

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

JOANNE CHANG, individually,
and as Parent and Custodian of
N.C.S., her Minor Child

INDEX NO. 651274/2025

Plaintiffs,

AMENDED
VERIFIED COMPLAINT

-against-

SOLLEGA INC. and

ELIE ROTHSCHILD, individually, and as Majority
Shareholder, Director and Chief Executive Officer of
Sollega Inc.

Defendants.

-----X

Plaintiffs JOANNE CHANG (“Joanne”), individually, and as Parent and Custodian of N.C.S. (“N.C.S.”), her Minor Child (each a “Plaintiff”, and collectively the “Plaintiffs”) by their attorneys Eric N. Cohen & Associates PLLC, for their Amended Verified Complaint (the “Complaint”) against Defendants Sollega Inc. (the “Corporation” or “Sollega”) and Elie Rothschild (“Rothschild”) (each a “Defendant”, and collectively the “Defendants”) allege, upon knowledge as to Plaintiffs themselves and their own acts and, with respect to all other allegations, upon information and belief, as follows:

NATURE OF THE ACTION

1. Plaintiffs, minority shareholders of the Corporation, bring this action against Defendants for (1) breaches of fiduciary duties of care, loyalty and good faith, (2) breaches of the duty of equal treatment, (3) violations of New York Business Corporation Law (“BCL”) § 501(c), (4) oppression of the minority shareholders, (5) failure to make shareholder distributions in 2024; (6) usurpation of corporate opportunity, (7) conversion of corporate assets, and (8) violations of

BCL § 624. Defendant Rothschild, as majority shareholder, sole director and CEO, abused his complete domination over the Corporation and acting in bad faith caused it to make disproportionate shareholder distributions, unfairly depriving Plaintiffs of over \$351,000.00 of their proportionate share of such distributions made by the Corporation in 2020 and 2022, while making distributions in those same years to Rothschild significantly in excess of his proportionate share. Defendant Rothschild further abused his control over Sollega to usurp and convert intellectual property assets and opportunities of the Corporation for his own personal gain and damaging to Plaintiffs' interests. Additionally, Defendants failed to adhere to minimum legally required standards related to the Corporation's record-keeping, tax filings, corporate governance, and shareholder communications, all of which resulted in further damages to Plaintiffs.

THE PARTIES

2. Plaintiff Joanne Chang is an individual residing at 4435 Stuart St., Denver, CO 80212.

3. Joanne is the mother and custodian of Plaintiff N.C.S., a minor child, who resides with her mother at the same address.

4. Joanne and N.C.S. are minority shareholders of the Corporation. At all times relevant to the events alleged in this Complaint, Plaintiffs collectively and beneficially owned 1,200,030 common shares of the Corporation par value \$0.001 per share, representing 15.38494% of the issued and outstanding shares of the Corporation.

5. Defendant Sollega Inc. is a closely held New York S corporation. The office of the Corporation is located in New York County in accordance with Article THIRD of Sollega's Certificate of Incorporation. Paracorp Incorporated is appointed as the Corporation's registered

agent in New York with registered agent's address of One Commerce Plaza, 99 Washington Ave. #805A, Albany, NY 12210.

6. Defendant Elie Rothschild is an individual residing at 128 De Montfort Ave. San Francisco, CA 94112.

7. Defendant Elie Rothschild is the majority shareholder, sole director and Chief Executive Officer of the Corporation.

8. At all times relevant to the events alleged in this Complaint, Rothschild owned 6,600,002 common shares of the Corporation par value \$0.001 per share, representing 84.6151% of the issued and outstanding shares of the Corporation.

JURISDICTION AND VENUE

9. This Court may exercise personal jurisdiction over Defendant Sollega pursuant to NY CPLR §301 and venue is proper in New York County pursuant to NY CPLR §503(a) and §503(c) because New York County is where Defendant's principal office is located in accordance with Article THIRD of its Certificate of Incorporation.

10. This Court may exercise personal jurisdiction over Defendant Rothschild pursuant to NY CPLR §302(a)(1) and venue is proper in New York County pursuant to NY CPLR §503(a) and §503(c) because Defendant acted as a corporate agent of a New York corporation, New York County is where a substantial part of the events or omissions giving rise to the claims occurred and where the Corporation's principal office is located.

FACTUAL BACKGROUND***The Corporation; Share Ownership***

11. Defendant Sollega Inc. was incorporated pursuant to the filing of its Articles of Incorporation (the “Articles”) with the Department of State of the State of New York (the “DOS”) on December 10, 2009.

12. The Corporation was founded by Defendant Elie Rothschild, together with Co-Founder George Schnakenberg, III (“George”) and another Co-Founder (each a “Co-Founder”).

13. The Corporation engaged in, and engages in, the design, development, production, marketing, sale, and servicing of specialized equipment and solutions for the solar panel and energy industry (the “Business”).

