IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

POST HOLDINGS, INC. and MICHAEL FOODS OF DELAWARE, INC.,)	
Plaintiffs,)	
v.)	C.A. No. 2017
NPE SELLER REP LLC, SAFE EGG LLC, AARDEMA PARTNERSHIP, LOST CREEK RANCH, BRIAN BOOMSMA, HOPEWELL VENTURES, L.P., R.W. DUFFY COX,))))	
GREGORY M. WEST, CHUCK LEIS, MICHAEL SMITH, JAY BERGLIND, HECTOR LARA, D. MICHAEL TOONE,)	
Defendants.)	

VERIFIED COMPLAINT

Plaintiffs, Post Holdings, Inc. and Michael Foods of Delaware, Inc., for their Complaint against Defendants Safe Egg, LLC, Aardema Partnership, Lost Creek Ranch, LLC, Brian Boomsma, Hopewell Ventures, L.P., R.W. Duffy Cox, Gregory M. West, Chuck Leis, Michael Smith, Jay Berglind, Hector Lara, and D. William Toone (collectively, the "Securityholders"), and against Defendant NPE Seller Rep LLC (collectively, the "Defendants") state as follows:

BACKGROUND

- 1. Plaintiff Post Holdings, Inc. ("Post Holdings"), headquartered in St. Louis, Missouri, is a consumer packaged goods holding company. Through its Michael Foods division, Post Holdings is a supplier of egg products to the foodservice, food manufacturing, and retail grocery industries.
- 2. Plaintiff Michael Foods of Delaware, Inc. ("MFI") is a wholly owned subsidiary of Post Holdings, headquartered in Minnetonka, Minnesota.
- 3. On August 31, 2016, Post Holdings and MFI (collectively, the "Buyers") entered into a Stock Purchase Agreement ("Agreement") under which MFI would purchase the shares of National Pasteurized Eggs, Inc. ("NPE"). NPE, based in Lansing, Illinois, is a producer of pasteurized shell eggs. The deal closed on October 3, 2016.
- 4. Defendants include the Securityholders, who are individuals and entities who were shareholders in NPE and parties to the Agreement. Defendant NPE Seller Rep LLC was designated by the Agreement as a representative for the Securityholders. NPE Seller Rep LLC is the alter ego of Securityholders Chuck Leis, Brian Boomsma, Hopewell Ventures, and Gregory West, being entirely controlled by them and having no independent existence apart from them. NPE, the Securityholders, and NPE Seller Rep LLC are referred to collectively as "Sellers."

- 5. Preceding the execution of the Agreement, Buyers attempted to conduct due diligence and engaged in communications with Sellers regarding numerous topics concerning NPE's business, finances, assets, and liabilities. However, Sellers concealed complete and accurate information regarding matters that were crucial to understanding the true condition of NPE's business and assets.
- 6. Sellers made several representations regarding the status of NPE's workforce and labor relations, compliance with applicable laws, conditions of facilities and equipment, and production capacity of critical equipment, among other subjects. Many of these representations have proved since closing to be inaccurate, untrue, and/or deliberately false. Among other false representations, Buyers have learned since closing that NPE was not in compliance with immigration laws, did not in fact have equipment that was suitable for intended use, had not maintained critical equipment properly, and could not sustain product production at the rates stated by Sellers.
- 7. The actions of Sellers in making material misrepresentations regarding NPE's business, workforce, assets, production, and compliance with applicable laws, while concealing from Buyers the information necessary to detect the misrepresentations, were part of a deliberate scheme by Sellers to defraud Buyers. Sellers intended to induce Buyers to purchase NPE for nearly \$100 million, despite numerous and fundamental problems in the business. Sellers

intended for Buyers to rely upon their misrepresentations and omissions, and Buyers did in fact do so, suffering substantial damage as a result.

- 8. Under the terms of the Agreement and accompanying Escrow Agreement, a \$7.5 million escrow was established along with a process for making claims against that escrow for any losses suffered in connection with the transaction. The inaccurate and untrue representations made by the Sellers in the Agreement have caused Buyers to incur losses in an amount that exceeds the escrow. Buyers seek indemnification and specific performance (Counts II and III), asking that the Court award the full amount of the escrow to them.
- 9. Sellers' misconduct was not confined to breaches of the representations and warranties in the Agreement. Rather, Sellers intentionally and knowingly concealed and failed to disclose severe deficiencies in NPE's business and assets. In reliance on selective disclosures and omissions made by Defendants that deliberately concealed or downplayed the severity and materiality of these matters and were intended to induce reliance, Buyers purchased NPE for significant consideration. Only later did Buyers discover these problems, suffering damages therefrom. Consequently, Buyers also bring a claim for fraud in Count I.

