

STATE OF NORTH CAROLINA FILED IN THE GENERAL COURT OF JUSTICE

DARE COUNTY

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SUPERIOR COURT DIVISION

DARE COUNTY, C.S.C.

FILE NO. 09-CVS-797

BY Bm

SANDPIPER CAY CONDOMINIUM :
OWNERS ASSOCIATION, INC., :
Plaintiff :

COMPLAINT

vs. :

G. DOUGLAS SEAY, SUSAN D. SEAY, :
and SANDPIPER MANAGEMENT, INC., :
Defendants :

1. Plaintiff is a corporation in good standing and incorporated under the North Carolina Non-Profit Corporation Act, Chapter 55A of the North Carolina General Statutes.

2. Defendant G. Douglas Seay (hereinafter "defendant Doug Seay") is, on information and belief, a resident of Dare County, North Carolina and is under no legal disability.

3. Defendant Susan D. Seay (hereinafter "Defendant Susan Seay") is, on information and belief, a resident of Dare County, North Carolina and is under no legal disability.

4. Defendant Sandpiper Management, Inc. (hereinafter "SMI") is a corporation formed by defendant Susan Seay which has been administratively dissolved.

5. Plaintiff was formed on or about July 30, 1987 and is a condominium owners association governed by the North Carolina Condominium Act, Chapter 47C of the General Statutes (hereinafter also referred to as "the Association").

6. Doug Seay has served as an officer and director of plaintiff's board of directors for several years. He was elected secretary of the board of directors in July 1991. Doug Seay became president of plaintiff's board of directors in September 1994 and served as president until he resigned on December 28, 2007.

7. Susan Seay formed Sandpiper Management, Inc. in June, 1993. Thereafter, as principal of SMI, defendant Susan Seay agreed to serve as property manager for plaintiff beginning October 1, 1993 under a series of agreements with plaintiff. The last property management agreement between the parties was called "Property Management Agreement" and "First Addendum to Property Management Agreement" attached hereto as Exhibits 1 and 2, respectively, both of which were dated August 1, 1997.

8. Defendant Doug Seay dominated and controlled the operations of plaintiff during his service as president of the Board of Directors. Defendant Doug Seay maintained an office on plaintiff's property from which he operated his real estate and rental business; controlled the business affairs and operation of plaintiff; identified himself to others as "the president of Sandpiper Cay"; controlled its Board of Directors; and otherwise acted as the chief executive officer and managing agent of plaintiff.

9. In July 1995, Doug Seay and defendant Susan Seay married. Despite the conflict of interest that his marrying to plaintiff's

property manager created, defendant Doug Seay continued serving as president of the Board of Directors and yet took no steps to arrange for someone other than his wife to be plaintiff's property manager.

10. Based on his relationship with plaintiff, including but not limited to his position as president of plaintiff's board of directors, and a member of plaintiff's executive board, Doug Seay owed the duties of a fiduciary to plaintiff, including but not limited to the following duties:

- a. The duty to act in good faith;
- b. The duty to discharge his duties with that diligence and care which a reasonably prudent man would exercise under similar circumstances and in a like position;
- c. The duty to keep records and to render accounts to plaintiff of plaintiff's affairs;
- d. The duty to disclose facts to plaintiff;
- e. The duty to avoid conflicts of interest with plaintiff;
- f. The duty to account to plaintiff for its funds which came into defendant's hands;
- g. The duty to act of the utmost loyalty, good faith and honesty toward plaintiff;
- h. The duty to make full disclosure to plaintiff of all transactions in which he was engaged with plaintiff;
- i. The duty to keep plaintiff's property safe and to protect such property;
- j. The duty to promptly pay over to plaintiff money he received on plaintiff's behalf;

- k. The duty not to commingle or convert plaintiff's property;
- l. The duty to ensure that all proper federal and state reports and forms were filed for plaintiff on a timely basis, including but not limited to income tax returns and reports of compensation paid to independent contractors;
- m. The duty to establish and maintain an adequate reserve account for replacement and repairs and other reserve accounts; and
- n. The duty to comply with plaintiff's bylaws, instructions and directions.