14. After initial share issuances, corporate actions and transactions, including an authorized shares increase, a stock split and an exit by one of the Co-Founders, by September of 2013, the Corporation’s ownership consisted of only Rothschild, the majority shareholder holding nearly 85% of the outstanding shares, and George Schnakenberg, III, the minority shareholder holding just over 15% of the outstanding shares as reflected in the table below:

<u>Sollega Share Ownership as of 9/17/2013</u>		
<u>Name</u>	<u>Number of Shares</u>	<u>Percentage Interest</u>
Elie Rothschild	6,600,002	84.61506%
George Schnakenberg, III	1,200,030	15.38494%
<i>Total Issued and Outstanding</i>	<i>7,800,032</i>	<i>100.00%</i>

15. The details of the share ownership described in ¶ 14 above, were misrepresented by Defendants to George’s wife, Plaintiff Joanne Chang, and unknown to her until she and her counsel began in Spring 2023 to investigate and push for documentation from Defendants. See below at ¶¶ 38 – 47 “*Defendants’ Disproportionate Distributions and Neglect of Corporate Responsibilities Exposed*”.

16. As a result of Plaintiffs' investigative efforts beginning in earnest in Spring 2023, Defendants finally produced and provided to Plaintiff on February 27, 2024 a *Sollega Inc. Cap Table* which outlines the share ownership referenced above, a copy of which is attached hereto as **Exhibit 1** (the "*Sollega Cap Table*").

George Schnakenberg, III's Passing

17. Co-Founder George Schnakenberg, III was a brilliant tech-engineer and the chief designer of Sollega's core product line – its "Modular Solar Racking System" which Sollega was granted U.S. Patent No. 8,567,132 on October 29, 2013.

18. In addition to co-founding Sollega and serving as its Head of Design, George cherished his personal life, especially his relationship with his wife Joanne. In December 2013, the couple received the exciting news that Joanne was pregnant and began preparing for the baby's arrival in the summer of 2014, eagerly anticipating the beginning of their family life together.

19. Tragically, seven months later, George died suddenly of a fatal arrhythmia with no known cause. He passed away on July 22, 2014 at the age of thirty-eight.

20. Just days later that summer, Joanne gave birth to Joanne and George's only daughter N.C.S.

21. George died intestate, with his estate settled some two and a half years after his passing by the Superior Court of California Case No. RP14740946 by Order issued on October 3, 2016 (the "Order"), pursuant to which George's property acquired before marriage (which included his Sollega shares) was to be distributed equally to his sole heirs -- his widow Joanne and their daughter N.C.S.¹

¹ Rothschild affirmatively communicated via email to Joanne in 2014 that George's Sollega shares were allocated fully to Joanne. As a result of Joanne's later investigative efforts in 2023 into the

K-1s and Distributions to Joanne

22. In 2016, Rothschild changed the Corporation's status from a C corporation to an S corporation, informing Joanne that such change was intended to obtain more beneficial tax treatment for the shareholders.

23. Upon electing S corporation status, Sollega became a "pass-thru" entity for tax purposes and was required under the Internal Revenue Code (the "IRC") to allocate its income, deductions and other tax-related items to its shareholders proportionally each year based on their ownership percentage and to furnish each shareholder with a Schedule K-1 (a "K-1") reflecting such shareholder's allocation.

24. Beginning in respect of tax year 2016, the Corporation began issuing a K-1 to Joanne as the successor owner to George's interest in the Corporation.

25. Joanne, still overwhelmed by the loss of her husband George, adjusting to life as a single mother to an infant child, and unfamiliar with the operations of the Corporation, accepted the K-1s, assumed they were factually correct and filed them with her annual tax returns.

26. The K-1s issued by the Corporation to Joanne with respect to years 2016 – 2018 allocated *de minimus* profits to Joanne and accordingly, the impact on her annual taxes was immaterial. During that time, no actual distributions of cash were made to Joanne.

The 2019 Chang K-1

27. On May 29, 2020, Rothschild emailed Joanne attaching the Corporation's K-1 issued to Joanne for 2019 (the "2019 Chang K-1"). A copy of the 2019 Chang K-1 is attached

Corporation's tax and reporting errors, the formal allocation of George's Shares as between Joanne and N.C.S. consistent with the Order was addressed in a Written Consent of the Majority Shareholder and Sole Director of Sollega dated September 23, 2024 (the "2024 Written Consent"). Ms. Chang signed and returned negotiated ancillary documents on February 10, 2025 that Sollega has not countersigned nor issued stock certificates for as contemplated by the 2024 Written Consent.

hereto as **Exhibit 2**. The email from Rothschild with the 2019 Chang K-1 stated “I’m going to send you a check to cover your tax liability”.

28. The 2019 Chang K-1 allocated substantially more profit to Joanne than had been typical in prior years. Specifically, the 2019 Chang K-1 allocated profits of \$63,426.00 to Joanne per Part III, Box 1 thereof. Notwithstanding the profit allocated to Joanne, Joanne had not received any actual cash distribution in 2019; and accordingly, there was a material impact to Joanne’s tax liability for the 2019 tax year and no funds distributed by Sollega to cover it.

29. In addition, the 2019 Chang K-1 indicated at Part III, Boxes F thereof that Joanne owned an 11% interest in the Corporation.

The 2020 Distribution and 2020 Chang K-1

30. On July 14, 2020, Rothschild emailed Joanne that he had sent her \$10,000.00. It was understood that the \$10,000.00 was paid to Joanne so she could cover at least some of the increase to her 2019 tax liability caused by the more 2019 profit allocation.

31. The \$10,000.00 distribution (distributed to Joanne in 2020) was the Corporation’s first ever cash distribution to Joanne.

