IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

3-SIGMA VALUE FINANCIAL OPPORTUNITIES LP, BRH OPPORTUNITIES FEEDER, LLC, BRH OPPORTUNITIES III, LLC, BLUEMOUNTAIN FINANCIAL HOLDINGS, LLC, TDSS EQUITY INVESTMENTS A LLC, and SCOPESII EQUITY INVESTMENTS A LLC, on Behalf of Themselves and all others Similarly Situated and Derivatively on Behalf of Nominal Defendant CERTUSHOLDINGS, INC.,

Plaintiffs,

v.

MILTON JONES, WALTER DAVIS, CHARLES WILLIAMS, ANGELA WEBB, J. VERONICA BIGGINS, ROBERT J. BROWN, DOUGLAS JOHNSON, WILLIAM F. PICKARD, HILDY TEEGEN, ROBERT L. WRIGHT, INTEGRATED CAPITAL STRATEGIES HOLDINGS, LLC AND INTEGRATED CAPITAL STRATEGIES, LLC,

Defendants,

-and-

CERTUSHOLDINGS, INC.,

Nominal Defendant.

C.A. No. 11655-VCG

PUBLIC VERSION
FILED ON: November 3, 2015

VERIFIED CLASS ACTION AND DERIVATIVE COMPLAINT

Plaintiffs 3-Sigma Value Financial Opportunities LP, BRH Opportunities Feeder, LLC, BRH Opportunities III, LLC, BlueMountain Financial Holdings, LLC, TDSS Equity Investments A LLC, and SCOPESII Equity Investments A LLC (collectively, "Plaintiffs") derivatively and behalf of Nominal Defendant CertusHoldings, Inc. ("Certus" or the "Company"), and as a class action on behalf of themselves and the other stockholders of Certus, bring this complaint ("Complaint") against Defendants Milton Jones ("Jones"), Walter Davis ("Davis"), Charles Williams ("Williams"), Angela Webb ("Webb"), J. Veronica Biggins ("Biggins"), Robert J. Brown ("Brown"), Douglas Johnson ("Johnson"), William F. Pickard ("Pickard"), Hildy Teegen ("Teegen"), Robert L. Wright ("Wright") (collectively the "Individual Defendants"), Integrated Capital Strategies Holdings, LLC, and Integrated Capital Strategies, LLC (collectively with Integrated Capital Strategies Holdings, LLC, "ICS," and with the Individual Defendants, collectively "Defendants") and allege on the knowledge of Plaintiffs as to themselves, and on information and belief, including the investigation of counsel and review of publicly available information and internal Company documents produced pursuant to Plaintiffs' August 7, 2015 and August 25, 2015 demand for the production of books and records pursuant to Section 220 of the Delaware General Corporation Law ("Section 220"), as to all other matters as follows.

INTRODUCTION

1. This action arises from disloyal misconduct by former executives of the Company. Driven by greed and vanity, Defendants Jones, Davis, Williams, and Webb (the "Former Executives") misappropriated tens of millions of dollars after assuring investors that their investment in Certus would be prudently managed and used for the benefit of the Company. The Individual Defendants left the Company in dire straits, with stockholders footing the bill for their disloyalty.

2. In 2009, as the financial crisis led to numerous bank failures, the Former Executives approached Plaintiffs and other investors with a plan: the investors would contribute significant capital, which the Former Executives would use to form a bank holding company to buy and turn around failed community banks. The Former Executives presented their business plan as an immediately profitable and limited risk investment supported by financial assistance (including protection against certain losses) to be provided by the federal government. And investors – including Plaintiffs – responded, committing $500 million in capital. With that capital, Certus was formed and acquired several failed community banks.

3. Certus was one of only five banks – out of numerous applicants – to receive the type of federal bank charter that enabled the Company's formation. The Former Executives' misconduct was so damning, however, that regulators are

now investigating the Former Executives' wrongdoing, with the possibility of civil and criminal penalties.

4. The Former Executives engaged in impermissible self-dealing. The Former Executives owned a consulting firm, ICS. In light of the inherent conflict of interest in senior executives owning a consulting firm that Certus might retain, the Stock Purchase Agreement between Certus and its investors required that a majority of independent directors approve the work that the Company engaged ICS to perform. However, the Former Executives caused Certus to engage ICS and pay it nearly $10 million (including $2.5 million for the Former Executives) without raising the continued engagement with Certus's board of directors, much less obtaining independent-director approval.

5. The Former Executives looted Certus for their personal benefit. Two of the Former Executives, Defendants Williams and Davis, purchased cars from the Company for $300 each – a small fraction of their fair market value, in violation of federal law. When in-house lawyers and accountants requested that Williams and Davis comply with the law and make Certus whole, they balked, claiming liquidity issues.

6. The Former Executives spent significant corporate funds for their own personal enjoyment, while projecting an image of glamour and opulence.

7. After the Board authorized the Former Executives to lease 20,000 square feet of office space to accommodate the corporate operations of the bank, the Former Executives leased a 20,000 square foot office space ***for themselves***, while leasing 140,000 square feet in a separate building for Certus's other employees. They outfitted their personal executive office space – which housed only eight people – with one million dollars' worth of art, a ceiling covered in 300,000 pennies, and their own gym (separate and apart from the Company gym that was available to Certus's other employees). The Former Executives leased eight times the amount of office space that Certus's board approved, at ***eight times the cost.***

8. The Former Executives undertook a financial commitment that is largely responsible for the massive financial difficulty presently facing the Company. For Certus's headquarters alone, the Former Executives caused the Company to take on ***$110 million*** in lease obligations. That improper and unauthorized commitment – made without actual authority save for the one authorized floor of office space – has severely hampered stockholders' ability to salvage their investments in Certus, and has also hamstrung the Company's current board of directors in its attempts to turn Certus around.

9. The Former Executives spent significant Certus funds on unwarranted

and outsized perquisites. They spent substantial sums on private jet travel, including multiple 30-minute flights so that they could personally try out more than 70 chairs for their offices. The Former Executives spent more than $2.5 million on condominiums for themselves, including luxury fixtures and furnishings such as home electronics costing tens of thousands of dollars, hundred-dollar paperweights, and a wine cellar.

10. The Former Executives utterly failed to perform their duties. Aware that investors and Certus's board would not tolerate poor results, the Former Executives instructed Certus's Chief Financial Officer ("CFO") to disregard his team's internal analysis and projections – which forecast losses of tens of millions of dollars for 2013 – and instead to project only a $3.5 million loss, with profitable operations through the end of 2013 and into 2014. When the CFO protested, the Former Executives threatened his job and made sure he knew that they "still run the bank." There was no basis for the Former Executives' forced revision to the 2013 budget, and the Company ultimately lost $78 million that year.