PARTIES

10. Post Holdings, Inc. is a Missouri corporation with its principal place of business at 2503 South Hanley Road in St. Louis, Missouri 63144.

- 11. Michael Foods of Delaware, Inc., a Delaware corporation, is a wholly owned subsidiary of Post Holdings with its principal place of business at 301 Carlson Parkway, Minnetonka, MN 55305.
- 12. NPE Seller Rep LLC, defendant, is a limited liability company organized under the laws of Delaware.
- 13. The Securityholders of NPE were Safe Egg, LLC, Aardema Partnership, Lost Creek Ranch, LLC, Brian Boomsma, Hopewell Ventures, L.P., R.W. Duffy Cox, Gregory M. West, Chuck Leis, Michael Smith, Jay Berglind, Hector Lara, and D. William Toone. West was President of NPE, Smith was Chief Financial Officer of NPE, and Lara was Vice President Operations of NPE.

JURISDICTION, VENUE, AND SERVICE

- 14. Subject matter jurisdiction in this Court is proper pursuant to 8 *Del. C.* § 111, as this is an action to interpret, apply and/or enforce the provisions of the Agreement, and pursuant to 10 *Del. C.* § 341, because Plaintiffs seek specific performance of the Agreement, including the release of certain funds held in escrow in connection with the transaction at issue in this action.
- 15. Personal jurisdiction and venue are proper in this Court pursuant to Section 10.3(b) of the Agreement, which provides that "[a]ny legal suit, action or proceeding arising out of or based upon this Agreement, the ancillary agreements or the transactions contemplated hereby or thereby may be instituted in the courts

in the State of Delaware, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware, and each party irrevocably submits to the exclusive jurisdiction of such suits in any such suit, action or proceeding."

- 16. Section 10.3 further provides that "[t]he parties irrevocably and unconditionally waive any objection to the laying of any suit, action, or any proceeding in such court and irrevocably waive and agree not to plead or claim in such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum."
- 17. According to the Section 10.3(b) of the Agreement, service by mail of the Defendants shall be effective service of process for this Complaint.

COMMON ALLEGATIONS

<u>Due Diligence</u>

18. Beginning in June 2016, in connection with negotiations concerning a potential transaction involving the sale of NPE to Buyers, Securityholders and those acting on their behalf provided to Buyers documents in an on-line site referred to as a "data room." Some documents were also provided to Buyers outside the data room.

- 19. During the due diligence period, which extended until closing, representatives of Buyers conducted walkthroughs of NPE facilities and spoke with NPE personnel.
- 20. During the due diligence period, representatives of Buyers communicated with representatives of Sellers regarding the status of NPE's business, its assets and operations, and its compliance with laws.
- 21. During the due diligence period, Sellers represented to Buyers that NPE was in compliance with all applicable laws, including with respect to immigration laws. Those representations were later found to be false.
- 22. During due diligence, representatives of Buyers had a telephone call with Securityholders and Defendants Gregory West and Michael Smith of NPE regarding a presentation that was to be made to NPE employees about the transition to MFI after closing. West and Smith objected to any mention being made that Buyers would require NPE employees to submit documentation for the E-Verify system, which is an internet-based system administered by the federal government that allows businesses to determine the eligibility of their employees to work in the United States.
- 23. The morning following the telephone call, West called a representative of Buyers and tried to convince Buyers not to proceed with using the

E-Verify system at NPE to avoid the risk of losing employees in the event that any of them were not legally authorized to work in the United States.

- 24. It was further represented in due diligence that NPE's equipment was well maintained and in good order, and that each of six installed pasteurization systems had an approximate annual production capacity of 11 million dozen pasteurized shell eggs per year. These claims were later found to be false.
- 25. As part of the due diligence process, Buyers identified a number of efficiencies and operational improvements that could be made at NPE to increase productivity and lower costs. Due to Sellers' false statements and withholding of material information, Buyers made operational changes and improvements just to achieve the production capacity that had been falsely represented by Sellers, and have been unable to expand the business in the manner that had been indicated by the false and incomplete information provided by Sellers.

