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9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 FOR THE COUNTY OF RIVERSIDE
12

13 DAVID WICKLINE

14 Plaintiff,

15 v.

16 INGO SCHWEDER, an individual;
17 JOSEPHINE LEUNG, an individual; GOCO
HOSPITALITY GLOBAL OPPORTUNITY
18 LIMITED, a British Virgin Islands company;
19 SPA VENTURE GROUP LIMITED, a British
Virgin Islands company; GOCO Hospitality
20 California, Inc., a California corporation; GLEN
IVY HOT SPRINGS, a California corporation;
21 and DOES 1 through 20, inclusive,

22 Defendants.
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Case No. RIC1708891

**SECOND AMENDED COMPLAINT
FOR DAMAGES**

1. FRAUD
2. CONSPIRACY
3. BREACH OF FIDUCIARY DUTY
4. FRAUDULENT INDUCEMENT OF PARTNERSHIP AGREEMENT
5. BREACH OF CONTRACT
6. DECLARATORY RELIEF
7. PROMISSORY ESTOPPEL

JURY TRIAL DEMANDED

INTRODUCTION AND SUMMARY OF CLAIM

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1. After Plaintiff David Wickline identified a rare opportunity to acquire the highly profitable Glen Ivy Hot Springs resort in Riverside County, he spent nearly eighteen months, across multiple cities, states, and countries, negotiating a one-of-a-kind deal for himself, his partner Defendant Ingo Schweder, and their partnership to acquire the luxury resort and operate it as a business for profit. Plaintiff did not know that Defendant Schweder had fraudulently induced Plaintiff to become his partner, nor did Plaintiff know that Defendant Schweder all the while intended to capitalize on Plaintiff’s relationships and business acumen to obtain an interest in the resort, only to engage in a deceitful and reprehensible scheme to freeze Plaintiff out and steal Plaintiff’s interest in their company. Plaintiff also did not know that Defendant Schweder had determined to defraud Plaintiff out of his rightful 42.5 percent ownership interest, seat on the board of directors, and entitlement to co-manage the resort. Put simply, Plaintiff did not know that his partner, Defendant Schweder, was a fraud willing to lie, cheat, and steal to deprive Plaintiff of the substantial benefits that Plaintiff had negotiated and made possible for them both as co-owners of a successful luxury resort. But for Plaintiff’s creative and savvy orchestration of a purchase of all of the assets in Glen Ivy, none of the parties would have any relationship with, let alone an interest in, that resort. Defendant Schweder’s illegal and malicious fraud, theft, and breaches of his legal duties and contracts entitle Plaintiff to not only compensatory damages, but also an award of exemplary damages under state law.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this dispute because Plaintiff brings claims under the statutory and common law of the State of California.

3. This Court has general personal jurisdiction over Plaintiff David Wickline (“Wickline”), a private citizen and resident of the State of California, County of Sonoma.

4. This Court has personal jurisdiction over Defendants for the following reasons. Defendant Ingo Schweder (“Schweder”) is subject to the general personal jurisdiction of this Court because he co-owns and operates a business in this state and county, and regularly resides and does business here; in the alternative, Defendant Schweder is subject to specific personal jurisdiction in this dispute because many of his despicable and bad acts complained of herein occurred, and took effect in, this judicial district. For the same reasons, Defendant Josephine Leung (“Leung”) is subject to either general personal jurisdiction in this state, or specific personal jurisdiction in this dispute. Defendants GOCO Hospitality Global Opportunity Limited (“GOCO Hospitality”), Spa Venture Group Limited (“Spa Venture”), GOCO Hospitality California, Inc. (“GOCO CA”), and

1 Glen Ivy Hot Springs (“GIHS,” with GOCO Hospitality, Spa Venture, and GOCO CA, the “Entity
2 Defendants”) are subject to at least the specific personal jurisdiction of this Court in this dispute
3 because collectively they co-own and/or operate a wellness facility located upon real property in this
4 state and county. In addition, each of the Defendants has appeared in this action, either by filing a
5 demurrer or an answer to Plaintiff’s initial Complaint, without challenging personal jurisdiction.

6 5. Venue is proper in this Court under California Code of Civil Procedure section 395,
7 *et seq.*, because the acts complained of herein took place, and Plaintiff suffered damages, in the State
8 of California, County of Riverside.

9 **THE PARTIES**

10 6. Plaintiff Wickline is a private citizen and resident of the State of California, County
11 of Sonoma. Plaintiff Wickline is a successful businessman and investor, with decades of experience
12 in negotiating complex financing deals for real estate, hospitality, and related development projects.

13 7. Defendant Schweder is, upon information and belief, a citizen of Germany and
14 resident of Bangkok, Thailand. Plaintiff is further informed and believes that Defendant Schweder is
15 a shareholder, officer, and director of each of the Entity Defendants.

16 8. Defendant Leung is, upon information and belief, an individual, and resident of
17 Bangkok, Thailand. Plaintiff is further informed and believes that Defendant Leung is a shareholder,
18 officer, and director of each of the Entity Defendants, the wife of Defendant Schweder, and a
19 resident of Thailand.

20 9. Defendant GOCO Hospitality is, upon information and belief, a British Virgin Islands
21 company regularly doing business within the State of California, County of Riverside.

22 10. Defendant Spa Venture is, upon information and belief, a British Virgin Islands
23 company regularly doing business within the State of California, County of Riverside.

24 11. Defendant GOCO CA is, upon information and belief, a California company
25 regularly doing business within the State of California, County of Riverside.

26 12. Defendant GIHS is, upon information and belief, a California company regularly
27 doing business within the State of California, County of Riverside.

28 13. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as
29 Does 1 through 20, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff
30 will amend this First Amended Complaint to allege their true names and capacities, when and if
31 ascertained. Plaintiff is informed and believes, and on that basis alleges, that each of the fictitiously-
32 named defendants is responsible in some manner for the occurrences herein alleged, and that
33 Plaintiff’s damages as herein alleged were proximately caused by those defendants. (Collectively,

1 Schweder, Leung, the Entity Defendants, and Does 1 through 20 are hereinafter referred to as
2 “Defendants”).

3 14. Plaintiff is informed and believes, and on that basis alleges, that at all times material
4 to this First Amended Complaint, each defendant, whether expressly or fictitiously named, in
5 addition to acting for himself, herself, or itself and on his, her, or its own behalf individually, is and
6 was acting as the agent, servant, employee, partner, joint-venturer, or representative of, and with the
7 knowledge, consent, and permission of, and in conspiracy with, each and all of the Defendants and
8 within the course, scope, and authority of that agency, service, employment, partnership, joint
9 venture, representation, and conspiracy. Plaintiff further alleges on information and belief that the
10 acts of each of the Defendants were fully ratified by each and all of the Defendants. Specifically,
11 and without limitation, Plaintiff alleges on information and belief that the actions, failures to act,
12 breaches, conspiracy, and other misconduct alleged herein and attributed to one or more of the
13 specific Defendants were approved, ratified, and done with the cooperation and knowledge of each
14 and all of the Defendants. Plaintiff further alleges on information and belief that each and all of the
15 Defendants were the alter egos of one another, joint tortfeasors, and successors in interest such that
16 each and all of the Defendants would be liable to Plaintiff.

17 GENERAL ALLEGATIONS

18 Wicklinc and Schweder Form a Partnership to Develop Wellness Resorts

19 15. Plaintiff Wickline first met Defendant Schweder in 2007 at a spa wellness conference
20 in Manila, Philippines. The men kept in contact after the conference, and Plaintiff Wickline later
21 hired Defendant Schweder to perform a feasibility study at a resort property on the island of Saipan
22 that Plaintiff Wickline, in his role as Chief Executive Officer of that property, was repurposing in
23 mid-2010. Defendant Schweder’s involvement was limited, lasting only a couple of months, and
24 ended in or about October 2010. Plaintiff Wickline’s vision and efforts resulted in that property
25 being sold for upwards of \$20 million, more than double its appraised value.

26 16. The luxury resort industry is relatively small, and Plaintiff Wickline and Defendant
27 Schweder continued to keep in touch over the years, occasionally discussing business and potential
28 development projects.

