FILED: NEW YORK COUNTY CLERK 05/27/2014

NYSCEF DOC. NO. 1

INDEX NO. 651618/2014

RECEIVED NYSCEF: 05/27/2014

Index No.

SUMMONS

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

GR US LICENSING, LP, a Delaware limited partnership, for itself and derivatively on behalf of THE FAT COW LLC, a California limited liability company,

Plaintiff,

-against-

ROWEN SEIBEL,

Defendant,

-and-

THE FAT COW LLC,

Nominal Defendant.

._____>

To the above named Defendant(s)

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, on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Plaintiff has designated the venue as New York County, pursuant to CPLR §§ 501 and 503(a) and (d). The basis for venue in New York County is made pursuant to CPLR §§ 501 and 503(a) and (d).

DATED: New York, New York

May 27, 2014

MITCHELL SILBERBERG & KNUPP LLP

By:

Paul D. Montclare, Esq. 12 East 49th Street, 30th Floor New York, New York 10017-1028

Telephone: (212) 509-3900 Facsimile: (212) 509-7239

Kevin E. Gaut, Esq. (*pro hac vice* application to be submitted) 11377 West Olympic Boulevard Los Angeles, CA 90064-1683

Telephone: (310) 312-2000 Facsimile: (310) 312-3100 Attorneys for Plaintiff

To: Rowan Seibel

The Fat Cow LLC

Plaintiff GR US Licensing, LP ("GR"), a Delaware limited partnership, in its individual capacity, and derivatively on behalf The Fat Cow, LLC, a California limited liability company, for its Complaint against Defendant Rowen Seibel ("Seibel"), alleges as follows:

INTRODUCTION

- 1. This action seeks judicial dissolution of two entities The Fat Cow, LLC, a California limited liability company and FCLA, LP, a Delaware limited partnership (together, the "Fat Cow Entities") and is a first step in thwarting Defendant Rowen Seibel's fraudulent scheme to freeload upon the renown and acumen of celebrity chef Gordon Ramsay ("Mr. Ramsay"), whose related entity is Plaintiff GR. Seibel has been engaged in a concerted effort to usurp Mr. Ramsay's invaluable name, trademarks, and restaurant concepts through, among other things, outright and worldwide misrepresentations about Seibel's rights to them.
- 2. Mr. Seibel first became involved with Mr. Ramsay in 2011 by falsely telling Mr. Ramsay that he needed Seibel to provide contacts essential for Las Vegas restaurant ventures.

Then, when Seibel learned in 2012 that Mr. Ramsay intended to open a new restaurant in Los Angeles to be called "The Fat Cow," Seibel begged to be included, this time falsely promising Mr. Ramsay that Seibel would be an invaluable partner because of his significant restaurant experience. GR and Seibel formed the Fat Cow Entities to jointly own and operate the restaurant.

- 3. Having inveigled Mr. Ramsay to include him in The Fat Cow, Seibel took control of the restaurant and proved egregiously inept in its management. As a result, the restaurant had food, service and business operations far below Mr. Ramsay's exacting standards. Siebel's incompetent operations generated negative restaurant reviews and criticism from the restaurant's landlord.
- 4. Because of Seibel's misconduct, The Fat Cow faced mounting losses and also legal proceedings. For example, Seibel's team mis-paid certain employees, resulting in thousands of dollars in penalties and back wage assessments from the California Labor Commissioner. Seibel hid these proceedings from Mr. Ramsay. Eventually, other employees filed a class action lawsuit complaining about pay and labor practices implemented under Seibel's control.
- 5. Belatedly Mr. Ramsay was forced to select and assign new and competent The Fat Cow management in an effort to save the restaurant. However, Seibel refused to cooperate in any reasonable steps to solve the problems he had created. For example, Seibel refused to contribute his share of the funds needed to pay lawyers to defend the class action lawsuit, and after promising to attend a meeting to attempt settling the lawsuit, Seibel never showed.
- 6. At the height of these restaurant problems, Mr. Seibel stole from the restaurant account, worsening its fiscal shortfall. After the fact, Mr. Ramsay learned that, while operating

the restaurant, Seibel had also engaged in other self-dealing transactions by which he personally benefitted from contracts of The Fat Cow vendors and enriched himself through (or advocated for) other dishonest dealings.

