

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NASSAU

SALVATORE BONAVIDA, MARIO BONAVIDA,  
RALPH BONAVIDA, GLEN SANSONE, DANIELA  
SANSONE, VINCENT BONAVIDA, FRANCESCA  
DIPUPPO, and SALVATORE M. BONAVIDA,

Plaintiffs,

- against -

SAVERENERGY HOLDINGS, INC., SAVERENERGY  
INC., as successor-in-interest of World Wide  
Savenergy Inc., JOHN HYUNG CHOI, in his  
individual capacity, and as an officer, director and  
stockholder of Savenergy Holdings, Inc. and  
Savenergy Inc., CHRISTINE CHUNG CHOI, in her  
individual capacity, and as an officer, director and  
stockholder of Savenergy Holdings, Inc. and  
Savenergy Inc., MICHAEL COREY, in his individual  
capacity and as an officer, director and stockholder of  
Savenergy, Inc. and Savenergy Holdings Inc., ALICE  
KATHERINE COREY, in her individual capacity and  
as an officer, director and stockholder of Savenergy  
Holdings, Inc. and Savenergy, Inc., IRA FISCHER  
GROSS, in his individual capacity, and as an officer,  
director and stockholder of Savenergy Holdings, Inc.  
and Savenergy, Inc., DONALD GROSS, "JOHN DOE  
1-10," and "JANE DOE 1-10", said names being  
fictitious, it being the intention of plaintiffs to  
designate as defendants any and all officers,  
stockholders and board members of SAVENERGY  
HOLDINGS, INC. and SAVENERGY, INC., whose  
identities at present are unknown to plaintiffs,

Defendants.

Index No.: \_\_\_\_\_

Date Issued: \_\_\_\_\_

**SUMMONS**

TO THE ABOVE NAMED DEFENDANTS:

Savenergy Holdings Inc.  
640 South Street  
Garden City, New York, 11350

John Hyung Choi  
C/o Savenergy, Inc.  
645 South Street  
Garden City, New York 11350

Christine Chung Choi  
C/o Savenergy, Inc.  
645 South Street  
Garden City, New York 11350

Michael Corey  
19 East 80<sup>th</sup> Street  
Apartment 10A  
New York, New York 10075-0170

Alicia Katherine Corey  
19 East 80<sup>th</sup> Street  
Apartment 10A  
New York, New York 10075-0170

Ira Fischer Gross  
376 Sunset Terrace  
Mineola, New York 11501-1334

Donald Gross  
23 Par Court  
Manhasset, New York 11030-3908

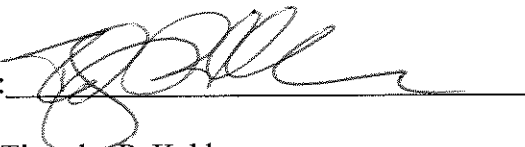
YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, upon the plaintiffs' attorneys within twenty (20) days after the service of this summons, exclusive of the day of service (or within thirty (30) days after the service is complete if this summons is not personally delivered to you within the state of New York). In case your failure to appear or answer, judgment will be taken against you by default for the relief demanded herein.

Plaintiffs select Nassau County as the place for trial in this action under CPLR § 503(a) and 503(c) on the grounds that: (a) defendants John Hyung Choi, Christine Chung Choi, Ira Fischer Gross and Donald Gross are residents of Nassau County, New York; and (b) defendant

Savenergy, Inc. is a foreign corporation authorized to transact business in New York state and has principal office located in Nassau County, New York.

Dated: December 29, 2013

LAW OFFICES OF TIMOTHY KEBBE

By: 

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*Salvatore Bonavita, Mario Bonavita,*  
*Ralph Bonavita, Glen Sansone,*  
*Daniela Sansone, Vincent Bonavita,*  
*Francesca DiPuppo and Salvatore M. Bonavita*

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capacity and as an officer, director and stockholder of  
Savenergy, Inc. and Savenergy Holdings Inc., ALICE  
KATHERINE COREY, in her individual capacity and  
as an officer, director and stockholder of Savenergy  
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GROSS, in his individual capacity and as an officer,  
director and stockholder of Savenergy Holdings, Inc.  
and Savenergy, Inc., DONALD GROSS, "JOHN DOE  
1-10," and "JANE DOE 1-10", said names being  
fictitious, it being the intention of plaintiffs to  
designate as defendants any and all officers,  
stockholders or board members of SAVENERGY  
HOLDINGS, INC. and SAVENERGY, INC. whose  
identities at present are unknown,

Defendants.

Index No.: \_\_\_\_\_

Date Issued: \_\_\_\_\_

**VERIFIED**  
**COMPLAINT**

Plaintiffs Salvatore Bonavita, Mario Bonavita, Ralph Bonavita, Glen Sansone,  
Daniela Sansone, Vincent Bonavita, Francesca DiPuppo, and Salvatore M. Bonavita, by  
and through their attorneys, the Law Offices of Timothy Kebbe, and Rudner & Paleudis,

LLC, allege, upon information and belief, for their Verified Complaint against the defendants Savenergy Holdings, Inc., Savenergy, Inc., John Hyung Choi, Christine Chung Choi, Michael Corey, Alice Katherine Corey, Ira Fischer Gross and Donald Gross, John Doe 1-10, and Jane Doe 1-10, as follows:

### **Background**

1. Plaintiffs bring this action to, among other things, recover damages resulting from fraudulent misrepresentations and omissions made by defendant John Hyung Choi (“Choi”), individually, and as an officer and director of the corporate defendants, that induced plaintiffs to purchase stock in World Wide Save Energy Inc. (“WSEI”) in 2008 and Savenergy, Inc. in 2010.

2. The individual defendants, other than Donald Gross (the “Individual Defendants”), were and are officers, directors and insider stockholders of the corporate defendants. The Individual Defendants exercise domination of and control over the corporate defendants so as to render meaningless the distinction between the corporate and Individual Defendants.

3. The Individual Defendants are operating the corporate defendants without regard to corporate formalities and as if the corporate defendants did not exist. The Individual Defendants are taking out funds from the corporate defendants for personal purposes and for the benefit of family members and other business associations unrelated to the corporate defendants.

4. Among other things, Savenergy Holdings, Inc. and Savenergy, Inc. (a) share ownership, officers and directors; and (b) have the same address and telephone numbers; (c) treat each other’s property as if such property were owned by Savenergy

Holdings, Inc. or Savenergy, Inc., as the case may be; (d) are inadequately capitalized; (e) are not independent profit centers; (f) have insufficient funds to pay their debts; and (g) are insolvent.

5. The misconduct, domination and control set forth herein has been used to perpetrate a fraud on plaintiffs and prevent plaintiffs from recovering or receiving, among other things: (a) any of the principal sum invested in the corporate defendants; and (b) any profits, distributions, return or dividends from their investment in the corporate defendants.

6. Plaintiffs purchased stock in the corporate defendants in reasonable reliance upon Mr. Choi's misrepresentations and omissions of material fact, and guarantees made by Mr. Choi, individually and as an officer and director of the corporate defendants. Mr. Choi's misrepresentations, omissions and guarantees included, among other things: (a) that the corporate defendants owned valuable patents for numerous LED semiconductor light sources, related products, motors and temperature control devices (collectively the "Products"); (b) the patents for the Products were worth in excess of \$70 million; (c) third-parties had offered Mr. Choi and the corporate defendants enormous sums of money to purchase their patents; (d) the Products were cost effective to install, maintain and service; (e) the Products were state of the art technology; (f) the corporate defendants' stock would be listed for trading on the NASDAQ Over-the-Counter Bulletin Board (the "Bulletin Board"); (g) the price of the corporate defendants' stock would rise rapidly as soon as the stock began trading on the Bulletin Board; (h) plaintiffs could sell their stock shortly after it began publicly trading; (i) such sales would result in tens of millions of profits to plaintiffs and enable plaintiffs' supermarket chain and S. Bonavita

to pay off all principal and interest on a \$6 million dollar bank loan; and (j) the corporate defendants had numerous contracts to sell and service Products, and to provide consulting services to large users of the Products.

