

CAUSE NO. _____

SELIPPOS TECHNICAL, LTD.,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	HARRIS COUNTY TEXAS
FIRST MOUNTAIN BANCORP; JOSEPH	§	
D. THOMPSON and COMMUNITY CHEST	§	
TITLE SERVICES, INC.,	§	
	§	
Defendants.	§	_____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION AND REQUEST FOR DISCLOSURES

Selippos Technical, Ltd. files this Original Petition and Request for Disclosures against First Mountain Bancorp, Community Chest Title Services, Inc., and Joseph D. Thompson.

I. Discovery Level

1. Plaintiff intends that discovery be conducted under Level 3 of Texas Rule of Civil Procedure 190.3.

II. Parties

2. Plaintiff Selippos Technical, Ltd. ("Selippos") is a company incorporated in Greece and having its registered place of business at N. Platira 44, Anavissos, 19013 Attika, Greece.

3. Defendant First Mountain Bancorp ("First Mountain") is a Nevada corporation that may be served with process by serving its registered agent, Systems Corporation of America, at 2980 S. Rainbow Blvd., Suite #100, Las Vegas, Nevada 89146.

4. Defendant Community Chest Title Services, Inc. ("Community Chest") is a Florida corporation that may be served with process by serving its registered agent, Valerie K. Downing, at 15065 McGregor Blvd., Suite 104, Fort Meyers, Florida 33098.

5. Defendant Joseph D. Thompson (“Thompson”) is an individual who may be served with process at his place of business, 108 N. Main Street, Somerset, Kentucky 42501.

III. Jurisdiction & Venue

6. This Court has jurisdiction over the lawsuit because the amount in controversy is within this Court’s jurisdictional requirements.

7. Venue is proper in Harris County under Texas Civil Practice and Remedies Code section 15.020 because the transactions involve consideration with an aggregate stated value equal to or greater than \$1 million and the parties agreed in writing that a suit arising from the transactions may be brought in Harris County.

IV. Factual Background

8. First Mountain is a trustee that provides irrevocable trust receipts and secures loans against trust assets acquired by First Mountain.

9. Community Chest is a title company that acts as an escrow agent in the transfer of property from one party to another.

10. Thompson is an individual who Community Chest claims succeeded Community Chest as the escrow agent for the transaction at issue.

A. The Trustee Agreement

11. On or about December 20, 2011, Selippos and First Mountain entered into a Trustee Agreement under which Selippos used a rare Gem Collection to serve as security for a large commercial transaction.

12. The Trustee Agreement required First Mountain to acquire shares of preferred stock equal to the value of the Gem Collection in International Transaction Settlement Bank Group, Ltd (“ITSB Stock”) for the benefit of Selippos.

13. First Mountain was then to procure a loan for Selippos against the ITSB Stock and deposit or wire transfer the loan amount of \$120,400,000 to Selippos on or before 5:00 pm CST on January 13, 2012.

B. The Escrow Agreement

14. On or about December 20, 2011, Selippos, First Mountain and Community Chest entered into an Escrow Agreement. A true and correct copy of the Escrow Agreement is attached hereto as *Exhibit 1*.

15. The Escrow Agreement provided that Community Chest¹ would serve as the escrow agent to secure First Mountain's obligations to Selippos under the Trust Agreement.

16. Under the terms of the Escrow Agreement, First Mountain would deposit \$10,000,000 with Community Chest prior to the execution of the Trust Agreement. The \$10,000,000 escrow funds was to be returned to First Mountain upon proof and demand that First Mountain timely deposited or wire transferred the \$120,400,000 loan proceeds to Selippos as prescribed under the terms of the Trust Agreement.

17. However, in the event that First Mountain failed to timely tender the \$120,400,000 loan proceeds to Selippos, the Escrow Agreement required Community Chest to immediately transfer the \$10,000,000 escrow funds to Selippos upon written request from Selippos.

C. The Default

18. On December 20, 2011, First Mountain issued an Irrevocable Trust Receipt for the \$10,000,000 escrow funds in favor of Selippos in accordance with the terms of the Escrow

¹ Due to a scrivener's error, "Community Chest Title Services, Inc." is mistakenly referred to as "Community Trust Title Services, Inc." in the Escrow Agreement.

Agreement. A true and correct copy of the Irrevocable Trust Receipt is attached hereto as *Exhibit 2*.

19. On or about the same day, Selippos and First Mountain executed the Trustee Agreement.

20. Selippos complied with all material terms of the Trustee Agreement.

21. However, First Mountain failed to timely tender the \$120,400,000 loan proceeds to Selippos by 5:00 pm CST on January 13, 2012 in accordance with the terms of the Trustee Agreement.

22. In a letter dated January 20, 2012, Selippos, through its counsel, notified Community Chest of the default and provided wire transfer instructions for the \$10,000,000 escrow funds. A true and correct copy of the January 20 letter, without attachments, is attached hereto as *Exhibit 3*.

23. First Mountain disputed that it had breached the Trustee Agreement and further disputed that Selippos is entitled to the escrow funds.

24. To date, Community Chest has failed to transfer the \$10,000,000 escrow funds to Selippos.

25. On or about April 23, 2012, Community Chest informed Selippos that it had resigned as escrow agent for the transaction and that a new escrow agent had been appointed, Defendant, Joseph D. Thompson.

26. The Escrow Agreement allows Community Chest to resign upon seven days written notice to Selippos and First Mountain. Upon receiving written notice, Selippos and First Mountain are supposed to agree on a new escrow agent prior to the effective date of Community Chest's resignation. If Selippos and First Mountain do not agree on a new escrow agent,

Community Chest is supposed to deliver the escrow funds to the registry of a “Harris County District Court.”

