

RETURN DATE: APRIL 7, 2015 : SUPERIOR COURT  
WILLIAM GHIO, JANET GHIO and : J.D. OF HARTFORD  
WILLIAM GHIO IRA :  
V. : AT HARTFORD  
PAUL PENDERGAST, J. REID GORMAN,  
CARLOS SILVA, JAMES L. BOSWORTH,  
BACK9 NETWORK, INC. AND  
MILLENIUM TRUST COMPANY : MARCH 13, 2015

## COMPLAINT

### GENERAL ALLEGATIONS

1 At all times relevant hereto, the plaintiffs William and Janet Ghio were solicited to become investors in an entity known as Back9 Network, Inc. which was to be headquartered in Hartford, Connecticut and serve as a multimedia lifestyle and entertainment network for golf fans.

2. At all times relevant hereto, the primary solicitor of investments from the plaintiffs was one Paul Pendergast, a non-licensed investment adviser agent for said Back9. In regard to one or more of the investments, others involved in solicitation of the plaintiffs included J. Reid Gorman, who was the Chief Operating Officer and Secretary of the corporation, Carlos Silva, who also served as the Chief Operating Officer and subsequently the President of the

company, James L. Bosworth who initially was the Chief Executive Officer and founder of the company.

3. Commencing in 2012, the plaintiffs were solicited to make an investment in said Back9, initially by Paul Pendergast, with the aid and assistance of the defendants Bosworth and Gorman, which initial investment was in a substantial amount and was consummated in December of 2012 through funds of the plaintiffs William and Janet Ghio. While the stock certificate was issued in both names, upon information and belief, at all times the only individual who received solicitation materials and executed a subscription agreement was the plaintiff William Ghio.

4. The plaintiffs were solicited yet again and by February of 2013 had made another investment into Back9 as a result of the solicitation made by Pendergast. Again, only William Ghio received solicitation material and executed a subscription agreement.

5. Yet a third solicitation was made by Pendergast and Gorman in early 2014 by which William Ghio, Trustee of William Ghio IRA invested substantial funds for additional stock in said corporation, which monies were transferred to Millenium Trust Company in regard thereto. While William Ghio

received solicitation material and executed a subscription agreement, it was not in a trustee capacity.

6. Most recently, in December of 2014, the plaintiffs William and Janet Ghio were solicited yet again by Pendergast, Gorman and the defendant Silva, on account of which the plaintiffs invested further substantial sums, in connection with which no offering or solicitation material was provided, but assurances were given by said individuals in regard to the investment, including that the company was not going to go out of business, that the lights would not be turned off, that there would not be layoffs read about in the paper, "Not in a million years."

7. No stock certificate has been issued in connection with the most recent investment, and shortly thereafter, Back9 ceased operations. The full status of its financial condition and operating future are unknown at this time. Upon information and belief, the plaintiff Janet Ghio did not receive or execute solicitation or subscription materials in regard to any of the investments.

8. The plaintiffs presently hold stock certificates B-27 for 12,500 shares of Series B Preferred Stock dated December 12, 2012; B-46 for 37,500 shares of Series B Preferred Stock dated February 22, 2013; and B-57 for 12,500 shares of Series B Preferred Stock dated March 15, 2013.

9. Recently, the plaintiffs William and Janet Ghio had contact from the president of Back9, who expressed concern over the representations made to the Ghios in connection with the most recent investment, and who acknowledged that realistically \$100 million was necessary to be raised in order to have a viable network, and further it was revealed that Back9 was paying millions of dollars to Comcast in order to have Back9 part of the Comcast cable stations offered to the public, which facts had never previously been disclosed to the plaintiffs, and which facts would have been material as to whether or not the plaintiffs made any investment.

10. Further, in connection with the most recent investment of \$360,000, William and Janet Ghio relied on the oral representations of Pendergast, Gorman and Silva on account of which said funds were advanced to Back9.

**COUNT ONE (On behalf of the individual plaintiffs as to the defendants Pendergast, Gorman, Silva, Bosworth and Back9)**

1-10. Paragraphs 1 through 10 of the General Allegations are hereby made Paragraphs 1 through 11 of this Count One, as if fully set forth herein.

