Amended” 2006 return reported a loss of \$3.1
10 million. Nevertheless, Mr. HALLIER received a \$15.1 million distribution. On his “original return,”
11 his distribution was approximately \$5.9 million. In addition, Hallier Aviation received \$5.9 million in
12 2006. This was around the same time that Mr. HALLIER took a \$5 million distribution from the
13 proceeds of the Vestin loan.

14
15 136. In 2007, HP lost \$211,000. Nevertheless, Mr. HALLIER withdrew about \$1.8M and
16 he used \$1.4M to buy the Royaltan. PTM had earnings in 2007 of about \$13M which could be
17 attributed to condominiums closing, and there were no significant withdrawals. HPH lost \$11.5M
18 with no significant withdrawals.

19
20 137. In 2008, HPH lost \$1.8M; however, Mr. HALLIER took a \$404,000 distribution. PTM
21 went from a \$13M profit in 2007 to a \$4.7M loss in 2008. Nevertheless, Mr. HALLIER withdrew
22 \$8.8M out of PTM. In 2008, HPH lost \$4.5M and there was nothing left to distribute as the Member’s
23 had negative balances in their capital accounts.

24
25 138. In 2009, HPH lost \$244,000 and the ending capital accounts had negative balances.
26 PTM posted \$575,000 in income. However, it was too late to do much good because the Member’s
27 capital accounts had negative balances. HPH posted \$161,000 in income. However, it was too late to
28 do much good because the Member’s capital accounts had negative balances. Some final returns were

1 filed in 2010, but that was perfunctory. Vestin filed a foreclosure action against HALLIER, HPH, HP,
2 PTM, PT, and another entity named 2503 Panorama and eventually Panorama Towers was foreclosed
3 upon.

4 139. Mr. HALLIER knew an economic downturn was impending and took advantage of his
5 position as an insider to loot the company at ACE's expense. These transfers caused Hallier
6 Properties, LLC, Panorama Towers II Mezzanine, LLC, Hallier Panorama Holdings, LLC, Hallier
7 Group Holdings, Inc., Hallier Investments, LLC, Panorama Towers III, LLC, and/or Hallier Aviation
8 to become insolvent and were not made for adequate consideration.
9

10 140. Such blatant misappropriations of company assets by Defendants manifestly
11 contravene fundamental principles of corporate governance.

12 141. These improper transfers rendered the LLC and corporate Defendants judgment proof.

13 142. The cash transfers described above constitute fraudulent conveyances in violation of
14 Nev. Rev. Stat. Ann. § 112.180(1).
15

16 **COUNT III**
17 **(Breach of Fiduciary Duty)**

18 143. ACE repeats and re-alleges the allegations set forth in paragraphs 1 through 142 above
19 with the same force and effect as if set forth fully herein.

20 144. Mr. HALLIER, as a Member or controlling person of LLC and corporate Defendants,
21 owes fiduciary duties of loyalty to the LLC and corporate Defendants under applicable law.

22 145. Because the LLC and corporate Defendants are insolvent, and therefore have fiduciary
23 duties to creditors, Mr. HALLIER, as controller and manager of the insolvent LLC and corporate
24 Defendants, owes a fiduciary duty to such creditors, including Plaintiff ACE in this case.
25

26 146. By comprehensive and continuous use of his management control over the LLC and
27 corporate Defendants and as a result of the fraudulent transfers and distributions from the LLC and
28 corporate Defendants that were obtained directly by Mr. HALLIER, Mr. HALLIER has breached his

1 respective fiduciary duty, as well as his contractual and other legal duties, to ACE under the SHP and
2 PT II contracts.

3 147. By acting in a manner disloyal to the LLC and corporate Defendants and by assuming
4 alter egos, thereby piercing the corporate veil, Mr. HALLIER has breached his fiduciary duties.

5 148. By reasons of the foregoing, Mr. HALLIER and the LLC and corporate Defendants
6 have injured Plaintiff and are liable to Plaintiff for damages to be proven in this action.
7

8 **COUNT IV**
9 **(Fraudulent Concealment)**

10 149. ACE repeats and re-alleges the allegations set forth in paragraphs 1 through 148 above
11 with the same force and effect as if set forth fully herein.

