

EXHIBIT 1

1 Michael Gerard Fletcher (State Bar No. 070849)
 mfletcher@frandzel.com
 2 Craig A. Welin (State Bar No. 138418)
 cwelin@frandzel.com
 3 Bruce David Poltrock (State Bar No. 162448)
 bpoltrock@frandzel.com
 4 FRANDZEL ROBINS BLOOM & CSATO, L.C.
 1000 Wilshire Boulevard, 19th Floor
 5 Los Angeles, California 90017-2427
 Telephone: (323) 852-1000
 6 Facsimile: (323) 651-2577

7 Attorneys for Plaintiffs, BRILLIANT DIGITAL
 ENTERTAINMENT, INC.; EUROPLAY
 8 CAPITAL ADVISORS, LLC; CLARIA
 INNOVATIONS, LLC; and MONTO
 9 HOLDINGS PTY LTD

10 **SUPERIOR COURT OF CALIFORNIA**

11 **COUNTY OF LOS ANGELES, NORTHWEST DISTRICT (VAN NUYS)**

12

13 BRILLIANT DIGITAL ENTERTAINMENT,
 INC., a Delaware corporation; EUROPLAY
 14 CAPITAL ADVISORS, LLC, a Delaware
 limited liability company; CLARIA
 15 INNOVATIONS, LLC, a Delaware limited
 liability company; and MONTO HOLDINGS
 16 PTY LTD, an Australian company,
 17 Plaintiffs,
 18 v.
 19 PERSONALWEB TECHNOLOGIES, LLC, a
 Texas limited liability company; and DOES 1
 20 through 100, Inclusive,
 21 Defendants.

CASE No.

VERIFIED COMPLAINT FOR:

- 1. Breach of Promissory Note;
- 2. Breach of Promissory Note;
- 3. Breach of Promissory Note;
- 4. Breach of Promissory Note
- 5. Claim and Delivery;
- 6. Conversion; and
- 7. Specific Performance for Appointment of Receiver.

22

23

24 Plaintiffs allege for themselves and no others as follows:

25 **THE PARTIES**

26 1. At all times relevant herein, Plaintiff Brilliant Digital Entertainment, Inc. ("BDE"),
 27 was, and still is, a Delaware corporation, with its principal place of business in the County of Los
 28 Angeles.

1 2. At all times relevant herein, Plaintiff Europlay Capital Advisors, LLC ("ECA"),
2 was, and still is, a Delaware limited liability company, with its principal place of business in the
3 County of Los Angeles.

4 3. At all times relevant herein, Plaintiff Claria Innovations, LLC ("Claria"), was, and
5 still is, a Delaware limited liability company, with its principal place of business in the County of
6 Los Angeles.

7 4. At all times relevant herein, Plaintiff Monto Holdings Pty Ltd ("Monto"), was, and
8 still is, an Australian limited partnership, with its principal place of business in New South Wales,
9 Australia.

10 5. Plaintiffs are informed and believe and thereon allege that Defendant PersonalWeb
11 Technologies, LLC ("PW" and/or "Borrower"), is a Texas limited liability company doing
12 business in the County of Los Angeles, and that the obligations sued upon herein were and are
13 payable in the above-captioned judicial district.

14 6. The true names and capacities, whether individual, corporate, associate,
15 partnership, limited liability company, irrevocable trust, revocable trust, or otherwise of
16 defendants sued herein as DOES 1-100, inclusive, are unknown to Plaintiffs who therefore sue
17 such defendants by such fictitious names. Plaintiffs are informed and believes and thereon allege
18 that the fictitiously named defendants are obligated in some fashion for the obligations owed to
19 Plaintiffs as alleged herein. When the true names and capacities and liabilities of the fictitiously
20 named defendants are ascertained, Plaintiffs will seek leave to amend this complaint accordingly.

GENERAL ALLEGATIONS

BDE Loan Documents:

23 7. Effective October 4, 2011, and Amended and Restated as of December 31, 2019,
24 PW, as Borrower, executed and delivered to BDE a Fourth Amended and Restated Secured
25 Revolving Promissory Note in the sum of \$10,000,000.00 ("BDE Note"). The BDE Note is a
26 renewal of an earlier loan obligation. The BDE Note provides that all principal advances with
27 interest thereon are payable immediately on demand by BDE, or if no such demand is made, in
28 full on December 31, 2022 ("BDE Note Maturity Date").

1 8. In addition, PW agreed the principal balance of all Advances then outstanding,
2 together with all accrued but unpaid interest thereon, shall be due and payable on the BDE Note
3 Maturity Date, or on such earlier date on which the maturity thereof is accelerated, pursuant to the
4 provisions of the BDE Note. Interest accrues on the BDE Note in accordance with the interest rate
5 provisions set forth fully in the BDE Note ("BDE Note Rate").

