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GF OFFSHORE ENERGY AND RESOURCES LTD., a Nevada Corp.

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

GF OFFSHORE ENERGY AND
RESOURCES LTD., a Nevada
corporation,

Plaintiff(s),

vs.

ADAMS S. TRACY, an individual;
SECURITIES COMPLIANCE
GROUP, LTD., an Illinois
corporation; DOES 1 through 10,
Inclusive,

Defendant(s).

Case No.:

COMPLAINT FOR:

- (1) BREACH OF AGREEMENT**
- (2) SPECIFIC PERFORMANCE**
- (3) FRAUD**
- (4) VIOLATION OF SECTION 10(b)-5
OF THE SECURITIES AND
EXCHANGE ACT AND RULE
10(b)(5)**
- (5) BREACH OF FIDUCIARY DUTY**
- (6) CONVERSION**
- (7) LEGAL MALPRACTICE**
- (8) MISREPRESENTATION**
- (9) CONVERSION**
- (10) CONFLICT OF INTEREST**

DEMAND FOR JURY TRIAL

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1 Plaintiff GF OFFSHORE ENERGY AND RESOURCES, LTD., a Nevada
2 Limited Liability Company, hereby alleges in its Complaint for damages, as more
3 fully set forth below. The factual allegations set forth herein, have evidentiary
4 support or, to the extent they are contained in a paragraph made upon information
5 and belief, likely will have evidentiary support after a reasonable opportunity for
6 further investigation or discovery.

7 **PARTIES**

8 1. Plaintiff GF OFFSHORE ENERGY AND RESOURCES, LTD.
9 (hereinafter referred to as "GF OFFSHORE") is, and was at all times mentioned
10 herein, a corporation duly organized under the laws of the State of Nevada, having
11 its principal place of business in Malaysia, with offices in Nevada.

12 2. Defendant Adam S. Tracy ("Tracy") is, and was at all times mentioned,
13 an individual operating in Chicago, Illinois and in Beverly Hills, California. Tracy
14 is a licensed lawyer, approved for practice in Illinois, Michigan and certain Federal
15 Courts.

16 3. GF OFFSHORE is informed and believes, and based thereon alleges,
17 that Securities Compliance Group ("SCG"), is an Illinois corporation, was and is
18 the alter-ego of Tracy and that Tracy, at all relevant times, dominated, influenced
19 and controlled Securities Compliance Group; that at all times herein mentioned,
20 there existed and exists, a unity of ownership and management between them; that
21 the individuality and separateness of SCG and Tracy is non-existent; that SCG was,
22 and is, a mere shell and naked framework which Tracy, through Securities
23 Compliance Group used to conduct his affairs; that the assets of Tracy and
24 Securities Compliance Group were and are intermingled with the other to suit each
25 other's convenience; that SCG has failed to observe corporate formalities in the
26 conduct of its business, and that SCG was, and remains, inadequately capitalized;
27 and that an injustice and fraud upon GF OFFSHORE will result if the theoretical
28

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1 separateness of SCG is not disregarded and Tracy and SCG held responsible for the
2 sums and relief herein sought.

3 4. GF OFFSHORE is informed and believes, and based thereon alleges,
4 that the Individual Defendant and his associates, by reason of their direct and
5 substantial management positions and responsibilities during the time relevant to
6 this Complaint were "controlling persons" of SCG within the meaning of Section
7 20 of the Exchange Act, had the power and influence to control SCG, and exercised
8 such control to cause SCG to engage in the violations and improper practices
9 complained of herein.

10 5. GF OFFSHORE is informed and believes, and based thereon alleges,
11 that at all times herein mentioned the Individual Defendants were the agents and/or
12 employees of SCG, and in doing the things hereinafter alleged, were acting within
13 the course and scope of such agency and/or employment; that in doing the acts and
14 omissions herein alleged, each defendant acted with the knowledge, permission, and
15 consent of every other defendant; and that each defendant aided and/or abetted the
16 other defendants in the acts and omissions alleged herein.

17 6. Plaintiff is ignorant of the true names and capacities of defendants sued
18 herein as Does 1 through 10, inclusive, and therefore sues said defendants by such
19 fictitious names. Plaintiff GF OFFSHORE will amend this complaint to allege the
20 true names and capacities of said defendants when they are ascertained. Plaintiff
21 GF OFFSHORE is informed and believes and, on that basis, alleges that each of the
22 fictitiously named defendants is responsible in some manner to pay the obligations
23 described herein, and that Plaintiffs' losses as alleged herein were proximately
24 caused by said defendants' conduct.