29 17. Then, in January 2014, Plaintiff Wickline and Defendant Schweder entered into
30 detailed negotiations concerning a potential partnership between themselves. Plaintiff Wickline and
31 Defendant Schweder both had experience in developing and/or managing “wellness resorts,” a
32 subset of luxury hotel and extended-stay properties that are dedicated to providing a guest
33 experience aimed towards health, fitness, and relaxation. Each believed that there was an

1 opportunity to create the first truly global resort company specifically dedicated to the development
2 and management of wellness resorts, because most wellness resort companies then in operation were
3 limited to a specific niche or geographic region.

4 18. Plaintiff Wickline and Defendant Schweder discussed ways to join their combined
5 experience and business savvy to capitalize on that perceived opportunity, and eventually, as
6 described below, agreed to form an equal, 50/50 partnership for profit, for that purpose. The future
7 partners contemplated and discussed that Plaintiff Wickline would serve as the partnership's lead
8 development officer, asset manager, financial planner, and be the face of the partnership as it
9 negotiated the acquisition of capital to invest in resort ventures. They further contemplated and
10 discussed that Defendant Schweder would act as the day-to-day manager on the ground as their
11 venture's resorts came on-line.

12 19. Plaintiff Wickline and Defendant Schweder also discussed how to organize their
13 contemplated partnership as a business. At the time, Defendant Schweder had already formed
14 various entities under the "GOCO" brand flag, and expressed a desire not to form a new entity as a
15 vehicle for the parties' partnership. Instead, Defendant Schweder suggested that he and Plaintiff
16 Wickline could and should simply use existing GOCO entities to conduct their partnership business.

17 20. Defendant Schweder repeated (a) his intention to form a partnership with Plaintiff
18 Wickline, (b) his desire to acquire and develop resort hotels in connection with that partnership,
19 (c) his being in advanced negotiations to acquire interests in luxury resorts in Thailand, Indonesia,
20 Germany, and Spain, which opportunities Defendant Schweder was targeting for the benefit of the
21 parties' partnership, and which Defendant Schweder would share equally with Plaintiff Wickline if
22 they formed a partnership, (d) his plan that as partners, Defendant Schweder and Plaintiff Wickline
23 would equally co-own and co-manage each and all of the projects that they would develop, which
24 Defendant Schweder confirmed in communications during February 2014, and (e) that all of this
25 could be accomplished through existing, GOCO-flagged entities. The discussions and negotiations
26 described above occurred over the phone, in person, and through emails.

27 21. The partners concluded their months-long negotiations concerning their partnership
28 agreement in August 2014. On or about August 19, 2014, Defendant Schweder made a series of
29 specific oral representations to Plaintiff Wickline, and intended that Plaintiff Wickline rely upon
30 each and every such representation. Those statements including at least the following:

- 31 a. That the two men, Plaintiff Wickline, on the one hand, and Defendant Schweder, on
32 the other, would form a legal, 50/50 partnership for the business purpose of
33 developing luxury wellness resorts for profit across the globe;

- 1 b. That Defendant Schweder would use existing, GOCO-flagged legal entities under his
2 control for the purpose of serving as the legal vehicle for that partnership, cause
3 Plaintiff Wickline to become a record and equal co-owner of each of those entities,
4 board member and officer of each of the same, and that it would be easier for the
5 partners to use existing GOCO entities for this purpose, rather than create new ones;
- 6 c. That the partners would use Defendant GOCO Hospitality as the business entity that
7 ultimately owned the partnership's resort properties (and any related single-use
8 entities, and any other GOCO-flagged entities), while Defendant Spa Venture would
9 serve as the business entity that ultimately managed operations (or ultimately owned
10 affiliated management companies) at those properties;
- 11 d. That Plaintiff Wickline and Defendant Schweder would each hold an equal half
12 (50%) of the voting interests in the partnership generally, and GOCO Hospitality and
13 Spa Venture specifically (plus any existing or future special purpose subsidiaries for
14 specific projects);
- 15 e. That Plaintiff Wickline and Defendant Schweder would each own 42.5 percent of the
16 stock in GOCO Hospitality and Spa Venture (plus any existing or future special
17 purpose subsidiaries related to the wellness resort industry), with the remaining
18 fifteen percent (15%), at least in GOCO Hospitality and Spa Venture, to be allocated
19 as follows: three percent (3%) to Defendant Leung (Defendant Schweder's wife),
20 three percent (3%) to Defendant Schweder's long-time business associate, and nine
21 percent (9%) to be reserved for allocation to other potential investors or executives
22 for the purpose of incentive compensation;
- 23 f. That Plaintiff Wickline would be a co-equal manager with Defendant Schweder of
24 GOCO Hospitality and Spa Venture (plus any existing or future special purpose
25 subsidiaries), and all of their (and the partnership's) present and future ventures;
- 26 g. That Defendant Schweder would ensure that Plaintiff Wickline would be nominated
27 and elected as a director of GOCO Hospitality and Spa Venture (plus any special
28 purpose subsidiaries created for specific projects);
- 29 h. That Defendant Schweder, then the majority and managing shareholder, member, and
30 executive of GOCO Hospitality and Spa Venture, would and did in fact immediately
31 upon consummation of the parties' partnership cause each of the items described in
32 subparagraphs (e), (f), and (g), to occur;
- 33

- 1 i. That Defendant Schweder had already begun negotiations for the parties' business
- 2 entity to act as the owner and/or operator of at least four luxury wellness resorts,
- 3 including properties in Bali, Indonesia; Barcelona, Spain; Thailand; and Germany;
- 4 j. That Defendant Schweder had sufficient experience and the capability to operate the
- 5 Glen Ivy resort profitably, efficiently, and legally, and that Schweder had sufficient
- 6 (he claimed extensive) experience in business accounting to accurately prepare and
- 7 review operational and budget reports;
- 8 k. That Defendant Schweder's then-present hospitality management company was
- 9 successful and operating with more than \$2.7 million in gross revenue for fiscal 2013;
- 10 l. That Defendant Schweder had over two decades of successful management
- 11 experience in the hospitality industry, had not experienced a contested or litigious
- 12 break-up of prior partnerships in the hospitality space, and had never been terminated
- 13 or otherwise removed from an executive or ownership position in the hospitality
- 14 industry for cause;
- 15 m. That Defendant Schweder had an unblemished operational past, free from
- 16 government inquiries or indictments, termination(s) or forced resignation(s), and/or
- 17 harassment claims; and,
- 18 n. That Defendant Schweder would take responsibility to reduce the oral promises and
- 19 agreement described in this paragraph to writing, although Defendant Schweder
- 20 further stated that it was not necessary to do so immediately.

21 22. Plaintiff Wickline reasonably believed to be true each of the representations made to
22 him by Defendant Schweder described above in paragraphs 20 and 21, and in August 2014 agreed to
23 become an equal partner with Defendant Schweder. Relying upon those statements, and reasonably
24 believing that he was acting for the benefit of their partnership, Plaintiff Wickline immediately set
25 about using his business skills and acumen to identify additional business opportunities for the pair.

26 23. Also beginning at this time (August 2014), Plaintiff Wickline would often travel,
27 several times per year, to Defendant Schweder's business office in Bangkok, Thailand. There,
28 Defendant Schweder would introduce Plaintiff Wickline to Schweder's employees, and to third
29 parties, as his "co-owner" and "partner," and they shared the chief executive office together when
30 Wickline was in town.

31 24. Defendant Schweder also confirmed the parties' partnership in writing. Just one
32 example occurred in September 2014, when Defendant Schweder directly emailed (cc'ing Plaintiff
33 Wickline) a high-ranking executive at an Asian securities firm. In that email, Defendant Schweder

1 (1) identified Plaintiff Wickline as Defendant Schweder’s “partner,” (2) explained that GOCO
2 Hospitality was managed by Plaintiff Wickline, Defendant Schweder’s “partner” in GOCO
3 Hospitality, (3) explained that Plaintiff Wickline, his partner in and manager of GOCO Hospitality,
4 was addressing legal issues for GOCO Hospitality, including future investments and potential
5 subsidiaries, and (4) identifying specific projects that were in GOCO Hospitality’s (and thus the
6 partnership’s) portfolio, including wellness hospitality projects in Bali, Thailand, Bhutan, Germany,
7 and the United States. Defendant Schweder made similar admissions, in writing, to other third
8 parties beginning at this time and extending throughout the relevant time period.