11. Defendants Biggins, Brown, Johnson, Pickard, Teegen, and Wright – former members of Certus's Board of Directors (the "Former Non-Executive Directors") – turned a blind eye to the Former Executives' misconduct. The Board of Directors did not enact or enforce controls to guard against massive harm from

unscrupulous officers.

12. Regulators are now investigating the Former Executives' wrongdoing. The Securities Division of the South Carolina Attorney General's office has issued subpoenas to investigate executive abuses at Certus – the very same misconduct discussed herein.

13. Plaintiffs sent the Board a litigation demand, detailing the misconduct set forth herein and asking that the Board establish a litigation trust to pursue claims. The Board has informed Plaintiffs that it takes no position on Plaintiffs' demand. In order to provide all available relief to Certus and to the stockholders who have been wronged, Plaintiffs bring the derivative and class action claims set forth below.

PARTIES

14. Plaintiff 3-Sigma Value Financial Opportunities, LP ("3-Sigma") has owned Certus stock at all relevant times and continues to own Certus stock. 3-Sigma owns approximately 4.9% of Certus's outstanding Class A voting shares, and approximately 3.9% of Certus's outstanding Class B nonvoting shares.

15. Plaintiff BRH Opportunities Feeder, LLC ("BRH") has owned Certus stock at all relevant times and continues to own Certus stock. BRH owns approximately 1.3% of Certus's outstanding Class A voting shares.

16. Plaintiff BRH Opportunities III, LLC ("BRH III") has owned Certus stock at all relevant times and continues to own Certus stock. BRH III owns approximately .7% of Certus's outstanding Class B nonvoting shares.

17. Plaintiff BlueMountain Financial Holdings, LLC ("BlueMountain") has owned Certus stock at all relevant times and continues to own Certus stock. BlueMountain owns approximately 3.1% of Certus's outstanding Class A voting shares, and approximately 1.3% of Certus's outstanding Class B nonvoting shares.

18. Plaintiff TDSS Equity Investments A LLC ("TDSS") has owned Certus stock at all relevant times and continues to own Certus stock. TDSS owns approximately 2.4% of Certus's outstanding Class A voting shares, and approximately 9.6% of Certus's outstanding Class B nonvoting shares.

19. Plaintiff SCOPESII Equity Investments A LLC ("SCOPESII") has owned Certus stock at all relevant times and continues to own Certus stock. SCOPESII owns approximately 2.4% of Certus's outstanding Class A voting shares, and approximately 9.6% of Certus's outstanding Class B nonvoting shares.

20. Nominal Defendant CertusHoldings, Inc. is a bank holding company formed in November 2009 by Jones, Davis, Williams, and Webb in order to acquire and operate failed banks from the FDIC. Certus is incorporated in Delaware.

21. Defendant Milton Jones was the Chairman, President, and CEO of Certus from its founding in November 2009 until February 2012. From February 2012 until his ouster in April 2014, Jones served as the Company's Executive Chairman.

22. Defendant Walter Davis was the Vice Chairman and Chief Credit Officer of Certus from its founding in November 2009 until February 2012. From February 2012 until his ouster in April 2014, Davis served as a director and as the Company's Co-CEO.

23. Defendant Charles Williams was the Vice Chairman and Chief Operations Officer of Certus from its founding in November 2009 until February 2012. From February 2012 until his resignation in March 2014, Williams served as a director and as the Company's Co-CEO.

24. Defendant Angela Webb was the Company's Chief Administrative Officer from its founding in November 2009 until February 2012. Webb served as the Company's President from February 2012 until her ouster in April 2014.

25. Jones, Davis, Williams, and Webb are collectively referred to herein as the "Former Executives."

26. Defendant J. Veronica Biggins served as a director of Certus from June 2010 until January 1, 2015.

27. Defendant Robert J. Brown served as a director of Certus from in December 2009 until January 1, 2015.

28. Defendant Douglas Johnson served as a director of Certus from February 2012 until January 1, 2015.

29. Defendant William F. Pickard served as a director of Certus from August 2013 until January 1, 2015.

30. Defendant Hildy J. Teegen served as a director of Certus from February 2011 until January 1, 2015.

31. Defendant Robert L. Wright served as a director of Certus from December 2009 until January 1, 2015.

32. Collectively, Defendants Biggins, Brown, Johnson, Pickard, Teegen, and Wright are referred to herein as the "Former Non-Executive Directors," and with Jones, Williams, and Davis as the "Former Directors."

33. Integrated Capital Strategies Holdings, LLC, and its subsidiary Integrated Capital Strategies, LLC (together, "ICS") are Delaware limited liability companies. Defendants Davis, Williams, Jones, and Webb are owners and managing partners of ICS.

34. The Former Executives, the Former Non-Executive Directors, and ICS are collectively referred to herein as the "Defendants."

SUBSTANTIVE ALLEGATIONS

A. Formation of Certus

35. In 2009, as numerous banks failed and the financial crisis wreaked havoc on the United States economy, the Former Executives saw an opportunity. They would raise capital from investors in order to buy failed community banks throughout the Southeastern U.S., which they would then ostensibly operate as a profitable bank holding company. The Former Executives pitched their plan to investors as a limited risk investment. Rather than follow a plan to grow a profitable business, however, the Former Executives schemed to use the money raised from stockholders to enrich themselves and enhance their public image.

36. At the time, the U.S. government, primarily through the Federal Deposit Insurance Corporation (the "FDIC"), was offering substantial assistance, financial backing, and most importantly federal bank "shelf" charters to certain well-funded private entities willing to acquire and operate failed banks. The government was selective in issuing federal charters.

37. The Former Executives believed that they had the extensive experience in the banking industry and political connections necessary to secure a federal charter. In November 2009, they pitched the idea of creating Certus, a privately funded regional community-bank holding company dedicated to

acquiring and operating failed community banks, to a group of private investors.

38. The Former Executives represented to investors that Certus would acquire failed banks in the Southeastern U.S., with eventual total assets of at least $5 billion. Jones was to serve as Chairman and CEO; Davis was to serve as Vice Chairman and Chief Credit Officer; Williams was to serve as Vice Chairman and Chief Operating Officer; and Webb was to serve as Chief Administrative Officer.[1] The Former Executives assured their investors that, in light of the FDIC's willingness to backstop the vast majority of losses that might arise from pre-existing loans, any investment had limited risk.