6 9. The BDE Note provides that if PW defaults under the terms of the BDE Note,
7 default rate interest accrues at a rate to five percent (5%) per annum in excess of the BDE Note
8 Rate ("BDE Default Rate").

9 10. The obligations represented by the BDE Note are secured by, and BDE is entitled
10 to the benefits of, that certain Pledge and General Security Agreement, dated as of May 11, 2012
11 and effective as of October 4, 2011, between PW and BDE, including any amendments or
12 modifications thereto (collectively, the "BDE Security Agreement"). The BDE Security
13 Agreement grants to BDE a security interest in all of PW's personal property and collateral,
14 including, but not limited to, the following collateral, all as more particularly described in the
15 BDE Security Agreement (the "Collateral", a description of which is set forth in Exhibit "1",
16 attached hereto, which is incorporated herein by this reference):

17 **"Collateral"** shall mean all right, title, and interest of the Debtor in and to all
18 of the following property of the Debtor, whether now owned or hereafter
acquired and whether now existing or hereafter coming into existence:

- 19 (i) Accounts;
- 20 (ii) Chattel Paper and rights to receive monies included thereby;
- 21 (iii) Commercial Tort Claims;
- 22 (iv) Deposit Accounts;
- 23 (v) Documents;
- 24 (vi) Equity Collateral;
- 25 (vii) General Intangibles;
- 26 (viii) Goods, including Inventory and Equipment;
- 27 (ix) Instruments and rights to receive monies included thereby;
- 28 (x) Intellectual Property;
- (xi) Investment Property, including Commodity Accounts and Commodity
Contracts;
- (xii) Letter-of-Credit Rights;
- (xiii) Notes;
- (xiv) other tangible and intangible personal property and Fixtures of the Debtor;
- (xv) to the extent related to any property described in the clauses (i) through
(xiv), all books, correspondence, loan files, records, invoices, and other papers,
including without limitation all tapes, cards, computer runs, and other papers and

FRANZEL ROBINS BLOOM & CSATO, L.C.
1000 WILSHIRE BOULEVARD, 19TH FLOOR
LOS ANGELES, CALIFORNIA 90017-2427
(323) 852-1000

1 documents in the possession or under the control of the Debtor or any computer
2 service company from time to time acting for the Debtor; and
3 (xvi) cash and non-cash Proceeds of any and all of the foregoing.
4 “**Account**” has the meaning given such term in Section 9.102(a)(2) of the UCC.
5 “**Account Debtor**” has the meaning given such term in Section 9.102(a)(3) of
6 the UCC.
7 “**Certificate of Title**” has the meaning given such term in Section 9.102(a)(10)
8 of the UCC.
9 “**Certificated Security**” has the meaning given such term in Section 8.102(a)(4)
10 of the UCC.
11 “**Chattel Paper**” has the meaning given such term in Section 9.102(a)(11) of the
12 UCC.
13 “**Commercial Tort Claim**” has the meaning set forth in Section 9.102(a)(13) of the
14 UCC, and shall include, without limitation, all of the specifically described actions,
15 litigation, proceedings and claims (including any appeals or remands and/or
16 proceedings in connection therewith or relating thereto or new proceedings arising
17 therefrom) identified on Schedule 1.2 attached hereto (which Schedule 1.2 is
18 incorporated herein by this reference as though fully set forth herein, and as such
19 Schedule 1.2 may be amended or amended and restated from time to time).
20 “**Commodity Account**” has the meaning given such term in Section
21 9.102(a)(14) of the UCC.
22 “**Commodity Contract**” has the meaning given such term in Section
23 9.102(a)(15) of the UCC.
24 “**Commodity Intermediary**” has the meaning given such term in Section
25 9.102(a)(17) of the UCC.
26 “**Copyright Collateral**” shall mean all Copyrights, whether now owned or
27 hereafter acquired by the Debtor.
28 “**Copyrights**” shall mean all copyrights, copyright registrations, and
applications for copyright registrations, including, without limitation, all
renewals and extensions thereof, the right to recover for all past, present, and
future infringements thereof, and all other rights of any kind whatsoever
accruing thereunder or pertaining thereto.
“**Deposit Account**” has the meaning given such term in Section 9.102(a)(29) of
the UCC.
“**Documents**” has the meaning given such term in Section 9.102(a)(30) of the
UCC.
“**Entitlement Holder**” has the meaning given such term in Section 8.102(a)(7)
of the UCC.
“**Entitlement Order**” has the meaning given such term in Section 8.102(a)(8) of
the UCC.
“**Equipment**” has the meaning given such term in Section 9.102(a)(33) of the
UCC.
“**Equity Collateral**” shall mean Pledged Equity and Pledged Equity Proceeds.
“**Event of Default**” shall have the meaning specified in Section 15 of this
Agreement.
“**Financial Asset**” has the meaning given such term in Section 8.102(a)(9) of the
UCC.
“**Fixtures**” has the meaning given such term in Section 9.102(a)(41) of the
UCC.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.