32. Following the 2020 calendar year, Elie Rothschild emailed Joanne on September 28, 2021 with her 2020 K-1 from the Corporation (the “2020 Chang K-1”) which oddly indicated \$77,000.00 at Part III, Box 16d as her actual cash shareholder distribution in 2020, notwithstanding that Joanne only actually received \$10,000.00 in 2020. A copy of the 2020 Chang K-1 is attached as **Exhibit 3** hereto.

33. In addition, the 2020 Chang K-1 indicated, consistent with prior years’ K-1s, at Part II, Boxes F and G thereof that Joanne owned 11 shares and an 11% interest in the Corporation.

34. The following year in 2021, the Corporation reverted to prior past practice and did not make a cash distribution to Joanne.

The 2022 Distribution and 2022 Chang K-1

35. In May of 2022, after receiving the her K-1 for the prior year, Joanne emailed Rothschild and asked if Sollega intended to soon make distributions to at least cover her related tax liability. Rothschild emailed in response that all retained earnings were being reinvested, suggesting that no distributions would be made, but “we could discuss a buyout if that makes sense.” After further correspondence, Rothschild subsequently did have the Corporation send Joanne \$20,000.00 in 2022 intended towards covering her 2021 tax liability.²

36. The corresponding 2022 K-1 issued by the Corporation to Ms. Chang (the “2022 Chang K-1”), similar to the 2020 Chang K-1, showed a distribution that was different from (and far greater than) the actual cash distribution that she received. Specifically, the 2022 Chang K-1 indicated \$122,575.00 at Box 16d thereof as Joanne’s shareholder distribution, notwithstanding that Ms. Chang only actually received \$20,000. A copy of the 2022 Chang K-1 is attached as **Exhibit 5** hereto.

37. Consistent with prior years’ K-1s, the 2022 Chang K-1 indicated at Part II, Boxes F and G thereof that Joanne owned 11 shares and an 11% interest in the Corporation.

Defendants’ Disproportionate Distributions and Neglect of Corporate Responsibilities Exposed

38. The inconsistencies in both the 2020 and 2022 K-1s distributions indicated versus actual cash distributions received in those years, compounded by significant increases to Joanne’s

² As it was later discovered by Ms. Chang, Rothschild took \$1,400,000.00 in Sollega cash distributions for himself in 2022 while only distributing \$20,000.00 to Joanne that year -- a grossly disproportionate distribution to the benefit of Rothschild and adverse to the Plaintiffs. See ¶¶ 54 - 55.

tax liability in 2020 and 2022, prompted Joanne to question the accuracy of the K-1s and raised broader concerns about Rothschild's actions that demanded explanation.

39. Beginning in April of 2023 Joanne began to reach out to Rothschild for explanations and documentation to clarify the 2020 and 2022 tax and distribution discrepancies and to more clearly understand her equity position in the Corporation.

40. Rothschild's initial email response on April 18, 2023 about the amount of the 2022 distribution as it appeared on the 2022 Chang K-1 was a false statement, stating that "The \$122,575 is your percentage of the taxable revenue, not paid distributions." In fact, Box 16D of the 2022 Chang K-1 did indicate that \$122,575.00 was purportedly paid to Joanne, when she only received \$20,000.00.

41. From April 2023 to May 2023, Joanne made repeated requests to see the Corporation's books and records, including bylaws, board resolutions, shareholder list, past three years of financials, and tax returns. Joanne received the P&L and balance sheet from Rothschild for fiscal year 2022, but no other documents.

42. With her concerns only heightened by the lack of accuracy and transparency in her communications with Rothschild, Joanne decided to engage the Fox Rothschild law firm in June 2023 to assist her with liaising with the Defendants, obtaining documents and reviewing files.

43. Ms. Chang's counsel made specific demand on Defendants in July of 2023 pursuant to BCL § 624 for Joanne's right to inspect the books and records of the Corporation as a beneficial shareholder of the Corporation.

44. Notwithstanding Joanne's counsel's demands, Defendants failed to allow Ms. Chang to inspect or have access to the requested books and records. Although Defendants later started to provide some responsive materials, as of December 2023, Defendants had yet to provide

access to or sufficient information about the Corporation's stock ledger, 2022 tax documents among other pending requests.

45. Notwithstanding the incomplete production of and limited access to the Corporation's books and records, as a result of Ms. Chang and her counsel's determined efforts, by February of 2024 it became evident that Sollega, under Rothschild's complete domination and control, made grossly disproportionate shareholder distributions with respect to tax years 2020 and 2022 in which Plaintiffs were deprived a total of over \$351,000.00 of their rightful and proportionate share of shareholder distributions, while concurrently making distributions in those years to Rothschild disproportionately in excess of the amounts to which he was entitled.

46. In addition, a broad and long-standing set of failures in the Corporation's record-keeping, tax filings, corporate governance and shareholder communications were revealed by the investigative efforts of Ms. Chang and her counsel. Among those failures:

- i. Misstatements over many years in the Corporation's stock ledger and in tax documents filed with the IRS and issued to Ms. Chang as to the number of shares beneficially owned by Ms. Chang and the percentage ownership in the Corporation represented by such ownership.
- ii. Failures over many years to hold an annual meeting of shareholders, to elect board members, vote on business, etc. per the Corporation's own by-laws and § 602(c) of the BCL.
- iii. Failure to allow Plaintiffs to exercise their right to inspect the books and records of the Corporation as a beneficial shareholder of the Corporation pursuant to § 624 of the BCL having made written demand.