9 **Wickline Identifies a Lucrative Business Opportunity for the Partnership in Glen Ivy**

10 25. Glen Ivy Hot Springs is a luxury wellness resort located on approximately 85 acres of
11 land in an unincorporated area of the County of Riverside, California. In 2014, the resort was
12 available for sale. Investors and developers were clamoring for the opportunity to purchase the
13 resort, which had been in business since approximately 1860, as it represented a significant business
14 opportunity given its natural beauty, established reputation, proximity to major metropolitan areas,
15 and freeway access.

16 26. In August 2014, around the time that the parties formalized their partnership and
17 stated their intent to pursue a joint venture, Plaintiff Wickline learned that the Glen Ivy resort was
18 available for sale. Multiple potential purchasers had been trying to negotiate terms with its then-
19 owner, without success, for more than a year.

20 27. Once Plaintiff Wickline identified the incredible opportunity presented by the Glen
21 Ivy resort, he pounced. Beginning in August 2014, and continuing for the next 18 months, Plaintiff
22 Wickline engaged in extensive negotiations, with multiple parties, to craft a complex and
23 comprehensive purchase of all of the assets comprising the Glen Ivy Hot Springs resort.

24 28. Throughout this period (August, September, and October 2014), Plaintiff Wickline
25 and Defendant Schweder discussed, on many occasions, their vision for the partnership generally,
26 and GOCO Hospitality specifically (the pair had other projects, including Wickline-led negotiations
27 for a resort in the Kingdom of Bhutan). At this time, Defendant Schweder repeatedly encouraged
28 and induced Plaintiff Wickline to use the latter’s considerable talents to get the deal for Glen Ivy
29 done, but stated that he did not have Plaintiff Wickline’s experience in such negotiations, so his
30 (Defendant Schweder’s) talents were best used looking for other opportunities for their company.
31 More specifically, during conversations in each of August, September, and October 2014, Defendant
32 Schweder told Plaintiff Wickline that negotiations for the partnership to acquire interests in the
33 Indonesia and Spain properties were ongoing, such that an acquisition of the Glen Ivy property

1 would bolster the pair’s credentials and impress the sellers, improving the partnership’s prospects for
2 success. Even more specifically, those conversations also addressed the fact that regardless of the
3 success of the Indonesia and Spain opportunities, should the partnership acquire Glen Ivy, it would
4 serve as the partnership’s flagship property, cementing their position in the industry and opening
5 further doors for their business. These conversations also involved Defendant Schweder telling
6 Plaintiff Wickline to front the considerable costs associated with travel and related expenses incurred
7 in negotiating the deal, and Defendant Schweder telling Plaintiff Wickline that the partnership would
8 reimburse Plaintiff Wickline for the same. Plaintiff Wickline did put up that money as proposed by
9 his partner Defendant Schweder, which over the course of eighteen months totaled well in excess of
10 \$100,000.00 specific to the Glen Ivy project, and Wickline also incurred substantial other costs
11 pursuing and negotiating other projects for the partnership, none of which were reimbursed, and
12 Plaintiff Wickline was never paid a salary or fee for his efforts.

13 **Wickline Negotiates Incredibly Favorable Terms for Financing of Glen Ivy Purchase**

14 29. Negotiations for Plaintiff Wickline and Defendant Schweder to acquire the Glen Ivy
15 Hot Springs resort lasted for approximately a year and a half, from about August 2014 until the
16 purchase closed in January 2016. Needless to say, those negotiations were complicated: Acquiring
17 the physical plant, asset management company, and land outright, with sufficient capital to ensure
18 the resort remained in operation (and with an appropriate customer experience) upon closing,
19 required an experienced, delicate touch. Plaintiff Wickline single-handedly led those negotiations,
20 with zero material input or effort from Defendant Schweder. As just one example of this, Defendant
21 Schweder never even met an officer of the project’s lender in person until October 2016—almost a
22 full year after the deal to acquire Glen Ivy closed.

23 30. Despite that fact, throughout Plaintiff Wickline’s negotiations to acquire Glen Ivy,
24 Defendant Schweder would be copied on deal-related emails, and generally kept apprised of status,
25 although he played no material (or even support) role in achieving or closing the deal. Defendant
26 Schweder repeatedly referred to Plaintiff Wickline as his partner or co-owner to third parties during
27 this period, orally and in writing, and also was copied on a variety of communications written by
28 third parties that referred to Plaintiff Wickline in those terms. At no point did Defendant Schweder
29 protest, or suggest that Plaintiff Wickline was anything other than his partner and co-owner, until
30 Summer 2016, as detailed below.

31 31. In reliance upon the parties’ partnership, and the promises of co-ownership, co-
32 management, and co-control of each of GOCO Hospitality and Spa Venture, and any of those
33 entities’ affiliate or subsidiary entities related to wellness hospitality resorts, Plaintiff Wickline

1 undertook each of the efforts described above and below with respect to Glen Ivy. He also, in
2 reliance upon the same, and at his own cost, began using his own personal attorney to paper the
3 negotiations and deal that led to the Glen Ivy closing. In further reliance upon the same, Plaintiff
4 Wickline also undertook other efforts, exploring different wellness resort investment opportunities
5 other than Glen Ivy, for GOCO Hospitality and the partnership's benefit.

6 32. Just one example of the personal efforts and costs incurred by Plaintiff Wickline
7 personally for the purposes described in paragraph 31 includes that at Plaintiff Wickline's direction,
8 Plaintiff Wickline's personal attorney met with and began working with the partnership, advising
9 them (Plaintiff Wickline and Defendant Schweder) on important deal points for Glen Ivy. Plaintiff
10 Wickline paid his personal attorney, out of his own pocket, for this legal advice to the partnership.
11 Eventually, Plaintiff Wickline's personal attorney would go on and represent the partnership's joint
12 interests with third parties, including the attorneys for the then-owner of Glen Ivy, and other
13 necessary parties for the Glen Ivy purchase to close.

14 33. Plaintiff Wickline not only successfully shepherded a complex, complete purchase of
15 Glen Ivy where several others had failed, but did so on terms so beneficial to the parties' partnership
16 that the deal he negotiated is almost unheard of in the hospitality industry. Plaintiff Wickline was
17 able to accomplish negotiating both the successful acquisition of the resort and favorable financing
18 for the project. Specifically, Plaintiff Wickline negotiated a total venture capitalization of \$37
19 million, with a purchase price of \$30 million, with \$7 million for capital improvements, fully \$34
20 million of which (92%) was funded through a loan arranged by Plaintiff Wickline with a lender that
21 he had (and continues) to have a longstanding personal relationship with, American National
22 Insurance Company ("ANICO") of Houston, Texas.

23 34. After more than a year of efforts by Plaintiff Wickline, ANICO approved the loan in
24 November 2015. That approval was in and of itself remarkable, given that ANICO had previously
25 balked at funding the loan if Defendant Schweder was going to be managing the property. ANICO
26 was worried that neither Defendant Schweder nor his management company (both of which were
27 based abroad) had appropriate experience in the wellness resort space, and preferred that Plaintiff
28 Wickline proceed with the project using another, more established domestic entity. Several
29 domestic management companies made unsolicited overtures to Plaintiff Wickline to partner with
30 him on the Glen Ivy project. But Plaintiff Wickline, true to his fiduciary duties as Defendant
31 Schweder's partner, declined to pursue the project without Defendant Schweder, and instead flew to
32 Houston, Texas to meet with ANICO leadership and make a personal appeal for ANICO to
33 reconsider after a visit to the site. ANICO believed that the management team then in place at Glen

1 Ivy would be capable of covering for any inadequacies of GOCO Hospitality, and in any event
2 viewed GOCO Hospitality as largely irrelevant given that they worked directly with, and had great
3 confidence in, Plaintiff Wickline. Plaintiff Wickline's efforts were successful, and ANICO
4 eventually approved the loan on or about November 13, 2015.