25 7. Unless otherwise specified, Defendant TRACY, SCG, and DOES 1-10
26 will be referred collectively herein simply as "Defendants."

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1 **JURISDICTION AND VENUE**

2 8. This Court has jurisdiction over this matter under 28 U.S.C. § 1332 in
3 that there is complete diversity between the parties and the amount in controversy
4 exceeds \$75,000, exclusive of interests and costs. Further, this Court has subject
5 matter jurisdiction over the action pursuant to § 27 of the Securities Exchange Act
6 of 1934 (hereinafter referred to as the "Exchange Act"), 15 U.S.C. section 78aa and
7 28 U.S.C. section 1331 (federal question).

8 9. This Court has jurisdiction over the subject matter of this action
9 pursuant to 28 U.S.C. § 1331 and § 27 of the Exchange Act (15 U.S.C. §78aa).

10 10. This Court has Supplemental Jurisdiction over the California State law
11 violations pursuant to 28 U.S.C. § 1367.

12 11. Venue is proper in this Court pursuant to 28 U.S.C. §1391(a) and §27
13 of the Exchange Act (15 U.S.C. §78aa) because many of the acts, omissions, and
14 practices complained of herein occurred in substantial part in this District.
15 Defendants' firm is located in this District, and Defendants Adam S. Tracy and
16 Securities Compliance Group Ltd. have a principal place of business in this District,
17 transact substantial business here, and many of the acts, transactions, and
18 occurrences alleged below, occurred in this district.

19 **FIRST CLAIM FOR RELIEF**

20 ***(Breach of Agreement to Deliver the Control of China Ivy***
21 ***Against All Defendants)***

22 12. GF OFFSHORE refers to the allegations contained in Paragraphs 1
23 through 11 of this Complaint, inclusive, and by reference thereto, incorporates the
24 same herein as though fully set forth.

25 13. Tracy is a lawyer, licensed in Illinois and Michigan, operating a
26 business and/or law firm (Securities Compliance Group, Ltd.), with offices in
27 Wheaton, Illinois and Beverly Hills, California, dealing, at times, in the securities
28 of small or micro-cap trading public companies, sometimes as a lawyer and

1 sometimes as a shareholder, or an alleged shareholder of those companies. Tracy
2 advertises that the SCG firm is “*The Entrepreneur’s Accelerator*” and that it assists
3 fledgling companies in listing their securities in the over-the-counter market, or aids
4 them in their compliance with various regulatory issues that arise for public
5 companies, to include liaison with the Securities and Exchange Commission
6 (“SEC”) and can assist them in becoming publicly traded if they are private. Their
7 web site proclaims:

8 *Our business attorneys are dedicated to finding exclusive, efficient,*
9 *and highly effective solutions for our clients. As experienced securities*
10 *attorneys in Illinois, California and surrounding areas, we have the*
11 *privilege of serving the legal needs of businesses in Wheaton and*
12 *Beverly Hills, Chicago and Los Angeles.*

13
14 *From our offices in Wheaton and Beverly Hills, we assist clients*
15 *nationwide with matters involving business law, corporate law, and*
16 *securities law. The decision to become a publicly traded company or*
17 *entity requires significant planning and coordination, and our firm is*
18 *particularly adept at taking preventive measures to protect your rights,*
19 *assets, and interests during every stage of business development.*

20
21 In consideration for SCG’s or Tracy's services, these incipient companies
22 typically compensate Tracy for his services in cash and sometimes in capital stock
23 of the companies themselves.

24 14. China Ivy School, Inc. (“China Ivy”) is a corporation, chartered under
25 the laws of Nevada, which Tracy gained control of through proceedings in Nevada,
26 such that Tracy is the alleged representative or trustee for the entity, and functions
27 as its controlling shareholder. Tracy also acts as its president and Chief Executive
28 Officer, either through a corporate entity identified in SEC filings as Sunset Suits

1 Holdings, Inc., of which he is the actual president, or individually, depending upon
2 the filings being made or contracts being executed. China Ivy was a fully-reporting
3 company, filing quarterly and annual reports with the SEC until it fell behind in
4 these obligations over five years ago. It has filed a de-registration statement, signed
5 by Tracy in his guise as the acting president of the corporation, on February 11,
6 2016. This filing sought to release China Ivy from its obligations to file the
7 necessary reports with the SEC, and de-registrations are generally effective 90 days
8 after their submission date. At the time of the February, 2016 filing, the corporation
9 was stated to have approximately 27 shareholders. From all records available, the
10 corporation was bereft of funds and was not engaged in an active business during
11 2015.