Representations In the Agreement

- 26. In Article III of the Agreement, Sellers made several representations and warranties to Buyers. These representations and warranties included, in relevant part:
 - **Section 3.5 Assets:** ". . . the material tangible Assets are in good working order, repair, and condition (ordinary wear and tear excepted), have been

maintained in accordance with normal industry practice, and are suitable for the purposes for which they are presently used."

Section 3.14 – **Compliance with Law:** ". . . since January 1, 2012, the Company and its Subsidiary in the conduct of the Business have not materially violated any, and are in compliance in all material respects with, all applicable Laws relating to the Company, its Subsidiary, the Assets, or the Business."

Section 3.18 – Labor Relations:

(a): The Company and its Subsidiary have complied in all material respects with all applicable requirements of Governmental Authorities pertaining to employment and labor, including but not limited to those relating to wages, hours, worker classification, collective bargaining, employment discrimination, sexual other workplace or harassment, worker's compensation, immigration, and the payment of or withholding of taxes. . . Except as set forth on Schedule 3.18(a), no claim has been made that remains outstanding for breach of any contract of employment or for services or for compensation for unfair dismissal or for failure to comply with any applicable Law concerning employment rights or in relation to any alleged sex, race, national origin, disability or religious discrimination or for any other liability accruing from the termination or variation of any contract of employment or for service, nor does the Company have Knowledge that any such claim has been threatened or is pending. None of the Company or its Subsidiary is a party to any labor contract or collective bargaining agreement, and no union or similar organization has been certified as the exclusive bargaining agent of any employees of the Company or its Subsidiary or otherwise represents employees of the Company or its Subsidiary and, to the Knowledge of the Company, as of the date hereof, no such organization has been recognized or is attempting to organize such employees, and no disputes concerning representation of employees exists. (b): The Company and its Subsidiary currently have good relations with their respective employees and there are no strikes, work stoppages, work slowdowns, lockouts or labor disputes pending or, to the Knowledge of the Company, threatened against the Company or its Subsidiary. There are no unfair labor practice charges, grievances or complaints pending or, to the Knowledge of the Company, threatened by or on behalf of any employee or group of employees of the Company or its Subsidiary.

(c): The Company and its Subsidiary have complied in all material respects with all provisions of the Immigration Reform and Control Act of 1986, as amended, and all regulations promulgated thereunder requiring that it complete Forms I-9 for all current employees hired after November 6, 1986.

The Company has delivered or made available to the Buyer true and complete copies of all Forms I-9 maintained for all current employees (including Subsidiary employees) and all documentation, records, and other papers retained with such Forms I-9.

Section 3.25 – Products:

- (j) For Products marketed as in-shell pasteurized eggs:
- (i) The Company possesses third-party validation studies that demonstrate that the thermal process or processes used to treat these Products achieve at least a five logarithm reduction of *Salmonella enteritidis* in shell eggs under laboratory conditions; and
- (ii) To the Knowledge of the Company, it does not have any information that demonstrates or reasonably suggests that the thermal treatment process or processes used in its manufacturing operations achieve a lesser degree of reduction of *Salmonella enteritidis* than demonstrated in the validation studies.

Indemnification

27. Pursuant to Article VIII of the Agreement, the Securityholders agreed to indemnify, save, and hold harmless Post and MFI for "all costs, losses, Taxes, Liabilities, obligations, damages, Actions, and expenses (whether or not arising out of third-party claims), including reasonable attorneys' fees (collectively, "*Losses*")

asserted, incurred in connection with, arising out of, resulting from or incident to" several instances, including "any inaccuracy in or breach of any representation or warranty made by the Company in or pursuant to this Agreement, any Ancillary Agreement, or in any certificate or other closing document delivered pursuant to this Agreement."

- 28. Pursuant to Section 8.2(e), the parties agreed to cap certain claims for losses arising from inaccuracies or breaches of representations and warranties in the Agreement at \$7.5 million.
- 29. The parties further agreed that "except for any claims arising out of or relating to the intentional fraud or intentional misrepresentation of any Party" the capped indemnification would provide the sole remedy for certain post-closing claims between them.
- 30. The Buyers and Defendant NPE Seller Rep LLC entered into the accompanying Escrow Agreement with an escrow agent under which \$7.5 million was deposited to cover the full amount of indemnification claims under the Agreement. This money remains on deposit in an escrow account.
- 31. Buyers made a claim upon the Sellers' representatives as prescribed by the Agreement, but the parties were unable to resolve the claim.