FIRST CLAIM FOR RELIEF

Breach of Fiduciary Duties of Doug Seay - First Count
(Diversion/Conversion of Plaintiff's Property)

11. Paragraphs 1 through 10 are realleged and incorporated herein by reference.

12. Property owned by plaintiff was damaged by various storms including but not necessarily limited to the following:

- a. Hurricane Floyd on or about October 31, 1999;
- b. Hurricane Isabel on or about September 17, 2003; and
- c. Hurricane Charlie on or about August 14, 2004.

13. Plaintiff maintained property and casualty insurance covering plaintiff's property that was damaged in each of these storms.

14. Defendant Doug Seay, acting as president of plaintiff's board of directors, submitted claims (hereinafter "storm claims") for property damage to plaintiff's insurers for the storm damage

experienced between 1999 and 2004. However, as insurance proceeds were paid, defendant Doug Seay diverted the monies to himself and to bank accounts owned and controlled exclusively by him.

15. Defendant Doug Seay used some of the insurance proceeds from the storm claims to pay for repairs to plaintiff's property, hired and/or paid unqualified contractors and did not obtain warranties for some of the work, and kept other insurance proceeds for defendant Doug Seay's own personal use and benefit.

16. Defendant Doug Seay's diversion of insurance proceeds to himself was without the authority or approval of plaintiff; was without disclosure to plaintiff; and was otherwise in violation of defendant Doug Seay's various fiduciary duties owed to plaintiff.

17. On information and belief, Doug Seay diverted to himself over \$100,000 from the proceeds he received on behalf of plaintiff for plaintiff's storm damaged property.

18. Plaintiff is entitled to recover of defendant Doug Seay a sum in excess of \$10,000 on account of defendant Doug Seay's diversion and conversion of insurance proceeds belonging to plaintiff.

Breach of Fiduciary Duties by Doug Seay - Second Count
(Failure to Account to Plaintiff)

19. Paragraphs 1 through 18 are realleged and incorporated herein by reference.

20. Defendant has failed to disclose to plaintiff the details of all of the transactions with the insurance proceeds from the

storm claims and has failed to account to plaintiff for his use of the insurance proceeds belonging to plaintiff.

21. Plaintiff is entitled to a full and complete accounting from defendant Doug Seay for his use of the proceeds of plaintiff's insurance claims.

Breach of Fiduciary Duties by Doug Seay - Third Count

(Improper/Negligent/Unreasonable
Management of Plaintiff's Affairs)

22. Paragraphs 1 through 21 are realleged and incorporated herein by reference.

23. Defendant Doug Seay failed to manage plaintiff's affairs in a reasonable and prudent manner; to account to plaintiff for numerous transactions; to keep accurate books and records of plaintiff's affairs; to use plaintiff's resources, including but not limited to the insurance proceeds from the storm claims, in a reasonably prudent manner; to safeguard and protect plaintiff's property; and to deal openly, honestly and fairly with plaintiff.

24. Contrary to plaintiff's bylaws, defendant Doug Seay failed to arrange for an independent audit of plaintiff's financial records periodically.

25. Defendant Doug Seay failed to properly supervise, manage and monitor plaintiff's property manager; and defendant Doug Seay failed to ensure that the property manager, defendant Susan Seay, complied with her duties to plaintiff.

26. Following defendant Doug Seay's resignation, plaintiff had to incur substantial expense to reconstruct the books and records of plaintiff that defendant Doug Seay should have kept, or which defendant Doug Seay should have caused defendant Susan Seay to have kept, and which in any event, should have provided to plaintiff. The expenses incurred by plaintiff could have been avoided had defendant Doug Seay complied with his duties to plaintiff.