12 15. During 2015, the predecessors-in-interest of GF OFFSHORE entered
13 into a written series of emails with Tracy pursuant to which Tracy and/or SCG
14 would cause control of China Ivy to be transferred to GF OFFSHORE in exchange
15 for payment of approximately \$100,000 to SCG for Tracy's services in conducting
16 this transaction and delivering the controlling interest in China Ivy to GF
17 OFFSHORE, among other promises

18 16. On October 6, 2015, Tracy advised authorized agents of GF
19 OFFSHORE that, *“Upon my receipt of the remaining contractual balance due of*
20 *\$29,809, I will proceed with finishing my end of the arrangement. This includes,*
21 *changing the name of the company, restructuring the company to include new*
22 *investors, inserting operating assets into the company, and turning control of the*
23 *company over to the proper parties, among other matters.”* This payment was made
24 on October 7 and confirmed by Tracy on October 13, 2015. Since that date, no
25 further progress has been made and not one of the promises contained within the
26 emphasized statement has been completed. More promises of performance have
27 been made but only further delay has been the result.

28

1 17. In December of 2015, agents of GF OFFSHORE were advised that
2 they would have to pay the transfer agent's fees for the public company, in that all
3 public companies are required to engage and pay for a third-party company to
4 handle their share issuances and transfers. An agreement was delivered to
5 Plaintiff's agents, dated December 1, 2015, between GF OFFSHORE and Cathedral
6 Stock Transfer, LLC, and designated as the Transfer Agent and Registrar
7 Agreement between the company and the transfer agent. At that point in time GF
8 OFFSHORE was a private company, not public, was not trading and had no need
9 for a transfer agent. This agreement was for the benefit of China Ivy, the
10 corporation dominated and controlled by Tracy, and which did need a transfer agent,
11 although it already had one: Cathedral Stock Transfer. The one-time payment,
12 represented by agents of SCG to be a very good deal, was \$30,000; allegedly a steep
13 discount from the \$37,200 that would be paid if the payments were made on a
14 monthly basis. *Transfer Online*, a well-regarded and widely used transfer agency,
15 quotes \$550 per month for 3,000 shareholders. GF OFFSHORE actually paid the
16 \$30,000, in December of 2015, to Tracy. Tracy owns the transfer agency.

17 18. In February of 2016, Tracy advised the Plaintiff that he needed a
18 further \$8,000 for listings with OTC Markets, a company that effectively operates
19 the Over-The-Counter marketplace in the United States, and an additional \$675 for
20 fees due to the State of Nevada for GF OFFSHORE. This money was immediately
21 wired to his trust account on February 25, 2016. Those funds were transferred to
22 him in trust, for onward disbursement to the State of Nevada and to OTC Markets,
23 not as additional fees due Tracy or SCG. Neither the State of Nevada, nor OTC
24 Markets has been paid by Tracy as of the filing of this litigation, some six months
25 later.

26 19. During negotiations attempting to resolve the problems described
27 above, GF OFFSHORE learned that other persons and entities were being offered
28 control of China Ivy, on a program or package similar to the proposal given to GF

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1 OFFSHORE by Tracy and that Tracy was treating China Ivy as an asset over which
2 he exercised dominion and control, counter to the commitments made to GF
3 OFFSHORE.

4 20. After a multiplicity of attempts to resolve these issues and failures, GF
5 OFFSHORE determined that the court system would provide its only recourse and
6 instituted the current law suit to recover its advances and all other losses incident to
7 and resulting from the misdirections, deceit and fraud perpetrated by the defendants.

8 21. Despite demand therefor, Tracy has refused to transfer control of China
9 Ivy via share certificate, new share issuance or otherwise to GF OFFSHORE, thus
10 preventing GF OFFSHORE from owning its controlling interest in shares of China
11 Ivy stock and operating as a trading public company. Further, Defendants have been
12 denying GF OFFSHORE its rights as the presumptive controlling shareholder in
13 China Ivy by refusing to provide it with notices of shareholder meetings and
14 refusing thereby to ensure its participation and consent in matters and decisions
15 which require shareholder involvement and/or consent.