- 7. The restaurant also faced trademark issues. The parties had agreed to name the restaurant The Fat Cow, despite acknowledging in writing from the outset that both knew of possible trademark concerns because a Florida restaurant was using the Spanish version of a related name. When the trademark issue came to a head in 2013, Seibel ignored the problem and left Mr. Ramsay to negotiate a solution. Mr. Ramsay's representatives obtained a temporary right to continue using "The Fat Cow" trademark, but that right ended in early 2014.
- 8. Despite an agreement that The Fat Cow business partners would make joint decisions, Seibel rejected Mr. Ramsay's suggestion that the restaurant should close and unilaterally demanded in late 2013 and 2014 that the restaurant continue operating, while at the same time refusing to provide funds needed to do so or to provide solutions to the trademark problems. Ultimately, GR alone contributed monies to meet rent and other restaurant obligations. Seibel did and contributed nothing.
- 9. Eventually, the restaurant closed due to the losses caused by Seibel's derelictions and the trademark issues. But Seibel tried to shift the blame to Mr. Ramsay and continued to engage in misconduct that increased the venture's losses. For example, with full disclosure and acquiescence from Seibel, Mr. Ramsay suggested to the The Fat Cow landlord that, once the old restaurant closed, Mr. Ramsay could start a new restaurant on the leased premises under Mr. Ramsay's sole and expert control. Starting such a new restaurant could have discharged the old restaurant's rent obligation. Seibel did not thank Mr. Ramsay for the effort. Instead, Seibel filed a related lawsuit in this Court, making the false and nonsensical claim that Mr. Ramsay, a

successful television star and renowned restaurateur with a reputation for perfection, fraudulently induced Seibel to participate in The Fat Cow restaurant project with the intent to secretly cause it to fail by producing a poor quality product and miring it in legal troubles so that he could then close the restaurant, make off with Seibel's money, and reopen a new restaurant in the same location. The claim is nonsense. Now, no new restaurant has been or will be opened. As a result, the landlord has asserted substantial and ongoing rent obligations arising from the original restaurant.

- 10. Seibel's related lawsuit rewrote history in other ways. For example, it falsely claims that Mr. Ramsay had promised that he alone would fix the trademark issue, when the parties' written agreement plainly provides otherwise.
- 11. While engaging in misconduct at The Fat Cow, Seibel began interfering more broadly with Mr. Ramsay's business interests. Seibel has traveled throughout the world blatantly mischaracterizing his rights under agreements governing restaurant ventures involving Mr. Ramsay, and in doing so has falsely claimed rights to invaluable Ramsay trademarks and concepts which Seibel does not hold.
- 12. In short, Seibel has tried to ride Mr. Ramsay's star, but through his own fraud, misconduct, and derelictions, brought the The Fat Cow restaurant crashing down, while falsely blaming Mr. Ramsay and otherwise interfering with his rights. This lawsuit begins efforts to disassociate Seibel from Mr. Ramsay's empire by dissolving the two Fat Cow Entities. Dissolution is required because:
 - The Fat Cow Entities require that all decisions be made through unanimous agreement of the parties. At this point, no such agreements are possible and have not been possible for some time.

- The Fat Cow Entities were formed to operate The Fat Cow and perhaps extend the restaurant concept to other locations if both parties agreed. The original The Fat Cow is now closed, and GR and Mr. Ramsay will not agree to operating any other such restaurant. The Fat Cow Entities thus serve no function, other than fostering Seibel's efforts to misrepresent the scope of his purported relationships with Mr. Ramsay and providing Seibel potential future opportunities for self-dealing.
- GR is under no obligation to continue operating the Fat Cow Entities with a man who has proven incompetent and dishonest, who has interfered with Mr.

