

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

DUE FIGLIE LLC AND SHAWN LUCAS. §
Plaintiffs, §
v. § **CIVIL ACTION NO. _____**
RALPH WRIGHT BREWER III, and AFG COMPANIES, INC., § **JURY TRIAL DEMAND**
Defendants. §

PLAINTIFFS' ORIGINAL COMPLAINT

Plaintiffs' Due Figlie LLC and Shawn Lucas ("Due Figlie") files this Original Complaint against Defendants Ralph Wright Brewer III and AFG Companies, Inc., (collectively, "Defendants") and respectfully shows the Court the following:

This case arises out of a complex and coordinated scheme of fraudulent misrepresentations, bad faith conduct, State and Federal whistleblower retaliation claims, fraudulent inducement, violations of the Securities Exchange Act of 1934 ("Exchange Act") including violations of failure to file a beneficial ownership reports during the relevant time, Section 13(d)(1), The Sarbanes Oxley Act ("SOX") anti-retaliation provision, defamation and breaches of oral and written contracts orchestrated by Defendant Ralph Wright Brewer III and the corporate entities under Defendants control. Defendants concealed a critical ransomware attack, misrepresented their operational readiness and data security compliance, fraudulently induced Due Figlie, defamed Due Figlie, failed to file proper beneficial reports pursuant to the Exchange Act, violated Sox anti-retaliation provision, and failed to fulfill their obligations under multiple agreements with Plaintiffs Due Figlie. Through this misconduct, Defendants unjustly enriched themselves, caused significant

financial harm to Plaintiffs and others, and jeopardized Plaintiffs' business and personal relationships, reputation, and strategic initiatives. Plaintiffs now seek to hold Defendants accountable for their actions and recover damages for the harm caused.

I. PARTIES

3. Shawn Lucas is a resident of the State of California and serves as a member of Due Figlie LLC, collectively referred to hereafter as Due Figlie. Shawn Lucas is a Federal Whistleblower protected under Commission Rule 21F-17(a) of the Securities and Exchange Commission, FTC Whistleblower protected under the FTC Whistleblower Act of 2021, as well as and State Whistleblower protected under numerous State Whistleblower laws across the United States.

4. Due Figlie is a limited liability company in Wyoming, with its' principal offices in Jackson, Wyoming. Due Figlie is a consulting, advisement company for businesses and individuals in the automotive vertical and other industries. Due Figlie is an innovator of service contracts, lifetime limited warranties, B2B and B2C Software as a Service solution for automotive manufacturers, distributors, dealers, third-party companies and consumers. Due Figlie entered into multiple Consulting Agreements with CareGard Warranty Services Inc., ("CareGard") their holding company AFG Companies Inc, ("AFG Companies" "AFG" or "AFG Entities") and their subsidiaries as CareGard wished to expand new products and technology solutions into the automotive market.

5. Defendant Ralph Wright Brewer III ("Brewer") is an individual residing in Bartonsville, Texas, and serves as the Chairman and CEO of CareGard Warranty Services, AFG Companies Inc. and its subsidiaries. Defendant Brewer is the architect of the fraudulent schemes, whistleblower retaliation, securities fraud under the Exchange Act, SOX Act anti-retaliation

provision, fraudulent inducement, defamation and bad faith actions described in this lawsuit, acting personally and through the Defendant AFG entities to misrepresent material facts, conceal a significant ransomware attack, and enrich himself at the expense of Due Figlie.

6. Defendant Brewer exercised complete control over the AFG entities, disregarding corporate formalities and using the entities as his alter ego to commit fraud and evade contractual obligations.

7. Defendant AFG Companies, Inc. is a Texas domestic for-profit corporation that played a key role in facilitating the misconduct alleged in this lawsuit with its principal place of business in Grapevine, Texas. It participated in misrepresenting AFG's compliance and performance during negotiations and actively benefited from the fraudulent actions described herein.

II. JURISDICTION AND VENUE

8. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331, as Plaintiff asserts claims arising under federal law, including violations of the Securities Exchange Act of 1934, Section 10(b) (15 U.S.C. § 78j(b)), and Rule 10b-5 promulgated thereunder. Defendants engaged in fraudulent conduct and deceptive practices in connection with the purchase or sale of securities, including stock and warrant agreements issued to Defendant Brewer and his affiliated entities.