5 35. That same day, Plaintiff Wickline received a telephone call from Defendant
6 Schweder, in which Defendant Schweder stated that "[Defendant Schweder] wanted to congratulate
7 [Plaintiff Wickline]...amazing, amazing...[the approval is] great news," before inviting Plaintiff
8 Wickline to call Defendant Schweder back to discuss the details of the closing over the next several
9 weeks. Defendant Schweder made this "congratulatory" call with the intent to reiterate Defendant
10 Schweder's commitment to the parties' partnership, and for Plaintiff Wickline to continue to exert
11 considerable efforts directed towards closing the deal timely for the benefit of the partnership.
12 Defendant Schweder intended for Plaintiff Wickline to rely upon those statements, which Plaintiff
13 Wickline reasonably did.

14 36. One example of the incredible value that Plaintiff Wickline brought to the project is
15 that he was able to leverage his personal relationship and established experience with ANICO to
16 negotiate a \$34 million loan, which represented 92% of the total capitalization for the project, a loan-
17 to-value ratio far beyond that normally seen in the hospitality industry. ANICO required the partners
18 to raise just \$3 million of the \$37 million total capitalization for the project, and Plaintiff Wickline
19 again demonstrated his business acumen by negotiating the purchase agreement (at a purchase price
20 of \$30 million for all of the Glen Ivy assets) to include \$5 million in cash on the asset management
21 company's (Defendant GIHS) balance sheet. This reduced the effective purchase price to just \$25
22 million, despite multiple appraisals for the project exceeding \$45 million. Plaintiff Wickline was
23 then able to negotiate with ANICO to credit \$1.5 million of the \$5 million on the balance sheet
24 towards the \$3 million ANICO required as cash upfront to fund the loan, meaning that when the deal
25 was completed, Plaintiff Wickline had negotiated financing for 96% of the total purchase price and
26 the partners needed to only put down \$1.5 million of their own capital (which Defendant Schweder
27 did). The standard in the hospitality industry is 60% loan-to-value for purchase money loans of this
28 type, demonstrating Plaintiff Wickline's ingenuity and business sense.

29 37. Many years before the events complained of in this First Amended Complaint, a
30 former partner of Plaintiff Wickline breached (without Plaintiff Wickline's knowledge or consent)
31 the terms of a loan that Plaintiff Wickline had conditionally guaranteed. The lender secured a
32 judgment, and Plaintiff Wickline was concurrently in active negotiations with the judgment creditor
33 to settle the matter. Although those negotiations proceeded in good faith and were always likely to

1 succeed, if they fell through, Plaintiff Wickline may have needed to declare personal bankruptcy.
2 That never happened, and at all times during the course of the negotiations described in this First
3 Amended Complaint, both of ANICO and Defendant Schweder were fully aware of these facts, as
4 well as many of Plaintiff Wickline’s ongoing efforts to fully and finally satisfy that judgment. As is
5 typical in the industry, ANICO’s standard-form loan documents hold that a declaration of
6 bankruptcy by a major shareholder is an event of default, which its agent noted could be problematic
7 if settlement negotiations failed.

8 38. Initial drafts of the loan documents specifically referenced Plaintiff Wickline as a
9 shareholder and equal co-owner of the Glen Ivy project with Defendant Schweder. But, for the
10 reasons described in paragraph 37, there was a concern among all involved that there was a
11 possibility (however remote) that Plaintiff Wickline might inadvertently be put in a position where
12 he was individually, technically in default of the loan terms. After review of the initial loan
13 document drafts, and fully aware of the situation, ANICO’s representative proposed that Plaintiff
14 Wickline would defer the formal recordation of his equity interests until after the loan closed, not be
15 specifically listed as a shareholder on the closing documents, and would similarly defer being
16 appointed as a director of GOCO Hospitality or GOCO CA, until the judgment was resolved.
17 Notably, ANICO’s representative has testified in this lawsuit that Defendant Schweder referred to
18 Plaintiff Wickline as Defendant Schweder’s “partner” before, during, and after the ANICO loan
19 closed, and the partnership acquired the Glen Ivy resort.

20 39. The proposal described in paragraph 38 was intended and understood by all that, if
21 executed, it would be temporary and done out of an abundance of caution, and that Defendant
22 Schweder would hold (in fact, Schweder volunteered to so hold) Plaintiff Wickline’s shares for
23 Plaintiff Wickline’s benefit until the unrelated matter was resolved and Wickline could fully
24 participate in ownership and management of Glen Ivy. Each of ANICO, ANICO’s representative,
25 Defendant Schweder, Plaintiff Wickline’s personal attorney (who was then representing Plaintiff
26 Wickline and Defendant Schweder as partners), and Plaintiff Wickline discussed this proposal
27 during the period November 2015 through January 2016, and each specifically understood and
28 agreed that proposal be implemented.

29 40. As a result, separate and apart from the parties’ partnership, in January 2016,
30 Defendant Schweder and Plaintiff Wickline orally agreed as follows. Defendant Schweder would
31 hold Plaintiff Wickline’s co-equal ownership and management interest, and 42.5 percent of the
32 shares, in each of single-purpose entity Defendant GOCO CA and GIHS, for Plaintiff Wickline, to
33 be officially recorded and recognized as soon as the issues described in paragraph 37 were resolved,

1 on the one hand, in consideration of Plaintiff Wickline forbearing his right to immediate recordation
2 of each of those benefits, which could have, at least hypothetically, put the parties' partnership, each
3 of the GOCO entities, and the Glen Ivy investment, at potential risk at that time, on the other.
4 Principals at the lender, ANICO, and ANICO's agent, were fully aware of, and endorsed, this
5 agreement and arrangement. Acting in reliance upon Defendant Schweder's promise, and trusting
6 his partner of several years, Plaintiff Wickline did in fact forbear his right to immediate record
7 ownership, a seat on the board, co-management and equal, 50% voting rights, of at least each of
8 GOCO CA and GIHS.

9 41. Despite all this, the acquisition of Glen Ivy was still not done. The seller of Glen Ivy
10 held nearly, but not all, of the stock necessary to effect a full and complete purchase of the land,
11 resort, improvements, and operating company. Several minority shareholders, sensing an
12 opportunity to sell their holdings at a massive profit, threatened to hold up the deal. So, Plaintiff
13 Wickline again set out to work, and used his considerable business skills to negotiate with those
14 minority shareholders and secure a reasonable price that did not crater the ANICO loan or the
15 purchase of Glen Ivy. Finally, thanks to Plaintiff Wickline's efforts, the massive deal that Plaintiff
16 Wickline spent eighteen months negotiating finally closed in January 2016. GOCO Hospitality thus
17 indirectly acquired 100% of the interests in both Glen Ivy Hot Springs and GIHS through a new
18 special purpose subsidiary, GOCO CA, one day after Spa Venture and GOCO CA entered into a
19 management agreement for the operation of the resort. Its flagship asset acquired and in operation,
20 the parties' partnership was poised for success and its partners well-positioned to profit from the
21 same.

22 **Schweder is Revealed as a Fraud, Refuses to Recognize Wickline's Ownership, and**
23 **Wrongfully Excludes Wickline from Glen Ivy Management Within Months**

24 42. Almost immediately after the acquisition, Defendant Schweder appointed his wife,
25 Defendant Leung, to a high-level management position at the Glen Ivy resort and the board of GIHS.
26 Defendant Schweder then fired the Chief Executive Officer of the asset management company
27 (GIHS), and installed himself in that role, despite ANICO having expressed confidence in the
28 existing management of the resort at the time of acquisition and stating its preference that
29 management be retained on a going-forward basis. While all of this was going on, Defendant
30 Schweder was intentionally misleading Plaintiff Wickline, consistently acknowledging Plaintiff
31 Wickline's 42.5 percent ownership of the Glen Ivy resort specifically and the partnership's other
32 prospects generally, and guaranteeing that Defendant Schweder would honor their agreement that
33 Plaintiff Wickline would soon have his shares recorded and join the board of directors.