7. Mr. Choi's misrepresentations and omissions of material fact, and his guaranty and promise of millions of dollars in profits upon sale of plaintiffs' stock, were false when made and known by Mr. Choi to be false at the time he made them. Mr. Choi intended for plaintiffs to rely on his misrepresentations and omissions of material fact and his fraudulent guarantees and promises to plaintiffs. Plaintiffs did so and invested \$768,000 to buy stock in the corporate defendants. Although plaintiffs have demanded a return of their funds, defendants have failed and refused to do so.

8. In addition to damages in the amount of \$768,000, plaintiffs seek various other forms of legal and equitable relief, including but not limited to the common law dissolution of Savenergy, Inc., and setting aside of fraudulent conveyances made to the Individual Defendants and Donald Gross.

#### **The Parties**

9. Plaintiff Salvatore Bonavita ("S. Bonavita") is an individual residing in Westchester County, New York. S. Bonavita is president of S.M.E. Management Corp. ("SME"). SME is a New York corporation with a principal place of business in Bronx County, New York. SME owns and operates Key Food supermarkets in the New York metropolitan area. S. Bonavita owns 55,000 shares of stock in Savenergy, Inc.

10. Plaintiff Mario Bonavita ("M. Bonavita") is the brother of S. Bonavita and resides in Westchester County, New York. M. Bonavita owns 30,000 shares of stock in Savenergy, Inc.

11. Plaintiff Ralph Bonavita (“R. Bonavita”) is an individual residing in Putnam County, New York. R. Bonavita, a son of S. Bonavita, owns 10,000 shares of stock in Savenergy, Inc.

12. Plaintiff Glen Sansone is an individual residing in Westchester County, New York. Mr. Sansone, a son-in-law of S. Bonavita, owns 1,500 shares of stock in Savenergy, Inc.

13. Plaintiff Daniela Sansone is an individual residing in Westchester County, New York. Ms. Sansone, a daughter of S. Bonavita, owns 10,000 shares of stock in Savenergy, Inc.

14. Plaintiff Vincent Bonavita (“V. Bonavita”) is an individual residing in Westchester County, New York. V. Bonavita, a son of M. Bonavita, owns 10,000 shares of stock in Savenergy, Inc.

15. Plaintiff Francesca DiPuppo is an individual residing in Westchester County, New York. Ms. DiPuppo, a daughter of S. Bonavita, owns 10,000 shares of stock in Savenergy, Inc.

16. Plaintiff Salvatore M. Bonavita (“SM Bonavita”) is an individual residing in Westchester County, New York. SM Bonavita, a son of M. Bonavita, owns 10,000 shares of stock in Savenergy, Inc.

17. Defendant Savenergy Holdings, Inc. (“SHI”) is a Delaware corporation with its principal place of business located at 645 South Avenue, Garden City, New York 11350. SHI is not authorized to do business in New York. SHI is a privately held corporation.



18. SHI, known until June 29, 2010 as Andorra Capital Corp (“Andorra”), is the parent company of defendant Savenergy, Inc (“Savenergy”).

19. Upon information and belief, SHI is a shell company that conducts no actual business and exists only in name as a vehicle to improperly and illegally siphon money from Savenergy to the Individual Defendants and, upon information and belief, family members of the Individual Defendants.

20. Defendant Savenergy, Inc. is a foreign corporation, organized under the laws of the state of Delaware, with a principal place of business located at 645 South Avenue, Garden City, New York 11350. Savenergy is the successor-in-interest to WSEI and a subsidiary of SHI. Savenergy supposedly installs, maintains and repairs Products, and provides energy saving consulting services (the “Services”) to clients. Savenergy is a privately held corporation authorized to do business in New York. SHI, Savenergy and WSEI are referred to collectively as the “Corporate Defendants.” The Corporate Defendants have an affiliated corporation, owned by the Choi family and located overseas, which manufactures the Products.

21. For a brief, two-day period in September 2010, SHI stock was publicly traded on the Bulletin Board. That stock was delisted from trading by regulatory authorities with jurisdiction over the Bulletin Board. SHI’s stock has never resumed trading on any market or exchange.

22. Defendant John Hyung Choi (“Choi”) is an individual residing in Nassau County, New York. Mr. Choi was and is a stockholder, president, and chief executive officer of the Corporate Defendants. Plaintiffs maintain this action against Mr. Choi individually, and as an officer, director and stockholder of the Corporate Defendants.

23. Defendant Christine Chung Choi is Mr. Choi's wife. Mrs. Choi resides in Nassau County, New York. Mrs. Choi was and is a stockholder, officer and director of the Corporate Defendants. Plaintiffs maintain this action against Mrs. Choi individually, and in her capacity as a stockholder, officer and director of the Corporate Defendants.

24. Defendant Michael Corey is an individual residing in New York County, New York. Mr. Corey is married to Mr. and Mrs. Choi's daughter, defendant Alice Katherine Corey. Mr. Corey is a stockholder, officer and director of the Corporate Defendants. Plaintiffs maintain this action against Mr. Corey individually, and an officer, director and stockholder of the Corporate Defendants.

25. Defendant Alice Katherine Corey is married to Mr. Corey and is the daughter of Mr. and Mrs. Choi. Mrs. Corey resides in New York County, New York. Mrs. Corey is an officer, director and stockholder of the Corporate Defendants. Plaintiffs maintain this action against Mrs. Corey individually, and as an officer, director and stockholder of the Corporate Defendants.

26. Defendant Ira Fischer Gross is a resident of Nassau County, New York, and an officer, director and stockholder of the Corporate Defendants. Ira Gross bought stock in the Corporate Defendants.

27. Ira Gross's father, Donald Gross, purchased stock in the Corporate Defendants. Ira Gross and the other Individual Defendants have caused the Corporate Defendants to make \$50,000 monthly payments to Ira and Donald Gross to the detriment of other investors in and creditors of the Corporate Defendants. Mr. Choi, Mrs. Choi, Mr. Corey, Mrs. Corey and Ira Gross are collectively referred to as the "Individual Defendants."

28. Defendant Donald Gross is a resident of Nassau County, New York and an investor in the Corporate Defendants.

29. Defendants “John Doe 1-10” and “Jane Doe 1-10”, said names being fictitious, represent as yet unknown board members, directors, and stockholders the Corporate Defendants.

### **Jurisdiction and Venue**

30. The Court has personal jurisdiction over each of defendant pursuant to CPLR § 301, CPLR § 302(a)(1), CPLR § 302(a)(2) and CPLR § 302(a)(4).

31. Venue is proper in Nassau County pursuant to CPLR § 503(a) & CPLR § 503(c).

### **Facts**

32. In or about October 2007, Mr. Choi began contacting S. Bonavita in order to secure a contract for the Corporate Defendants to install Products and provide Services to one or more of SME’s Key Food supermarket locations.

33. After months of irregular contacts and negotiations, the Corporate Defendants entered into a contract with SME to install Products in and provide Services to SME’s Key Food store located on Westchester Avenue, Bronx County, New York.

34. The Corporate Defendants began providing Products and Services to the Westchester Avenue store in or about late 2007 or early 2008.

#### **A. The 2008 Stock Purchase**

35. In January 2010, Mr. Choi began to solicit S. Bonavita and, his brother, M. Bonavita, to invest in WESI. Mr. Choi told the Bonavita brothers that the Corporate Defendants owned valuable patents for the Products and that third parties had made

offers to purchase some or all patents for more than \$70 million. Mr. Choi told plaintiffs that the Products were cost effective, state of the art technology and that he had decided not to sell the patents in order to build WSEI's business.