39. The Former Executives' pitch was compelling, and 25 investors made capital commitments totaling $500 million. The Former Executives initially called $50 million. Upon contributing, the investors became stockholders of Certus.

40. The Former Executives used that initial $50 million of capital to secure preliminary approval for a federal bank charter in October 2010. On January 21, 2011, Certus acquired its first bank, South Carolina's CommunitySouth Bank & Trust, from the FDIC using a portion of the $50 million

[1] These were the initial roles each Former Executive held with Certus. However, there was a shake-up of their positions in February 2012. Jones became the Executive Chairman, Williams and Davis became co-CEOS, and Webb became the President.

that investors had already contributed. Within four months, Certus acquired two failed Georgia banks, utilizing $168 million in additional stockholder commitments, for a total of roughly $218 million. By that time, Certus had 30 branches and $1.8 billion in assets. Following a cooling-off period imposed by the FDIC, Certus would buy two more banks with total assets of approximately $230 million.

41. Plaintiffs, as Certus stockholders, collectively invested $218 million (out of $500 million committed) in order to enable the Company to execute the Former Executives' purported business plan, and based on the repeated assurances from the Former Executives that the Company would be immediately profitable – including through budgets and forecasts that showed such profitability.

42. The Company, however, was not profitable, with a pretax loss of ***$43.1 million*** in 2012 and a pretax loss of ***$93.4 million*** in 2013. Certus stockholders had no reason to anticipate that Certus would experience those massive losses, let alone that the Former Executives would pilfer and squander Company resources in order to fund their luxurious lifestyles. The Former Executives profligacy, which included unwarranted and unauthorized real estate expenses, inflicted tens of millions of dollars of harm on the Company – a hole Certus will likely never dig out of.

B. The Former Executives' Self-Dealing

1. Certus's Impermissible Self-Dealing With ICS

43. The Former Executives caused Certus to enter into a conflicted relationship with ICS, a company they owned. Certus's relationship with ICS unfairly cost Certus nearly $10 million.

44. Between April 2011 and February 2014, Certus paid $9,678,616.82 to ICS, ostensibly a distressed-debt consulting group owned and managed by the Former Executives. This self-dealing was hidden from the Certus Board and stockholders, in violation of the Stock Purchase Agreement (the "SPA") that Certus stockholders had entered into with the Company.

45. The SPA contained a protection against self-dealing. Section 5.13 of the SPA provides that as of the date that Certus closed on its first bank acquisition, "the aggregate amount accrued by ICS for services provided to the Company and expenses paid by ICS on the Company's behalf may not exceed $570,000." Certus could engage ICS to perform additional services following the first closing, but *only if* "the terms on which such services are provided are no less favorable to the Company than the terms that could be obtained from a third party provider and that the engagement has been approved by a majority of the Independent Directors."

46. As part of Plaintiffs' Section 220 demand, Plaintiffs requested that the

Company produce a variety of documents concerning its relationship with ICS, including contracts and engagement letters. Other than a spreadsheet listing payments to ICS, the Company did not provide documentation substantiating ICS's work, or any evidence that the Former Executives entered into fairly priced self-dealing transactions with ICS. Certus did not produce board minutes reflecting an analysis of ICS's rates or charges in comparison to peers, or any reliable evidence that the work that ICS supposedly performed was put up for competitive bidding to test whether Certus was overpaying. Nor did the Company produce documents reflecting the rationale for paying ICS a significant premium for work that should have been handled by the Company's own officers and employees at a lower cost.

47. The Company paid $537,475 for an ICS consultant in 2012, even though that consultant was only paid $150,000 by ICS. In other words, ICS was overcharging the Company by skimming more than two times the actual cost of the services provided. The Company also paid ICS at least $253,737 in 2011 for the services of Defendant Williams's son – a recent college graduate with no relevant work experience whose services ICS itself valued at only $39,583. Company staff should have been performing this work, rather than the Former Executives causing the Company to overpay ICS.

48. The fees Certus paid were highly material to ICS. Almost all of ICS's

revenue from 2011 to 2013 came from Certus.

49. Davis and Williams approved the Company's payment of ICS invoices, even though they owned ICS. The Former Executives also placed a confederate on the ICS side of the table. Jonathan Charleston, the Company's secretary, acted on behalf of ICS and in concert with the Former Executives. Charleston was an owner of ICS and acted on ICS's behalf in retaining ICS, signing statements of work and executing ICS's services agreement – at the same time Charleston was supposed to be acting as the Company's secretary. (Charleston also billed the Company $1.5 million in unsubstantiated fees from 2011-2013.)

50. In 2012, the Company co-signed a lease for ICS's office space in Charlotte, N.C., incurring a liability of several hundred thousand dollars a year. There was no independent bargaining agent that acted on the Company's behalf. Webb signed the lease on behalf of both ICS and the Company, even though there is nothing indicating what benefit, if any, the Company received for doing so, let alone a benefit commensurate with assuming a liability for a company that was owned by the Former Executives. Based on the documents produced by Certus, the only reasonable inference is that Certus needlessly paid nearly $10 million to

ICS.[2]

51. The Company produced no documents reflecting that the Former Executives provided full disclosure to the Board of the Company's ongoing relationship with ICS. Neither the Board nor any committee of independent directors approved the continued payments to ICS after the first closing. The stockholders were not asked to ratify the self-dealing payments to ICS.

52. The Former Executives not only harmed Certus through their self-dealing with ICS, they caused Certus to violate the SPA.

2. The Improper Acquisition of Company Cars

53. When Certus acquired certain failed banks from the FDIC, it acquired, among other assets, various vehicles that those failed banks had owned. Vehicles acquired along with the banks in such circumstances are typically then re-sold. Under Regulation O of the Office of the Comptroller of the Currency, as well as other federal statutes, any sale of corporate assets to an insider must be at a market price. *See* 12 U.S.C. § 1828(z) (prohibiting a bank from selling an asset to an insider, including an executive officer, unless the transaction is on market terms).

54. Rather than comply with federal law, certain of the Former Executives

[2] The South Carolina Attorney General's Office has since subpoenaed records from ICS concerning its relationship with Certus, and it has been reported that the Office of the Comptroller of the Currency has also initiated an inquiry.

"purchased" vehicles from Certus at virtually no cost. Specifically, on December 5, 2011, Defendant Williams paid the Company only ***$300*** for a 2006 Toyota 4Runner, and on July 11, 2012, Defendant Davis likewise purchased a 2004 Chevrolet Suburban from the Company for only ***$300***.