1 43. As an example, on January 12, 2016—the day before the partnership closed on Glen
2 Ivy (January 13, 2016)—Defendant Schweder sent an email to Plaintiff Wickline, addressing
3 Plaintiff Wickline as “partner,” and asking for Plaintiff Wickline’s comments on a draft press release
4 to publicize the partnership’s acquisition.

5 44. Then, on February 4, 2016, Defendant Schweder sent another email describing
6 himself and Plaintiff Wickline as the “main shareholders” of Glen Ivy that “get the majority of the
7 equity” in the project.

8 45. Just weeks later, on February 26, 2016, Defendant Schweder sent Plaintiff Wickline
9 an email confirming that Plaintiff Wickline owned 42.5 percent of Glen Ivy. That same email
10 confirmed that the partners would co-own the resort opportunity Defendant Schweder had previously
11 identified in Barcelona, Spain, as well as other opportunities.

12 46. The same day, Defendant Schweder sent another email, in which he described his
13 prior agreement with Plaintiff Wickline, at ANICO’s suggestion, to ensure that Plaintiff Wickline
14 took a seat on the board of GOCO CA and become a record shareholder in the “later part of the
15 year,” that year being 2016.

16 47. Also in February 2016, Plaintiff Wickline traveled to Bangkok, Thailand for a
17 meeting of the shareholders, and board of directors, of GOCO Hospitality, GOCO CA, Spa Venture,
18 and GIHS. During that meeting, Defendant Leung greeted Plaintiff Wickline and referred to him as
19 her and her husband’s (Defendant Schweder) “partner.” Defendant Leung specifically
20 acknowledged Plaintiff Wickline’s co-ownership and co-management of each of the relevant entities
21 to Glen Ivy.

22 48. Another board meeting occurred in March 2016, this time at Glen Ivy, in Riverside
23 County, California. During this meeting, Defendant Leung again approached Plaintiff Wickline,
24 referred to him as her and her husband’s “partner,” and confirmed Plaintiff Wickline’s co-ownership
25 and co-management of the Glen Ivy resort generally, GOCO Hospitality specifically, and each of
26 those entities’ relevant affiliates.

27 49. On or about April 14, 2016, Defendant Leung and Plaintiff Wickline met with an
28 architect for the purpose of discussing designs for improvements at the Glen Ivy resort. This
29 meeting occurred in person, at the Citrus Grill in Riverside County, California. During that meeting,
30 Defendant Leung introduced Plaintiff Wickline as a “partner” in and co-owner of Glen Ivy.
31 Defendant Leung further introduced Plaintiff Wickline to the attendees as a partner of her husband,
32 and as a partner in her husband’s businesses.

33

1 50. At this time (February, March, and April 2016), Defendant Leung knew that
2 Defendant Schweder—her husband, co-shareholder, and co-owner—intended to and was in the
3 process of surreptitiously freezing Plaintiff Wickline out, in order to secure the Glen Ivy resort for
4 their joint benefit, and to cut Plaintiff Wickline out of GOCO Hospitality, and each of at least Spa
5 Venture, GOCO CA, and GIHS. Despite knowing his illegal intentions, and intending to personally
6 defraud Plaintiff Wickline, Defendant Leung knowingly, and intentionally, made each of the
7 representations described in paragraphs 47, 48, and 49 above with the intent for Plaintiff Wickline to
8 rely upon them. Defendant Leung did this in order to dupe Plaintiff Wickline into not realizing that
9 behind his back, Defendant Schweder and Defendant Leung were plotting to freeze him out, cooking
10 the books, and planning together to usurp his ownership and management interests in GOCO
11 Hospitality, GOCO CA, Spa Venture, and GIHS. Plaintiff Wickline did in fact reasonably rely upon
12 these statements from his co-shareholder, co-owner, and co-director, and believed them confirmatory
13 of his position within each of the GOCO entities and the Glen Ivy resort.

14 51. On April 21 and 22, 2016, Plaintiff Wickline and Defendant Schweder exchanged a
15 series of emails discussing whether and to what extent the pair should receive a salary through Glen
16 Ivy, and what their relative responsibilities would be. Defendant Schweder responded to a proposal
17 made by Plaintiff Wickline by stating that Defendant Schweder agreed “in principle.”

18 52. Because Defendant Schweder took charge of day-to-day operations at Glen Ivy, as
19 contemplated by the parties’ partnership agreement, Plaintiff Wickline did not become aware of
20 some of Defendant Schweder’s more questionable management decisions until Summer 2016. As an
21 owner and future director of the partnership’s companies, Plaintiff Wickline began to ask to see
22 certain corporate records, to confirm that the resort was operating properly and poised to make a
23 profit after making each and every payment due to ANICO in full.

24 53. Even as Plaintiff Wickline was beginning to investigate the books and records of
25 Glen Ivy, Defendant Schweder sought to assure Plaintiff Wickline of his position within and as an
26 owner of the company. Defendant Schweder sent multiple email communications to Plaintiff
27 Wickline throughout this period referencing, and confirming, Plaintiff Wickline’s ownership stake in
28 the Glen Ivy project during May 2016.

29 54. Plaintiff Wickline’s preliminary investigation revealed evidence that Defendants
30 Schweder and Leung were working together in concert to falsify expense and reimbursement reports
31 to their personal benefit, and for the benefit of undisclosed, non-Glen Ivy projects they were
32 pursuing on the side without Plaintiff Wickline’s knowledge, failing to properly plan and/or account
33 for employee and owner tax withholdings, and directly wired money from Glen Ivy-related accounts

1 to their own personal accounts (or business accounts entirely under their control) abroad. Plaintiff
2 Wickline then set about digging into the files to determine whether and to what extent the perceived
3 improprieties had occurred.

4 55. Defendant Schweder learned of Plaintiff Wickline's inquiry, and responded by
5 blocking Plaintiff Wickline's access to Glen Ivy personnel and records, and attempting to
6 unilaterally dissolve the parties' partnership and take full ownership for himself. Despite this,
7 hoping to misdirect Plaintiff Wickline while he raced to eliminate evidence of Plaintiff Wickline's
8 ownership and management position, Defendant Schweder sent Plaintiff Wickline a May 19, 2016
9 text message stating that "we will honor everything we agreed upon," meaning that despite any
10 tension among them, Defendant Schweder would legally recognize Plaintiff Wickline's co-
11 ownership and ensure that he received his board seat. Defendant Schweder would copy and paste
12 that exchange into a May 20, 2016 email.

13 56. Defendant Schweder never made good on his promise to honor his agreement with
14 Plaintiff Wickline. Beginning in Summer 2016 and continuing through the present, Defendant
15 Schweder lifted the veil on his true fraudulent intentions, and continued to act (this time, openly and
16 brazenly) to freeze out Plaintiff Wickline. To accomplish this, Defendant Schweder unilaterally
17 took multiple wrongful acts, including cancelling Plaintiff Wickline's company email account,
18 removing Wickline from the website, instructing employees and third parties to deny Plaintiff
19 Wickline access to the property or information about the resort and its operations, publicly
20 announcing that Defendant Schweder is the sole owner and operator of the Glen Ivy resort, and
21 denying that Plaintiff Wickline is indeed a 42.5 percent owner, and 50/50 equal co-manager, of that
22 resort. Moreover, to date, Plaintiff Wickline not been fully reimbursed the more than \$100,000.00
23 that he spent personally on making the deal to acquire Glen Ivy resort a reality, or further costs he
24 fronted to pursue other projects for the partnership.

25 57. As was always contemplated and understood by each of Defendant Schweder,
26 ANICO, and Plaintiff Wickline, Wickline amicably and fully resolved the prior adverse judgment.
27 As a result, there is zero justification for Defendant Schweder's continuing scheme to deny Plaintiff
28 Wickline his rightful record acquisition of 42.5 percent ownership of Glen Ivy and service on its
29 board of directors, yet Defendant Schweder continues to wrongfully prevent Plaintiff Wickline from
30 receiving the benefits of Wickline's substantial efforts to acquire that property on behalf of the
31 parties' partnership. Defendant Schweder has actively (and to date, successfully) blocked each of
32 Plaintiff Wickline's many attempts to take control of his 42.5 percent ownership, management
33 position, and assume his rightful seat on Glen Ivy's boards, necessitating this lawsuit.