36. Mr. Choi represented that the Corporate Defendants had a rapidly growing customer base, were operating at a profit and were looking for additional investors to expand their operations, Product development and Services. Mr. Choi also stated that the Corporate Defendants' stock would be listed for trading on the Bulletin Board and that if the Bonavitas bought the Corporate Defendants' stock, they would be able to sell that stock at a substantial profit after it began trading on the Bulletin Board.

37. Mr. Choi made further representations to S. Bonavita and M. Bonavita in January 2008, among them: (a) "this company will make you a millionaire;" and (b) "I will have it on the market by mid-year." When S. Bonavita expressed concern to Mr. Choi that he and SME were required to repay \$6 million in loans made by SME's bank, Mr. Choi replied "give me a few years and I'll make you twelve million."

38. At the time Mr. Choi made these representations, promises and guarantees S. Bonavita had no reason to doubt the veracity of his statements.

39. On or about January 30, 2008, in reasonable and justifiable reliance upon the representations, omissions, promises and guarantees made by Mr. Choi, S. Bonavita purchased six shares of Savenergy stock for himself, and three shares of Savenergy stock for his brother, M. Bonavita. S. Bonavita paid \$113,000 for his stock and \$150,000 for his brother's stock.

40. S. Bonavita bought these shares with checks payable to Mr. Choi, individually. Upon information and belief, Mr. Choi did not remit S. Bonavita's funds to

the Corporate Defendants for use in connection with their business. Instead, he used the checks for his own purposes, including without limitation, providing funds to Mr. and Mrs. Corey to purchase or lease a luxury apartment and luxury automobile, unrelated to the Corporate Defendants' business.

41. Mr. Choi's representations and omissions of material facts, and his promises and guarantees, to S. Bonavita and M. Bonavita were false at the time they were made by Mr. Choi. Mr. Choi knew these representations, omissions, promises and guarantees were false and untrue when he made them.

42. In this respect, the Corporate Defendants' patents were for Products that were outdated and had been surpassed in quality and efficiency by newer LED lights, machinery, temperature control devices and related technology.

43. Neither Mr. Choi nor the Corporate Defendants had received offers from others to buy their patents for an excess of \$70 million or any other sum. The patents, Products and Services were outdated and had been surpassed by superior technology and services.

44. Contrary to Mr. Choi's representations, the Corporate Defendants did not have a rapidly growing client base and were not operating at a profit. This was due to defendants' inability to provide the Products and Services which they promised to furnish to existing and potential customers. Nor were defendants able to provide routine maintenance and repairs for Products installed at customer locations. These failures caused the Corporate Defendants to lose business to other providers of energy efficient lighting, motors, temperature regulators and related consulting services. A number of existing customers did not renew contracts with the Corporate Defendants or terminated

those contracts as a result of the Corporate Defendants' inability to provide Products and Services.

45. The Corporate Defendants also were not profitable because the Individual Defendants were siphoning off large sums of money – belonging to the Corporate Defendants - for their personal purposes as opposed to business of the Corporate Defendants.

46. As Mr. Choi well knew – and, upon information and belief, had been informed by the Corporate Defendants' counsel – the Corporate Defendants' stock would be delisted from trading in the event that it began trading on any exchange or market (which is exactly what happened). The Corporate Defendants' stock could not be listed for trading because the Corporate Defendants did not have the required financial statements, corporate organization or structure, or tax filings required for listing on a securities exchange or market.

47. S. Bonavita and M. Bonavita reasonably and justifiably relied on Mr. Choi's misrepresentations in buying the stock peddled by Mr. Choi.

**B. Lack of Corporate Formalities**

48. After January 2008, S. Bonavita, requested that the defendants provide him with the Corporate Defendants' (a) tax returns by-laws, stockholders' agreements, articles of incorporation and Federal Employer Tax Identification Number; (b) minutes of stockholders' meetings (both before and after January 30, 2008); (c) a list of all the stockholders' meetings and all the attendants at these meetings. Defendants did not provide these materials to plaintiffs.

49. The Individual Defendants made all decisions regarding the Corporate Defendants' business and the Corporate Defendants' relationship with their other stockholders. The Corporate Defendants did not hold stockholders' meetings and did not keep minutes of those meetings. Upon information and belief, the Corporate Defendants did not hold meetings of their boards of directors.

50. The Corporate Defendants did not have, or did not abide by, the terms of any by-laws, stockholders agreements and articles of incorporation. Upon information and belief, the Corporate Defendants do not have by-laws or a stockholders' agreement.

51. The Individual Defendants repeatedly took money out of the Corporate Defendants' bank accounts - funds which were needed to stabilize the Corporate Defendants' financial condition, preserve existing business, develop new Products and Services, and develop new business – for their personal purposes not related to the Corporate Defendants' business.

52. S. Bonavita made repeated demands for the Corporate Defendants' books and records between February 2008 and October 2013. He has been rebuffed by the Corporate and Individual Defendants.

53. On October 2, 2013, S. Bonavita sent a letter to Mr. and Mrs. Choi (Exhibit A) demanding that they make Savenergy's corporate books and records available to him for inspection and copying. Mr. Corey responded to this request by furnishing three unaudited quarterly financial statements for Savenergy drafted by the Corporate Defendants' outside accountants in 2012 and 2013. The unaudited financial statements demonstrated that the Corporate Defendants are losing money. Mr. Corey

refused to furnish any other information requested by S. Bonavita or provide S. Bonavita with a time and date to inspect Savenergy's books and records.

**C. Additional Misrepresentations**

54. During 2009 and 2010, Mr. Choi, on behalf of himself and the Corporate Defendants, repeated the lies previously made to S. Bonavita and M. Bonavita. Mr. Choi enhanced these lies by: (a) providing new stock certificates, in the name of Savenergy (as opposed to WESI), to S. Bonavita and M. Bonavita; (b) increasing the number of shares in Savenergy issued to each of them; (c) telling them that the name change and issuance of new stock were in preparation for listing Savenergy stock on the Bulletin Board; (d) providing the Bonavitas with a list of purported clients of Savenergy; and (e) representing that Savenergy was making substantial profits.

55. S. Bonavita and M. Bonavita asked Mr. Choi if Savenergy was going to distribute dividends to them based on their stockholdings. Mr. Choi replied that Savenergy had reinvested the \$2 million in dividends attributable to their stock ownership in order to expand Savenergy's ability to purchase and develop Products, and to supply Products and Services to its customers.

56. Throughout 2009 and until December 2010, Mr. Choi, on behalf of himself and the Corporate Defendants, made the following additional material misrepresentations and omissions of material fact, and promises and guarantees, to S. Bonavita and M. Bonavita.:

(a) "I'm doing great, I have contracts out all over the place."

(b) "Hold onto the stock, you're going to be rich."

(c) "A major refrigeration company has offered me \$50 million for some of my patents;" and



(d) "A public offering is coming very soon and Savenergy's shares will go as high as \$250 within a few days."

57. In November 2010, Mr. Choi represented to S. Bonavita that "[Savenergy's] stock is going to go up... You should buy as much as you can... This thing is going to fly..."

58. Based on Mr. Choi's repeated representations, omissions, promises and guarantees, S. Bonavita invested \$500,000 in additional funds in the Corporate Defendants. Upon receipt of the \$500,000 check, payable to Savenergy, the Corporate Defendants issued stock certificates for the following number of shares to S. Bonavita and members of his family as follows:

- (a) 55,000 shares to S. Bonavita;
- (b) 30,000 shares to M. Bonavita;
- (c) 10,000 shares to Mrs. Sansone;
- (d) 10,000 shares to V. Bonavita;
- (e) 10,000 shares to R. Bonavita;
- (f) 10,000 shares to Francesca DiPuppo; and
- (g) 10,000 shares to SM Bonavita.