27. Plaintiff is entitled to recover of defendant Doug Seay in an amount in excess of \$10,000 on account of defendant Doug Seay's breach of fiduciary duties.

Breach of Fiduciary Duties By Doug Seay - Fourth Count
(Lack of Prudent Management and Failure to Disclose Facts)

28. Paragraphs 1 through 27 are realleged and incorporated herein by reference.

29. Doug Seay failed to manage the affairs of plaintiff in a prudent manner, with due care and diligence.

30. Defendant Doug Seay failed to recommend or otherwise cause plaintiff to assess adequate association dues to plaintiff's membership; failed to ensure that adequate dues were collected from plaintiff's members; failed to engage a qualified third party to advise him and plaintiff on the adequacy of plaintiff's reserves or, if such advice was obtained, he failed to follow it or report it to the plaintiff's Board of Directors; and failed to establish and maintain a capital reserve account to ensure that plaintiff

would be able to make capital improvements over time to its property.

31. Because of defendant Doug Seay's lack of prudent management, due care and diligence, plaintiff collected inadequate dues for several years and failed to have available adequate capital reserves to provide for improvements to plaintiff's properties, which has impaired property values of plaintiff's members and made it difficult to sell their units.

32. On account of defendant Doug Seay's actions, plaintiff and its members have been damaged in an amount in excess of \$10,000 which plaintiff have is entitled to recover of defendant Doug Seay.

SECOND CLAIM FOR RELIEF
(Conversion by Doug Seay)

33. Paragraphs 1 though 32 are hereby realleged and incorporated herein by reference.

34. On information and belief, defendant Doug Seay converted property of plaintiff to his own personal use, including but not limited to the purchase of items of personal property which he took with him after he resigned and which, on information and belief, he still has in his possession.

35. Plaintiff is entitled to recover from defendant Doug Seay a sum in excess of \$10,000 for the property Doug Seay converted from plaintiff.

THIRD CLAIM FOR RELIEF

(Constructive Fraud by Doug Seay)

36. Paragraphs 1 through 35 are realleged and incorporated herein by reference.

37. Defendant Doug Seay has committed constructive fraud by taking advantage of his position of trust and confidence with plaintiff to bring about the misappropriation of funds as aforesaid and because:

- a. A relationship of trust and confidence existed because the defendant Doug Seay and plaintiff had fiduciary relationship;
- b. Defendant Doug Seay used his position to bring about the misappropriation of funds to the detriment of plaintiff and for the wrongful benefit of himself; and
- c. Defendant Doug Seay misused his relationship with plaintiff, improperly used his influences over plaintiff and unfairly took advantage of plaintiff.

38. Accordingly, plaintiff is entitled to recover of defendant Doug Seay a sum in excess of \$10,000 for his constructive fraud.

FOURTH CLAIM FOR RELIEF

(Breach of Contract by Susan Seay)

39. Paragraphs 1 through 38 are hereby realleged and incorporated herein by reference.

40. Under the property management agreements, Defendant SMI and Susan Seay agreed to serve as the exclusive managing agent and chief executive officer of plaintiff with broad authority to manage the operations and affairs of plaintiff.

41. Under the property management agreements, defendants Susan Seay and SMI were obligated to employ all personnel necessary "for the efficient discharge of" their duties, and were solely responsible for compensating such personnel.