11. Said transactions violate the Connecticut Securities Act, C.G.S. §36b-1 *et seq* as made and provided, and/or the Delaware Securities Act, as Back9 is a Delaware corporation, including §73-302, 301 and 210(b), as the

defendants utilized a non-licensed agent to solicit plaintiffs' funds, employed a device, scheme or artifice to defraud the plaintiffs and rendered untrue statements of facts and/or omitted statements of facts necessary to make the statements not misleading in light of the circumstances and/or engaged in acts which operated to defraud or otherwise deceive the plaintiffs. The defendants engaged in dishonest and unethical practices in regard to the sale of securities, all to the plaintiffs' special loss and damage.

**COUNT TWO (On behalf of the plaintiff William Ghio Trustee as to Back9, Pendergast, Gorman and Millenium)**

1-10. Paragraphs 1 through 10 of the General Allegations are hereby made Paragraphs 1 through 10 of this Count Two, as if fully set forth herein.

11. The plaintiff, William Ghio, Trustee of an Individual Retirement Account, invested into said stock of Back9 by way of transferring funds to the defendant Millenium Trust Company. At no time does it appear that there was proper solicitation made of William Ghio, Trustee, nor documentation received and secured from William Ghio, Trustee, nor full and proper disclosure of material facts including those referenced aforesaid to William Ghio as Trustee to make such investment.

12. Further, at all times relevant hereto, the defendant Millenium aided and abetted the individual defendants Pendergast and Gorman and said Back9

in committing securities violations under the Connecticut Securities Act, C.G.S. §36b-1 *et seq* as made and provided, and/or the Delaware Securities Act, as Back9 is a Delaware corporation, including §73-302, 301 and 210(b), as the defendants employed a device, scheme or artifice to defraud the plaintiffs and rendered untrue statements of facts and/or omitted statements of facts necessary to make the statements not misleading in light of the circumstances and/or engaged in acts which operated to defraud or otherwise deceive the plaintiffs. The defendants engaged in dishonest and unethical practices in regard to the sale of securities, all to the plaintiffs' special loss and damage.

**COUNT THREE (On behalf of all plaintiffs as to all defendants)**

1-10. Paragraphs 1 through 10 of the General Allegations are hereby made Paragraphs 1 through 10 of this Count Three, as if fully set forth herein.

11. Paragraph 11 of Count One is hereby made Paragraph 11 of this Count Three, as if fully set forth herein.

12-13. Paragraphs 11 and 12 of Count Two are hereby made Paragraphs 14 and 15 of this Count Four, as if fully set forth herein.

14. At all times relevant hereto, the conduct of the defendants offended public policy; was immoral, oppressive, unethical and unscrupulous; and caused substantial injury to plaintiff, competitor of the East Brook

defendants; thereby violating the Connecticut Unfair Trade Practices Act ("CUTPA") C.G.S. § 42-110a, *et seq.*, as made and provided, resulting in ascertainable losses to the plaintiffs as set forth herein.

WHEREFORE the plaintiffs claim:

1. Rescission as to each investment;
2. Damages;
3. Exemplary and punitive damages;
4. Reasonable attorney's fees under C.G.S. §36b-29 and/or Delaware §73-605;
5. 8% interest in regard to the invested funds and/or legal rate under Delaware law, §73-605;
6. Damages pursuant to C.G.S. § 42-110g;
7. Punitive damages pursuant to C.G.S. § 42-110g(a);
8. Attorney's fees pursuant to C.G.S. § 42-110g(d);
9. Pre and post-judgment interest;
10. Such other legal and equitable relief as the court deems appropriate.



PLAINTIFFS

By  \_\_\_\_\_

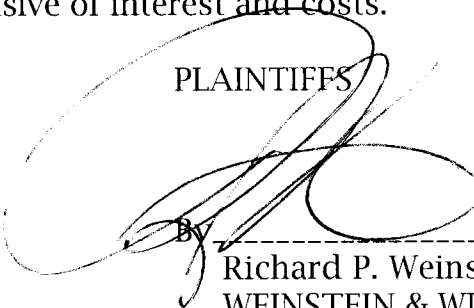
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**STATEMENT OF AMOUNT IN DEMAND**

The amount in demand is greater than Fifteen Thousand and 00/100  
(\$15,000.00) Dollars, exclusive of interest and costs.

PLAINTIFFS

  
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