9. This Court also has jurisdiction under 28 U.S.C. § 1332(a), as there is complete diversity of citizenship between Plaintiffs Due Figlie, Shawn Lucas, and the Defendants, and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

10. Plaintiff Due Figlie is a citizen of Wyoming, its members are California citizens and Plaintiff Shawn Lucas is a citizen of California, while the Defendants are citizens of Texas.

The corporate defendant, AFG Companies, Inc., is Texas corporation, and conducts business operations in Texas. Defendants Brewer is an individual residing in Texas.

11. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged in this Complaint, including the dissemination of materially false and misleading statements and omissions, occurred in substantial part in this District. Brewer also transacts business in this District.

12. This Court has personal jurisdiction over all Defendants because they reside, are incorporated, or conduct substantial business in Texas, including within the Northern District of Texas. Defendant Brewer resides in Texas and personally participated in the misconduct alleged herein. The corporate defendant Texas-based entities whose operations are in Texas and central to the Plaintiffs' claims in this case. By entering into agreements with Due Figlie, performing actions in furtherance of the fraudulent scheme, and breaching obligations in the Northern District of Texas, Defendants purposefully availed themselves of the jurisdiction of this Court.

III. FACTUAL BACKGROUND

A. Brewer's Scheme to Defraud Due Figlie and Shawn Lucas

13. Plaintiff Shawn Lucas introduced BEN AI to Defendants Brewer and AFG after meeting with Michael Lucas and Tyler Luck in San Diego County, California. Tyler Luck presented a demonstration on his mobile phone of the BEN AI Avatar to Shawn Lucas who thought this could revolutionize the automotive vertical. On May 11, 2023, Shawn Lucas after review of information and discussions with BEN AI followed up with Defendant Brewer on the opportunity with BEN AI and sent to Brewer via email the Confidential BEN AI power point and subsequently had a meeting that same day at 1:30 p.m. CST with Brewer.

14. On June 5, 2023, Brewer texted Shawn Lucas: “Does Chris (Chris Gaertner, now Chairman of BEN AI) have a vision to capitalize on providing F&I (Finance & Insurance) products to the (auto) industry using BEN?”

15. On June 21, 2023, Defendant Brewer with Shawn Lucas met with the DHC Acquisition corporate executive Chris Gaertner and advisor Richard Miller. Defendant Brewer stated:

“I’m leaning more to betting on the come, less cash for me and more shares of the parent company (BEN AI). First of all, I want to do a deal, number two, the big upside for me has always been the technology that’s where the long-term money is in my opinion with the tech that I developed the Tronix platform, you guys will see the depth and amount of code that’s created there. Adding AI to it or any type of AI would make it explode, but adding an avatar on the consumer side and dealer side would make it pop too. So, I am looking at the stock.”

16. On information and belief, Brewer was convinced that BEN AI was going to revolutionize the Third-Party Administrator (“TPA”) industry for the automobile market from day one, and that the easiest way to market was through Brewer’s control of CareGard, AFG Companies and its’ subsidiaries. Brewer stated in numerous conversations with BEN AI, DHC Acquisition Corp and Shawn Lucas that BEN AI could reduce call center cost by up to eighty percent (80%).

17. Defendant Brewer further stated in that same conversation:

“I love that, because there’s where my heart and soul is at guys, that SAAS (software as a service) model and what the dealers are going to be willing to pay for that, what the others TPA’s are going to wanting to pay fees, licensing fees to issue there contracts through, its huge, it will make CareGard look like a little bitty baby compared to what that thing (meaning BEN AI technology) can do . . .”