42. On May 25, 2005, SMI was dissolved, yet defendant Susan Seay continued to serve as property manager for plaintiff.

43. Defendant Susan Seay's duties as property manager included the duties:

- a. To implement the plaintiff's decisions;
- b. "To investigate, hire, pay, supervise and discharge all personnel and independent contractors necessary to properly maintain and operate the association's common elements";
- c. To maintain a comprehensive system of corporate administrative records in conjunction with the operation of the Association and condominium-common elements, including by way of example, legal documents, filings with public agencies, corporate minutes and insurance policies, service contracts, correspondence and maintenance agreements" all such records were to be plaintiff's property;
- d. "To return all records and correspondence to the Association" upon termination of her services as property manager;
- e. "To maintain and store all current and immediately preceding fiscal year records" at her own cost;
- f. To make the records of plaintiff "open for inspection by the directors, officers and members of the Association and to any person authorized in writing by the Association's Board of Directors";
- g. To make recommendations to the Board of Directors regarding contracts for goods and services, to assist in developing bid specifications, solicitation of bids, qualifications of vendors or

contractors, and to make recommendation to the Board of Directors;

- h. To arrange for plaintiff's contracts for necessary services and to procure written contracts for necessary services and to procure written contracts for such services and to have such contracts executed by an officer of the Association;
- i. To obtain all necessary insurance;
- j. To maintain "appropriately designated bank accounts on behalf of Association";
- k. To use plaintiff's funds only for liabilities and obligations incurred pursuant to the agreement;
- l. "To collect all regular monthly assessments and other charges as they became due and payable from Association members and all other monies which are due from other sources which are obligated to and for the benefit of" plaintiff;
- m. "To maintain an accounting of each member's accounts and . . . furnish the Association with a list of all delinquent accounts, indicating action recommended, pending and taken" and provide such information on a regular basis to plaintiff;
- n. To collect delinquent accounts and to protect the plaintiff's security interests in the equity of delinquent owners' units through timely filing liens on the properties of delinquent owners;
- o. To pay regularly and punctually all operating expenses of plaintiff;
- p. To protect the funds specified for plaintiff's reserve funds for replacement or any other reserve accounts;
- q. To provide a financial statement monthly detailing the income, expense and financial condition of the Association, with a bank recommendation provided to the treasurer;
- r. To ensure that the books and records of the Association were audited at least every five years

or more frequently, if necessary, by a firm of independent CPA's selected and approved by the plaintiff;

- s. To ensure that all proper federal and state reports and tax forms were filed on a timely basis, including income tax returns and reports of compensation paid to independent contractors;
- t. To provide general supervision over the operation and maintenance of the plaintiff's common areas; and
- u. To administer maintenance requests from owners in accordance with plaintiff's policy.

44. Defendant Susan Seay failed to perform her obligations under the parties' agreement in numerous ways, including but not necessarily limited to the following:

- a. She failed to properly or with due care implement the Association's decisions;
- b. She failed to properly or with due care select, pay or supervise all personnel and independent contractors necessary to properly maintain plaintiff's common elements;
- c. She failed to properly or with due care maintain a comprehensive system of corporate administrative records in connection with the operating of plaintiff and its common elements;
- d. She failed to properly or with due care arrange for the return of all of the Association's records and books upon termination of her services as property manager.
- e. She failed to properly or with due care maintain and store all records for the Association for the preceding year at her own cost;
- f. She failed to properly or with due care maintain records that were open for inspection by plaintiff's directors, owners and members;

- g. She failed to make recommendations to the Board of Directors regarding contracts for goods and services, to assist in the development of bid specifications, selection of qualified vendors or contractors and to otherwise make appropriate recommendations to the Board of Directors;
- h. She failed to properly or with due care arrange for plaintiff's contracts for necessary services and to procure written contracts from such service providers or otherwise to ensure that service providers properly executed written agreements to govern their services to plaintiff;
- i. She failed to properly or with due care maintain appropriately designated bank accounts on behalf of plaintiff;
- j. She failed to properly or with due care use Association funds only for liabilities and obligations incurred pursuant to the agreement.
- k. She failed to collect all regular monthly assessments and other charges as they became due from Association members, including those charges which she actually obtained from some members and actually held in trust for plaintiff, which she failed to properly apply and account for;
- l. She failed to render an accounting of each member's account or to furnish to the Association a list of delinquent accounts;
- m. She failed to collect delinquent accounts;
- n. She failed to regularly and punctually arrange for the payment of all operating expenses of plaintiff;
- o. She failed to properly or with due care protect the amounts specified for plaintiff's reserve funds for replacements or any other reserve account;
- p. She failed to properly or with due care provide a financial statement on a monthly basis detailing income, expense and financial condition of the Association, or to furnish this information as needed to plaintiff's treasurer.