55. Defendants Williams and Davis did not appropriately compensate Certus for the vehicles until after their employment with the Company was terminated, even though Defendant Williams re-sold the 4Runner himself while still employed at Certus, for approximately the $13,488 he asked for the vehicle.

56. Further, the Former Executives were well aware that federal law required market-rate payments to the Company for the cars. On December 11, 2013, in-house accountant Mark Abrams ("Abrams") sent an email to Defendants Williams and Davis notifying them that "we need to make sure these transactions were at fair market value," and requesting that "Mr. Williams and Mr. Davis provide checks now for any difference."

57. Using the Kelley Blue Book, Abrams determined the fair market value of Defendant Williams's 4Runner to have been $10,136 at the time of the transaction (with Defendant Williams owing Certus $9,836). Abrams determined Defendant Davis's Suburban to be valued at $3,792 at the time of transaction (with Defendant Davis owing Certus $3,492).

58. On January 5, 2014, Abrams sent Defendant Williams a follow-up email, asking if Defendant Williams had made the requested payment. On January 12, 2014, Abrams again wrote to Defendant Williams, stating, "This is my third request. I have instructed Chris Speaks to record a receivable at 12/31/2013. If this does not get resolved quickly I will need to determine if we have a Reg O violation."

59. Defendant Williams responded that day, telling Abrams that he had not reimbursed Certus as required because he was "not as liquid as I would like to be. I am working on liquidating some things but it may take a little time." Then-in-house counsel Thomas Simpson also opined, at a Certus board meeting in early 2014, that the car sales to Defendants Williams and Davis violated federal law, and must be on "market terms."

60. The Former Executives not only harmed Certus through self-dealing to obtain the vehicles at virtually no cost, but they also caused the Company to violate federal law.

61. Further, as if the vehicles that Williams and Davis improperly purchased for virtually no cost were not sufficient, the Company also purchased a 2011 GMC Yukon, a 2011 GMC Denali, and a 2012 GMC Denali for the Former Executives, at a cost totaling approximately $180,000.

C. The Former Executives' Lavish Spending

62. The Former Executives quickly burned through vast swaths of cash, spending significant sums on themselves. The Former Executives' priority was enjoying a lush lifestyle – including both material benefits and attendant lofty profiles and reputations – by spending Company funds on expensive apartments and furniture, office space and other real estate, and various perquisites. That spending was not commensurate with Certus's poor performance and was wholly inconsistent with serving local communities.

1. Certus's Headquarters and Branches

63. Despite their positions as executives of a fledgling community-bank holding company comprising failed community banks, the Former Executives were determined to present an ostentatious picture of success, beginning with their offices and Certus's headquarters.

64. After presenting to the Board and getting approval for plans to lease one floor of office space for the Company's headquarters, the Former Executives instead leased eight floors, and took on $110.2 million in lease obligations.

65. The Former Executives leased one floor of office space ***solely*** for themselves in the North Tower of what would be Certus's headquarters in Greenville, South Carolina, totaling approximately 20,000 square feet. The

Former Executives placed the remainder of the Company's headquarters staff in seven floors totaling approximately 140,000 square feet in the adjacent West Tower. In other words, the Former Executives leased 160,000 square feet of office space for Certus's headquarters despite having actual authority granted by the Board on June 23, 2011 to lease only 20,000 square feet to accommodate the Company's corporate operations.

66. The Former Executives unnecessarily spent $11.5 million to renovate and outfit their executive floor – which had only eight offices – and an additional, mostly unnecessary, $29.3 million on the rest of the Greenville headquarters. Unwarranted spending included an art collection that cost over $1 million, a ceiling entirely covered in 300,000 pennies and a 200-seat theater.[3] Those fixtures and furnishings had no legitimate purposes, and instead served the Former Executives' campaign of self-aggrandizement.

67. The Former Executives' self-interested misconduct is perhaps best represented in a hardcover book that the Former Executives prepared describing Certus's headquarters and touting "the vision of our Executive Leadership Team who has long dreamt about a proper workspace to reinvent banking." The book

[3] *See* Chris Cumming & Andy Peters, *CertusBank Dream Team Gets Its Wake-Up Call*, American Banker (Mar. 27, 2014).

demonstrates that the Former Executives were focused on painting themselves as dynamic leaders, and on building eye-catching offices, rather than on running a profitable company.

68. Among other things, the book describes how the Former Executives "spent considerable time agonizing over the various light fixture options," planned to "walk the wow/talk the wow/deliver the wow" by "surround[ing] [employees] with 360° of wow factor for constant inspiration," and commissioned "our very own custom CertusBank carpeting" because "14 million carpet samples in the world and still we couldn't find the perfect one," all of which was somehow supposed to contribute to Certus being the "smartest bank in the galaxy." In other words, rather than put the money invested by Plaintiffs and the Company's other stockholders to proper and useful business purposes, the Former Executives spent it on completely unnecessary luxury furnishings for their own benefit.

69. The book leaves no question that the Former Executives expended Company funds in order to separate themselves from Certus employees and bask in extravagant perquisites. Despite proclaiming that "[w]e don't have employees, we have TEAMMATES," the Former Executives maintained their offices in a separate tower from the Company's other employees.

70. Indeed, the Former Executives spent lavishly on themselves, keeping

stockholders and Certus's employees in the dark while proclaiming the ethos of "TRANSPARENCY + SELFLESSNESS + FUN = TEAMWORK." For example, the Former Executives touted the Company's "CertusFit" gym, because "the team that sweats together stays together." However, the Former Executives installed their own gym in their own unauthorized executive offices, so they would not have to exercise alongside lower-level employees.

71. The Former Executives also caused Certus to spend tens of millions of dollars on Certus branches, outfitted with wholly unnecessary fixtures that served only to aggrandize the Former Executives by lending a sheen of glamour to their business. For example, at the Certus Branch located on the ground floor of the Company's Greenville headquarters, the Former Executives installed: (i) the tallest interactive multi-touch media wall in the United States, measuring 13 feet high; (ii) dozens of tablet computers; (iii) private meeting rooms; and (iv) a large C-shaped counter. Defendant Webb stated that the Greenville branch was "more than a place where a customer will come to make a transaction. It's a destination where they can have a seat at our C-Bar and check their email on one of our tablets, or take a few minutes to learn about the history Greenville on our media wall."

72. The Former Executives' spending on Certus's branches included significant unwarranted and outsized expenditures, and further exacerbated the vast

gap between the Company's poor performance and Certus's serving as a vanity project for the Former Executives. Indeed, the Former Executives took on lease obligations for 8 new branches alone totaling $20 million, and spent $24.5 million outfitting those branches.