Revelations Following Closing

- 32. Following closing, Buyers learned that many of the representations made during due diligence were false, and that many of the representations and warranties in the Agreement were inaccurate, untrue, or false.
- 33. The first area of false representations arose with respect to undocumented workers. Contrary to the representation made in Section 3.18(c) of the Agreement, Sellers had not provided all I-9 forms for its employees to the Buyers prior to closing. In an effort to conceal the large number of undocumented workers working at NPE, Sellers attempted to dissuade Buyers from using the E-Verify system.
- 34. A review was undertaken by Buyers of all I-9 forms immediately after closing. This review showed that over 60% of the hourly workforce at both the Lansing, Illinois and Flandreau, South Dakota facilities had not submitted I-9 paperwork that appeared legitimate under any reasonable standard. Over 90% of the I-9 forms were missing information and/or had been filled out incorrectly.
- 35. Buyers discovered that some employees had been hired even after filling out forms in which they affirmatively stated that they were not legally permitted to work in the United States.

- 36. Buyers also discovered that at least two dozen employees had not checked the box on the employment form asking whether or not they were legally permitted to work in the United States.
- 37. Following this investigation, Buyers proceeded with plans to collect new I-9 forms and submit them through the federal government's E-Verify system. Following this announcement, all 31 of the hourly employees at the Flandreau facility walked off the job and never returned. Of the 159 employees at the Lansing facility, 124 failed to submit the required I-9 documentation. Media reports at the time showed employees stating that they were "on strike" because of the decision to use the E-Verify system.
- 38. The employee walkouts were the direct result of the failure of prior NPE management to abide by the applicable immigration laws, contrary to the representations that were made during due diligence and in the Agreement. The errors on the required I-9 forms were so pervasive and obvious that any employer attempting in good faith to comply with the law would have realized the systemic violations of immigration law that existed at the NPE facilities.
- 39. The Immigration Reform and Control Act (8 U.S.C.A. § 1324a) prohibits employers from knowingly hiring illegal aliens for work in the United States. Sellers knew that most of NPE's employees were not authorized to work in

the United States, and attempted to enlist Buyers in their subterfuge by trying to convince Buyers not to use the E-Verify system.

- 40. Sellers knowingly hired a large number of undocumented, ineligible workers—the vast majority of its hourly workforce—and ignored clearly inadequate documentation. Then NPE management and the Securityholders deliberately concealed the true extent of the noncompliance with the law and made false representations to Buyers in order to induce Buyers to pay significant consideration to acquire NPE. The fact that Sellers knew that most NPE employees were not authorized to work in the U.S. shows that Sellers made intentionally false misrepresentations in Sections 3.14 (Compliance with Laws) and 3.18(a) & (c) (Labor Relations) of the Agreement.
- 41. Buyers have now incurred multi-million dollar losses as a result of the concealed immigration law violations, including, but not limited to expenses related to hiring temporary workers, recruiting permanent workers with higher wages and benefits, training new workers, productivity losses, and legal fees.
- 42. In addition, in order to offset the higher labor expenses associated with a new workforce, Buyers were forced to make operational changes and substantial capital expenditures to streamline production and lower costs. These investments—including plastic flats and a flats loader and washing system—made it impossible for Buyers to realize enhanced margins at NPE because the capital

investments were made to correct for the false, misleading, and inaccurate information provided by Sellers, and therefore did not actually improve product conversion costs after the acquisition.

- 43. The Securityholders are responsible for damages arising from the false and inaccurate representations made regarding compliance with applicable laws generally and immigration laws specifically.
- 44. The second area of false representations concerned the status of critical production equipment. Almost immediately after closing, Buyers experienced performance failures on equipment. As repairs were carried out, it was learned that necessary maintenance had not been performed on many pieces of equipment. Moreover, it was learned after closing that Sellers knew of the need for vital repairs to, or even outright replacement of, several key pieces of equipment, yet concealed these facts from Buyers.
- 45. Problems that were discovered post-closing with the equipment included, among other things, missing switch actuators, bent or broken switch arms, carrier chain damage, return conveyor damage, egg carrier damage, return conveyor chains not routed properly, missing chain idler wheels and sprockets on the return conveyor, non-functioning valves, and missing chain guards.
- 46. An egg loader at the Lansing facility had been described by Sellers as being subject to "on-going maintenance," but it was found post-closing to be

essentially non-operable due to missing and defective parts. It had to be replaced at a cost of \$103,000.

