

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

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In the Matter of the Application of
STEVEN TELANO and VINCENT MONFREDO,

Index No.: 717941/2018

Petitioner,

For the Judicial Dissolution of Eagle Security Group, Inc.

**AFFIDAVIT OF VINCENT
MONFREDO IN OPPOSITION
TO BRADLAU AND TONE'S
MOTION TO DISMISS**

Respondent,

pursuant to Business Corporation Law § 1104-a, *et. seq.*

AND GIACCHINO BRUCCULERI, RAYMOND C.
WONG, LEO S. CINQUEMANI, ANTONIO
GUADAGNINO, SALVATOREV D. GIAMMANICO,
GEORGE F. BRADLAU, MICHAEL J. TONE,
SAIMA SICUREZZA SPA, AND PHILIP KYRIACOU,

Additional Party Respondents.

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STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

VINCENT MONFREDO, being duly sworn deposes and says:

1. I submit this affidavit in opposition to the motion to dismiss of George F. Bradlau and Michael Tone.
2. As noted in the Amended Petition, the corporation was duly formed on March 3, 2008 by Lisa Telano, the spouse of Steven Telano and Sally Monfredo, who is my spouse. Though they created the company, Telano and I were the *de facto* owners of the company.
3. In need of approximately \$240,000.00 to re-purchase security portals previously sold to Defense Solutions, Steve Telano and I approached our long-time friend, Phil Kyriacou, in order to gauge his interest in investing in Eagle. Kyriacou agreed to do so in exchange for a

significant ownership interest in the company. Accordingly, we agreed to sell Phil a one-third interest in the company, thereby leaving both Telano and me each with a one-third in the company. No formal stock purchase agreement was ever prepared in connection with such transaction. Moreover, no shareholders' agreement governing our relationship was created upon Kyriacou becoming a shareholder. At no time prior to Kyriacou having joined the company had there been a shareholders' agreement between any of the owners of the company.

4. Thereafter, Telano and I recognized that we would need additional capital in order to transport, install and maintain/repair the portals. This prompted Kyriacou to suggest to Telano and me that we should bring in long-time friend and businessman Jack Brucculeri, since he owned a construction company and had access to trucks, architects, engineers, and laborers.
5. Prior to his involvement with Eagle, Telano and I knew Jack Brucculeri for many years and were aware of his various business successes.
6. Brucculeri was agreeable to joining the company, and over the course of many months, the four of us participated in multiple meetings, usually held at a local diner, to discuss our working relationship in the company.
7. It was our intention to bring Jack into the company, whereupon we would each become 25% owners of Eagle. However, Brucculeri was not agreeable to such a proposal.
8. Up to that point in time, Phil, Steve and I were each the *de facto* owners of one-third of the company, though Sally Monfredo and Lisa Telano were the *de jure* owners of the company.
9. Ultimately, the four of us reached an agreement with respect to our respective ownership interests in the company, though it took many months before such agreement was reduced to writing.

10. In order to facilitate our arrangement, Sally Monfredo and Lisa Telano agreed that they would formally divest themselves of their ownership in the company and transfer their shares of stock in Eagle to Brucculeri, Kyriacou, me and Telano.
11. Pursuant to the terms of our agreement, Telano, Kyriacou and I each agreed to sell Brucculeri a portion of our shares of stock in Eagle. In exchange for Jack's infusion of an additional \$470,000.00 cash into the company, I agreed to transfer an 8 1/3% interest in the company to him, thereby leaving me with a 25% ownership interest in the company.
12. Telano and Kyriacou, on the other hand, each agreed to sell Brucculeri a 26 5/6% of their respective interests in the company. In return Brucculeri would pay them in two installment payments.
13. At no time was it ever agreed by and between the four of us that the sums owed by Brucculeri to Telano and Kyriacou would be funded by the company. This was the case because: (1) Telano and Kyriacou wanted the payments to be personally guaranteed by Brucculeri; (2) they did not want Eagle, the company of which they were part owners, to fund the stock purchase, as this would mean that Telano and Kyriacou would be contributing a portion of their own profits in the company towards the surrender.
14. It was at this juncture that Brucculeri formally introduced Telano, Kyriacou and me to George Bradlau and Michael Tone. Brucculeri advised that they would serve as general counsel to the corporation and would be responsible for the handling of all of the company's legal matters, including, but not limited to the drafting of a corporate shareholder's agreement, and the drafting, review and negotiation of all corporate contracts. It is important to note that I recall having met Bradlau in 2009 when Brucculeri brought him to the Atlantic City tAirport o witness a demonstration of our doors. At the time of that meeting, Brucculeri introduced Bradlau to me as a possible investor in the company, but he made not mention to me that