59. Mr. Choi, on behalf of himself and the Corporate Defendants, made the same representations, omissions, promises and guarantees to Glen Sansone, who works with S. Bonavita at SME. Based on Mr. Choi's statements, omissions, promises and guarantees as set forth herein, Mr. Sansone bought 1,500 shares of Savenergy stock for \$5,000.

60. Mr. Choi's representations and omissions of material facts, and his promises and guarantees, to S. Bonavita, M. Bonavita and Mr. Sansone were false at the time they were made by Mr. Choi. Mr. Choi knew these representations, omissions, promises and guarantees were false and untrue when he made them.

61. In this respect, the Corporate Defendants' patents were for Products that were outdated and had been surpassed in quality and efficiency by newer LED lights, machinery and related technology. Neither Mr. Choi nor the Corporate Defendants had received an offer from a major refrigeration company to buy patents for \$50 million or any other sum. The patents, Products and Services were outdated and had been surpassed by superior technology.

62. Contrary to Mr. Choi's representations, the Corporate Defendants did not have a rapidly growing client base and were not operating at a profit. This was due to defendants' inability to provide the Products and Services which they promised to furnish to existing or potential customers. Nor were defendants able to provide routine maintenance and repairs for Products installed at customer locations. These failures caused the Corporate Defendants to lose business to other providers of energy efficient lighting, motors, temperature regulators and related consulting services. Existing customers did not renew contracts with the Corporate Defendants or terminated those contracts as a result of the Corporate Defendants inability to provide Products and Services.

63. The Corporate Defendants also were not profitable because the Individual Defendants were siphoning off funds for their personal purposes as opposed to business of the Corporate Defendants.

64. As Mr. Choi well knew SHI's stock would be delisted from trading in the event that it began trading on any exchange or market (which is exactly what happened). SHI's stock could not be listed for trading because the Corporate Defendants did not have the required financial statements, corporate organization or structure, or tax filings required for listing on a securities exchange or market.

65. In this respect, Mr. Choi's representations to Mr. Sansone, S. Bonavita and M. Bonavita, from 2008 through 2010, that they should buy additional Savenergy stock because it would trade on the Bulletin Board (and make plaintiffs rich) were false and fraudulent for several additional reasons. First, SHI, not Savenergy, would be – and was – briefly listed for trading on the Bulletin Board. The Bonavita family, however, did not own SHI stock.

66. Even if SHI stock was not delisted, and the market value of that stock rose substantially (which it did not), the Bonavita family would not participate in the gains from appreciation in value of that stock and for an obvious reason: The Bonavita family did not own SHI stock. They owned stock in Savenergy, a private company, without a public market for its stock. Mr. Choi intentionally and falsely lumped SHI and the other Corporate Defendants together when making representations about listing and trading Savenergy's stock on the Bulletin Board. Mr. Choi did so to induce the Bonavita family's investment in Savenergy while knowing that, even if SHI stock could trade on the Bulletin Board (though it could not), the Bonavitas would never sell Savenergy stock on the Bulletin Board, or any other market or exchange, because Savenergy stock was not publically traded.

67. Second, when Mr. Choi solicited plaintiffs' \$505,000 investment in Savenergy in the fall of 2010, he knew – but did not disclose to Mr. Sansone, S. Bonavita or M. Bonavita – that SHI had been listed for trading on the Bulletin Board on September 2, 2010 and delisted from trading on September 8, 2010. Mr. Choi promised plaintiffs that Savenergy's stock would be listed for trading after plaintiffs' \$505,000 investment on December 8, 2010.

68. Mr. Choi, on behalf of himself and the Corporate Defendants intentionally made these misrepresentations and omissions of material facts to induce plaintiffs to invest an additional \$505,000 in Savenergy. Mr. Choi knew these misrepresentations and omissions were false and untrue at the time he made them.

69. In 2011, Mr. Choi told S. Bonavita that Savenergy's stock – not the stock of SHI – was trading on the Bulletin Board. S. Bonavita looked at the brief, two day history of what he believed to be Savenergy's trading on the Bulletin Board. He asked Mr. Choi why the trading stopped and when the stock would be relisted for trading.

70. Mr. Choi replied that "the lawyers and accountants are working on it."

71. SHI's stock was never again listed for trading on any market or exchange.

**D. Looting, Mismanagement and  
Waste of the Corporate Defendants' Assets**

72. The Individual Defendants have diverted funds from the Corporate Defendants for their personal purposes unrelated to the Corporate Defendants' business.

73. The Individual Defendants, particularly the members of the Choi family, operate the Corporate Defendants as a sole proprietorship for their own benefit without regard to their fiduciary duties to the other stockholders or Savenergy's contractual obligations, and representations made to existing and potential customers.

74. The Corporate Defendants have three full time executives, Mr. and Mrs. Choi and Mr. Corey. In addition to these individuals, the Corporate Defendants have six other employees, five of whom prospect for business and one of whom works at client locations to assist unqualified independent contractors' often defective installations and repairs of Products and Services.

75. The Corporate Defendants have hired other executives and consultants with educational backgrounds and extensive professional experience in connection with: (a) installation, maintenance, repair and quality control with respect to the Products; and (b) providing consulting services regarding energy saving products. Defendants have failed and refused to pay these executives and consultants the salaries and consulting fees due and owing them and have terminated their services.

76. Defendants have no quality control concerning the manufacture of their Products; and the installation, maintenance and repair of their Products. Defendants are not providing competent Services as they have terminated their employees and consultants qualified to do so.

77. Defendants' patents are worthless and have been surpassed by superior and more efficient technology. Defendants have not undertaken any steps to update and modernize the technology underlying the Products to: (a) make Savenergy's business competitive with other businesses selling, servicing and maintaining energy saving lighting, motors, temperature control devices and related products; (b) improve the quality of the Corporate Defendants' Products; and (c) attempt to keep Savenergy a viable business,

78. The Individual Defendants have caused the Corporate Defendants to engage unqualified, untrained and unlicensed independent contractors to install, repair and maintain the Products. These independent contractors have incorrectly installed, maintained and repaired the Products and are unable to provide Services. The untrained, unqualified and unlicensed independent contractors have caused physical damage to the premises of a number of customers while attempting to install and repair Products. This has resulted in a loss of business for the Corporate Defendants.

79. These deficient independent contractors also have failed to obtain the required local government permits to install Products. This has resulted in stoppage of their work and the loss of business for the Corporate Defendants.

80. The untrained, unqualified and unlicensed independent contractors engaged by defendants have caused existing customers to stop doing business with the Corporate Defendants and prospective customers to look elsewhere for providers of Products and Services.

81. In this regard, defendants do not provide any training, instruction or meaningful assistance to the independent contractors regarding installation, maintenance and repair of the Products. Defendants do not develop a plan to install, repair or maintain Products tailored to particular customers' needs and requirements.

82. In a number of instances, customers have executed contracts with Savenergy for the provision of Products and Services, only to find that Savenergy was unable to deliver or furnish any Products or Services set forth in the contracts. This resulted in the termination of the relationship between customers and Savenergy.

83. The Corporate Defendants and Mr. Choi have underbid numerous projects and, as a result, entered into contracts and made promises that they are unable to fulfill. This too has resulted in lost customers, business and revenue.

84. Mrs. Choi keeps the Corporate Defendants' day-to-day financial records. Mrs. Choi's recordkeeping is inaccurate and intentionally misleading. The Corporate Defendants' outside accountants have thus refused to certify or verify that the Corporate Defendants' books and records are accurate, complete or kept in accordance with GAAP. The Corporate Defendants' accountants, Doloboff, Nadler & Upbin LLP, provided the following disclosure on the first page of Savenergy's "Compilation Report":

We have compiled the accompanying consolidated balance sheet of Savenergy, Inc. (a corporation) as of June 30, 2013 and the related consolidated statements of income and cash flows for the six months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

(August 2, 2013 Compilation at 1.)