 Ramsay's business operations by misrepresenting worldwide his authority to the Ramsay name, trademarks, and concepts, who has caused significant losses at The Fat Cow but eschewed any responsibility for doing so, and who has filed a malicious and concocted lawsuit against Mr. Ramsay. Continued association with Siebel through the Fat Cow Entities will only sully Mr. Ramsay's reputation.

PARTIES AND DERIVATIVE CLAIMS

- 13. Plaintiff GR US Licensing, LP ("GR") is a Delaware limited partnership which maintains its principal place of business in the State of Delaware, and related to chef Gordon Ramsay.
- 14. Upon information and belief, Defendant Rowen Seibel ("Seibel") resides in the State of New York.
- 15. The Nominal Defendant The Fat Cow LLC is a California limited liability company.
- 16. GR brings the Second Cause of Action on its own behalf and derivatively on behalf of The Fat Cow, LLC.

17. For reasons set forth in the allegations in this complaint, it would be futile to seek Seibel's consent to dissolving The Fat Cow LLC, or to seek Seibel's consent to The Fat Cow, LLC commencing this action for the dissolution of FCLA, LP.

JURISDICTION AND VENUE

- 18. This Court has personal jurisdiction over Defendant Seibel pursuant to New York Civil Practice Law and Rules section 301 because Seibel resides within this State.
- 19. Venue is proper in the County of New York under New York Civil Practice Law and Rules sections 501 and 503.
- 20. Pursuant to the Limited Partnership Agreement of FCLA, LP (described below), Seibel has consented to personal jurisdiction and venue in this Court.

STATEMENT OF FACTS

- 21. On about October 12, 2012, GR and Seibel entered into a "Limited Liability Company Agreement of The Fat Cow, LLC" in order to form The Fat Cow, LLC as a California limited liability company.
- 22. GR and Seibel are the only Members and owners of The Fat Cow, LLC. GR and Seibel each have a 50% membership interest in The Fat Cow, LLC.
- 23. The Limited Liability Company Agreement of The Fat Cow, LLC calls for The Fat Cow, LLC to be managed through the unanimous consent of two managers, one manager designated by GR and one manager designated by Seibel. Seibel has designated himself as his manager and GR has designated Mr. Ramsay as its manager.
- 24. On about October 12, 2012, GR, Seibel, and The Fat Cow, LLC entered into a "Limited Partnership Agreement of FCLA, LP" in order to form FCLA, LP as a Delaware limited partnership.

- 25. GR and Seibel are the only limited partners of FCLA, LP. The Fat Cow, LLC is the only general partner of FCLA, LP. GR and Seibel each have a 49% limited partnership interest in FCLA, LP. The Fat Cow, LLC has a 2% partnership interest in FCLA, LP. Under the terms of the Limited Partnership Agreement of FCLA, LP, The Fat Cow, LLC makes all decisions for FCLA, LP. As a result, and because all decision for The Fat Cow, LLC must be made unanimously by its managers Mr. Ramsay and Seibel, decisions for FCLA, LP must also be made unanimously by them.
- 26. FCLA, LP was formed for the purpose of developing, owning, and operating a restaurant to be known as The Fat Cow at the Grove, an upscale retail and entertainment complex in Los Angeles, California.
- 27. GR and Seibel, through The Fat Cow, LLC and FCLA, LP, planned to develop The Fat Cow into a successful restaurant at The Grove. If the inaugural The Fat Cow proved successful, GR and Seibel potentially intended to use The Fat Cow, LLC as a vehicle for licensing the "The Fat Cow" mark and concept for use at other future restaurant locations, if both parties agreed.
- 28. The Fat Cow restaurant at The Grove (the "Restaurant") opened in about October 2012.
- 29. Seibel assumed initial management responsibility over the Restaurant. He did so with utter incompetence, with the result that the Restaurant's food, service and business operations were far below the exacting Ramsay standards.
- 30. On or about June 13, 2013, a wage and hour class action was filed against, inter alia, FCLA, LP and The Fat Cow, LLC, on behalf of a class of hourly employees at the Restaurant. The lawsuit alleges that, as a result of Seibel's management practices, the Restaurant