1 58. Because he has been wrongfully frozen out of his own company, which manages a
2 highly-profitable luxury wellness resort that he identified and arranged to acquire, Plaintiff Wickline
3 is not aware of the full facts involved in Defendant Schweder and his associates' fraud,
4 mismanagement, theft, and breaches of fiduciary duty. However, each of the acts described above
5 were undertaken with malice and the intent to injure Plaintiff Wickline, in violation of law, and
6 entitle Plaintiff Wickline to a recovery of punitive damages in an amount to be determined at trial.

7 **FIRST CAUSE OF ACTION**

8 **(Fraud – Against Defendant Schweder)**

9 59. Plaintiff restates and incorporates as though fully set forth here each of the allegations
10 contained in paragraphs 1 through 58.

11 60. Beginning in January 2014, and continuing through at least May 2016, Defendant
12 Schweder made a series of material misstatements of fact to Plaintiff.

13 61. Each of the statements made by Defendant Schweder to Plaintiff that are described in
14 this First Amended Complaint were, in fact, false when made.

15 62. The true facts relating to the statements described herein were that Defendant
16 Schweder: had no intention of forming a true and legal partnership with Plaintiff; had no intention of
17 Plaintiff being a 42.5 percent owner of the Glen Ivy resort specifically or the other hospitality
18 projects described herein generally; had no intention of sharing co-management duties of the Glen
19 Ivy resort with Plaintiff; had no intention of honoring the agreement among himself, ANICO, and
20 Plaintiff for Plaintiff to be a co-owner and director of the Glen Ivy project; had no intention of
21 holding shares in Glen Ivy for Plaintiff's benefit; had no intention to reduce the parties' partnership
22 agreement to writing; had no intention to reduce Plaintiff's stock ownership to writing; had no
23 intention to fully compensate Plaintiff for the substantial efforts Plaintiff expended and costs
24 Plaintiff incurred in negotiating the Glen Ivy acquisition; lacked sufficient experience in resort
25 management, budgeting, and operations to professionally manage the Glen Ivy resort; did not earn
26 anywhere near the amount of annual revenues he claimed as part of his "hotel management
27 business"; had been the subject of several complaints (formal and informal) from former business
28 partners, customers, and employees, including multiple claims of sexual harassment; had in fact been
29 removed and/or fired from executive and/or ownership position(s) in the hospitality industry; and
30 had only two real sources of business, each of which provided only meager referral business to
31 Defendant Schweder, who had claimed to be the head of a global "empire" in the hospitality
32 industry, but in reality merely traded on Plaintiff Wickline's good name, contacts, and experience.
33

1 63. Instead, Defendant Schweder made each of the statements alleged in this First
2 Amended Complaint with the intent to induce Plaintiff into action, first in identifying, negotiating,
3 and closing the Glen Ivy acquisition, and then turning a blind eye to Defendant Schweder's nefarious
4 plan and deeds until such time that Defendant Schweder could consolidate his control of the project
5 and effectively freeze Plaintiff out. Defendants Schweder also intended to induce a belief in Plaintiff
6 that the men were true partners in a legal partnership, and that Defendant Schweder would honor
7 their agreement to ensure that Plaintiff became a record owner of 42.5 percent of the shares relating
8 to the Glen Ivy resort, be a co-manager, and a member of the board of directors, of the same.
9 Defendant Schweder further intended to cause Plaintiff to believe that Defendant Schweder was a
10 capable manager of hospitality projects, had successfully and profitably operated similar
11 developments in years past, and was free from stigma in the industry.

12 64. Plaintiff reasonably and justifiably believed each of the misstatements made to him
13 by Defendant Schweder.

14 65. Plaintiff did not, and could not, have learned of Defendant Schweder's deception until
15 he intentionally, and illegally, froze Plaintiff out during the Summer of 2016.

16 66. The acts and deeds of Defendant Schweder described above constitute actionable
17 fraud under California law.

18 67. As a direct and proximate result of Defendant Schweder's fraud, Plaintiff has been
19 damaged in an amount to be determined at trial. Plaintiff has been denied the substantial benefits of
20 his 42.5 percent ownership of the Glen Ivy Hot Springs resort, which resort was purchased at a cost
21 of just \$30 million (effectively, \$25 million), was then (in January 2016) appraised at a value in
22 excess of \$48 million, and has substantially appreciated since, now being worth in excess of \$55
23 million. Plaintiff has been further damaged by being denied the direct economic benefits of that
24 ownership, including distributions, arising out of the profits associated with the operation of that
25 resort property, which are well in excess of \$2.5 million per year, at a property that generates over
26 \$25 million in gross revenues per year. Plaintiff has further been damaged by being denied his seat
27 on the board of directors of GOCO Hospitality, Spa Venture, GOCO CA, and GIHS. Plaintiff has
28 been further damaged by incurring substantial costs in negotiating and closing the deal for Glen Ivy
29 (and pursue several other projects) over the course of nearly 18 months, which costs have not been
30 fully reimbursed.

31 68. Plaintiff is informed and believes, and on that basis alleges, that Defendant Schweder
32 acted with malice, oppression, and fraud, and a deliberate intent to injure Plaintiff, or with conscious
33 disregard for Plaintiff's rights, and actively sought to conceal the act and effect of his reprehensible

1 misconduct. Accordingly, an award of punitive damages against Defendant Schweder is justified, in
2 an amount to be proven at trial.

3 **SECOND CAUSE OF ACTION**

4 **(Civil Conspiracy – Against Defendants Schweder and Leung)**

5 69. Plaintiff restates and incorporates as though fully set forth here each of the allegations
6 contained in paragraphs 1 through 58.

7 70. For the reasons described in this First Amended Complaint, Plaintiff suffered
8 actionable fraud, and breaches of fiduciary duty, under California law.

9 71. Defendants Schweder and Leung conspired with one another in violation of law, and
10 expressly understood and agreed, and acted to undertake, the fraud alleged herein.

11 72. Defendants Schweder and Leung acted as described throughout this First Amended
12 Complaint.

13 73. Defendant Leung made specific representations of fact to Plaintiff in February and
14 March 2016, concerning Plaintiff’s partnership with Defendant Schweder, and Plaintiff’s co-
15 ownership, co-management, and board position, among others, intending for Plaintiff to rely upon
16 those statements, which Plaintiff did. When Defendant Leung made those statements, she knew that
17 Defendant Schweder intended to, and would, work to usurp Plaintiff’s ownership and management
18 interests in at least each of GOCO Hospitality, GOCO CA, Spa Venture, and GIHS. Defendant
19 Leung knew this because she was actively involved not just in duping Plaintiff into believing
20 Plaintiff’s position within those entities was secure, but also because she was materially assisting
21 Defendant Schweder in freezing out Plaintiff and stealing his ownership interests in those entities.

22 74. Defendant Leung therefore personally defrauded Plaintiff, and did so in concert with
23 Defendant Schweder, in order to effect their joint plan to freeze out Plaintiff and steal his ownership
24 interests in each of GOCO Hospitality, GOCO CA, Spa Venture, and GIHS for themselves and their
25 own joint benefit.

26 75. In addition, Defendant Leung materially assisted Defendant Schweder in achieving,
27 and indeed affirmatively acted to achieve, his despicable, nefarious, and illegal plan, including
28 without limitation by: providing material assistance in preventing Plaintiff from reviewing the
29 books of Glen Ivy, and forcibly precluding Plaintiff from physical access to the property;
30 encouraging and advising Defendant Schweder in drafting and otherwise making the material
31 misstatements of fact described herein; participating in the improper accounting tricks undertaken by
32 Defendant Schweder as they pertain to the Glen Ivy investment; affirming, both in person and via
33 written communication, on several occasions, Defendant Schweder’s false intent to recognize

1 Plaintiff's interests as described above; and, on information and belief, wiring a sum of
2 approximately \$500,000.00 in May 2016 out of Glen Ivy accounts and into accounts owned by her
3 and her husband (Defendant Schweder).

4 76. As a result of Defendant Leung's personal activities, and plot to conduct those
5 activities in concert with Defendant Schweder, each of Defendant Schweder and Defendant Leung
6 illegally and maliciously conspired to commit fraud, in violation of California law.