16 22. GF OFFSHORE has performed all conditions and obligations required
17 to be performed by it under the Agreement, except for those conditions that were
18 excused by the acts or conduct of the Defendants or which the Defendants prevented
19 GF OFFSHORE from performing.

20 23. Because of the Defendants' failure to perform, GF OFFSHORE has
21 lost all of the funds paid to Tracy and has received nothing in exchange for those
22 payments, an amount in excess of \$101,310 when interest is added.

23 **SECOND CLAIM FOR RELIEF**

24 ***(Specific Performance of Agreement to Deliver Control of China Ivy***
25 ***Against All Defendants)***

26 24. GF OFFSHORE refers to the allegations contained in paragraphs 1
27 through 24 of this Complaint, inclusive, and by reference thereto, incorporates the
28 same herein as though fully set forth.

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1 25. Defendants repudiated their obligations under the Agreement by
2 deliberately diverting the delivery of the controlling share certificates or issuing
3 new certificates to themselves, by thereafter withholding the China Ivy equity
4 interests (certificates) from GF OFFSHORE, by failing to advise GF OFFSHORE
5 that they had were holding on to the China Ivy certificates and by refusing and
6 continuing to refuse to deliver the China Ivy certificates to GF OFFSHORE. GF
7 OFFSHORE has performed all conditions and obligations required to be performed
8 by it under the Agreement, except for those conditions that were excused by the acts
9 or conduct of the Defendants or which the Defendants prevented GF OFFSHORE
10 from performing.

11 26. The consideration in the Agreement is adequate and the terms of the
12 Agreement are just and reasonable.

13 27. GF OFFSHORE has no adequate remedy at law in that the shares of
14 China Ivy to be transferred to GF OFFSHORE are unique and thus, damages would
15 be difficult to ascertain and would not afford adequate relief. GF OFFSHORE is
16 entitled to an order requiring Defendants to convey to GF OFFSHORE certificates
17 constituting the controlling interest in China Ivy.

18 **THIRD CLAIM FOR RELIEF**

19 ***(Fraud and Deceit Regarding Delivery of the China Ivy Certificates***
20 ***Against All Defendants)***

21 28. GF OFFSHORE refers to the allegations contained in paragraphs 1
22 through 27 of this Complaint, inclusive, and by reference thereto, incorporates the
23 same herein as though fully set forth.

24 29. GF OFFSHORE alleges that during 2015, and as recently as October
25 6, 2015, Tracy, individually and through Securities Compliance Group, represented
26 to GF OFFSHORE that as a controlling shareholder of record as of that date, the
27 Defendants would deliver to GF OFFSHORE their controlling position in China
28 Ivy.

1 30. GF OFFSHORE alleges that receipt of controlling position in China
2 Ivy was a material inducement to GF OFFSHORE in agreeing to engage, participate
3 and invest in and with Tracy, and in choosing to purchase its position as a China
4 Ivy shareholder. GF OFFSHORE further reasonably and justifiably relied on
5 Defendants' omissions as to the actual dates of transfer or share issuance.
6 Defendants' omissions prevented GF OFFSHORE from conducting any of its
7 business in and with China Ivy. At the times the representations were made by Tracy
8 or the Securities Compliance Group on Tracy's behalf, GF OFFSHORE was
9 ignorant of their falsity and believed them to be true.

10 31. GF OFFSHORE is further informed and believes, and based thereon
11 alleges, that the true facts are that Defendants had no honest and good faith intention
12 to honor the terms of the Agreement in that, among other things, Defendants
13 thereafter failed to disclose to GF OFFSHORE that the controlling interests in China
14 Ivy were being withheld, to be sold to others, and Defendants withheld and continue
15 to withhold the controlling interest in China Ivy from GF OFFSHORE. GF
16 OFFSHORE is further informed and believes, and based thereon alleges, that
17 Defendants never intended to perform these promises when they were made but
18 made the promises intending that GF OFFSHORE would rely on these promises.
19 Rather, Defendants had always intended to wrongfully delay the delivery of the
20 China Ivy certificates to GF OFFSHORE to prevent GF OFFSHORE from trying
21 to sell additional shares in China Ivy to enhance its capitalization, and in truth
22 intended to sell the controlling position to others.