- iv. Material misleading statements and omission misstatements in emails and other communications to Plaintiffs relating to share ownership, company information and tax matters.

47. Each of the above failures must be attributable to Rothschild as the single person with complete domination and control over the Corporation and sole responsibility to adhere to, and cause the Corporation to adhere to, minimum statutory standards governing accurate record-keeping, tax filings, corporate governance, and shareholder communications.

Persistent Understatement of Plaintiffs' Share Ownership; and Overstatement of Defendant Rothschild's Share Ownership

48. On February 27, 2024, Defendants provided the *Sollega Cap Table* (see Ex. 1) confirming that the Corporation had for years grossly understated and falsely represented, in K-1s, other tax documents and shareholder communications, both the number of shares of the Corporation that Plaintiffs' beneficially owned and the corresponding percentage ownership interest; while at the same time overstating Rothschild's share ownership.

49. Specifically, after years of understating the Plaintiffs' share ownership, Defendants' confirmed that, at all times relevant to the events alleged in this Complaint, Plaintiffs beneficially and collectively owned 1,200,030 shares of Sollega (the "Chang Family Shares") constituting 15.3849% (the "Chang Family Percentage") of the issued and outstanding shares of Sollega (as opposed to the 11 shares and 11% interest indicated on the K-1s issued to Ms. Chang with respect to 2019, 2020, 2021 and 2022 tax years and previously).³

³ The 1,200,030 shares of the Corporation are allocated equally as between Joanne and N.C.S. with each owning 600,015 common shares of the Corporation, representing in each case, 7.6925% of the issued and outstanding shares of the Corporation.

50. Moreover, while the *Sollega Cap Table* confirms that Rothschild owns 84.6151% of the issued and outstanding shares of the Corporation, in contrast, each of the Corporation's filed tax returns for 2020, 2021, and 2022 represent that Rothschild owned an 89% ownership percentage at Box G of the included K-1 (over 4 full percentage points higher). Copies of Defendant Rothschild's 2020 and 2022 K-1s from Sollega are attached, respectively, as **Exhibit 5** and **Exhibit 6** hereto.

2020 and 2022 Disproportionate Distributions

51. Based on Plaintiffs and her counsel's investigation, review of provided materials and correspondence with Rothschild and Defendants' counsel, a fuller picture of the actual cash distributions made in 2020 and 2022 was also revealed.

52. In 2020, Defendant Rothschild caused the Corporation to make the first cash distributions in company history -- specifically distributing \$700,000.00 to Rothschild and \$10,000.00 to Joanne (the "2020 Distributions").

53. Notwithstanding that the shares of Sollega stock that Rothschild and the Chang Family respectively owned were of the same class -- specifically, common shares of the Corporation par value \$0.001 per share with all the same rights, privileges and restrictions -- the Corporation treated the shares owned by owned by the Chang Family Shares on an unequal basis from the shares owned by Rothschild in respect of the distributions. Based on the 2020 Distributions, the Corporation distributed \$0.10606 per share, or 10.606 cents per share to each share owned by Rothschild and only a fraction of that -- \$0.00833 per share, or 0.833 cents per share -- to each share owned by Chang.

54. In 2022, Defendant Rothschild caused the Corporation to make distributions -- specifically distributing \$1,400,000.00 to Rothschild and \$20,000.00 to Joanne (the “2022 Distributions”).

55. Again, notwithstanding that the shares of Sollega stock that Rothschild and the Chang Family respectively owned were of the same class, the Corporation treated the Chang Family Shares on an unequal basis from the shares owned by Rothschild in respect of the distributions. Based on the 2022 Distributions, the Corporation distributed \$0.21212 per share, or 21.212 cents per share to each share owned by Rothschild and \$0.01667 per share, or 1.667 cents per share to each share owned by Chang.

56. The 2020 and 2022 Distributions were not only inconsistent with other information on the K-1s issued in each of those years but were a grossly disproportionate distribution significantly to the benefit of Rothschild and adverse to the Plaintiffs.

57. The table below shows the scale of the inequitable distributions in respect of each parties’ shares in 2020 and 2022 and what should have been distributed applying the correct ownership percentages and distributing an equal amount per share:

	# of Shares	2020	Ownership %	2022	Ownership %
<u>Actual Distribution</u>					
Elie R. actual distribution	6,600,002	\$ 700,000		\$ 1,400,000	
Joanne Chang actual distribution	600,015	\$ 5,000		\$ 10,000	
N.C.S. actual distribution	600,015	\$ 5,000		\$ 10,000	

[Table cont. next page]

What Should Have Been Distributed

Elie R. correct distribution	6,600,002	\$ 700,000	84.6%	\$ 1,400,000	84.6%
Joanne correct distribution	600,015	\$ 63,649	7.7%	\$ 127,299	7.7%
N.C.S. correct distribution	600,015	\$ 63,649	7.7%	\$ 127,299	7.7%
Total Distribution		\$ 827,299	100.0%	\$ 1,654,597	100.0%

True-Up Difference

Elie R. true-up	\$ -	\$ -
Joanne true-up	\$ 58,649	\$ 117,299
N.C.S. true-up	\$ <u>58,649</u>	\$ <u>117,299</u>
<i>Chang Family</i>		
<i>Aggregate True-Up</i>	\$ 117,299	\$ 234,598 \$351,897

58. As reflected in the ¶ 57 Table above, Defendants failed to pay Plaintiffs over \$351,000.00 of their aggregate, rightful and proportionate share of shareholder distributions for calendar years 2020 and 2022 (the “Owed Distribution Amounts”), while concurrently making distributions to Rothschild far in excess of the amounts to which he was entitled.