7 77. As a direct and proximate result of the acts described herein, Plaintiff was damaged in
8 an amount to be proven at trial.

9 78. Plaintiff is informed and believes, and on that basis alleges, that Defendants
10 Schweder and Leung acted with malice, oppression, and fraud, and a deliberate intent to injure
11 Plaintiff, or with conscious disregard for Plaintiff's rights, and actively sought to conceal the act and
12 effect of their reprehensible misconduct. Accordingly, an award of punitive damages against
13 Defendant Schweder is justified, in an amount to be proven at trial.

14 THIRD CAUSE OF ACTION

15 **(Breach of Fiduciary Duty – Against Defendant Schweder)**

16 79. Plaintiff restates and incorporates as though fully set forth here each of the allegations
17 contained in paragraphs 1 through 58.

18 80. In August 2014, Plaintiff and Defendant Schweder agreed to associate together to
19 carry on a business with the purpose of earning a profit, creating a valid and legal partnership among
20 themselves.

21 81. Throughout the period August 2014 until Summer 2016, in both word and deed, both
22 among themselves, and to the outside world, Plaintiff and Defendant Schweder conducted and
23 represented themselves as true and legal partners in a business for profit.

24 82. As partners in a legal partnership, Plaintiff and Defendant Schweder owed one
25 another fiduciary duties under California law, including the duties of care, loyalty, and candor.

26 83. Plaintiff at all times performed all of his partnership obligations, including acting as
27 Defendant Schweder's fiduciary.

28 84. For the many reasons described above, including without limitation illegally freezing
29 Plaintiff out of his interests in the Glen Ivy resort, GOCO Hospitality, GOCO CA, Spa Venture, and
30 GIHS; denying Plaintiff his 42.5 percent interest ownership of GOCO Hospitality, GOCO CA, Spa
31 Venture, and GIHS; wrongfully excluding Plaintiff from the board of directors of those entities;
32 stealing the assets and benefits of the partnership for Defendant Schweder's own benefit;
33 clandestinely transferring partnership assets to personal accounts; unreasonably refusing to

1 reimburse Plaintiff for Plaintiff's reasonable expenses in pursuing partnership goals; lying to and
2 defrauding Plaintiff; cooking the books at Glen Ivy; and refusing to allow access to the books and
3 records, or the property itself, of their partnership or entities under that partnership's control,
4 Defendant Schweder breached his fiduciary duties to Plaintiff Wickline, his partner.

5 85. As a direct and proximate result of Defendant Schweder's many breaches of his
6 fiduciary duties to Plaintiff, Plaintiff has been damaged in an amount to be proven at trial.

7 86. Plaintiff is informed and believes, and on that basis alleges, that Defendant Schweder
8 acted with malice, oppression, and fraud, and a deliberate intent to injure Plaintiff, or with conscious
9 disregard for Plaintiff's rights, and actively sought to conceal the act and effect of his reprehensible
10 misconduct. Accordingly, an award of punitive damages against Defendant Schweder is justified, in
11 an amount to be proven at trial.

12 FOURTH CAUSE OF ACTION

13 **(Fraudulent Inducement of Partnership Agreement – Against Defendant Schweder)**

14 87. Plaintiff restates and incorporates as though fully set forth here each of the allegations
15 contained in paragraphs 1 through 58.

16 88. Defendant Schweder made a series of misstatements of material fact to Plaintiff,
17 including those specifically described at paragraphs 20 and 21.

18 89. Defendant Schweder made those misstatements of material fact to Plaintiff with the
19 intent to induce Plaintiff's reliance upon the same.

20 90. Defendant Schweder intended to induce Plaintiff to believe that Plaintiff was agreeing
21 to enter a true and genuine partnership to co-own a business for profit, and to agree to the same, with
22 the goal of enticing Plaintiff to use his considerable business and skill to acquire business
23 opportunities for Defendant Schweder, which Defendant Schweder would later usurp.

24 91. Defendant Schweder was successful in his fraudulent inducement of Plaintiff, in that
25 Plaintiff agreed to become Defendant Schweder's partner, and later expended considerable effort
26 believing he was doing so on the partnership's behalf, when in reality Plaintiff was acting solely so
27 that Defendant Schweder could steal away the business opportunities identified and/or acquired by
28 Plaintiff.

29 92. Plaintiff reasonably and justifiably relied upon each of Defendant Schweder's
30 material misstatements of fact, believing they had a true, genuine, and legal partnership.

31 93. As an actual, direct, and proximate result of Defendant Schweder's fraudulent
32 inducement of the parties' partnership agreement, Plaintiff has been damaged in an amount to be
33 proven at trial. Plaintiff has been denied the substantial benefits of his 42.5 percent ownership of the

1 Glen Ivy Hot Springs resort, which resort was purchased at a cost of \$25 to \$30 million, was then (in
2 January 2016) appraised at a value in excess of \$48 million, and has substantially appreciated since,
3 now being worth in excess of \$55 million. Plaintiff has been further damaged by being denied the
4 direct economic benefits of that ownership, including distributions, arising out of the profits
5 associated with the operation of that resort property, which are well in excess of \$2.5 million per
6 year, at a property that generates over \$25 million in gross revenues per year. Plaintiff has further
7 been damaged by being denied his seat on the board of directors of GOCO Hospitality, Spa Venture,
8 GOCO CA, and GIHS. Plaintiff has been further damaged by incurring substantial costs in
9 negotiating and closing the deal for Glen Ivy over the course of nearly 18 months, which costs have
10 not been fully reimbursed.

11 94. Plaintiff is informed and believes, and on that basis alleges, that Defendant Schweder
12 acted with malice, oppression, and fraud, and a deliberate intent to injure Plaintiff, or with conscious
13 disregard for Plaintiff's rights, and actively sought to conceal the act and effect of his reprehensible
14 misconduct. Accordingly, an award of punitive damages against Defendant Schweder is justified, in
15 an amount to be proven at trial.

16 **FIFTH CAUSE OF ACTION**

17 **(Breach of Contract – Against Defendant Schweder)**

18 95. Plaintiff restates and incorporates as though fully set forth here each of the allegations
19 contained in paragraphs 1 through 58.

20 96. Effective in or around January 2016, Plaintiff and Defendants entered into a legal and
21 enforceable contract. Plaintiff, on the one hand, agreed to forbear recording his co-ownership, co-
22 management, and related interests in the Glen Ivy resort, GOCO CA, GIHS, and Spa Venture, in
23 order to ensure that unrelated issues unique to Plaintiff could not and did not have a potentially
24 adverse effect on the parties' business ventures. Defendant Schweder, on the other hand, agreed to
25 operate the resort post-closing, and to hold for Plaintiff, and recognize upon the resolution of that
26 unrelated adverse judgment, Plaintiff's 42.5 percent ownership of that resort property, and related
27 entities GOCO CA, GIHS, and Spa Venture, appoint him to its board of directors of those entities,
28 entitle him to co-management of the same, and recognize each and all of the legal benefits he was
29 entitled to as an owner of the same. This agreement constitutes a valid and enforceable contract
30 under California law.

31 97. Plaintiff performed each and every of his duties under the parties' contract, except
32 where excused. Indeed, but-for Plaintiff's efforts over the course of eighteen months, none of
33 Defendants would have any interests in the Glen Ivy Hot Springs resort.

1 98. Defendants, and each of them, have breached their contract with Plaintiff by
2 unreasonably and illegally denying him the benefits of his rightful co-ownership, denying he holds
3 such co-ownership, preventing him from taking a seat on the appropriate boards of directors, and
4 refusing to reimburse his reasonable expenses incurred in acquiring the same.

5 99. Defendants, and each of them, have conducted the acts complained of in paragraph 86
6 through Defendants Schweder and Leung.

7 100. As an actual, direct, and proximate result of Defendants' breach of contract, Plaintiff
8 was harmed by Defendants' conduct in an amount to be proven at trial.

9 **SIXTH CAUSE OF ACTION**

10 **(Declaratory Relief – Against All Defendants)**

11 101. Plaintiff restates and incorporates as though fully set forth here each of the allegations
12 contained in paragraphs 1 through 58.