23 32. As a direct and proximate result of Defendants' fraud, GF OFFSHORE
24 has been damaged in an amount to be proven at trial but, in no event less than the
25 jurisdictional minimum of this Court. GF OFFSHORE is informed and believes,
26 and based thereon alleges, that Defendants, in doing the acts and making the
27 misrepresentations and fraudulent concealments as set forth above, acted
28 purposefully to induce GF OFFSHORE to invest in and with Tracy, who, as a

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1 controlling shareholder has continued to maintain the Defendants' interest in the
2 company, and to delay GF OFFSHORE's demand for and receipt of the China Ivy
3 certificates necessary to obtain the controlling interest in China Ivy.

4 33. GF OFFSHORE is informed and believes, and based thereon alleges,
5 that Defendants, in doing the acts and making the misrepresentations and fraudulent
6 concealments as set forth above, acted purposefully to induce GF OFFSHORE to
7 deliver funds to Tracy as the controlling shareholder, even though he was continuing
8 to maintain his interest in the company, delaying GF OFFSHORE's demand for the
9 China Ivy certificates and thereby to keep GF OFFSHORE in the dark concerning
10 Defendants' true intentions, all to the detriment of GF OFFSHORE and in conscious
11 disregard of GF OFFSHORE's rights. In so doing, Defendants acted maliciously
12 and fraudulently with the direct purpose and plan to oppress GF OFFSHORE, to
13 injure and financially damage GF OFFSHORE for Defendants' financial gain and
14 advantage, and by reason thereof, GF OFFSHORE prays herein for and alleges that
15 GF OFFSHORE is entitled to recover exemplary and punitive damages by way of
16 making an example of and punishing Defendants.

17 **FOURTH CLAIM FOR RELIEF**

18 *(Violation of Section 10(b) of the Exchange Act and Rule 10(b)(5)*

19 *Against All Defendants)*

20 34. GF OFFSHORE refers to the allegations contained in paragraphs I
21 through 33 of this Complaint, inclusive, and by reference thereto, incorporates the
22 same herein as though fully set forth.

23 35. This claim arises under Section 10(b) of the Exchange Act, 15 U.S.C.
24 § 78j(b) and Rule 10b-5 promulgated thereunder. In connection with the acts alleged
25 in this Complaint, Defendants, directly or indirectly, used the means and
26 instrumentalities of interstate commerce, including the mails, telephone
27 communications, and the facilities of the national securities exchanges.

28 ///

1 36. At all relevant times Defendants, individually and in concert, directly and
 2 indirectly, engaged and participated in a continuous course of conduct and conspiracy
 3 to conceal and frustrate the issuance of the China Ivy certificates to GF OFFSHORE
 4 and to withhold the same from GF OFFSHORE to prevent GF OFFSHORE from
 5 operating China Ivy. Defendants employed devices, schemes, and artifices to defraud
 6 and recklessly engaged in acts, practices, and a course of conduct as herein alleged in an
 7 effort to manipulate the market prices for the common stock of China Ivy by limiting
 8 controlling the available supply thereof.

9 37. The Individual Defendants acted as controlling persons of China Ivy
 10 within the meaning of Section 20(a) of the Exchange Act. By reason of their positions
 11 as senior officers and directors of China Ivy, the Individual Defendants had the power
 12 and authority to cause or to prevent the wrongful conduct complained of herein.

13 38. Defendants' acts and practices operated as a fraud and deceit upon GF
 14 OFFSHORE in connection with the issuance of China Ivy's securities.

15 39. Defendants' conduct identified above contravenes Section 10(b) of the
 16 Exchange Act and Rule 10b-5 thereunder.

17 40. GF OFFSHORE justifiably relied upon Defendants as heretofore alleged
 18 and were damaged thereby. As a result of the deceptive and manipulative scheme by
 19 the Defendants, GF OFFSHORE has been damaged in an amount to be proven at trial
 20 but, in no event less than the jurisdictional minimum of this Court.

FIFTH CLAIM FOR RELIEF

(Breach of Fiduciary Duty

Against Individual Defendant)

24 41. GF OFFSHORE refers to the allegations contained in paragraphs 1
 25 through 40, inclusive, and by reference thereto, incorporates the same herein as though
 26 fully set forth.