73. The Former Executives' unwarranted and self-serving spending has caused the Company to write off more than ***$49 million*** in leasehold improvements, including ***$13.3 million*** of leasehold improvements in its offices (***$11.5 million*** for the Greenville headquarter West Tower) for the first quarter 2015 alone, in addition to an ***$8.4 million*** write-off on the improvements and lease loss for the Greenville executive floor in the North Tower. The Company noted that, with regard to Certus's $33.6 million net loss recorded during the first quarter 2015, the majority was attributable to a ***$21.7 million*** noncash accounting charge, and "[t]he majority of these losses were in the corporate facilities in Greenville, SC. The bank continues to suffer based on the real estate decision of the past."

2. The Former Executives' Personal Condominiums

74. The Former Executives decided to locate the Company's headquarters in Greenville, South Carolina, where none of the Former Executives resided. It might have been reasonable for them to spend Company funds on relocation costs to Greenville, occasional hotel rooms when traveling to Greenville on business, or

even on a modestly furnished Company apartment that individuals could utilize for such travel.

75. Rather than spend Certus's money on reasonable and necessary accommodations, however, the Former Executives instead had Certus purchase each of Davis, Webb, and Williams a condominium in Greenville. The combined purchase price of those three condominiums was more than $1.5 million, and the Former Executives spent an additional $1 million on home furnishings.

76. As with Certus's headquarters and branches (discussed below), the Former Executives spent lavishly on outfitting their second homes, treating the Company's coffers as their own. An internal report on assets in the condominiums includes a multitude of unnecessary luxury items that the Former Executives spent Company funds on, including: (i) paintings costing in the tens of thousands of dollars each; (ii) rugs costing several thousand dollars each; (iii) a $100 3-inch paperweight; (iv) a $4,500 bed; (v) a $12,000 wine cellar; (vi) a $32,000 entertainment unit; (vii) an $1,100 coverlet for a bed in a guest bedroom; (viii) a $3,000 venetian glass mirror; (ix) a $4,400 television cabinet; and (x) $5,500 club chairs. In total, the Former Executives spent approximately $1 million on furniture, fixtures, and equipment for their condos.

77. Between November and December 2012, Defendant Webb

communicated extensively with representatives of retailer Fusion Audio & Video regarding audio-video improvements to be made to the Former Executives' apartments, including asking that a television in one colleague's exercise room be replaced with a smaller one, because the existing television was "too large." The Former Executives spent over $23,000 on home electronics (in addition to the $32,000 entertainment unit that housed those items).

78. The condominium-related expenses that the Former Executives incurred had no legitimate business purpose. Certus derived no benefit at all from the cost of a replacement television in one of its top executive's exercise rooms, or from their extravagant home furnishings.

3. The Former Executives Incurred Other Excessive, Unnecessary Costs

79. The Former Executives spent other Company funds improperly and unnecessarily. Such spending invariably benefited the executives themselves, without any attendant benefit to Certus or its stockholders. Indeed, the Former Executives were using Certus's corporate treasury as a piggy bank to fund a grandiose personal and professional lifestyle that was inconsistent with the concept and operations of any community bank, but certainly one performing as poorly as Certus did under the Former Executives' management.

80. The documents that Certus produced in response to Plaintiffs' Section

220 demand are rife with evidence of improper spending and misappropriated funds.

81. Examples of the Former Executives' self-serving greed include significant and unnecessary private jet expenses. Between 2011 and December 2012, the Former Executives used Certus to purchase 125 hours of private jet use for a total of approximately $200,000.

82. On December 27, 2012, Defendant Webb caused Certus to spend an additional $256,750 to pay for 65 more hours of private jet use. Defendant Webb then purchased 29 additional hours of private jet time on August 5, 2013 at a cost of $123,250.

83. Many of the flights that the Former Executives took on the Company-funded private jet were no longer than an hour, such as 35-minute flights to travel the approximately 150 miles from Greenville, South Carolina to Greensboro, Georgia and 30-minute flights to travel the approximately 105 miles from Greenville to Hickory, North Carolina.

84. Shockingly, much of the Former Executives' costly private air travel included trips to visit furniture manufacturers in the "nation's furniture belt" of North Carolina, where Defendants Davis and Webb "personally tried out 70+ chairs" in order to decide to how to outfit Certus's Greenville headquarters. The

Former Executives also took at least 12 trips via private jet to Chicago, which was outside of the Company's geographic footprint and where there was no apparent Company business.

D. The Former Executives Manipulated and Misrepresented Certus's 2013 Budget

85. By 2013, in light of Certus's mounting losses and depleting cash reserves, the Former Executives understood that Certus's stockholders would call for leadership changes if the Company did not start showing a profit.

86. In order to paint a more positive picture for stockholders, and to hide the Company's poor performance from the Board and stockholders, the Former Executives presented (including in presentations to the Board) a budget that forecast near-term profitability but that lacked any objective basis for that forecast. Certus's own Chief Financial Officer ("CFO"), German Soto ("Soto"), initially presented management with a budget forecasting a large loss for 2013. Soto's forecasts were confirmed, as the Company ultimately recorded a net loss of approximately ***$78 million*** in 2013.

87. In early January 2013, after the Former Executives had still not submitted a budget for 2013, the Certus board met in order to review the Company's business plan. In advance of that meeting, Certus's then-General Counsel, Lucille Reymann ("Reymann"), wrote to Defendant Jones, Soto, and

corporate secretary Jonathan Charleston, "not[ing] that the Operating Agreement . . . requires the Board to ensure that there is sufficient experience and expertise to implement the Business Plan and to ensure performance under the Plan is reviewed quarterly." Reymann recommended that management provide Certus's board with copies of the Company's Operating Agreement and latest business plan. Defendant Jones responded negatively, writing that he "would not suggest that the Operating Agreement be a point of discussion."

88. It was becoming increasingly apparent, however, that the Former Executives were neither capable of executing the business plan that they sold to stockholders nor inclined to do so, and that the Company would not be profitable for a long time, if ever.

89. In connection with preparing the 2013 budget and projections, Soto and his finance team analyzed the Company's performance. Chris Speaks, Senior Vice President and Director of Finance, wrote on January 11, 2013 to Soto that "core revenues have declined while noninterest expenses have increased exponentially . . . . [which] further supports where we are – no revenue growth with expense growth."