- q. She failed to ensure that the plaintiff's books and records were audited at least annually by a firm of independent CPA's selected and approved by the plaintiff;
- r. She failed to properly or with due care provide general supervision over the operation, maintenance and repairs of the Association's common areas;
- s. She failed to administer maintenance requests from owners in accordance with the Board's policy;
- t. She failed to obtain guidance from qualified third parties of the adequacy of plaintiff's reserve account(s);
- u. She failed to timely file liens on the units of delinquent owners, which has allowed delinquent owners to obtain additional loans with priority over plaintiff's claims for past due accounts which impairs or limits plaintiff's ability to collect delinquent accounts; and
- v. She otherwise failed to fulfill her obligations under the management agreement as may otherwise be shown in discovery.

45. As a result of defendants Susan Seay's and SMI's failures to properly perform their duties as property manager, plaintiff has suffered damage including but not limited to:

- a. Plaintiff has incurred expenses for recovery of its own financial information;
- b. Plaintiff has paid expenses that were not plaintiff's responsibility;
- c. She allowed defendant Doug Seay to breach his fiduciary duties to plaintiff;
- d. She failed to ensure that plaintiff maintained an adequate reserve account;
- e. She failed to ensure that plaintiff's funds were administered in a prudent and reasonable way;

- f. She allowed plaintiff to lose the benefit of its reserve account, and has failed to account to plaintiff for same.
- g. Plaintiff has incurred great expenses in rectifying defendant Susan Seay's records and accounts.
- h. Plaintiff has lost access to and information about its own property, which should have been protected and maintained for the benefit of the plaintiff.
- i. Defendants Susan Seay and SMI paid themselves monies to which they were not entitled.

46. On January 3, 2008, plaintiff terminated defendant Susan Seay as property manager. Plaintiff also demanded that defendant Susan Seay provide to plaintiff the books and records and information that she was required to keep for plaintiff. The information returned by defendant Susan Seay was incomplete, unreliable and disorganized.

47. Defendant Susan Seay paid herself more in management fees that was due under the property management agreement, totaling \$13,479.00.

48. Defendant Susan Seay approved and paid expenses that were at least \$88,613 greater than budgeted, collected total income for plaintiff which was at least \$94,819.43 less than budgeted.

49. Because of defendant Susan Seay's breach of contract, plaintiff is entitled to recover of defendant Susan Seay sums well in excess of \$100,000.

FIFTH CLAIM FOR RELIEF

(Breach of Fiduciary Duties by Susan Seay)

50. Paragraphs 1 through 49 are realleged and incorporated herein by reference.

51. As property manager for plaintiff, defendant Susan Seay owed the duties of a fiduciary to plaintiff, including but not limited to the following duties:

- a. The duty to act in good faith;
- b. The duty to discharge her duties with that diligence and care which a reasonably prudent person would exercise under similar circumstances and in a like position;
- c. The duty to keep records and to render accounts to plaintiff of plaintiff's affairs;
- d. The duty to disclose facts to plaintiff;
- e. The duty to avoid conflicts of interest with plaintiff;
- f. The duty to account to plaintiff for its funds which came into defendant's hands;
- g. The duty to act of the utmost loyalty, good faith and honesty toward plaintiff;
- h. The duty to make full disclosure to plaintiff of all transactions in which she was engaged with plaintiff;
- i. The duty to keep plaintiff's property safe and to protect such property;
- j. The duty to promptly pay over to plaintiff money she received on plaintiff's behalf;
- k. The duty not to commingle or convert plaintiff's property; and

1. The duty to comply with plaintiff's bylaws, instructions and directions.

52. Despite the conflict of interest that her marriage to the president of plaintiff's Board of Directors, defendant Doug Seay, created for her as plaintiff's property manager, defendant Susan Seay continued serving as plaintiff's property manager yet took no steps to ensure that plaintiff's Board of Directors received fair and objective recommendations from her and other information that she knew, or in the exercise of her fiduciary duties should have known, was material information for plaintiff that was not otherwise going to be provided to plaintiff.