- 47. Buyers learned while proceeding with repairs to cooling equipment at the Lansing facility that on multiple occasions between 2014 and 2016, a contractor had notified former NPE management of the severity and urgency of issues associated with the equipment. The recommended repairs did not occur, and the problems were not disclosed to Buyers.
- 48. With respect to the ammonia cooling system at the Lansing facility, it was learned post-closing that changes had been made to the system that placed it out of code. It was necessary to replace the system with a glycol-based system at a cost of \$360,800, following \$40,000 in emergency repairs. A contractor had notified Sellers of the problems with the cooling system, but Sellers did not disclose the problems to Buyers.
- 49. After closing, it was found that the hot water system at the Lansing facility was not functioning. It was replaced at a cost of \$282,000. The inoperability of the hot water system was known to Sellers, but they did not disclose it to Buyers.
- 50. In addition, repairs to a faulty drain system for the pasteurizers at Lansing cost \$50,000. The faults to the drain system were known to Sellers, but were not disclosed to Buyers. Similar repairs at Flandreau cost \$20,600.

- 51. Also after closing, it was discovered that the HVAC system at Flandreau was inoperable, due to a plugged coil. In an attempt to bypass the coil, Sellers had drilled holes in it, making it irreparable. A replacement cost \$116,000. The need for coil replacement had been identified by Sellers several months before the acquisition, but Buyers were not informed.
- 52. With knowledge of these issues, and in order to induce Buyers to pay significant consideration for the Company, Sellers, through NPE, represented in Section 3.5 (Assets) of the Agreement that equipment was in good working order, repair and condition, had been maintained in accordance with normal industry practice, and was suitable for the purposes for which it was being used. This representation was false, and Sellers systematically withheld information from Buyers that would have revealed the problems with several critical pieces of equipment and systems.
- 53. Buyers have incurred multi-million dollars in damages as a result of Sellers' misrepresentations regarding the maintenance of critical equipment and the consequential unsuitability of the equipment for its intended use.
- 54. The third area of false representations that was uncovered after closing concerned the capacity of the pasteurizers, a vital piece of equipment for a business that produces pasteurized eggs. During due diligence, Sellers informed Buyers that each of the pasteurizers being purchased could process 11 million

dozen shell eggs each year while maintaining the required 5-log reduction of pathogens needed for effective pasteurization.

- 55. Following closing, a capacity study showed that the actual annual capacity of each pasteurizer was under 8.7 million dozen eggs a year while achieving 5-log reduction, assuming no breakage or other loss of eggs. In short, the actual capacity of the pasteurizers was only about 80% of the level represented by Sellers.
- 56. As a consequence of Sellers' willful misstatements and withholding of material information, Buyers could not achieve the production levels that were communicated and that they had relied on. Buyers were forced to make substantial capital improvements just to achieve the production capacity Sellers represented was already being realized at NPE.
- 57. Sellers' representation during due diligence of an annual capacity level of 11 million dozen eggs was a willful falsehood. In addition, the Sellers made inaccurate and misleading representations in Section 3.5, relating to condition of assets, and Section 3.25 of the Agreement, relating to the level of pasteurization and consequently to the production capacity of the pasteurizers.
- 58. As a result of Sellers' willful misrepresentation during due diligence and inaccurate and misleading representations, Buyers have been damaged by

multi-millions of dollars per year, resulting from the lost capacity in the pasteurizers. These damages continue to accumulate.

COUNT I Fraud (Against Defendants West, Smith, and Lara)

- 59. The above paragraphs are restated and incorporated herein by reference.
- 60. In the course of negotiations with Buyers over the sale of NPE and during the due diligence period, Sellers made numerous false representations concerning the condition of NPE's business, workforce, equipment, and compliance with laws, including laws concerning immigration. These false representations were made deliberately, with the intention of misleading Buyers and causing them to rely on false information.
- 61. Sellers also deliberately concealed material information concerning the condition of NPE's business, workforce, equipment, and compliance with laws.
- 62. Then NPE employees and Securityholders Gregory West, Michael Smith, and Hector Lara were responsible for the false statements made during the negotiations and due diligence period, and for withholding material information concerning the condition of NPE's business, workforce, equipment, and compliance with laws.