90. The budget and forecast that Soto and his team prepared at the start of 2013, based on their analysis of the Company's performance, included a significant

projected loss for 2013. In response, the Former Executives instructed Soto to revise the 2013 budget.

91. On January 13, 2013, Soto sent Defendants Davis, Williams and Webb a revised 2013 "budget discussion document," "adjusted for the items/changes" that the Former Executives had discussed with Soto. Even after those revisions, the 2013 draft budget projected $34.8 million in losses, with a pre-tax loss for core bank operations of over ***$53 million***.

92. By February 24, 2013, the Former Executives had prevailed on Soto to issue a budget, without any factual basis for the adjustments that showed Certus finishing 2013 with a $16 million pre-tax income run rate. Despite the unduly optimistic budget, Soto nevertheless stressed to the Former Executives that "[g]oing forward, it will be paramount for all to reach deep and enact their necessary cuts in time for [A]pril."

93. In addition, on March 13, 2013, the Former Executives told stockholders that they were implementing a cost reduction program that would enable the Company to start turning a profit beginning in mid- to late 2013. However, the Former Executives failed to ever implement the cost-cutting measures necessary to even approach the positive projections set forth in the revised 2013 budget.

94. On April 10, 2013, the Former Executives presented Certus's 2013 budget to the Company's board. The budget reflected the Former Executives' baseless forecast, with the first bullet point in the presentation's executive summary stating that "Overall FY2013 pre-tax income is budgeted at -$3.5 million," and the second bullet point stating that "Current budget projects achievement of positive pre-tax income quarterly run rate commencing second quarter 2013, with 2013Q2 through 2013Q4 being positive." The budget forecast a $2.8 million profit for the second quarter 2013, a $3.8 million profit for the third quarter 2013, and a nearly $4.5 million profit for the fourth quarter 2013. Those projections were based on, among other things, over $10 million of expense savings that the Former Executives had purportedly identified.

95. The Former Executives made it clear that they would not tolerate Soto's attempts, as the CFO, to accurately present the Company's poor financial condition. For instance, on September 9, 2013, Defendant Williams wrote to Soto, cc'ing Defendant Davis, after reviewing the 5-year projections for Certus that Soto had prepared. Defendant Williams wrote that he and Defendant Davis were "both confused and very concerned. As you already know, the numbers tell our story and the numbers I saw this morning did not tell the story well. It is important for you to understand how impactful the numbers are."

96. On September 11, 2013, Defendant Williams wrote to Soto accusing him of disclosing the Former Executives' salaries to the Company's banker at Goldman Sachs, Joe Jiampietro, who had "suggested that we pay ourselves too much money." Also on September 11, Defendant Williams wrote Soto an email, cc'ing Defendant Davis, in advance of a meeting with Keefe, Bruyette & Woods in connection with pursuing a potential strategic transaction. Defendant Williams told Soto that "Walter [Davis] and I have to get in front of folks to sell this deal and we are not going to start the presentation off by telling investors that the core bank is projected to lose money in 2014 . . . . [M]odels are being built with limited input from us. We must connect on this info regularly."

97. Similarly, on September 14, 2013, Defendant Williams wrote to Soto, cc'ing Defendants Davis, Webb and Jones, telling Soto that "[w]e are not on the same page and have been confused about some of your actions." Defendant Williams stated in no uncertain terms that Soto should not present financials, or his related analysis, to anyone without the Former Executives' approval, scolding that "nothing, absolutely nothing in terms of the numbers should be presented to anyone including bankers, investors, teammates, etc., unless it has been thoroughly reviewed and approved by the CEO."

98. Defendant Williams further criticized Soto for "capitulat[ing]" when

"regulators or accountants or even bankers" would tell Soto that "'this is the way it is' or 'this is the only way to do it' or 'there will be consequences.'" Williams threated Soto's job, writing that "I know a number of CFO's that were dismissed at several shops I worked at for those actions."

99. In response to Defendant Williams' chastising, Soto wrote back on September 16 that he believed that the "team has got to be much more realistic about the current and future financial performance of the firm," and "the team has got [to] be frank about the short (and maybe midterm) performance. The 2012 and 2013 budgets and related communications were significantly off the mark." Defendant Williams responded by asserting his authority, criticizing Soto for preparing documents that were not shared with executive leadership, and reminding Soto that "[a]s far as I know it, today Walter [Davis] and I still run the bank."

E. The Former Directors Willfully Turned a Blind Eye to the Former Executives' Misconduct

100. The Former Directors turned a blind eye to the Former Executives' rampant pilfering and other misconduct.

101. A functioning and effective board of directors would have monitored management and prevented the self-dealing and gross misuse of Company resources that took place under the Former Executives. Instead, the Former

Directors affirmatively and intentionally left the Former Executives unchecked, facilitating the significant harm to Certus and its stockholders detailed herein.

102. The Former Directors did not erect or implement even basic internal controls that would allow them to effectively monitor management and hold the Former Executives accountable. The Former Directors did not have functional board committees in place to supervise the Former Executives, and utterly failed to take any meaningful steps to even attempt to ensure that Certus's funds were appropriately spent for the Company's benefit.

103. Having willfully abdicated their oversight responsibilities, the Former Directors permitted the Former Executives to violate their clear directives, time and again. The Former Directors authorized the Former Executives to lease only one floor of headquarters-office space totaling 20,000 square feet, but did nothing to prevent the Former Executives from leasing an additional 140,000 square feet (or hold management accountable after the fact). That unauthorized lease is largely responsible for the Company's present dire financial condition.

104. The Stock Purchase Agreement required directors' approval of related-party transactions with ICS. Yet, the Former Directors allowed the Former Executives to improperly engage ICS and commit nearly $10 million of Certus's funds. Had the Former Directors taken any steps to ensure compliance with the

Company's contractual obligations, the Former Executives would not have diverted $10 million to their own company.

105. Moreover, the Former Directors took (minimal) action only once forced to by the overwhelming weight of stockholder and public pressure.

106. In late 2013 and early 2014, several stockholders wrote to the Board expressing dismay at the Company's failures, the Former Executives' misconduct, and the Former Directors' willful failures to impose and enforce limits on the Former Executives. Still, the Former Directors did nothing.

107. It was not until *American Banker* published an expose in March 2014, publicly exposing the Former Executives' self-interested misconduct, that the Former Directors took any affirmative steps to rein in the Former Executives. In the face of public condemnation and growing stockholder unrest, the Board finally terminated Jones, Davis, and Webb on April 9, 2014. Williams, apparently seeing the writing on the wall, had resigned on March 31, 2014.