Bradlau was an attorney, and that he was considering hiring Bradlau as Eagle's general counsel.

15. Upon our introduction to Bradlau as the company's general counsel in late 2009 early 2010, Telano, Kyriacou, Brucculeri and I each explained to him the terms of our working relationship, as detailed above, so that he could draft a comprehensive shareholders' agreement that protected each of our interests. At no time did Bradlau explain to us that it was advisable or for us to retain our own counsel for purposes of negotiating, preparing, reviewing, and executing a shareholders' agreement.
16. Shortly after this meeting, we were directed by Brucculeri to come to his office in Astoria in order to review the shareholder's agreement that had been prepared by Bradlau. Present at the meeting were Brucculeri, Telano, Kyriacou and me. At that time, we were each presented with a copy of the shareholder's agreement. Upon receipt thereof, Telano and I indicated that we wanted to have the agreement reviewed by our personal counsel. In response, Brucculeri got upset and said that we could not do so. He also stated that copies of the document could not be made, and that the deal would be off if we did not sign it on the spot. In response to Brucculeri's outburst, I turned to Bradlau and asked him for his input. Upon doing so, Bradlau informed me in front of Telano and Kyriacou that he was representing the four of us, that the agreement accurately reflected all of the terms we had previously discussed, that nothing extra had been added, that nothing had been removed, that the agreement protected all of us, and that it would be absolutely unnecessary for us to have the agreement reviewed by another attorney. In reliance upon Bradlau's statements, I signed the agreement. Telano and Kyriacou signed the agreement, as well. After signing the agreement, none of us were provided with a copy despite requesting same.
17. It was not until some time later, after having been provided with the shareholders' agreement, that I determined that its language substantially departed from the agreement I had reached with Brucculeri, Telano and Kyriacou. In fact, the agreement was starkly different

from what was communicated to Bradlau.

18. For instance, the agreement specified that the acquisition by Brucculeri of a portion of Telano and Kyriacou's stock would be funded by the company [par. 3.6 (c)(i) & (ii)] rather than paid directly to Telano and Kyriacou by Brucculeri. At no time was it ever agreed by and between the four of us that the sums owed by Brucculeri to Telano and Kyriacou would be funded by the company. This was the case because: (1) Telano and Kyriacou wanted the payments to be personally guaranteed by Brucculeri; (2) They did not want Eagle, a company of which they were part owners, to fund the stock purchase, as this would mean that Telano and Kyriacou would be contributing a portion of their own profits in the company towards the surrender of their shares; (3) and this would mean that I would be funding, in part, Brucculeri's acquisition of portions of Telano's and Kyriacou's stock.
19. Moreover, the agreement stated that at the discretion of the Board of Directors, I would deposit an additional capital contribution of one hundred seventy thousand dollars (\$170,000.00). At no time did I ever agree to fund the company with any additional capital contribution, let alone, a capital contribution in the sum of \$170,000.00.
20. It bears noting that at the January 26, 2011 shareholders' meeting, Brucculeri advised all in attendance, including Bradlau, that money was due from me pursuant to the shareholders' agreement. When I questioned Brucculeri and Bradlau about this during the meeting, Brucculeri would not discuss it. Accordingly, I turned to Bradlau for his input, whereupon he advised me that I did not owe any such financial obligation, and that the company would take care of it. The board minutes of such meeting neither reflect my discussion with Bradlau, nor do they indicate that I raised any questions about the matter.