13 102. For the reasons alleged herein, a present, urgent, real, and actionable controversy
14 within the meaning of California Code of Civil Procedure section 1060 now exists between Plaintiff,
15 on the one hand, and Defendants, on the other.

16 103. Plaintiff therefore requests a full and final judicial determination of his rights and
17 responsibilities with respect to the Glen Ivy Hot Springs resort, including each and all of Defendants
18 GOCO Hospitality, GOCO CA, Spa Venture, and GIHS.

19 104. Plaintiff hereby requests a judicial determination and order establishing his rightful
20 claim to the following:

- 21 a. Plaintiff is at least a 42.5 percent owner of GOCO Hospitality.
- 22 b. Plaintiff is at least a 42.5 percent owner of GOCO CA.
- 23 c. Plaintiff is at least a 42.5 percent owner of Spa Venture.
- 24 d. Plaintiff is at least a 42.5 percent owner of GIHS.
- 25 e. Plaintiff is entitled to at least 50 percent of the voting rights of each of the entities
26 described in paragraphs 104 (a) through (d).
- 27 f. No shareholder(s) other than Plaintiff and Defendant is or are entitled to voting rights.
- 28 g. Plaintiff is entitled to co-management of each of the entities described in paragraphs
29 96 (a) through (d).
- 30 h. Plaintiff is entitled to full reimbursement of any and all expenses reasonably incurred
31 on behalf of Defendants relating to his negotiation and eventual acquisition of the
32 Glen Ivy property.
- 33 i. Plaintiff is entitled to back pay in an amount to be proven at trial.

1 j. Plaintiff is entitled to at least 42.5 percent of any and all profits in the Glen Ivy resort
2 project since January 2016.

3 105. Plaintiff respectfully requests that an order providing the relief described in paragraph
4 104 issue forthwith.

5 **SEVENTH CAUSE OF ACTION**

6 **(Promissory Estoppel – Against Defendant Schweder and Defendant GOCO Hospitality)**

7 106. Plaintiff restates and incorporates here as though fully set forth here each of the
8 allegations contained in paragraphs 1 through 58.

9 107. In or about August 2014, Defendant Schweder, on behalf of each of himself and
10 Defendant GOCO Hospitality, clearly and unambiguously promised Plaintiff that Plaintiff would be
11 a co-equal 42.5 percent owner and co-equal 50 percent voting manager of any and all acquisition(s)
12 and/or development project(s) in the wellness hospitality space.

13 108. In addition to the promise described in paragraph 107 above, in or about December
14 2015, Defendant Schweder, on behalf of each of himself and Defendant GOCO Hospitality, clearly
15 and unambiguously promised Plaintiff that Plaintiff was then and would be a co-equal 42.5 percent
16 owner and co-equal 50 percent voting manager of at least the Glen Ivy Hot Springs resort.

17 109. In addition to the promise described in paragraphs 107 and 108 above, in or about
18 December 2015, Defendant Schweder, on behalf of each of himself and Defendant GOCO
19 Hospitality, clearly and unambiguously promised Plaintiff that if ever requested by Plaintiff,
20 Plaintiff’s actual and/or promised co-equal 42.5 percent ownership and 50 percent co-equal voting
21 management rights would be legally recorded and recognized, with Plaintiff being placed in a co-
22 equal position with Defendant Schweder as it relates to the Glen Ivy Hot Springs resort.

23 110. In addition to the promise described in paragraphs 107 to 109 above, in or about May
24 2016, Defendant Schweder, on behalf of himself and Defendant GOCO Hospitality, clearly and
25 unambiguously promised Plaintiff that Defendant Schweder, Defendant GOCO Hospitality, and their
26 affiliate(s), would honor everything that Defendant Schweder and Plaintiff had agreed upon,
27 including without limitation that Plaintiff was and would be legally recognized as a co-equal 42.5
28 percent owner and 50 percent co-equal voting manager of the Glen Ivy Hot Springs resort.

29 111. Defendant Schweder, on behalf of each of himself and Defendant GOCO Hospitality,
30 knew or should have reasonably expected each and all of the promises described in paragraphs 107
31 to 110 above to induce Plaintiff’s action or forbearance.

32 112. Each and all of the promises described in paragraphs 107 to 110 above did induce
33 action and/or forbearance by Plaintiff.

1 113. Plaintiff's reliance upon each and all of the promises described in paragraphs 107 to
2 110 above was reasonable and foreseeable.

3 114. Plaintiff's reliance upon each and all of the promises described in paragraphs 107 to
4 110 above caused injury to Plaintiff.

5 115. Injustice can be avoided only by the enforcement of each and/or all of the promises
6 described in paragraphs 107 to 110 above.

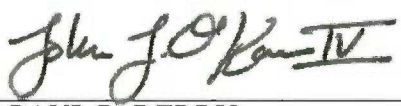
7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

- 9 1. For judgment in favor of Plaintiff and against Defendants;
- 10 2. For an award of compensatory damages according to proof;
- 11 3. For an award of punitive damages according to proof;
- 12 4. For a declaration setting forth each of the rights, responsibilities, and obligations of
13 Plaintiff and Defendant Schweder and Defendant Leung as they relate to the Entity
14 Defendants.
- 15 5. For an order enforcing each of the promises made by Defendant Schweder and
16 Defendant GOCO Hospitality, and each of them, as described herein.
- 17 6. For an award of prejudgment interest to the extent permitted by law;
- 18 7. For an award of his reasonable attorneys' fees, to the extent permitted by law;
- 19 8. For an award of costs of suit incurred herein; and
- 20 9. For such other and further relief as the Court deems just and proper.

21
22 DATED: October 25, 2018

SKIERMONT DERBY LLP

23
24
25 By: 
26 PAUL B. DERBY
27 JOHN J. O'KANE IV
28 DREW E. ANDERSON

29
30
31 Attorneys for Plaintiff
32 DAVID WICKLINE
33

1 Case Name: *David Wickline v. Ingo Schweder, et al.*
2 Case No.: RIC 1708891

3 **PROOF OF SERVICE**

4 **STATE OF CALIFORNIA, COUNTY OF RIVERSIDE**

5 I am employed in the County of Los Angeles, State of California. I am over the age of
6 eighteen (18) and not a party to the within action. My business address is 800 Wilshire Boulevard,
Suite 1450, Los Angeles, California 90017.

7 On October 25, 2018, I served the foregoing document described as **SECOND AMENDED**
8 **COMPLAINT FOR DAMAGES** on all interested parties to this action as follows: by placing
9 the true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list:

10 **PLEASE SEE ATTACHED SERVICE LIST**

- 11 **(BY MAIL)** By placing a true copy thereof in a sealed envelope addressed as above, and
12 placing it for collection and mailing following ordinary business practices. I am readily
13 familiar with Skiermont Derby LLP's practice of collecting and processing correspondence
14 for mailing. Under that practice it would be deposited with U.S. postal service on that same
day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of
business.
- 15 **(BY OVERNIGHT CARRIER)** I caused the above-referenced document to be delivered
via FedEx for next day delivery to counsel at the address on the above-referenced service list.
- 16 **(BY PERSONAL SERVICE)** I caused the above-referenced document to be electronically
17 delivered to Express Network Attorney Service, for personal service on Defendants' counsel
18 of record, Ellyn S. Garofalo and Amir Kaltgrad, at the address listed on the attached service
list, on the above-referenced date.
- 19 **(COURTESY BY E-MAIL)** I caused the above-referenced document to be transmitted via
20 e-mail from mjung@skiermontderby.com to Ellyn.garofalo@dlapiper.com and
21 amir.kaltgrad@dlapiper.com.
- 22 **(State)** I declare under penalty of perjury under the laws of State of California that the above
23 is true and correct.

24 Executed on October 25, 2018, at Los Angeles, California.

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Mandi Jung

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2 **Case No.:** RIC 1708891

3 SERVICE LIST

4 Ellyn S. Garofalo, Esq. *Attorney for Ingo Schweder, Josephine Leung,*
5 Amir Kaltgrad, Esq. *Spa Venture Group Limited, Glen Ivy Hot*
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