85. The Individual Defendants will not permit the Corporate Defendants' outside accountants to audit their books and records. The Corporate Defendants do not

maintain their financial records in accordance with GAAP and have no controls for the preparation and fair presentation of their financial statements.

86. The Individual Defendants take excessive sums out of the Corporate Defendants – funds required to run, operate and develop their business – for their personal purposes to the detriment of the Corporate Defendants and their stockholders. The Corporate Defendants are now severely undercapitalized and insolvent. They do not have sufficient assets to pay their debts as they become due.

87. The Individual Defendants have authorized and required the Corporate Defendants to make a \$50,000 monthly payment to Donald Gross and Ira Gross to repay their investment in Corporate Defendants. The Choi family has succumbed to pressure from Ira Gross, who has, upon information and belief, threatened legal action against the Choi family and the Corporate Defendants for fraud and other misconduct.

88. The Choi family has also made Ira Gross an officer and director, giving him the ability, if Ira Gross chooses to exercise it, to review and block their conduct and the Corporate Defendants' business dealings. Ira Gross, however, will not do so unless and until the Corporate Defendants fail to make \$50,000 monthly payments to repay his and his father's investment in the Corporate Defendants.

89. The Individual Defendants have authorized the Corporate Defendants to pay for Mr. Corey's and Mrs. Corey's rental or purchase of a luxury apartment on the upper west side of Manhattan. They also authorized the Corporate Defendants to pay for Mrs. Corey's rental or purchase of a luxury automobile. Neither the apartment nor the automobile have anything to do with the Corporate Defendants' business.



90. The Individual Defendants have authorized the Corporate Defendants to pay Mr. Choi and Mrs. Choi extravagant bonuses, none of which were warranted by the Corporate Defendants' growth, revenues, customer service, development of new Products or Services, or dividends paid to the Corporate Defendants' stockholders.

91. The Individual Defendants have co-mingled large sums of monies and other assets among the Corporate Defendants, and withdrawn funds from the Corporate Defendants, leaving them insolvent and without the ability to pay the Corporate Defendants' debts as they become due. These funds should have been used for corporate purposes, including paying dividends to plaintiffs.

#### **Additional Piercing The Corporate Veil Allegations**

92. The Individual Defendants have exercised complete dominion and control over Savenergy, which they treat as a single entity with the other Corporate Defendants. The Individual Defendants have used plaintiffs' investments for personal purposes, not corporate business. In so doing the Individual Defendants have committed a fraud or wrong against plaintiffs, which has resulted in damages of at least \$768,000.

93. The Corporate Defendants have not abided by the corporate formalities, among them: (a) holding stockholders' meetings and meetings of their boards of directors; (b) maintaining by-laws; (c) having a stockholders' agreement; (d) keeping minutes of the Corporate Defendants' stockholders' meetings and meetings of their boards of directors; (e) maintaining separate bank accounts for SHI and Savenergy; and (f) permitting the Corporate Defendants' stockholders to inspect and copy their books and records, to the extent that they exist.

94. The Corporate Defendants are inadequately capitalized, insolvent and do not have sufficient assets or funds to pay debts as they become due.

95. The Individual Defendants take money out of the Corporate Defendants for personal purposes even though the Corporate Defendants need these funds in order to survive.

96. The Individual Defendants treat the Corporate Defendants as a sole proprietorship and do not maintain any distinction between the Corporate Defendants and themselves.

97. The Corporate Defendants share the same office space, telephone numbers, officers, directors and employees.

98. The Corporate Defendants are treated as a single entity by the Individual Defendants. The Corporate Defendants do not deal with each other at arm's length and are not treated as independent profit centers. Each Corporate Defendant uses the others' real and personal property as if such property belonged to such Corporate Defendant.

**COUNT I**  
**(Common Law Dissolution)**

99. Plaintiffs repeat and reallege the allegations in paragraphs "1" through "98," above, as if fully set forth herein at length.

100. There is no market for the Corporate Defendants' stock.

101. Redemption of plaintiffs' stock is not possible because, among other things:

(a) The Corporate Defendants and Individual Defendants have engaged in fraudulent and dishonest accounting practices to disguise or misrepresent revenues,

profits, net profits, income, cash flow, losses, expenses and liabilities for the Corporate Defendants;

(b) The Individual Defendants have looted the Corporate Defendants and stripped them of funds and other assets;

(c) The financial statements of the Corporate Defendants are unreliable due to Defendants' accounting chicanery, fraud and looting of corporate funds and other assets; and

(d) Such financial statements are so unreliable as to make calculating the book value of the Corporate Defendants impossible.

102. The Individual Defendants have managed the Corporate Defendants in such a manner to benefit themselves at the expense of these corporations and plaintiffs. The financial statements of the Corporate Defendants – to the very limited extent that information has been provided to S. Bonavita – reflect low revenues, profits and net profits due to Individual Defendants' waste, mismanagement, and looting from the Corporate Defendants to benefit themselves and Donald Gross.

103. Among many other things, when plaintiffs acquired their ownership interests in the stock of the Corporate Defendants, they had a reasonable expectation that the Corporate Defendants would make regular and substantial payments to them in the form of distributions and dividends, and a reasonable belief that they would enjoy other benefits of ownership in such corporations.

104. The Individual Defendants have been the controlling officers, directors and stockholders of the Corporate Defendants. The Individual Defendants therefore owe

fiduciary duties to the Corporate Defendants' stockholders with respect to management and finances of the Corporate Defendants.

105. As set forth above, the Individual Defendants, individually and in concert, aided and abetted and conspired to commit and did and are committing fraud, and have acted as accessories and accomplices to one another, in the concealment of such fraud from plaintiffs.

106. The Individual Defendants have: (a) operated the Corporate Defendants to subvert the purpose and business of the Corporate Defendants and to enrich themselves unjustly, at the expense of plaintiffs; and (b) illegally provided funds and assets to themselves and Donald Gross to damage and defraud plaintiffs and prevent plaintiffs from return or income from their ownership of stock in the Corporate Defendants.

107. The Choi family, has frozen plaintiffs out of the Corporate Defendants by failing and refusing to allow S. Bonavita to inspect the Corporate Defendants' books and records and failing to hold stockholders' meetings.

108. As set forth in detail above, and in breach of their fiduciary duties to the corporations and plaintiffs, the Individual Defendants have looted and stripped the Corporate Defendants of funds; transferred those funds to themselves and Donald Gross; and taken excessive compensation, bonuses and distributions from the corporations with monies belonging to plaintiffs

109. As set forth in detail above and in breach of their fiduciary duties to plaintiffs and the Corporate Defendants, the Individual Defendants have fraudulently and in bad faith looted, wasted and mismanaged the business of the Corporate Defendants --

and engaged in illegal accounting practices – to deprive plaintiffs of their rights as stockholders in the Corporate Defendants.

110. As set forth in detail above and in breach of their fiduciary duties to plaintiffs and the corporations, the Individual Defendants prevented plaintiffs from exercising their statutory and common law rights as stockholders of the Corporations – by failing to hold stockholders’ meetings, or provide corporate books and records to S. Bonavita – in order to prevent plaintiffs from receiving any return of their ownership interests in the Corporate Defendants.

111. As set forth in detail above and in breach of their fiduciary duties to plaintiffs and the Corporate Defendants, the Individual Defendants will continue to commit fraud, mismanagement looting, waste, breach of trust and fiduciary duty, and oppressive conduct.

112. Plaintiffs have no adequate remedy at law for the wrongs and injuries set forth herein.

113. Plaintiffs have not made any prior requests to dissolve the Corporate Defendants to this or any other court.

114. Liquidation of the Corporate Defendants is the only feasible means wherein plaintiffs can reasonably expect to obtain any return on their ownership interest in the Corporate Defendants. Liquidation is necessary to protect the rights and interests of the minority stockholders, including plaintiffs, in these corporations.