27 42. By reason of GF OFFSHORE's status as a corporation, of which Tracy
 28 was at times the Chief Executive Officer, and the trust and confidence reposed by GF

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1 OFFSHORE upon the Individual Defendant (Tracy), the Individual Defendant stood as
2 a fiduciary to GF OFFSHORE and, consequently, owed the highest fiduciary duties of
3 loyalty, fidelity and care to GF OFFSHORE. Defendant’s fiduciary duties included, but
4 are not limited to, the duty to disclose all material facts and developments relating to
5 GF OFFSHORE's interests in its own operations and in those of China Ivy, the duty not
6 to favor his own personal interests to the detriment of GF OFFSHORE, and the duty
7 not to compromise the interests of GF OFFSHORE as a an officer of GF OFFSHORE.

8 43. Defendant breached his fiduciary duties to GF OFFSHORE, as described
9 at length above by, *inter alia*, falsely promising GF OFFSHORE that it would receive
10 its controlling interest in China Ivy, even though he was at the time also on officer and/or
11 director of China Ivy, and caused unreasonable delays in the entire process, all to the
12 detriment of GF OFFSHORE and its shareholders.

13 44. GF OFFSHORE is informed and believes, and based thereon alleges, that
14 instead of complying with his promises and fiduciary obligations, he instead concealed
15 from GF OFFSHORE that the China Ivy certificates were not being issued, advised
16 China Ivy's transfer agent not to deliver the China Ivy certificates to GF OFFSHORE,
17 and withheld and continues to withhold the China Ivy certificates from GF
18 OFFSHORE.

19 45. As a direct and proximate result of Tracy’s intentional breaches of
20 fiduciary duties as described herein, GF OFFSHORE has been damaged in an amount
21 to be proven at trial but, in no event less than the jurisdictional minimum of this Court.

22 46. GF OFFSHORE is informed and believes, and based thereon alleges, that
23 Tracy, in doing the acts alleged, and in making the misrepresentations and fraudulent
24 concealments as set forth above, acted purposefully to induce GF OFFSHORE to rely
25 upon and repose faith in Tracy as an officer, while continuing to maintain his interest in
26 the company, to delay GF OFFSHORE's demand for control of China Ivy and thereby
27 curtail GF OFFSHORE’s ability to conduct business through China Ivy, sell shares of
28 China Ivy stock to raise money and to keep GF OFFSHORE in the dark concerning

1 Tracy' true intentions, all to the detriment of GF OFFSHORE, and in conscious
2 disregard of GF OFFSHORE's rights. In so doing, Defendant Tracy acted maliciously
3 and fraudulently with the direct purpose and plan to oppress GF OFFSHORE, to injure
4 and financially damage GF OFFSHORE for Defendant's financial gain and advantage,
5 and by reason thereof, GF OFFSHORE prays for and alleges that GF OFFSHORE is
6 entitled to recover exemplary and punitive damages by way of making an example of
7 and punishing Defendant.

8 **SIXTH CLAIM FOR RELIEF**

9 ***(Conversion of the China Ivy Control Certificates***
10 ***Against All Defendants)***

11 47. GF OFFSHORE refers to the allegations contained in paragraphs 1
12 through 18, and paragraphs 38 through 40 of this Complaint, inclusive, and by reference
13 thereto, incorporates the same herein as though fully set forth.

14 48. GF OFFSHORE is the rightful owner of the controlling position in China
15 Ivy to be represented by share certificates and was entitled to immediate and exclusive
16 possession of their issuance.

17 49. GF OFFSHORE is informed and believes and based thereon alleges, that
18 Defendants have taken possession of the China Ivy certificates and continue to
19 wrongfully exercise dominion and control over the same for their own benefit and to
20 GF OFFSHORE's detriment.

21 50. GF OFFSHORE has demanded the delivery of the controlling certificates
22 of China Ivy but the Defendants have failed and refused and continue to fail and refuse
23 to deliver the same.

24 51. As a direct and proximate result of the Defendants' acts, GF OFFSHORE
25 has suffered damages in an amount to be proven at trial but, in no event less than the
26 jurisdictional minimum of this Court.

27 52. GF OFFSHORE is informed and believes, and based thereon alleges, that
28 the Defendants, in doing the acts alleged, in making the misrepresentations and

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LOS ANGELES, CALIFORNIA 90064

1 fraudulent concealments as set forth above, did so with the knowledge that they were
2 false and inaccurate, all to the detriment of GF OFFSHORE and in conscious disregard
3 of GF OFFSHORE's rights. In so doing, Defendants acted maliciously and fraudulently
4 with the direct purpose and plan to oppress GF OFFSHORE, to injure and financially
5 damage GF OFFSHORE for Defendants' financial gain and advantage, and by reason
6 thereof, GF OFFSHORE prays for and alleges that GF OFFSHORE is entitled to
7 recover exemplary and punitive damages by way of making an example of and
8 punishing Defendants.