108. By the time of the April 14, 2014 Board meeting, the Former Directors finally recognized "that the overall condition of the Bank had deteriorated since the previous year's examination and that the Board would need to take immediate corrective action to improve its and management's oversight of the Bank's activities."

109. By the time the Former Directors took any steps to implement effective controls that might hold management accountable, the harm to Certus and its stockholders was done. For years, the Former Directors sat by and watched the Former Executives spend lavishly on unnecessary luxury items, engage in corrupt related party transactions, and lose hundreds of millions of dollars. By April 2014, there was no way for Certus's new directors and executives to save the failing Company.

110. Indeed, over the past year and a half, the new leadership of Certus has been forced to sell off its banking assets and exit the business, a process that is still ongoing.

CLASS ALLEGATIONS

111. Plaintiffs bring Count V of this action pursuant to Court of Chancery Rule 23, individually and as a class action on behalf of a class consisting of all signatories to that certain Stock Purchase Agreement dated May 25, 2010 (the "Class") that have been harmed as a result of the Defendants' misconduct. Excluded from the Class are the Company and the Defendants named herein and any person, firm, trust, corporation, or other entity related to or affiliated with them and their successors in interest.

112. This action is properly maintainable as a class action.

113. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claim in a class action will provide substantial benefits to the parties and the Court. There are forty-eight signatories to the Stock Purchase Agreement who are not excluded from the above Class definition.

114. There are questions of law and fact that are common to members of the Class, including, *inter alia*, the following, which predominate over any questions affecting only individual class members:

A. Whether the terms upon which ICS performed services for the Company following the closing of the first failed bank acquisition were no less favorable to the Company than the terms that could have been obtained from a third party provider;

B. Whether a majority of the members of the board of directors of Certus who qualified as independent directors properly approved the engagement of ICS following the closing of the first failed bank acquisition;

C. Whether a majority of the members of the board of directors of Certus who qualified as independent directors properly approved reimbursing ICS for certain expenses incurred on the Company's behalf;

D. Whether the Former Executives' and ICS's actions constitute tortious interference of the SPA; and

E. Whether Plaintiffs and the other members of the Class are entitled to damages as a result of the Former Executives' actions.

115. Plaintiffs anticipate that there will be no difficulty in the management

of this litigation as a class action.

116. The Former Executives have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

117. Plaintiffs are committed to prosecuting this action and have retained competent counsel experienced in litigation of this nature. Plaintiffs' claims are typical of the claims of the other members of the Class, and Plaintiffs have the same interests as the other members of the Class. Accordingly, Plaintiffs are adequate representatives of the Class and will fairly and adequately protect the interests of the Class.

118. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

DERIVATIVE ALLEGATIONS

119. Plaintiffs bring Counts I-IV of this action derivatively to redress injuries suffered by Certus as a direct result of the breaches of duty and related misconduct on the part of the Former Executives and the Former Directors.

120. Plaintiffs have owned shares of Certus stock continuously during the time of the wrongful course of conduct by the Former Executives and the Former Directors alleged herein, and continue to hold Certus stock.

121. Plaintiffs will adequately and fairly represent the interests of Certus and its stockholders in enforcing and prosecuting their rights, and have retained counsel competent and experienced in stockholder derivative litigation.

122. On September 22, 2015, Plaintiffs sent a litigation-demand letter to the Certus Board in which they set forth and detailed the misconduct alleged herein (the "Litigation Demand"). In the Litigation Demand, Plaintiffs further acknowledged that the Company's current financial position might prevent it from pursuing these undoubtedly viable claims. Plaintiffs urged the Board, if it did not decide to pursue claims against the Former Executives and the Former Directors itself, to allow Plaintiffs to pursue the claims set forth herein on the Company's behalf. Further, Plaintiffs requested that the Board establish a litigation trust and assign all claims arising out of the misconduct set forth herein to that trust, for the benefit of Certus's wronged stockholders.

123. On October 16, 2015, the Board informed Plaintiffs that it "takes no position with respect to the request set forth in the Litigation Demand for the Company to bring claims against certain former directors and officers of the Company." Further, the Board wrote that "in light of the Company's current financial circumstances, the board has determined that it is not in a position to establish a litigation trust as requested in the Demand Letter."

124. Under Delaware law, if the board of directors does not object and takes no position on a derivative plaintiff's litigation demand, the plaintiff may proceed and prosecute such claims on the company's behalf. *See, e.g.*, *In re Am. Int'l Grp., Inc.*, 965 A.2d 763, 807-11 (Del. Ch. 2009); *Kaplan v. Peat, Marwick, Mitchell & Co.*, 540 A.2d 726, 731 (Del. 1988).

125. Accordingly, Plaintiffs satisfy Court of Chancery Rule 23.1 and may properly proceed with the prosecution of the derivative claims set forth in the present action.

COUNT I

Breach of Fiduciary Duty Against the Former Executives

126. Plaintiffs repeat and reallege the allegations set forth above as if fully set forth herein.

127. As officers of Certus, the Former Executives owed the Company and its stockholders the highest duties of care, loyalty, good faith, and candor. Moreover, these duties include the obligation to present a fair, realistic, and accurate budget to the Board for its approval. The Former Executives' duties also include the duty not to misappropriate corporate funds for their own benefit, and the duty not to engage in self-dealing on anything but arm's-length terms that are entirely fair to the Company and fully disclosed.

128. However, as explained above, the Former Executives breached their fiduciary duties by using the Certus corporate treasury to fund lives of luxury, including through unnecessary private air travel, acquiring Company-owned vehicles for nothing more than nominal payments, and causing the Company to acquire and furnish lavish apartments for the Former Executives' personal use.

129. Further, the Former Executives caused the Company to retain the services of ICS, a private company owned by the Former Executives. From April 2011 through February 2014, the Former Executives caused Certus to pay ICS over $9 million.

130. Moreover, instead of presenting the Board with a realistic 2013 budget that was prepared by the Company's financial team and accurately projected a significant loss, the Former Executives manipulated the budget to hide the Company's true performance. The 2013 budget that the Former Executives presented to the Board projected only a small loss overall, and a profit for each of the final three quarters of 2013. The budget initially prepared by the Company's financial team would prove realistic, as Certus lost $90 million more pretax in 2013 than indicated in the budget that the Former Executives presented. By preparing and presenting an unrealistic and inaccurate 2013 budget to the Board, the Former Executives have breached their fiduciary duties to the Company and its

stockholders.

131. As a result of breaching their fiduciary duties, the Former Directors have harmed Certus and its stockholders. As officers of the Company, the Former Executives are not exculpated by Section 102(b)(7) of the DGCL.