12 150. By communicating fraudulent representations to ACE when Mr. HALLIER knew they
13 were false, Mr. HALLIER concealed or suppressed material facts from ACE.

14 151. Because of his superior knowledge of and about the financial status and capitalization
15 of the LLC and corporate Defendants, and because of a then-existing relationship between Mr.
16 HALLIER, individually, and the sole principal of ACE, ACE placed special trust and reliance in Mr.
17 HALLIER in matters related to the SHP and PT II contracts. Accordingly, there existed a special or
18 confidential relationship between Mr. HALLIER, HP, PT II and Plaintiff whereby Mr. HALLIER was
19 under a duty or obligation to accurately and truthfully disclose – and to not conceal or suppress – facts
20 regarding capitalization, transfers, distributions and/or withdrawals from the LLC and corporate
21 Defendants for his personal benefit.
22

23 152. Mr. HALLIER intentionally and willfully suppressed and concealed from ACE the
24 true facts regarding capitalization, transfers, distributions and/or withdrawals from the LLC and
25 corporate Defendants for his personal gain and benefit in order to induce ACE to enter into the SHP
26 and PT II contracts. In so doing, HALLIER concealed or suppressed material facts for the purpose of
27 inducing ACE to act differently than it would have acted had it known the true facts about
28

1 capitalization of the LLC and corporate Defendants' funding, finances and capitalization.

2 153. Because HALLIER led ACE to believe that the fraudulent representations were indeed
3 true, ACE was unaware of the true state of the facts and, had it known true facts which were contrary
4 to the fraudulent representations, ACE would not have entered into the SHP or PT II contracts by and
5 between Mr. HALLIER, Andrew Sasson and SHP and PT II.
6

7 154. As a result of Mr. HALLIER's concealment and suppression of true and accurate facts
8 and information regarding the funding, finances and capitalization of the LLC and corporate
9 Defendants, ACE suffered damages in an amount in excess of \$75,000.00, exclusive of interest and
10 costs. Mr. HALLIER's actions described herein have also caused Plaintiff to incur substantial
11 attorneys' fees, costs and other expenses that Plaintiff otherwise would not have incurred but for Mr.
12 HALLIER's false and fraudulent representations and concealed material facts.
13

14 155. Upon information and belief, Mr. HALLIER's actions hereinabove described were
15 fraudulent, intentional, knowing, malicious, reckless, and/or oppressive, and were undertaken to cause
16 damages to ACE. Accordingly, HALLIER is liable for punitive and exemplary damages in an amount
17 to be proven at trial.

18 156. ACE has been required to retain the services of attorneys to prosecute this action and
19 have been further damaged thereby and, thus, is entitled to an award of reasonable attorneys' fees and
20 costs necessarily incurred herein.
21

22 WHEREFORE, PLAINTIFF ACE AMERICAN INSURANCE COMPANY respectfully
23 requests, in consideration of the foregoing, that this Court enter a Declaratory Judgment in its favor
24 against all Defendants, providing for the following relief:

25 (i) On Count One, a Declaratory Judgment, that pursuant to NRS 78.747 that Mr.
26 HALLIER and all the Defendants were alter egos of (1) SPH and HP; and (2) PT II and PTM, as a
27 matter of law;
28

1 (ii) On Count Two, a Declaratory Judgment pursuant to Nev. Rev. Stat. Ann. § 112.180(1)
2 voiding the aforementioned transfers of funds and enjoining any further conveyance of funds by Mr.
3 HALLIER;

4 (iii) On all Counts, an Order permitting and enabling ACE to execute on the full amount of
5 ACE’s Judgments against Defendants, plus post-judgment interest; and
6

7 (iv) On all Counts, an Order awarding ACE costs, attorney’s fees, and such further relief
8 as this Court may deem just and proper.

9 **DEMAND FOR JURY TRIAL**

10 Plaintiff ACE AMERICAN INSURANCE COMPANY hereby demands a trial by jury as to all
11 facts, general allegations and causes of action in this matter.

12 DATED this 5th day of May, 2014.

13 LEWIS BRISBOIS BISGAARD & SMITH LLP
14

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