59. Plaintiffs have demanded numerous times in writing that Defendants make corrective payment of the Owed Distribution Amounts to Plaintiffs.

60. Defendants have failed to make corrective payment of the Owed Distribution Amounts to Plaintiffs.

Defendants’ Failure to Make Shareholder Distributions in 2024

61. Defendant Sollega is a closely-held S corporation with no public market for its shares. The shareholders have a reasonable expectation of receiving proportionate distributions based on the number of shares owned by each shareholder and the percentage ownership interests represented thereby.

62. The Corporation has become a recognized player in the solar panel and power industry and, since at least 2020, has generated substantial profits and has experienced significant and steady growth each year across its sales, revenues and profitability.

63. In 2020 and 2022, the Corporation made distributions of cash to its shareholders. Although such distributions were not made disproportionately, the total amounts distributed by the Corporation in 2020 and 2002 were \$710,000 and \$1,420,000 respectively.

64. Although robust sales, revenues and profitability at the Corporation continued in 2024, Joanne received no distributions from Sollega in 2024.

65. In and of itself, Rothschild's refusal to authorize shareholder distributions in 2024, despite the corporation's continued profitability, suggests a lack of good faith, especially against the backdrop of Rothschild's pattern of misconduct alleged with respect to prior distributions.

66. Moreover, there is reason to believe that because of Plaintiffs' investigation into Defendants' activities and the dispute between the parties, Rothschild is acting in bad faith and in breach of his fiduciary duties in declining to make distributions commensurate with past years and the continued growth and profitability of the Corporation.

67. At the time of this Complaint, Sollega has yet to provide Joanne Plaintiffs' K-1s for tax year 2024. Accordingly, there remains the likelihood that when the K-1s are issued, profits will be allocated to Joanne and N.C.S. for 2024 without Plaintiffs having received corresponding distributions in 2024 needed to at least cover the tax liabilities resulting therefrom.

Defendant Rothschild's Usurpation and Conversion of Corporate Opportunities and Assets

68. In connection with Plaintiffs' continued efforts to investigate the business management and operations of Defendants related to this lawsuit, Plaintiff has become aware of

additional instances where Rothschild abused his domination and control over Sollega to usurp and convert corporate opportunities and assets and opportunities for his own personal benefit.

69. Defendant Elie Rothschild caused the trademark SOLLEGA (the “Mark”) used by the Corporation in connection with its business operations to be applied for, filed and registered in his personal name, rather than in the name of the Corporation. A copy of the United States Patent and Trademark Office Registration Certificate No. 6582006 for the Mark issued on December 7, 2021 is attached hereto as Exhibit 7.

70. Similarly, throughout Rothschild’s continuous control of the Corporation, Rothschild has caused patents developed using the Corporation’s resources, personnel, or proprietary information to be applied for, filed and registered in his personal name, rather than for the benefit of the Corporation. In particular the following patents:

- United States Patent No. 10,852,038 B2 dated Dec. 1, 2020 for Bonding Jumper Clip for Solar Panels (the “038 Patent”). A copy of the 038 Patent is attached hereto as Exhibit 8.
- United States Patent No. 10,187,004 B2 dated Jan. 22, 2019 for Slide-on Spring Clip for Installing Solar Panels and Method of Use (the “004 Patent”). A copy of the 004 Patent is attached hereto as Exhibit 9.
- United States Patent No. 9,831,817 B2 dated Nov. 28, 2017 for Solar Panel Mounting Base and System for Solar Panel Installation (the “817 Patent”). A copy of the 817 Patent is attached hereto as Exhibit 10.

71. There appear to be other earlier patents of the Corporation that Rothschild may also claim sole personal ownership of and be titled in Rothschild’s name.

AS AND FOR A FIRST CAUSE OF ACTION
Breach of Fiduciary Duties of Care, Loyalty and Good Faith

72. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 71 as if more fully set forth herein.

73. Defendant Rothschild, as the majority shareholder of a closely-held corporation, as well as the sole director and CEO, owed fiduciary duties of care, loyalty, and good faith to the Plaintiffs who are minority shareholders.

74. Defendant Rothschild operated New York corporation Defendant Sollega as an instrumentality and “alter ego” of himself with respect to the corporate actions alleged in this Complaint, thereby disregarding the separate existence of the corporation. Accordingly, Defendant Sollega owed fiduciary duties of care, loyalty, and good faith to the Plaintiffs who are minority shareholders.

75. Defendants breached these duties by acting negligently, failing to exercise reasonable care in decision-making, engaging in self-dealing and/or acting knowingly and in bad faith in connection with: (1) failing to ensure proportionate shareholder distributions in 2020 and 2022 to Plaintiffs; (2) paying Defendant Rothschild disproportionately excessive shareholder distributions in 2020 and 2022; (3) failing to make shareholder distributions in 2024 despite the Corporation’s sufficient profits; (4) providing the minority shareholder Plaintiffs with incorrect and misleading financial and tax information; (5) withholding financial and corporate information from Plaintiffs in violation of the BCL, and (6) usurping corporate opportunity and assets by misappropriating intellectual property assets of the Corporation.