- 63. West and Smith were directly involved in an effort to mislead Buyers regarding NPE's compliance with immigration laws and attempted to convince Buyers not to use the E-Verify system in order to conceal the knowing violation of the immigration laws.
- 64. With respect to production capacity, both West and Lara stated to representatives for Buyers that the pasteurization process had been validated in the lab, while knowing that it had not been successfully replicated in actual operations and that use of the pasteurization process would not achieve the 11 million dozen per year production level that had been represented for each pasteurizer.
- 65. Buyers reasonably relied on the information that they received during negotiations and due diligence, which was false and incomplete.
- 66. Then NPE employees and Securityholders Gregory West, Michael Smith, and Hector Lara were responsible for the deliberately false representations and warranties made in Article III of the Agreement.
- 67. Among the deliberately false representations made under the direction of West, Smith, and Lara are those set forth in Sections 3.5, 3.7, 3.8, 3.14, 3.18, 3.19, and 3.25 of the Agreement.
- 68. Buyers reasonably relied upon the representations made in the Agreement, which were false.

- 69. Had Buyers known about the non-compliance with the law, the failure to maintain its equipment and systems, and inflated statements regarding production capacity, Buyers would have forgone the deal or at least negotiated a substantial adjustment to the purchase price.
- 70. As a consequence of Sellers' fraud, Buyers have suffered damage in an amount to be determined at trial, which amount is not limited by the indemnification provisions in the Agreement.

COUNT II Breach of Contract

- 71. The above paragraphs are restated and incorporated herein by reference.
- 72. The Agreement is a valid, binding and legally enforceable written contract between and among the parties to the Agreement. Plaintiffs have complied with the terms of the Agreement and fully performed their obligations thereunder.
- 73. Under the terms of the Agreement, the Sellers made numerous representations and warranties concerning NPE's equipment, workforce, production capacity, and compliance with laws.
- 74. Sellers breached their representations in Sections 3.5, 3.7, 3.8, 3.14, 3.18, 3.19, and 3.25 of the Agreement.

- 75. Sellers' breaches of the Agreement have caused and continue to cause injury and Losses to Buyers, as that term is defined in the Agreement.
- 76. Under the Agreement, "Losses" are defined as "all costs, losses, Taxes, Liabilities, obligations, damages, Actions, and expenses (whether or not arising out of third-party claims), including reasonable attorneys' fees (collectively, "Losses") asserted, incurred in connection with, arising out of, resulting from or incident to" several instances, including "any inaccuracy in or breach of any representation or warranty made by the Company in or pursuant to this Agreement, any Ancillary Agreement, or in any certificate or other closing document delivered pursuant to this Agreement."
- 77. Plaintiffs are entitled to indemnification for the Losses suffered as a result of Defendants' breaches of the Agreement. Defendants have refused to indemnify Plaintiffs for such Losses.

COUNT III Specific Performance for Release of Escrow Fund

- 78. The above paragraphs are restated and incorporated herein by reference.
- 79. Under the terms of the Agreement and Escrow Agreement, \$7.5 million was deposited in an escrow account to allow for claims arising from Losses, as defined by the Agreement.

- 80. The losses suffered by Buyers arising from Sellers' false, misleading, and inaccurate representations in the warranties exceed \$7.5 million.
- 81. Buyers have made a claim for the entirety of the escrow fund. Sellers have rejected Buyers' claim.
- 82. Sellers are entitled to specific performance of the Agreement and Escrow Agreement, including the release of the entirety of the escrow fund.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs hereby request that this Court enter a judgment and order in its favor and award relief as follows:

- a. Judgment in Plaintiffs' favor on Counts I, II and III;
- b. Damages resulting from Defendants' fraud and breaches, in an amount to be determined at trial;
- c. An order for specific performance of the Agreement and Escrow Agreement, including release of the entire escrow fund to Plaintiffs;
- d. An award of pre-judgment and post-judgment interest and recovery of Plaintiffs' fees, costs and disbursements associated with this action;
- e. Awarding such other and further relief as the Court may deem just and equitable.

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Ryan D. Stottmann

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October 27, 2017

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