Breach of Fiduciary Duties of Susan Seay - First Claim

53. Paragraphs 1 through 52 are realleged and incorporated herein by reference.

54. Defendant Susan Seay breached the fiduciary duties which she owed to plaintiff in numerous ways, including but not limited to as follows:

- a. She allowed defendant Doug Seay to administer the storm claims, to assume control of the insurance proceeds from the storm claims, and to convert and divert some of those funds to his control and personal use;
- b. She failed to require that defendant Doug Seay account for the use of the proceeds from the storm claims to her or to plaintiff; and
- c. She failed to put plaintiff on notice of defendant Doug Seay's actions.

As a result, plaintiff was deprived of some of the proceeds from the storm claims, which defendant Doug Seay controlled and converted.

55. Plaintiff has been damaged in an amount in excess of \$10,000 by defendant Susan Seay's breach of fiduciary duties.

Breach of Fiduciary Duties by Susan Seay - Second Count

56. Paragraphs 1 through 55 are realleged and incorporated herein by reference.

57. Defendant Susan Seay failed to disclose to plaintiff the details of all of the transactions that she engaged with on behalf of plaintiff.

58. Plaintiff is entitled to a full and complete accounting from defendant Susan Seay for her use of plaintiff's monies.

Breach of Fiduciary Duties by Susan Seay - Third Count

(Improper/Negligent/Unreasonable
Management of Plaintiff's Affairs)

59. Paragraphs 1 through 58 are realleged and incorporated herein by reference.

60. Defendant Susan Seay failed to manage plaintiff's affairs in a reasonable and prudent manner; to account to plaintiff for numerous transactions; to keep accurate books and records of plaintiff's affairs; to safeguard and protect plaintiff's property; and to deal openly, honestly and fairly with plaintiff.

61. Defendant Susan Seay failed to arrange for an independent audit of plaintiff's financial records periodically, or to provide reliable, accurate and complete financial reports to plaintiff.

62. Following defendant Susan Seay's termination, plaintiff had to incur substantial expense to reconstruct the books and records that defendant Susan Seay should have kept. The expenses incurred by plaintiff could have been avoided had defendant Susan Seay complied with her duties to plaintiff.

63. Plaintiff is entitled to recover of defendant Susan Seay an amount in excess of \$10,000 on account of defendant Susan Seay's breach of fiduciary duties.

Breach of Fiduciary Duties by Susan Seay - Fourth Count
(Lack of Prudent Management and Failure to Disclose Facts)

64. Paragraphs 1 through 63 are realleged and incorporated herein by reference.

65. Defendant Susan Seay failed to perform her duties in a prudent manner, with due care and diligence.

66. Defendant Susan Seay failed to recommend or otherwise cause plaintiff to establish, maintain and protect a capital reserve account to ensure that plaintiff would be able to make capital improvements over time to its property.

67. Because of defendant Susan Seay's lack of prudent management, due care and diligence, plaintiff collected inadequate dues for several years and failed to have available

adequate capital reserves to provide for improvements to plaintiff's properties.

68. On account of defendant Susan Seay's actions, plaintiff and its members have been damaged in an amount in excess of \$10,000 which plaintiff is entitled to recover of defendant Susan Seay.