76. Plaintiffs have made demands upon Defendants to remedy the inequitable distributions by payment of the Owed Distributions plus other damages. These demands have been refused, ignored or inadequately addressed.

77. As a direct and proximate result of Defendants’ breaches of fiduciary duties of care, loyalty and good faith, Plaintiffs have suffered damages.

AS AND FOR A SECOND CAUSE OF ACTION
Breach of Duty of Equal Treatment

78. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 77 as if more fully set forth herein.

79. Defendants' owed fiduciary duties, including the duty of equal treatment, to its shareholders.

80. The duty of equal treatment obligates the Corporation and its controlling shareholders to ensure that all shareholders receive their proportionate share of distributions.

81. In 2020 and 2022, the Corporation made distributions to its shareholders. These distributions were not made in proportion to the shareholders' respective ownership interests in the Corporation. Specifically, Plaintiffs received significantly less in distributions than their proportionate share of the Corporation's distributed profits, while Defendant Rothschild received excessively more in distributions than his proportionate share of the Corporation's distributed profits during the same period.

82. The disproportionate distributions were made knowingly, intentionally and in bad faith by the Corporation and Defendant Rothschild, in breach of their fiduciary duty to treat all shareholders equally.

83. Plaintiffs have made demands upon Defendants to remedy the inequitable distributions by payment of the Owed Distributions plus other damages. These demands have been refused, ignored or inadequately addressed.

84. As a direct and proximate result of Defendants breaches of fiduciary duty of equal treatment, Plaintiffs have suffered damages.

AS AND FOR A THIRD CAUSE OF ACTION
Violation of BCL § 501(c)

85. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 85 as if more fully set forth herein.

86. BCL § 501(c) requires that “each share [of a New York corporation] shall be equal to every other share of the same class,” ensuring that each share of the same class should be treated equally in terms of distribution rights and should receive a proportional share of any distribution made by the corporation.

87. Notwithstanding that the shares of Sollega stock that Rothschild and the Chang Family respectively owned were of the same class – specifically, common shares of the Corporation par value \$0.001 per share with all the same rights, privileges and restrictions -- the Corporation treated the shares owned by owned by the Chang Family Shares on an unequal basis from the shares owned by Rothschild in respect of the distributions.

88. Defendants’ unequal treatment of the shares and disproportionate distributions thereby in 2020 and 2022 to shareholders holding the same class of shares violates BCL § 501(c).

89. As a direct and proximate result of Defendants violation of BCL § 501(c), Plaintiffs have suffered damages.

AS AND FOR A FOURTH CAUSE OF ACTION
Oppression of Minority Shareholders

90. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 89 as if more fully set forth herein.

91. Defendant Rothschild, as the majority shareholder of the closely-held corporation Sollega, as well as its sole director and CEO, and Defendant Sollega owed a duty to not oppressively, fraudulently or unfairly prejudice the interests of the Plaintiffs as minority shareholders.

92. Defendant Rothschild abused his complete domination and control over the Corporation and engaged in systemic pattern of oppressive and unfair behavior towards Plaintiffs as minority shareholders by: (1) failing to ensure proportionate shareholder distributions in 2020 and 2022 to Plaintiffs; (2) paying Defendant Rothschild disproportionately excessive shareholder distributions in 2020 and 2022; (3) failing to make shareholder distributions in 2024 despite the Corporation's sufficient profits; (4) providing the minority shareholder Plaintiffs with incorrect and misleading financial and tax information; (5) withholding financial and corporate information from Plaintiffs in violation of the BCL, and (6) usurping corporate opportunity and assets by misappropriating intellectual property assets of the Corporation.

93. As a direct and proximate result of Defendants' oppressive conduct designed to unfairly prejudice Plaintiff's interests as a minority shareholder, Plaintiffs have suffered damages.

AS AND FOR A FIFTH CAUSE OF ACTION
Failure to Make Distributions in 2024

94. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 93 as if more fully set forth herein.

95. Defendant Sollega is a closely-held S corporation with no public market for its shares. As shareholders in a closely held S Corporation, Plaintiffs had a reasonable expectation of receiving proportionate distributions each year based on the number of shares owned by each shareholder and the percentage ownership interests represented thereby

96. Sollega's business was profitable during 2024. However, despite this profitability, Defendants intentionally failed to declare or pay any distributions to the shareholders, including Plaintiffs as minority shareholders.

97. Defendants' failures to pay distributions in 2024 despite the Corporation's profitability, violated Plaintiffs' rights as shareholders.

98. In and of itself, Rothschild's refusal to authorize shareholder distributions in 2024, despite the corporation's profitability, suggests a lack of good faith, especially against the backdrop of Rothschild's pattern of misconduct as alleged herein with respect to prior distributions.

99. Rothschild, with complete domination and control over the Corporation, is acting in bad faith and in breach of his fiduciary duties because of Plaintiffs investigation into Defendants activities and the dispute between the parties in declining to make distributions commensurate with past years and the continued growth and profitability of the Corporation.

100. As a direct and proximate result of Defendants' failures to pay distributions in 2024, Plaintiffs have suffered damages.

AS AND FOR A SIXTH CAUSE OF ACTION
Usurpation Of Corporate Opportunity

101. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 100 as if more fully set forth herein.