21. Thereafter, at the June 6, 2011 shareholders' meeting, the company's accountant, Respondent Guadagnino, noted that a loan in the amount of \$170,000.00 attributed to Brucculeri needed to be revised in the accounting record to show the amount as correctly attributed to me. Upon hearing this, I informed Brucculeri, Bradlau and Guadagnino that I had made no such loan. In response thereto, Guadagnino indicated that he was just reporting information he had been given by Wong and Brucculeri. Once again, Brucculeri refused to speak with me regarding my concerns. I then turned to Bradlau, who advised me that I need not worry about it, and that it would be taken care of. The board minutes of such meeting neither reflect my discussion with Bradlau, nor do they indicate that I raised any question about the matter.
22. At the May 9, 2012 shareholders' meeting, the shareholders were presented with a document called "Eagle Funding Breakdown." Such document erroneously reflected that I made a capital contribution of \$100,000.00 on August 24, 2010, a capital contribution of \$50,000.00 on March 12, 2011, and a capital contribution of \$25,000.00 on April 18, 2011. At no time did I make any of these capital contributions. Moreover, at no time did I ever make loans to the company totaling either \$170,000.00, or \$175,000.00. Upon seeing the document, during the board meeting I immediately informed Guadagnino, Brucculeri and Bradlau that the information in the report was false. Again, Guadagnino advised that he was merely reporting information he had been given by Brucculeri and Wong. Brucculeri refused to discuss the matter with me, and Bradlau indicated that it was an error and that he would personally see to it that it was corrected.
23. At the same meeting, Brucculeri reported that the exclusivity agreement Bradlau had been working on with our door manufacturer, SAIMA, was watered down and remained unsigned, despite it having allegedly been in the works for nearly 2 years.
24. At the December 13, 2012 shareholders' meeting, the shareholders were informed that SAIMA and Eagle had finally come to terms and executed an exclusivity agreement.

However, the shareholders were not provided with a copy of the agreement, despite our request for same. I later learned that despite the agreement having been finalized by Bradlau on behalf of Eagle with SAIMA on May 10, 2012, one day following the May 9, 2012 shareholders' meeting, the shareholders were not informed of such until six months later.

25. At the shareholders' meeting of February 5, 2013, at which Bradlau was in attendance, I inquired as to the status of a 60-door deal I had struck with the Dallas Fort Worth airport. Present at the meeting was a Mr. Rinaldi from SAIMA. Upon raising the question in Rinaldi's presence, Brucculeri became outraged and demanded to know how I knew about the deal. When I explained that it was my deal, Brucculeri stormed out of the meeting and demanded that everyone leave his office. I was then approached by Wong and Bradlau who both informed me that because Brucculeri became aware of my involvement with the deal, Brucculeri would kill the deal. As noted, *infra*, this proved to be true. However, no reference to any of this is made in the minutes of the meeting.
26. At the February 28, 2013 shareholders' meeting, at which Bradlau was in attendance, financials were disseminated regarding our second venture at Atlantic City Airport. Some time later, upon being furnished with portions of the corporation's books and records, we discovered that there were three separate sets of financials for the Atlantic City airport deal.
27. At the June 3, 2013 shareholders' meeting, the shareholders were informed that the Dallas Fort Worth airport deal, which was my deal, was dead. This news coincided with what I had been told by Wong and Bradlau at the February 5, 2013 meeting.
28. On November 5, 2013, Telano was involved in an altercation with SAIMA employee, Sal Giammanico, at our warehouse, and in my presence. In fact, Telano was threatened with a hammer by Giammanico. Prior to the incident, Telano had confronted Giammanico

regarding payments he had been receiving directly from Brucculeri relative to SAIMA doors. Upon being threatened, Telano defended himself. During the melee that ensued, Giammanico's neck was scratched. Telano was arrested as a result of the incident, though Giammanico was not. Ultimately, Telano pled to a violation for disorderly conduct, notwithstanding the fact that Giammanico was the aggressor. Following the incident, Michael Tone, who was not present during the incident, began falsely spreading word amongst Eagle's shareholders, officers and directors that Telano had engaged in felonious conduct by pistol whipping Giammanico, and that Telano precipitated the attack on Giammanico in Eagle's warehouse. Tone also sent a November 12, 2013 email instructing all Eagle personnel to stay away from Telano.