9 **SEVENTH CLAIM FOR RELIEF**

10 ***(Professional Negligence***

11 ***Against All Defendants)***

12 53. GF OFFSHORE refers to the allegations contained in paragraphs 1
13 through 52 of this Complaint, inclusive, and by reference thereto, incorporates the same
14 herein as though fully set forth.

15 54. GF OFFSHORE engaged the Defendants to be its legal representatives in
16 the transactions described above, and relied upon them to effect share transfers,
17 registrations with the State and Federal governments, liaise with transfer agents and
18 market makers, and generally to provide ethical legal service to the Plaintiff corporation
19 and in turn to its shareholders.

20 55. Under the terms of the Defendants' Agreement with GF OFFSHORE,
21 they have obligated themselves to deliver the controlling certificates of China Ivy to GF
22 OFFSHORE, to represent GF OFFSHORE with the various agencies and regulators
23 described in paragraph 50 and to conduct these representations in the best interest of
24 their client, GF OFFSHORE.

25 56. Defendants breached their agreement by failing and refusing to perform
26 adequate legal services, by failing to deliver the control certificates to GF OFFSHORE,
27 by allegedly engaging a transfer agency, owned by these same Defendants, at rates well
28 in excess of prevailing fair market rates, by obtaining funds advanced to them (namely

1 \$8675.00 specifically delivered for the purposes of paying filing and/or registration fees
2 due the marketing and listing agents and the State corporate agents), and generally
3 distributing these funds in a manner inimical to the best interests of their client, GF
4 OFFSHORE. These activities are well below the standards and customs of practice in
5 the profession.

6 57. GF OFFSHORE has performed all conditions and obligations required to
7 be performed by it under their engagement Agreement with Defendants except for those
8 conditions that were excused by the acts or conduct of the Defendants or which the
9 Defendants prevented GF OFFSHORE from performing.

10 58. As a direct and proximate result of Defendants' negligence, Plaintiff has
11 suffered damages in an amount to be proven at trial but, in no event less than the
12 jurisdictional minimum of this Court.

13 **EIGHTH CLAIM FOR RELIEF**

14 *(Misrepresentation*

15 *Against All Defendants)*

16 59. GF OFFSHORE refers to the allegations contained in paragraphs 1
17 through 18, 38 through 40, and 50 through 52 of this Complaint, inclusive, and by
18 reference thereto, incorporates the same herein as though fully set forth.

19 60. Defendants repudiated their obligations under the controlling interest
20 transfer Agreement with GF OFFSHORE by failing and refusing to deliver the requisite
21 certificates and by persisting in such refusal. These acts constitute a misrepresentation
22 to GF OFFSHORE of the terms of the Agreement.

23 61. GF OFFSHORE has performed all conditions and obligations required to
24 be performed by it under its Agreement with the Defendants, except for those conditions
25 that were excused by the acts or conduct of the Defendants or which the Defendants
26 prevented GF OFFSHORE from performing.

27 62. The consideration in the Shareholder Agreement is adequate and the terms
28 of the Agreement are just and reasonable as was indicated by the October 7, 2015

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1 statements of Tracy in his email of that date. GF OFFSHORE has no adequate remedy
2 at law in that the certificates are unique and thus damages would be difficult to ascertain
3 and would not afford adequate relief. GF OFFSHORE is entitled to an order requiring
4 Defendants to either convey the certificates to GF OFFSHORE or repay them for all
5 funds delivered to Defendants, in an amount to be proven at trial but, in no event less
6 than the jurisdictional minimum of this Court.

7 **NINTH CLAIM FOR RELIEF**

8 *(Conversion of the Trust Account Funds*
9 *Against All Defendants)*

10 63. GF OFFSHORE refers to the allegations contained in paragraphs 1
11 through 62 of this Complaint, inclusive, and by reference thereto, incorporates the same
12 herein as though fully set forth.

13 64. GF OFFSHORE is entitled to have the funds advanced to the Defendants,
14 via the attorney-client trust account provided, paid or delivered to the proper parties,
15 and not retained by the Defendants for other purposes.