failed to provide those employees with proper meal and rest breaks, failed to pay all wages to which those employees were entitled, failed to timely pay those employees, and failed to provide those employees with timely and accurate wage statements. As a result of Seibel's management practices, at least one other employee filed successful claims with the California Labor Commissioner, which claims Seibel hid from GR and Mr. Ramsay.

- 31. As a result of Seibel's incompetent management, the Restaurant lost money. GR was belatedly forced to appoint new and competent management. GR requested that Seibel provide funds to continue and improve operations and for defense of the ongoing class action lawsuit. Seibel repeatedly refused to provide any such funds. As a result, GR was forced in late 2013 to provide its own additional operating and defense funds without contribution from Seibel. The Restaurant could not have continued operations without that unilateral infusion by GR.
- 32. After the Restaurant opened, a dispute over the "The Fat Cow" trademark arose with a restaurant in Florida. The Florida restaurant alleged that The Fat Cow, LLC and FCLA, LP were infringing on its trademark by their use of "The Fat Cow." That dispute was settled with FCLA, LP and The Fat Cow, LLC agreeing that they would discontinue use of the "The Fat Cow" name. Seibel did nothing to resolve the dispute, leaving representatives of GR and Mr. Ramsay to resolve it on their own.
- 33. By early 2014, the Restaurant could not continue to operate because: (a) it was unprofitable due in part to the legal proceedings caused by Seibel, and could not pay its bills without additional contributions from Seibel, which he refused to make; (b) the terms of the trademark dispute resolution precluded further use of the "The Fat Cow" name; and (c) the parties could not agree on who should manage the Restaurant, how it could be managed in a manner that met appropriate standards, or whether it should continue operating. Despite his own

acts precluding continued operation of the Restaurant, Seibel unilaterally demanded – in violation of the provisions in the applicable agreements requiring unanimity – that the Restaurant remain open. It nevertheless closed because it simply could no longer operate.

- 34. Seibel has, without consent, authority, or right of any kind, withdrawn funds including most recently \$10,000.00 from FCLA, LP accounts. Seibel has also personally enriched himself by making self-dealing agreements with The Fat Cow vendors and through other dishonest dealings or attempted dealings.
- 35. Seibel has filed a lawsuit against Mr. Ramsay and GR making malicious and false accusations about The Fat Cow. Seibel has also interfered with the business operations of Mr. Ramsay and his associated entities by misrepresenting, worldwide, his purported rights to license Mr. Ramsay's associated names, trademarks, and restaurant concepts. Seibel has done so intentionally.
- 36. Seibel has in bad faith attempted to preclude Mr. Ramsay's opening of a new restaurant on the original leased premises, even though a new such restaurant could have limited back rent liability for the original The Fat Cow and is expressly permitted by the terms of the Limited Partnership Agreement of FCLA, LP. Now, no such restaurant will be opened.
- 37. Seibel has refused to cooperate in having The Fat Cow, LLC and FCLA, LP file for bankruptcy. Seibel's refusal to consent to the filing of bankruptcy has caused FCLA, LP and The Fat Cow, LLC to incur additional debts, including for defending the class action, which would not have been incurred had bankruptcy been filed.