29. Upon information and belief, Tone undertook no independent investigation to determine the veracity of Giammanico's statements.
30. It is submitted that Tone knowingly and intentionally disseminated such false information in furtherance of a scheme to alienate Telano from Eagle's shareholders, officers and directors, as well as from SAIMA.
31. Prior to such incident, Brucculeri and Wong offered to buy out Telano's interest in the company for pennies on the dollar so that they could deal directly with SAIMA. Telano declined such offer.
32. Upon information and belief, Wong, who had been working closely with SAIMA in Brucculeri's offices in Astoria by that time, communicated to SAIMA that Telano had engaged in felonious conduct by pistol whipping Giammanico, and that Telano precipitated the attack on Giammanico in Eagle's warehouse.
33. The timing of this incident, which I believe to this day was a contrived by the Respondents herein to force Telano, Kyriacou and me to walk away from Eagle is rather curious. Within a week's time, and more specifically, on November 12, 2013, I received an email from Ray

Wong indicating that the company could no longer continue without an infusion of outside capital. I had been telling this to Brucculeri for at least two years prior to such time, but Brucculeri only insisted upon funding the company with his own money, or so I thought. Prior to this email, I had been working with Steve Bibas, a partner at RSSM, a top 100 Accounting and Consulting Firm in the United States, to find outside investors interested in investing in Eagle. Bibas was confident that he could find one or more investors willing to invest multi-millions of dollars in Eagle. Upon introducing Bibas to Brucculeri, Brucculeri advised that he and Wong would take over the negotiations, and I was effectively cut out of the process. Given my personal relationship with Bibas, I later learned from him that RSSM requested certain due diligence materials from Brucculeri and Wong, and that he had been put off for several months until a set of financials was finally provided to him for review. Upon reviewing the company's financials Bibas informed me that he had discovered significant financial irregularities, including what he believed to be approximately \$400,000.00 in bogus loan repayments to Brucculeri. Upon asking Brucculeri and Wong to explain this discrepancy, Bibas informed me that they stonewalled him.

34. On December 4, 2013, an email sent by Ray Wong addressing Eagle's finances, contained discussion questions for RSSM, raised the possibility of a \$250,000.00 buyout of Telano's interest in Eagle, and discussed the possibility of a 25% acquisition of Eagle, which was to be discussed with Bradlau. No such discussion was had. Instead, Wong resigned on December 10, 2013, whereupon he immediately started working for SAIMA at Brucculeri's office in Astoria. Six days later, SAIMA sent a letter to Eagle stating that it was terminating its agreement with Eagle due to, *inter alia*, Telano's alleged assault of Giammanico.

35. After such, Telano and I demanded to be provided with access to Eagles' books and records, as we were of the belief that Brucculeri and Wong had embezzled from Eagle. Access to such records was provide to us piecemeal by Bradlau, who served as a gatekeeper of sorts of such records. In fact, Bradlau prohibited us from copying the records, removing the records, sand howing the records to accountants, other financial advisors, and/or attorneys.
36. Ultimately, we were furnished with what we believe to be a substantial portion of Eagle's financial records. Upon review of these records, I was able to determine that despite my never seeing a dollar in profit from this company, and despite my having lost the entirety of my initial capital contribution in the company, George Bradlau earned \$422,367.81 in legal fees between 2009 and 2013. A breakdown of such is provided below:

LEGAL FEES EARNED BY BRADLAU AND TONE 2009-2013

2009	Consulting Bradlau Group, LLP	46,190.00
2010	Consulting Bradlau Group, LLP	203,389.66
2011	Consulting Bradlau Group, LLP	39,694.22
2012	Consulting Bradlau Group, LLP	6,382.50
2013	Consulting Bradlau Group, LLP	22,158.69
TOTAL		317,815.07

PORTAL EXPENSES SHEET (2009) – PRECEDES 3/1/10

9/17/09	Bradlau Group	11,797.00
10/13/09	Bradlau Group	1,187.00
10/30/09	Bradlau Group	16,190.00
11/16/09	Bradlau Group	15,000.00
12/17/09	Bradlau Group	15,000.00
TOTAL		59,174.00