115. Under the circumstances, the court should dissolve SHI and Savenergy; appoint a receiver to distribute and sell the assets of these corporations; and direct the

receiver to remit a pro rata share of the net profits, after payment of vendors and creditors, from such sale and liquidation to plaintiffs.

**COUNT II**  
**(Breach of Fiduciary Duty – The Individual Defendants)**

116. Petitioner repeats and realleges the allegations in paragraphs “1” through “115,” as fully set forth herein at length.

117. The Individual Defendants, as officers and directors of the Corporate Defendants, owe duties of good faith, loyalty and reasonable care to each of the stockholders in the Corporate Defendants.

118. The Individual Defendants owed enhanced duties of good faith and care, as fiduciaries, to the stockholders of the Corporate Defendants because: (a) these corporations are closely held businesses; (b) these defendants are controlling directors, officers and stockholders of the Corporate Defendants; (c) the Individual Defendants control the management, operations and finances of the Corporate Defendants and make all the decisions affecting these corporations; and (d) the Individual Defendants control the dissemination of information regarding management, operations and finances of the Corporate Defendants and their decisions affecting these corporations.

119. As controlling officers, directors and stockholders of the Corporate Defendants, the Individual Defendants had and have fiduciary duties to: (a) engage in fair dealing and to act with the utmost loyalty to their stockholders; (b) refrain from using their control of the Corporate Defendants to obtain special advantages for themselves at the expense of their stockholders; and (c) refrain from taking actions which prejudice the stockholders.

120. As set forth in detail above, the individual Defendants have breached their fiduciary duties of loyalty, good faith, competence and prudent management, and to refrain from self-dealing, which they owe to the stockholders of the Corporate Defendants.

121. The Individual Defendants have manipulated the records of the Corporate Defendants for their own personal gain so that it is impossible to determine the fair value of Corporate Defendants' stock, or a price per share derived from a multiple of the corporations' earnings (or any other recognized valuation methodology).

122. The Individual Defendants have and continue to loot and fraudulently divert the Corporate Defendants' funds and assets for themselves and family members at the expense and the detriment of plaintiffs.

123. As a direct, but for and proximate cause of the Individual Defendants multiple and on-going breaches of fiduciary duty, plaintiffs have sustained substantial financial damages in an amount to be determined at trial, but in any event not less than \$768,000.

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

124. Plaintiffs repeat and reallege the allegations in paragraphs "1" through "123," above, as if fully set forth herein at length.

125. The Individual Defendants have complete control over and dominate the Corporate Defendants. The Individual Defendants distributed the majority of the revenues generated by the Corporate Defendants to themselves and family members, but without distributing a portion of those funds to plaintiffs in the form of dividends or other distributions to stockholders.

126. The Individual Defendants looted and diverted funds and other assets from the Corporate Defendants to themselves and family members for non-corporate purposes.

127. The Individual Defendants have breached their fiduciary duties to the Corporate Defendants' stockholders by failing to remit dividends and other distributions, and looting and diverting funds from these corporations, for their own benefit and the benefit of their family members.

128. The Individual Defendants have manipulated the Corporate Defendants' dividend policies and thereby systematically and intentionally freezing out and depriving plaintiffs from realizing any income or return on their stock.

129. The Individual Defendants refuse to call stockholders' meetings – and refuse to remit dividends and other distributions to the stockholders of the Corporate Defendants – in breach of their fiduciary duties to the stockholders.

130. The Corporate Defendants generate revenues and cash-flow which can and should be distributed to all stockholders in the Corporate Defendants. The Individual Defendants have breached their fiduciary duties to plaintiffs by failing to make distributions or pay dividends to stockholders other than themselves and Donald Gross.

131. The Individual Defendants' failure to remit dividends and related distributions and other payments from the Corporate Defendants to plaintiffs has caused substantial damage to plaintiffs in an amount which exceeds the jurisdictional limits of all lower courts that would otherwise have jurisdiction over this action.



**COUNT IV**  
**(Accounting)**

132. Plaintiffs repeat and reallege the allegations in paragraphs “1” through “131,” above, as if set forth herein.

133. By reason of the Individual Defendants’ numerous breaches of fiduciary duty; the Corporate Defendants failure to pay dividends; the Individual Defendants looting and fraudulent diversion of corporate assets to themselves and family members; and willful, and reckless management of and dissipation of corporate assets and funds, plaintiffs are entitled to an audit of the Corporate Defendants’ books and records, and accounting by all defendants.

134. Plaintiffs have no adequate remedy at law.

**COUNT V**  
**(Setting Aside Unlawful and Fraudulent Conveyances)**

135. Plaintiffs repeat and reallege the allegation in paragraphs “1” through “134,” above, as if fully set forth herein at length.

136. As set forth above, the Individual Defendants have looted and fraudulently transferred the Corporate Defendants’ funds and other assets to themselves and their family members.

137. The transferees and transferors knew or should have known that the transfers were unlawful at the times they were made.

138. The transfers were made:

- (a) Without fair consideration or for no consideration at all;
- (b) At a time when the Corporate Defendants were either insolvent, or would be rendered insolvent by the transfers;

(c) Without fair consideration and at a time when the Corporate Defendants were engaged in, or about to engage in, business and transactions for which funds and other assets of the Corporate Defendants, after the conveyances, constituted unreasonably small capital;

(d) Without fair consideration and at a time when defendants knew and believed that the Corporate Defendants would incur debts beyond their ability to pay them as the debts matured;

(e) With actual intent to damage, delay and defraud plaintiffs.

139. The court should set aside such fraudulent transfers; require the Individual Defendants and Donald Gross to disgorge the fraudulently transferred funds and assets; and award plaintiffs their reasonable attorney's fees in bringing this action to set aside defendants' fraudulent conveyances.

140. Plaintiffs have no adequate remedy at law.

**COUNT VI**  
**(Unjust Enrichment)**

141. Plaintiffs repeat and reallege the allegations contained in paragraphs "1" through "140," above, as if fully set forth herein at length.

142. The Individual Defendants have looted, and fraudulently diverted transferred funds and assets from the Corporate Defendants to themselves and their family members. These funds and assets belong to plaintiffs.

143. These transfers have unjustly enriched the Individual Defendants and their family members. The Individual Defendants have operated the Corporate Defendants as their personal piggy-bank to distribute funds and earnings to themselves and their family members at the expense of, and to the exclusion of, plaintiffs.

144. In equity and good conscience, defendants should not be permitted to retain the funds and other assets, which do not belong to them, to the detriment of plaintiffs.

145. The Individual Defendants and Donald Gross have been unjustly enriched in an amount to be determined at trial, but in any event not less than \$768,000.

**COUNT VII**  
**(Money Had and Received)**

146. Plaintiffs repeat and reallege the allegations in paragraphs “1” through “145,” above, as if fully set forth herein at length.

147. Defendants received \$768,000 belonging to the plaintiffs under false pretenses and as a result of Mr. Choi’s fraudulent misrepresentations, omissions, guarantees and promises.

148. Defendants unlawfully benefitted from plaintiffs’ investment in the Corporate Defendants. The Individual Defendants used plaintiffs’ funds for non-corporate purposes.

149. Under principles of equity and good conscience, defendants should not be permitted to keep these funds.

150. By reason of the foregoing, defendants should be required to return these funds to the plaintiffs and are liable to plaintiffs in the amount of \$768,000.

**COUNT VIII**  
**(Fraud – Mr. Choi and the Corporate Defendants)**

151. Plaintiffs repeat and reallege the allegations contained in paragraphs “1” through “150” above, as if fully set forth herein at length.

152. As set forth in detail above, Mr. Choi, on behalf of himself and the Corporate Defendants, made misrepresentations and omissions of existing material facts, and fraudulent guarantees and promises, to S. Bonavita and M. Bonavita regarding the Corporate Defendants, trading of their stock on the Bulletin Board, patents, Products and Services.