COUNT II

Waste Against the Former Executives

132. Plaintiffs repeat and reallege the allegations set forth above as if fully set forth herein.

133. The Former Executives used corporate funds to perpetuate a lavish and wasteful lifestyle, both for themselves, and the Company. This misconduct included spending tens of millions of dollars to acquire and furnish unnecessary luxury office space, acquire and furnish personal luxury apartments, rent private jets, and engage in unfair related-party transactions.

134. There was no reasonable purpose for the Former Executives' use of the corporate funds as alleged herein, as Certus received practically no benefit from these expenditures and has been forced to write off approximately $50 million of the value of the so-called "assets" that the Former Executives acquired.

135. As a result of their waste of corporate assets, the Former Executives are liable to the Company.

COUNT III

Breach of Fiduciary Duty Against the Former Directors

136. Plaintiffs repeat and reallege the allegations set forth above as if fully set forth herein.

137. The Former Directors owed Certus and its stockholders the highest duties of care, loyalty, good faith, and candor. The Former Directors owed the highest obligations of good faith and loyalty in the administration of the affairs of the Company, including, without limitation, the oversight of the Former Executives – including imposing and enforcing internal controls.

138. The Former Directors utterly failed to monitor the activities of the Former Executives to ensure that the Former Executives were managing the corporation for the benefit of its stockholders. The Former Directors were aware of the conflicts inherent in any ICS transactions, yet failed to approve ICS's relationship with Certus. In the face of their known duty to act, the Former Directors took no action when the red flag of ICS's continuing relationship was raised at a July 2012 board meeting. Moreover, the Former Directors failed to erect internal controls that would inform them of the Former Executives' misconduct. As a result of the Former Directors' inattention, the Former Executives were allowed to use the corporate treasury to fund their own

extravagant lifestyles, engage in disloyal transactions, engage in corporate waste, and squander the stockholders' investments.

139. As a direct and proximate result of the Former Directors' conscious failure to perform their fiduciary duties, the Company and its stockholders have sustained, and will continue to sustain, significant damages.

COUNT IV

Aiding and Abetting Against ICS

140. Plaintiffs repeat and reallege the allegations set forth above as if fully set forth herein.

141. Through its principals (Jones, Williams, Webb, and Davis), ICS knowingly participated in the breaches of the fiduciary duties of care, loyalty, and good faith owed by the Former Executives and the Former Non-Executive Directors. ICS knowingly participated in Jones, Williams, Webb, and Davis's self-dealing by engaging in transactions with, and billing, Certus almost $10 million for services that caused Certus to breach its contractual commitments and for which there is no evidence of fair dealing or fair price. ICS participated in the Former Executives' breach of fiduciary duty on terms that allowed ICS to continue charging rates for services that Certus should have performed (and later did perform) on its own without paying ICS rates over and above what it would have

cost Certus to do directly. ICS participated with the Former Executives in creating an information vacuum that caused the Former Directors to breach their fiduciary duties, especially given that the entire Board was aware that ICS should not have been performing work without independent-director approval and should have been monitoring the relationship with ICS and the work that it performed.

COUNT V

Tortious Interference with the Stock Purchase Agreement Against the Former Executives and ICS

142. Plaintiffs repeat and reallege the allegations set forth above as if fully set forth herein.

143. On May 25, 2010, Certus's stockholders and the Company entered into the Stock Purchase Agreement, which governs the stockholders' initial investment in the Company.

144. To sustain a claim for tortious interference with a contract, a plaintiff must show a valid contract existed that third parties knew about, that the third parties intentionally and improperly procured the breach of that contract without justification, and the breach of contract harmed the plaintiffs.

145. Here, the Plaintiffs and the Class had a valid contract with the Company, the Stock Purchase Agreement. The Former Executives knew about this contract, as they are each signatories.

146. Section 5.13 of the Stock Purchase Agreement provides that the Company could engage the services of ICS after the date of Certus's first failed bank acquisition only if (i) the terms of such service are as favorable to the Company as those that could be obtained by a third party; ***and*** (ii) the engagement is approved by a majority of the Company's independent directors. Moreover, a majority of the independent directors must approve any reimbursement of expenses to ICS.

147. In contravention of the Stock Purchase Agreement, the Company engaged the services of ICS following the first failed bank acquisition. Between April 2011 and February 2014, Certus paid ICS $9,678,616.82. There is no evidence to suggest that the terms of Certus's engagement were equivalent to an arm's-length transaction, or were otherwise procedurally or substantively fair. Additionally, despite a review of various Board minutes produced by the Company, there is no evidence to suggest that the Company's independent directors approved this continued engagement. Therefore, the Company breached the Stock Purchase Agreement.

148. ICS is a private consulting firm managed and owned by the Former Executives. ICS knew about the existence of the Stock Purchase Agreement, and participated in – and unjustly benefited by – tortiously interfering with Certus's

and its stockholders' contract rights. By causing the Company to continue to engage the services of ICS, the Former Executives intentionally and improperly caused the Company to breach the Stock Purchase Agreement for their own benefit, and the Former Executives and ICS tortiously interfered with Certus's and its stockholders' bargained-for rights under the Stock Purchase Agreement.

149. Through the continued and improper engagement of ICS, Certus and the Class have been harmed.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment as follows:

A. Declaring that this action is properly maintainable as a class action;

B. Finding that the Former Executives breached their fiduciary duties by presenting a false 2013 budget to the Board;

C. Finding that the Former Executives breached their fiduciary duties by engaging in improper and unfair self-dealing;

D. Finding that the Former Executives engaged in corporate waste;

E. Finding that, in breach of their fiduciary duties, the Former Directors failed to adequately oversee the Former Executives;

F. Finding that the Former Executives tortiously interfered with the Stock Purchase Agreement;

G. Awarding Certus restitution from the Former Executives, and each of them, and ordering disgorgement of all profits, benefits, and other compensation obtained by the Former Executives;

H. Awarding damages, together with pre- and post-judgment interest;

I. Awarding to Plaintiffs the costs and disbursements of the action, including reasonable attorneys' fees, accountants', consultants', and experts' fees, costs, and expenses; and

J. Granting such other and further relief as the Court deems just and proper.

Dated: October 29, 2015

FRIEDLANDER & GORRIS, P.A.

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CERTIFICATE OF SERVICE

I hereby certify that on November 3, 2015, I caused a copy of the **Public Version of the Verified Class Action and Derivative Complaint** to be served upon the following parties by hand delivery:

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