PORTAL EXPENSES SHEET (2010) – PRECEDES 3/1/10

1/17/10	Bradlau Group	20,000.00
TOTAL		20,000.00

2013 Payments

1.2.13	George F. Bradlau	2,930.75
3.20.13	George F. Bradlau	4,897.90
4.23.13	George F. Bradlau	3,548.95
5.16.13	George F. Bradlau	6,089.97
7.24.13	George F. Bradlau	2,263.39
9.17.13	George F. Bradlau	2,771.78
11.18.13	George F. Bradlau	2,876.00
TOTAL		25,378.74

37. That upon information and belief, Bradlau drew sums of money from the company equal to or greater than the \$400,000.00 in alleged loan repayments that were taken by Brucculeri without my knowledge and consent, and that were taken in violation of the bogus shareholders' agreement he and Bradlau concocted, since Brucculeri drew checks from the company without having them executed by two signatories of the company as was required.

38. Given all of the above, it is my belief that Bradlau was not just Eagle's attorney, but, in fact, a silent investor who was siphoning large sums of cash from the company along with his law partner, Michael Tone, and that the two, together with Brucculeri and Wong, were plundering the company and diverting corporate opportunities to outside business entities such as Eveland Brothers, (as was referenced in the Petition). Moreover, I maintain that they did so with the knowledge, consent and cooperation of SAIMA.

39. It bears noting that following the *de facto* breakup of the company in late December 2013, I requested that Bradlau furnish me with copies of his itemized legal bills, as well as a copy of his retainer agreement with Eagle. My countless requests fell upon deaf ears. I have yet to receive any such documentation from Bradlau or Tone.

40. Also, following breakup of the company at the end of 2013, Attorney Bryan Lewis, acting on behalf of Brucculeri and Eagle, demanded that I repay a \$170,000.00 loan that was allegedly given to me by Brucculeri. Such demand was contained in his letter of September

22, 2014 to my former attorney, Richard Merritt. No such loan was ever made to me by Brucculeri. I can only surmise from the language of the shareholders' agreement regarding my responsibility to contribute \$170,000.00 to Eagle, the false financial information disseminated by Guadagnino at meetings, the assurances given to me by Bradlau that I need not worry about the \$170,000.00 I was "supposed to" contribute to the company, the \$175,000.00 I allegedly contributed to the company, and the \$170,000.00 loan Brucculeri took credit for, when in fact I should have received such credit (unbeknownst to me), that the Respondents, including Bradlau and Tone, conspired to defraud me and Telano, and as added security, Bradlau crafted the shareholders' agreement in such a way (and without my knowledge) that were I to protest, I would be leveraged with a demand to repay a bogus loan in the amount of \$175,000.00.

41. Next, some time after the breakup I came to learn that Brucculeri and Bradlau had known each other for quite some time prior to Bradlau's involvement with Eagle. In fact, I found out that Bradlau served as an integrity monitor for one of Brucculeri's company, either at Brucculeri's request, in which case Bradlau would have been on Brucculeri's payroll, or upon the request of a court in connection with a legal issue Brucculeri had previously faced. In either event, Bradlau never disclosed such prior relationship to me. I believe this was intentional, as he was secretly working to advance his own interests and those of Brucculeri, despite his claims that he was my attorney.
42. Clearly, pursuant to NY BCL 1104-a, Bradlau was party in control of the corporation, and he used that control alongside Tone, Brucculeri, Wong, and SAIMA to line his pockets and theirs all while depriving me and Telano of our investment and profits in Eagle. He did so knowingly, intentionally and fraudulently. He did so solely to advance his own financial interests.
43. In view of all the above, the instant motion to dismiss should be dismissed in its entirety and with prejudice.

Dated: Lynbrook, NY
August 1, 2019



VINCENT MONFREDO



Notary Public

Sworn to me this 1st day of August, 2019

Adam D. Glassman
Notary Public, State of New York
Registration Number: 02GL6045667
Qualified in Nassau County
Commission Expires January 29, 2023