153. Mr. Choi knew these misrepresentations, omissions, promises and guarantees were not true and fact at the time he made them.

154. Mr. Choi made these representations to induce S. Bonavita and M. Bonavita to provide him with money, which he could then use for his own personal benefit and the benefit of the Individual Defendants, but not the Corporate Defendants or their stockholders.

155. Plaintiffs reasonably and justifiably relied upon the misrepresentations, omissions, and fraudulent promises and guarantees of, Mr. Choi in providing funds to him for investment in the Corporate Defendants. Plaintiffs would not have provided \$263,000 to Mr. Choi in the absence of his misrepresentations and omissions, and fraudulent promises and guarantees.

156. As a direct, proximate and but for cause of defendants’ fraud, plaintiffs have been damaged in an amount to be determined at trial, but in any event, not less than \$263,000.

-

**COUNT IX**  
**(Fraud- Mr. Choi and the Corporate Defendants)**

157. Plaintiffs repeat and reallege the allegations contained in paragraphs “1” through “156” above, as if fully set forth herein at length.

158. As set forth in detail above, in 2009 and 2010, Mr. Choi, on behalf of himself and the Corporate Defendants, made misrepresentations and omissions of material facts, and fraudulent guarantees and promises, to S. Bonavita and M. Bonavita regarding the Corporate Defendants, trading of their stock on the Bulletin Board, patents, Products and Services.

159. Mr. Choi made these representations to induce S. Bonavita and M. Bonavita to provide Savenergy with funds, which Mr. Choi could use for his personal benefit and the benefit of the Individual Defendants, but not the Corporate Defendants or their stockholders.

160. Mr. Choi knew that these misrepresentations and omissions were false and untrue at the time he made them.

161. Plaintiffs reasonably and justifiably relied upon these misrepresentations and omissions, and the fraudulent promises and guarantees, in providing funds to the Corporate Defendants for investment in those Defendants. Plaintiffs would not have invested \$505,000 in the Corporate Defendants in the absence of Mr. Choi’s misrepresentations and omissions, and fraudulent promises and guarantees.

162. As a direct, proximate and but for cause of defendants’ fraud, plaintiffs have been damaged in an amount to be determined at trial, but in any event not less than \$505,000.

**COUNT X**  
**(Piercing the Corporate Veil – Individual Defendants)**

163. Plaintiffs repeat and reallege the allegations contained in paragraphs “1” through “162” above, as if fully set forth herein at length.

164. As set forth in detail above, the Individual Defendants exercised complete domination and control of the Corporate Defendants with respect to the \$768,000 provided to Mr. Choi and Savenergy for investment in the Corporate Defendants.

165. As set forth in detail above, such domination and control was used to commit a fraud or wrong against plaintiffs which resulted in damages to plaintiffs in an amount not less than \$768,000.

166. The Individual Defendants are personally liable for the fraud, looting, fraudulent transfers, waste and mismanagement by the Corporate Defendants, all of which resulted in damages to plaintiffs.

167. Plaintiffs are entitled to pierce corporate veil of the Corporate Defendants, and to hold the Individual Defendants liable for the Corporate Defendants’ debts to plaintiffs in an amount to be determined at trial, but in any event not less than \$768,000.

**COUNT XI**  
**(Piercing the Corporate Veil – The Corporate Defendants)**

168. Plaintiffs repeat and reallege the allegations contained in paragraphs “1” through “167,” above, as if fully set forth herein at length.

169. As set forth in detail above, Savenergy and SHI were treated as a single corporate entity by the Corporate Defendants.

170. As set forth in detail above, Savenergy and SHI were alter egos of each other, and the corporate paraphernalia of each corporation was completely ignored.

171. As set forth in detail above, SHI and Savenergy dominated and controlled each other; and are, in fact, a single entity treated by the Individual Defendants as a sole proprietorship.

172. Plaintiffs are entitled to pierce the corporate veil of SHI and hold SHI liable for the corporate debts, obligations and liabilities. SHI is liable for Savenergy's debts in an amount to be determined at trial, but in any event, not less than \$768,000.

WHEREFORE, plaintiffs demand judgment as follows:

(a) On the first cause of action, dissolution of the Corporate Defendants, liquidation of their assets, and distribution of their assets to plaintiffs, *pro rata*;

(b) On the second cause of action, damages against the Individual Defendants, jointly and severally, in an amount to be determined at trial, but in any event not less than \$768,000;

(c) On the third cause of action, damages against the Individual Defendants, jointly and severally, in an amount to be determined at trial;

(d) On the fourth cause of action, an accounting;

(e) On the fifth cause of action, setting aside defendants' fraudulent conveyances; requiring the Individual Defendants and Donald Gross to disgorge the sums received through fraudulent transfers; and payment of the sums disgorged to plaintiffs in satisfaction of the amount of their investment in the Corporate Defendants;

(f) On the sixth cause of action, damages against the Individual Defendants, jointly and severally, in an amount to be determined at trial, but in any event not less than \$768,000;

(g) On the seventh cause of action, damages against the Individual and Corporate Defendants, jointly and severally, in an amount to be determined at trial, but in any event not less than \$768,000;

(h) On the eighth cause of action, damages against the Mr. Choi and the Corporate Defendants, jointly and severally, in an amount to be determined at trial, but in any event not less than \$263,000;

(i) On the ninth cause of action, damages against the Mr. Choi and the Corporate Defendants, jointly and severally, in an amount to be determined at trial, but in any event not less than \$505,000;

(j) On the tenth cause of action, damages against the Individual and Defendants, jointly and severally, in an amount to be determined at trial, but in any event not less than \$768,000;

(k) Reasonable attorney's fees as provided in Debtor Creditor Law § 276-a;

(l) Pre and post judgment interest at the statutory rate;

(m) Plaintiffs' reasonable attorney's fees, disbursements, and costs; and

(n) Punitive damages in amount to be determined at trial;

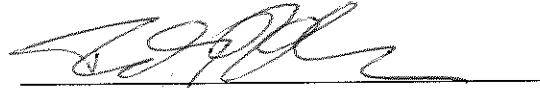


(o) Such other and further relief as the court deems just and proper.

Dated: White Plains, New York  
December 29, 2013

LAW OFFICES OF TIMOTHY KEBBE

By:



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*Bonavita*

VERIFICATION

STATE OF NEW YORK       )  
                                  ) ss:  
COUNTY OF BRONX       )

Salvatore Bonavita, being duly sworn, states:

1. I am a plaintiff in this action and reside in Westchester County, New York.
2. I have read the annexed Complaint know the matters alleged therein to be true based on my personal knowledge, except matters alleged therein upon information and belief, and as to those matters, I believe them to be true.
3. The basis of my knowledge and belief is: (a) meetings and other communications with John Choi; the Corporate Defendants work at certain Key Foods supermarkets in which I have an ownership interest; (c) review of SHI's publically available trading records; (d) review of documents and information furnished to me by Mr. Choi and Mr. Corey; (e) discussions with members of my family who are plaintiffs in this action; (f) communications with certain other individuals having personal knowledge of the Corporate Defendants' books and records, business practices, assets, patents, products and services; and

(g) communications with individuals having firsthand knowledge energy saving technology.

Salvatore Bonavita  
Salvatore Bonavita

Sworn to before me  
this 30 day December, 2013

Richard Schmidt  
Notary Public

RICHARD R. SCHMIDT, ESQ.  
Notary Public, State of New York  
No. 02-SC4798714  
Qualified in Bronx County  
Commission Expires March 20, 20 15

# EXHIBIT A



**S.M.E Management Corp.  
3050 Westchester Avenue  
Bronx, NY 10461  
718-931-3295  
Fax: 718-518-1264**

October 2, 2013

By Fed Ex and  
Certified Mail

Mr. John H. Choi  
Chief Executive Officer  
Savenergy, Inc.  
120 Craft Avenue  
Inwood, New York 11096

Ms. Christina Chung Choi  
Executive Vice President  
Savenergy, Inc.  
645 South Street  
Garden City, New York 11530

Re: **Demand for Inspection of Savenergy, Inc.'s Books and Records**

Dear Mr. Choi and Ms Choi:

I am a stockholder in Savenergy, Inc., a Delaware corporation which is authorized to do business in New York. My family and I collectively own 135,000 shares of Savenergy stock and paid a total of \$763,000 for that stock.