Breach of Fiduciary Duties by Susan Seay - Fifth Count

69. Paragraphs 1 through 68 are realleged and incorporated herein by reference.

70. Defendant Susan Seay was in complete control of plaintiff's operating and general accounts. She also was responsible for paying her own fees out of plaintiff's operating funds.

71. Defendant Susan Seay diverted to herself and/or for her benefit more than \$10,000 of payments in excess of the fees that she was due under the parties' agreements for her services.

72. Plaintiff has been damaged by defendant Susan Seay's diversion of plaintiff's funds in an amount in excess of \$10,000.

SIXTH CLAIM FOR RELIEF
(Conversion by Susan Seay)

73. Paragraphs 1 through 72 are hereby realleged and incorporated herein by reference.

74. On information and belief, defendant Susan Seay converted property of plaintiff to her own personal use, including but not limited to the purchase of items of personal

property which she took with her after she was terminated and which, on information and belief, she still has in her possession.

75. Plaintiff is entitled to recover from defendant Susan Seay a sum in excess of \$10,000 for the property she converted from plaintiff.

SEVENTH CLAIM FOR RELIEF

(Constructive Fraud by Susan Seay)

76. Paragraphs 1 through 75 are realleged and incorporated herein by reference.

77. Defendant Susan Seay has committed constructive fraud by taking advantage of her position of trust and confidence with plaintiff to bring about the misappropriation of funds as aforesaid and because:

- a. A relationship of trust and confidence existed because the defendant Susan Seay and plaintiff had fiduciary relationship;
- b. Defendant Susan Seay used her position to bring about the misappropriation of funds to the detriment of plaintiff and for the wrongful benefit of herself; and
- c. Defendant Susan Seay misused her relationship with plaintiff, improperly used her influence over plaintiff and took advantage of plaintiff.

78. Accordingly, plaintiff is entitled to recover of defendant Doug Seay a sum in excess of \$10,000 for his constructive fraud.

EIGHTH CLAIM FOR RELIEF
(Pierce the Corporate Veil)

79. Paragraphs 1 through 78 are realleged and incorporated herein by reference.

80. Upon information and belief, defendant Susan Seay inadequately capitalized defendant SMI, failed to comply with corporate formalities, commingled assets and/or completely dominated or controlled defendant SMI such that it had no independent identity.

81. Upon information and belief, defendant Susan Seay is the sole owner and director of defendant SMI. Upon further information and belief, defendants Susan Seay and SMI have ignored or violated the corporate form of SMI in at least the following ways: by (a) inadequately capitalizing SMI; (b) non-compliance with corporate formality; (c) complete domination and control over SMI such that they have no independent identity; and/or (d) commingling the assets of defendant SMI with her own personal assets; all for the purpose of wrongfully and improperly avoiding legal liabilities and obligations.

82. Consequently, plaintiff is entitled to have the corporate veil of SMI pierced and to recover of defendant SMI and defendant Susan Seay, jointly and severally, an amount in excess of \$10,000 as a result of the acts and omissions alleged herein.

WHEREFORE, plaintiff prays the Court as follows:

A. That it have and recover from Doug Seay a sum in excess of \$10,000;

B. That it have and recover from Susan Seay a sum in excess of \$10,000;

C. That it have and recover from Sandpiper Management, Inc. a sum in excess of \$10,000;

D. That all amounts awarded by the Court bear pre- and post-judgment interest as allowed by law;

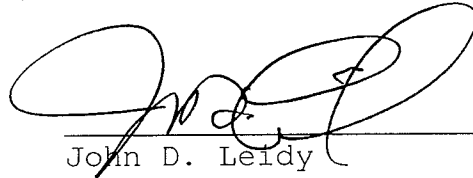
E. That the costs of this action be taxed against defendants;

F. That defendants be required to provide an accounting to plaintiff, at defendants' cost;

G. That plaintiff have and receive such other and further relief as the Court deems just and proper.

HORNTHAL, RILEY, ELLIS & MALAND, L.L.P.

By:



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