102. Defendant Rothschild, as the majority shareholder of a closely-held corporation, as well as the sole director and CEO, owed fiduciary duties of care, loyalty, and good faith to the Plaintiffs who are minority shareholders.

103. While acting in that fiduciary capacity, Defendant Rothschild became aware of a business opportunity involving the registration and exploitation of certain valuable intellectual property rights, including, but not limited to, certain trademarks and patents developed by or for the Corporation and used in connection with its business operations (the "IP Assets"). See Exs. 7 – 10.

104. The IP Assets fell within the Corporation's line of business and was one the Corporation was financially able and legally permitted to undertake.

105. Rather than disclosing the opportunity to the Corporation and allowing it to consider or pursue it, Rothschild diverted the opportunity to himself, and titled the trademarks thereby usurping it for his own personal benefit.

106. Defendant's actions constitute a breach of his duty of loyalty to the Plaintiffs as minority shareholders.

107. As a direct and proximate result of Defendant's conduct, Plaintiffs as minority shareholders have suffered damages to the value of their shares in the Corporation as the corporation has lost opportunity and value, including but not limited to lost profits, diminished corporate value, and deprivation of business prospects.

AS AND FOR A SEVENTH CAUSE OF ACTION
Conversion – Wrongful Taking

108. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 107 as if more fully set forth herein.

109. Defendant Rothschild, as the majority shareholder of a closely-held corporation, as well as the sole director and CEO, owed fiduciary duties of care, loyalty, and good faith to the Plaintiffs who are minority shareholders.

110. Among the assets of the Corporation are the IP Assets.

111. Without any proper corporate purpose, Defendant intentionally and in bad faith caused the IP Assets to be registered, titled, and held in his own personal name, rather than in the name of the Corporation.

112. Defendant has thereby exercised and continues to exercise unauthorized dominion and control over the corporate IP Assets, in a manner wholly inconsistent with the Corporation's ownership rights and interests in those assets.

113. Defendant's conduct constitutes conversion of the Corporation's property under New York law.

114. As a direct and proximate result of Defendant's unlawful conduct, Plaintiffs have suffered damages to the value of their shares in the Corporation as the Corporation has been deprived of the ownership, use, benefit, and control of its intellectual property.

AS AND FOR AN EIGHTH CAUSE OF ACTION
Violation of BCL § 624

115. Plaintiffs repeat and re-allege each and every allegation contained in ¶¶ 1 through 114 as if more fully set forth herein.

116. Defendant Rothschild, as the majority shareholder of a closely-held corporation, as well as the sole director and CEO, owed fiduciary duties of care, loyalty, and good faith to the Plaintiffs who are minority shareholders.

117. Pursuant to BCL § 624(a) "[e]ach corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board . . . and shall keep . . . a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof."

118. Further, Plaintiffs, as beneficial shareholders of the Corporation, have a statutory right under BCL § 624(b), upon written demand, to inspect certain corporate records, including but not limited to the Corporation's stock ledger, shareholder lists, minutes of shareholder meetings, and other corporate books and records.

119. Plaintiffs made multiple proper written demands for inspection of the Corporation's books and records pursuant to BCL § 624 between April 2023 and October 2024, including demands to inspect and receive accurate information regarding their share ownership, the

Corporation's stock ledger, officer compensation, bank and financial statements, minutes of meetings, and related records.

120. Despite having received such written demands, Defendant, acting in his capacity as director and CEO, and on behalf of the Corporation, willfully and in bad faith refused to provide or allow Plaintiffs to inspect the requested corporate records. Although the Corporation eventually partially complied with some of the requests, the Corporation has never fully complied.

121. Defendant's refusal was not based on any good faith belief that Plaintiffs were not entitled to the records under BCL § 624, nor based on any legitimate corporate purpose, but rather was intended to conceal longstanding mismanagement, inaccuracies in share ownership records, and governance failures from Plaintiffs and to prevent them from exercising their rights as shareholders.

122. To the extent that Defendants complied and provided requested books and records, such books and records revealed that at all times relevant to the events alleged in this Complaint, the Corporation's books and records, including stock ledger, corporate records and tax filings were grossly inaccurate and inadequately maintained per the requirements of BCL § 624(a).

123. As a direct and proximate result of the Defendants' conduct, Plaintiffs have been injured by being denied access to accurate records necessary to protect their interests in the Corporation and to understand the extent of their ownership and rights.

DAMAGES AND DEMAND FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that judgment against the Defendants be granted:

A. For the First Cause of Action (Breach of Fiduciary Duties of Care, Loyalty and Good Faith), damages in favor of Plaintiff in an exact amount to be determined at trial, but in no

event less than Three Hundred Fifty-One Thousand Eight Hundred Ninety-Seven Dollars (\$351,897.00), Plaintiffs' proportional share of any other unpaid distributions, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

B. For the Second Cause of Action (Breach of Duty of Equal Treatment), damages in favor of Plaintiff in an exact amount to be determined at trial, but in no event less than Three Hundred Fifty-One Thousand Eight Hundred Ninety-Seven Dollars (\$351,897.00), Plaintiffs' proportional share of any other unpaid distributions, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