Prior to this letter, I have requested to review Savenergy's books and records, but have been refused access to those materials. I have also requested a return of the funds which I provided to Mr. Choi and Savenergy – as well as a portion of the profits from Savenergy's business – only to be rebuffed with Mr. Choi's assurances that my

S.M.E. Management Corp.  
Mr. John H. Choi  
Ms. Christina Chung Choi  
October 3, 2013

investment in Savenergy would make me a wealthy man. I have never received returns on my investment in Savenergy or its predecessors. Nor has Savenergy returned my \$763,000 investment.

***This letter is a formal demand for inspection and copying of Savenergy's books and records in accordance with Chapter 1, Subchapter VII of the Delaware Corporation Law, Article 6 of the New York Business Corporation Law and applicable common law. I will inspect Savenergy's books and records – whether in hard copy or stored on computer or in another electronic format – at Savenergy's offices on October 25, 2013 beginning at 10:00 a.m. As permitted by statute, one or more of my legal representatives may accompany me for the purposes of this inspection.***

Please have a photocopy machine and a working printer available on that date.

The Savenergy books and records which should be made available for inspection, copying and printing include, without limitation, the following:

1. Shareholder or stockholder registers, including the names of each stockholder or shareholder, the date their stock was issued, and the money or other item of value provided in exchange for their stock or shares.
2. Corporate by-laws, articles of incorporation, minutes of Savenergy's board of directors, minutes of shareholders' meetings, minutes of committees of the board of directors, corporate resolutions, notices (and waivers of notice) for shareholders' meetings and board of directors' meetings; and reports filed with the Delaware or New York Secretary of State.
3. Audited and unaudited financial statements, and notes to financial statements for Savenergy.
4. Savenergy's balance sheets, statements of shareholders' equity, and records reflecting Savenergy's gross profits, net profits, expenses and losses, if any.
5. Statements of changes in Savenergy's financial condition and cash flow.
6. Savenergy's federal, state and local tax returns and schedules annexed to or submitted with those tax returns.
7. The back-up for Savenergy's federal, state and local tax returns and schedules annexed to or submitted with those tax returns.

S.M.E. Management Corp.  
Mr. John H. Choi  
Ms. Christina Chung Choi  
October 3, 2013

8. Extensions to file Savenergy's tax returns.
9. Records reflecting the names and addresses of (a) Savenergy's customers; and (b) Savenergy's vendors and suppliers.
10. Records reflecting Savenergy's accounts receivable and accounts payable.
11. Bank account statements and bank account opening documents (a) in Savenergy's name; or (b) in which Savenergy has a beneficial interest.
12. Documents reflecting patents issued to: (a) Savenergy or any parent, subsidiary, affiliate, predecessor -in -interest, officer, director, stock holder or employee of Savenergy; or (b) any employee, officer, director and stock holder of Savenergy's parents, subsidiaries, affiliates, or predecessors - in - interest .
13. Documents reflecting the patents issued to you or to another natural person or business association which are presently used, leased or licensed by Savenergy to conduct business or develop new business opportunities.
14. Contracts, agreements, invoices, billing statements and purchase orders with, or issued to, Savenergy's customers, vendors and suppliers.
15. The name and address of Savenergy's corporate parents, affiliates, subsidiaries; and contractors and subcontractors providing services on behalf of Savenergy.
16. Contracts, agreements and purchase orders with corporate parents, affiliates, subsidiaries, contractors and subcontractors providing services on behalf of Savenergy.
17. Securities, commodities and investment account statements and account opening documents (a) in Savenergy's name; or (b) in which Savenergy has a beneficial interest.
18. Documents reflecting the listing and de-listing of the common stock of Savenergy, or Savenergy's parents, affiliates or subsidiaries, on any securities exchange or market.
19. Contracts and agreements with any stockholder, officer, director or employee of Savenergy.

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20. Offers, and responses thereto, to purchase Savenergy's stock, assets (including assets, such as patents, used but not owned by Savenergy) or any combination thereof.

21. Savenergy's payroll records.

22. Leases between Savenergy and any natural person or business association.

23. Salaries, wages, compensation, incentive compensation, and bonuses paid to any Savenergy shareholder, director, officer, employee, agent or independent contractor.

24. Distributions or dividends provided or awarded to any shareholder, director, officer, employee, agent or independent contractor of Savenergy.

25. Savenergy's general ledger and check register.

26. All documents concerning any lawsuit or arbitration filed by or against Savenergy, its stockholders, directors, officers, employees, corporate parents, subsidiaries, and affiliates.

27. All documents concerning any judgments against or in favor of Savenergy, its shareholders, directors, officers or employees.

28. Liens against real or personal property, or tangible or intangible assets, owned, developed, used, licensed or leased by: (a) Savenergy, its officers, shareholders, directors and employees; or (b) in which Savenergy has a beneficial interest.

29. Security interests, including UCC-1 and UCC-3 Forms, against any real or personal property, or tangible or intangible assets, owned, developed, used, licensed or leased by: (a) Savenergy, its officers, shareholders, directors and employees; or (b) in which Savenergy has a beneficial interest.

30. Liens against bank, securities, commodities or investment account (a) in the name of Savenergy or (b) in which Savenergy has a beneficial interest.

31. Loans to Savenergy from: (a) any bank or other financial institution; (b) shareholder, officer, director or employee of Savenergy; (c) any other natural person or business association; and (d) any governmental agency, authority or association.

32. Loans from Savenergy to any: (a) shareholder, officer, director or employee of Savenergy; or (b) any other natural person or business association.



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33. All other documents related to or reflecting Savenergy's financial condition and business operations.

34. All contracts and agreements between Savenergy and Savenergy Holdings, Inc. ("SHI").

35. All contracts and agreements between Savenergy and World Wide Save Energy, Inc. ("WWSEI").

36. All agreements, contracts and other documents related to Savenergy's acquisition of 51% of Micro High Tech ("MHT"), a South Korean firm.

37. All agreements, contracts, purchase orders and other documents MHT's manufacture of products and systems for or on behalf of Savenergy and Savenergy's customers.

38. Documents reflecting any real property owned or leased by Savenergy.

39. All licenses issued by Savenergy to any other natural person or business association.

40. All licenses issued to Savenergy to any other natural person or business association.

41. Savenergy's and SHI's filings with the New York and Delaware Secretaries of State.

42. SHI's federal, state and local tax returns.

43. All accountants' reports issued to Savenergy or SHI.

44. Leases for equipment or other personal property wherein Savenergy is the lessee.

45. Leases for equipment or other personal property wherein Savenergy is the lessor.

You have informed me that Savenergy is the successor to WWSEI, a corporation in which I also a stockholder. Demand is hereby made for inspection and copying of WWSEI's books and records as set forth in items 1 though 45, above.

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Please also provide for inspection and copying documents reflecting how WWSEI became Savenergy, including certificates of merger and dissolution; filings with the New York or Delaware Secretary of State; merger agreements (with schedules and exhibits); stock purchase agreements (with schedules and exhibits); acquisition agreements (with schedules and exhibits); and asset purchase agreements (with schedules and exhibits).

If you have any questions or comments, please do not hesitate to contact my legal counsel or me. This letter is sent without waiver of my or my family's rights and remedies, all of which are reserved.

Very truly yours,

Sal Bonavita

cc: Richard Schmidt, Esq.  
Timothy Kebbe, Esq.