27. Selippos did not receive timely notice of Community Chest’s resignation, nor did Selippos agree or consent to the appointment of Mr. Thompson as a new escrow agent, nor has Community Chest deposited the escrow funds into the registry of the court. Accordingly, Community Chest is in breach of the Escrow Agreement.

V. Causes of Action

A. Suit for Declaratory Relief

28. Pursuant to Chapter 37 of the Texas Civil Practice and Remedies Code, Selippos seeks the declaration of the following:

- a. Selippos is not in breach of the Trustee Agreement;
- b. All conditions precedent to perfect Selippos’ entitlement to the escrowed funds have occurred; and
- c. Selippos is entitled to the escrowed funds.

B. Breach of Contract by First Mountain

29. On or about December 20, 2011, Selippos and First Mountain entered into the Trustee Agreement and Escrow Agreement.

30. Selippos fully performed all obligations required of it in accordance with the terms of the Trustee Agreement and Escrow Agreement.

31. First Mountain breached the Trustee Agreement when it failed to timely tender the \$120,400,000 loan proceeds to Selippos by 5:00 pm CST on January 13, 2012.

32. First Mountain breached the Escrow Agreement by failing to take all necessary steps to release the \$10,000,000 in escrow funds to Selippos.

33. First Mountain's breaches have caused damages to Selippos in the amount of \$10,000,000.

C. Breach of Contract by Community Chest

34. On or about December 20, 2011, Selippos and First Mountain entered into the Escrow Agreement with Community Chest providing that Community Chest would serve as the escrow agent to secure First Mountain's obligations to Selippos under the Trust Agreement.

Exhibit 2.

35. On or about December 20, 2011, First Mountain issued an Irrevocable Trust Receipt for the \$10,000,000 escrow funds in favor of Selippos. *Exhibit 3.*

36. Selippos fully performed all material obligations it had under the Escrow Agreement.

37. By letter dated January 20, 2012, Selippos notified Community Chest of First Mountain's default under the Trust Agreement and provided wire transfer instructions for the \$10,000,000 escrow funds. *Exhibit 4.*

38. Community Chest failed to transfer the escrow funds per the terms of the Escrow Agreement and has resulted in damages to Selippos in the amount of \$10,000,000.

D. Breach of Fiduciary Duty by Community Chest

39. As escrow agent, Community Chest owed fiduciary duties, including without limitation the following:

- a. a duty of full disclosure;
- b. a duty of loyalty;
- c. the duty to act in good faith;
- d. a duty to act as a disinterested third party;

- e. the duty to forego self-dealing;
- f. the duty to avoid conflicts of interest;
- g. a duty to follow the terms of the Escrow Agreement;
- h. a duty to refrain placing its own interests ahead of others;
- i. a duty to refrain from placing the interests of First Mountain ahead of Selippos;
- j. a duty to exercise the highest degree of care to conserve the funds it holds in escrow; and,
- k. a duty to transfer the escrow funds upon those persons entitled to receive them.

40. Community Chest breached its fiduciary duties and, as a direct and proximate result of such breaches, Selippos has incurred damages in the amount of \$10,000,000.

E. Money Had & Received

41. Defendants First Mountain, Community Chest, and/or Mr. Thompson hold money (and/or its equivalent) that, in equity and good conscience, belongs to Selippos.

42. Selippos seeks liquidated damages in the amount of \$10,000,000.

F. Constructive Trust

43. Because Community Chest wrongfully disbursed the escrow funds, a constructive trust should be imposed on whoever holds the escrow funds for the benefit of Selippos.

VI. Attorneys Fees & Costs

44. Selippos seeks to recover reasonable and necessary attorneys' fees and costs under Texas Civil Practice & Remedies Code § 38.001, Texas Civil Practice and Remedies Code § 37.009, and any other law allowing the recovery of attorneys' fees and costs.

VII. Jury Demand

45. Plaintiff demands a jury trial and tenders the appropriate fee with this petition.

VIII. Conditions Precedent

46. All conditions precedent to Plaintiff's claims for relief have been performed or have occurred.

IX. Request for Disclosure

47. Under Texas Rule of Civil Procedure 194, Plaintiff requests that Defendants disclose, within 50 days of the service of this request, the information or material described in Rule 194.2.

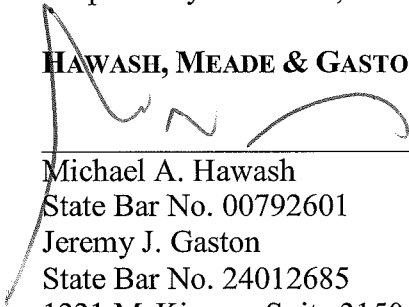
X. Prayer

For these reasons, Plaintiff Selippos Technical, Ltd., respectfully asks the Court to issue citation for Defendants First Mountain Bancorp, Community Chest Title Services, Inc., and Joseph D. Thompson to appear and answer, and that Plaintiff be awarded a judgment against Defendants for the following:

- a. At least \$10,000,000.00 as actual damages;
- b. All special and consequential damages as allowed by law;
- c. Pre-judgment and post-judgment interest;
- d. Attorneys' fees;
- e. Court costs and expenses;
- f. Any such further relief as the Court deems proper and just under the circumstances.

Respectfully submitted,

HAWASH, MEADE & GASTON LLP



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Unofficial Copy Office of Marilyn Bures District Clerk