C. For the Third Cause of Action (Violation of BCL § 501(c)), damages in favor of Plaintiff in an exact amount to be determined at trial, but in no event less than Three Hundred Fifty-One Thousand Eight Hundred Ninety-Seven Dollars (\$351,897.00), Plaintiffs' proportional share of any other unpaid distributions, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

D. For the Fourth Cause of Action (Minority Shareholder Oppression), damages in favor of Plaintiff in an exact amount to be determined at trial, but in no event less than Three Hundred Fifty-One Thousand Eight Hundred Ninety-Seven Dollars (\$351,897.00), Plaintiffs' proportional share of any other unpaid distributions, plus involuntary dissolution of Sollega with liquidation of the Corporation's assets and property in satisfaction of Defendant's entitlement to distributions in an amount consistent with Plaintiffs' collective 15.38494% equity interest in

Sollega, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

E. For the Fifth Cause of Action (Failure to Make Distributions in 2024), damages in favor of Plaintiff in an exact amount to be determined at trial, including Plaintiffs' proportional share of any shareholder distributions that should have been made in 2024, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

F. For the Sixth Cause of Action (Usurpation of Corporate Opportunity), damages in favor of Plaintiff in an exact amount to be determined at trial, and return of the Intellectual Property to the Corporation, the imposition of a constructive trust over any proceeds or benefits derived from such IP Assets, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

G. For the Seventh Cause of Action (Conversion – Wrongful Taking), damages in favor of Plaintiff in an exact amount to be determined at trial, and return of the Intellectual Property to the Corporation, the imposition of a constructive trust over any proceeds or benefits derived from such IP Assets, in addition to attorneys' fees, interest accruing at nine percent (9%) per annum, the New York legal rate, for a period to be defined by the Court, and any compensatory or punitive damages such other relief as the Court deems just.

H. For the Eighth Cause of Action (Violation of BCL § 624), Plaintiffs seek injunctive and declaratory relief compelling the Corporation to issue share certificates to the Plaintiffs

reflecting their ownership of shares in the Corporation and for its director to allow inspection of the requested records, costs and reasonable attorneys' fees pursuant to BCL § 624(e), and such other and further relief as the Court deems just and proper.

I. Additionally, as to each Causes of Action, Declaratory Judgment ordering the Corporation to make proportional distributions to its shareholders each year in an amount not less than a "minimum tax distribution" intended to cover such shareholders' expected tax liability arising from allocation of the Corporation's profits during such year.

J. For such other and further relief as the Court deems just and equitable, including interest and attorneys' fees incurred to enforce the Court's Judgment.

Dated: New York, New York
June 11, 2025

Respectfully submitted.
ERIC N. COHEN & ASSOCIATES, PLLC

By: 
Eric N. Cohen

11 Broadway, Suite 615
New York, NY 10004
Telephone: (212) 331-0571
ecohen@ecohenlaw.com
Attorneys for Plaintiffs

Submitted by e-filing:

TO: POLSINELLI PC

Michelle G. Bernstein
MBernstein@Polsinelli.com
(305) 921-1818
315 S. Biscayne Blvd, Suite 400
Miami, Florida 33131

Leo D. Bronshteyn
LBronshteyn@Polsinelli.com
600 Third Avenue, 42nd Floor
New York, New York 10016
(212) 289-6512

Attorneys for Defendants

TO: Sollega Inc.
c/o New York Secretary of State
One Commerce Plaza
99 Washington Avenue
Albany NY 12231

TO: Elie Rothschild
128 De Montfort Ave.
San Francisco, CA 94112

Exhibits

- Exhibit 1: Sollega Cap Table
- Exhibit 2: 2019 Chang K-1
- Exhibit 3: 2020 Chang K-1
- Exhibit 4: 2022 Chang K-1
- Exhibit 5: 2020 Rothschild K-1
- Exhibit 6: 2022 Rothschild K-1
- Exhibit 7: Trademark Reg. Cert. No. 6582006 for SOLLEGA
- Exhibit 8: US Pat. No. 10,852,038 B2 dated 12/1/20 for Bonding Jumper Clip for Solar Panels
- Exhibit 9: US Pat. No. 10,187,004 B2 dated 1/22/19 for Slide-on Spring Clip et. al.
- Exhibit 10: US Pat. No. 9,831,817 B2 dated 11/28/17 for Solar Panel Mounting Base et. al.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

JOANNE CHANG, individually,
and as Parent and Custodian of
N.C.S., her Minor Child

INDEX NO. 651274/2025

Plaintiffs,

VERIFIED AMENDED
COMPLAINT

-against-

SOLLEGA, INC. and

ELIE ROTHSCHILD, individually, and as Majority
Shareholder, Director and Chief Executive Officer of
Sollega, Inc.

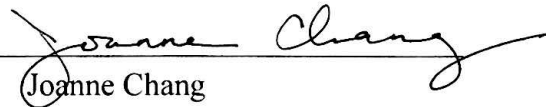
Defendants.

-----X

Joanne Chang, individually, and as Parent and Custodian of N.C.S., her Minor Child, the
Plaintiffs in this matter, hereby affirms the following subject to the penalties of perjury:

I am the Plaintiff herein. I am acquainted with the facts of this action, and I have read the
foregoing Amended Verified Complaint and the same is true to the best of my knowledge, except
to those matters stated therein to be alleged on information and belief and as to those matters, I
believe them to be true.

Dated: Denver, Colorado
June 11, 2025

By: 
Joanne Chang