COUNT I

(For Dissolution Of The Fat Cow, LLC By GR)

38. GR incorporates the allegations contained in paragraphs 1 through 37.

- 39. Section 17707.03(b)(1) of the California Revised Uniform Limited Liability Company Act ("RULLCA") provides that a limited liability company may be dissolved by the Court when "[i]t is not reasonably practicable to carry on the business in conformity with the articles of organization or operating agreement."
- 40. Section 17707.03(b)(2) of the California RULLCA provides that a limited liability company may be dissolved by the Court when "[d]issolution is reasonably necessary for the protection of the rights or interests of the complaining members."
- 41. Section 17707.03(b)(3) of the California RULLCA provides that a limited liability company may be dissolved by the Court when "[t]he business of the limited liability company has been abandoned."
- 42. Section 17707.03(b)(4) of the California RULLCA provides that a limited liability company may be dissolved by the Court when "[t]he management of the limited liability company is deadlocked or subject to internal dissention."
 - 43. Dissolution is required under these provisions because:
 - The entity no longer serves any purpose. It was formed for the purposes of: (a) being the General Partner of FCLA, LP, an entity owning The Fat Cow, a restaurant now closed and never to be re-opened; and (b) potentially to provide similar services for other "The Fat Cow" restaurants if there was unanimous agreement to form them. GR will make no such agreement.
 - Management is deadlocked. The sole members, GR and Seibel, and their
 management designees, Seibel and Mr. Ramsay, have not agreed and cannot agree
 on anything concerning the Restaurant or any other operations of The Fat Cow,

- LLC or FCLA, LP. Indeed, the parties are bitterly opposed in the malicious ongoing related lawsuit filed by Seibel, illustrating their inability to agree.
- GR needs protection from any further involvement with Seibel, as such an
 affiliation sullies GR's own reputation, and provides further opportunities for
 Seibel to engage in self-dealing for his own enrichment and to make selfinterested misrepresentations about his authority over the invaluable Ramsay
 name, trademarks and concepts.
- 44. Accordingly, judicial dissolution of The Fat Cow, LLC should be granted.

COUNT II

(For Dissolution Of FCLA, LP By GR Individually And Derivatively On Behalf Of The Fat Cow, LLC)

- 45. GR incorporates the allegations in paragraphs 1 through 44.
- 46. Section 17-802 of the Delaware Revised Uniform Limited Partnership Act provides that a limited partnership may be dissolved by the Court when it is "not reasonably practicable to carry on the business in conformity with the partnership agreement."
- 47. It is no longer reasonably practicable for FCLA, LP to operate the Restaurant in conformity with the partnership agreement. The Restaurant has closed because of financial issues, the inability of The Fat Cow, LLC managers to agree on restaurant operations, and the trademark dispute. The parties are hopelessly deadlocked and engaged in bitter litigation, and FCLA, LP has no ongoing business. Perpetuation of the entity serves no purpose, other than providing opportunities for Seibel to engage in self-dealing for his own enrichment and to make self-interested misrepresentations about his authority over the invaluable Ramsay name, trademarks and concepts. Further perpetuation of the entity will also sully the reputation of GR and Mr. Ramsay through prolonging the association with Seibel.

48. Accordingly, judicial dissolution of FCLA, LP should be granted. Such dissolution should include appropriate accounting to GR for the additional amounts it has provided to FCLA, LP in amounts not matched by Seibel.

WHEREFORE, GR, individually and derivatively on behalf of The Fat Cow LLC, demands that judgment be entered ordering:

- 1. on the First Cause of action, the dissolution of The Fat Cow, LLC, and the winding up of its affairs;
- 2. on the Second Cause of Action, dissolution of FCLA, LP, and the winding up its affairs; and
- 3. the award Plaintiff attorneys' fees and costs, and such other and further relief as this Court deems proper.

DATED: New York, New York May 27, 2014 MITCHELL SILBERBERG & KNUPP LLP

By: Paul D. Montclare

pdm@msk.com

12 East 49th Street, 30th Floor New York, New York 10017-1028

Telephone: (212) 509-3900 Facsimile: (212) 509-7239

and

Kevin E. Gaut, Esq. (admitted in California: pro hac vice motion to be submitted)

keg@msk.com

11377 West Olympic Boulevard Los Angeles, California 90064-1683

Telephone: (310) 312-2000 Facsimile: (310) 3012-3100

Attorneys for Plaintiff