16 65. GF OFFSHORE is informed and believes and based thereon alleges, that
17 Defendants have taken possession of these funds (\$8675) and continue to wrongfully
18 exercise dominion and control over the same for their own benefit and to GF
19 OFFSHORE's detriment. Neither the State of Nevada nor OTC Markets has received
20 any money from Defendants on behalf of GF OFFSHORE or even China Ivy, as
21 represented by the Defendants.

22 66. GF OFFSHORE has demanded the delivery of the money to the proper
23 parties but Defendants have failed and refused and continue to fail and refuse to deliver
24 the same.

25 67. As a direct and proximate result of the Defendants' acts, GF OFFSHORE
26 has suffered damages in an amount to be proven at trial but, in no event less than the
27 \$8,675 previously tendered, along with sums delivered in anticipation of completing
28 the terms of the Agreement between the parties.

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1 68. GF OFFSHORE is informed and believes, and based thereon alleges, that
 2 the Defendants, in doing the acts alleged, acted purposefully to induce GF OFFSHORE
 3 to deliver these sums to their trust account so as to provide more money to Defendants,
 4 all to the detriment of GF OFFSHORE and in conscious disregard of GF OFFSHORE's
 5 rights. In so doing, Defendants acted maliciously and fraudulently with the direct
 6 purpose and plan to oppress GF OFFSHORE, to injure and financially damage GF
 7 OFFSHORE for Defendants' financial gain and advantage, and by reason thereof, GF
 8 OFFSHORE prays herein for and alleges that GF OFFSHORE is entitled to recover
 9 exemplary and punitive damages by way of making an example of and punishing
 10 Defendants.

TENTH CLAIM FOR RELIEF

(Conflict of Interest Against Tracy)

11
 12
 13
 14 69. GF OFFSHORE refers to the allegations contained in paragraphs 1
 15 through 68 of this Complaint, inclusive, and by reference thereto, incorporates the
 16 same herein as though fully set forth.

17 70. Defendant Tracy placed himself in the positions of officer of GF
 18 OFFSHORE at times relevant to the actions taking place during the terms of the
 19 Agreement, only removing himself from these positions, and from the position as
 20 legal representative, on April 7, 2016. Prior to that resignation, Defendant Tracy was
 21 in an irreconcilable conflict of interest with the rights and demands of GF
 22 OFFSHORE versus those of China Ivy, a company which he controlled, and with
 23 both Defendant lawyer entities, seeking the highest profits and returns from these
 24 positions, but only for Defendants Tracy and SCG. At no time were the interests of
 25 GF OFFSHORE placed ahead of those of the Defendants, all to the detriment of GF
 26 OFFSHORE.

27 71. GF OFFSHORE is therefore entitled to an order requiring Defendants to
 28 either convey the certificates for control of China Ivy to GF OFFSHORE or repay GF

1 OFFSHORE for all funds delivered to Defendants, in an amount to be proven at trial
2 but, in no event less than the jurisdictional minimum of this Court.

3
4 **PRAYER FOR RELIEF**

5 **WHEREFORE**, GF OFFSHORE prays judgment against Defendants, and
6 each of them, as follows:

7
8 As to the First, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth
9 Causes of Action:

- 10 i. For general damages;
- 11 ii. For special damages for pecuniary loss.

12
13 As to the Third, Fourth, Fifth, Sixth and Ninth Causes of Action:

- 14 iii. For punitive damages according to proof.

15
16 As to the Second, Sixth, Eighth and Tenth Causes of Action:

- 17 iv. For an order requiring Defendants to convey to GF OFFSHORE the
18 China Ivy certificates necessary to transfer control of the corporation
19 to GF OFFSHORE.

20
21 As to all Causes of Action:

- 22 v. For an award of prejudgment interest at the maximum rate allowed
23 by law.
- 24 vi. For an award of costs of suit, including reasonable attorneys' fees, as
25 allowed by law.
- 26 vii. For such other relief as this Court may deem just and appropriate.

27 ///

28 ///

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1 Dated: September 16, 2016

DIETERICH & ASSOCIATES

2

By: /S/ Christopher H. Dieterich

3

Christopher H. Dieterich, Esq.
Attorney for Plaintiff

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DEMAND FOR JURY TRIAL

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8

Plaintiffs hereby demand a trial by jury on all claims in this action.

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10 Dated: September 16, 2016

DIETERICH & ASSOCIATES

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By: /S/ Christopher H. Dieterich

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Christopher H. Dieterich, Esq.
Attorney for Plaintiffs

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