18. Chris Gaertner, Chairman of BEN AI responded to Brewer by stating, “*We want to be aligned, and we want you to be highly, highly incentive if that’s successful.*”

19. Brewer responded to Miller by stating the following:

“Richard if I tell you I’m going to do something, I’m going to do it. For an example, SET (Southeast Toyota Distributors) love us, SET absolutely loves us and I envision doing a deal with Jim Moran & Associates to take Tronix, once we get the AI plugged in, to take Tronix to JM & Associates and JM&A Family companies ok and sell that platform to JM&A’s four to five thousand dealerships and when they adopt that, Katie bar the door, that lines us up with a lot of other TPA’s. JM&A is a huge private company one of the biggest private companies in the country. The main point I want to make before we get off is you get me to selling and I’m going to sell.”

20. Southeast Toyota Distributors (“SET”), JM Family Enterprises Inc., (“JM Family”), JM&A Group (“JM&A”) and executives were introduced to Brewer and CareGard by Shawn Lucas the creator and founder of DealerLifetime.com, lifetime warranty products being issued by SET with CareGard Warranty Services as the TPA. Upon information and belief, at the March 7, 2024 “Vision Meeting” Brewer and Jason DaLaporte, President of DaidaX (F/K/A “Pathwai” and “BEN Automotive” subsidiaries of AFG Companies) said that SET, JM Family and JM&A were excited about BEN AI and held several meetings in late 2023 and early 2024 about investing up to forty-million dollars (\$40M). In July of 2023, JM Family Enterprises invested in Skaivision a computer vision AI company and Kai Ramadan of Southeast Toyota Distributors joined Skaivision’s board of directors.

21. On June 22, 2023, Shawn Lucas sent an email to Defendant Brewer, Roger Crabb and Margaret Ricchi of the law firm Scheef & Stone. Shawn Lucas’ email stated the following:

Shawn Lucas <shawndlucas@gmail.com>
to Mark, Roger, Wright, Margaret ▾

Thu, Jun 22, 2023, 6:13 PM



Hello Roger,

We had a good evening on the earn out, so a few housekeeping redlines that Wright and I will discuss in the morning and send to Chris and Rich and then we are ready to sign if you and Margaret concur. The additional detail will come on the DA.

Looking forward to working with you two and the additional team members from Scheef & Stone.

22. On June 23, 2023, DHC Acquisition Corp and Defendant AFG Companies Inc., signed a Non-Binding Term Sheet for the acquisition of the Defendant Companies for \$140 million. On information and belief, Brewer was elated about the signing of the new deal term sheet and reassured Plaintiff Shawn Lucas that he would honor his commitment and payments to Shawn Lucas and Due Figlie.

23. On June 30, 2023, Defendant Brewer texted Plaintiff Shawn Lucas:

“We might need a legal tax guy to support Dave Kaseff (Dave Kaseff with Mark Nelson Advisory LLC and provided tax advice to Brewer and AFG). or replace DK? (Dave Kaseff). What about Mark firm (Mark Hill of Scheef & Stone). Btw, who gets Mark (Mark and his law firm Scheef & Stone) post merger?”

24. On Thursday, July 13, 2023, Shawn Lucas and Defendant Brewer discussed “Plan A”; which was the original acquisition/merger of AFG Companies, CareGard et al by BEN AI. Other possible “Plan B or C” were also discussed because it appeared AFG would not be able to complete their audited financials in time for a transaction. Defendant Brewer realized “Plan A” was dead due to not having audited financials and quickly pivoted when he realized BEN AI could not outright acquire AFG-CareGard. Defendant Brewer sent an email to Shawn Lucas about Brewer’s pivot to the new plans “B and C”:

WB Wright Brewer
To: Shawn Lucas

Reply | Reply all | Forward | ⌂ | ⌂ | ...
Thu 7/13/2023 7:57 AM

I want to send to Chris asap....

Thanks for the update and call yesterday.

There are three potential options or strategies to consider. It's crucial to me that AFG Cos doesn't hinder the progress of your SPAC in any way since our relationship is essential. Our team should remain united under one roof and continue with PLAN A. However, if that doesn't work out, going with PLAN B is possible. This plan involves two SPACs(like you suggested yesterday); one for BENAI's technology and the other for AFG Companies, which includes Tronix. AFG SPAC would then have an exclusive license agreement with BENAI's technology and pay them a reasonable percentage of savings and per-contract fees (around 15-20%). After that, AFG Cos can go ahead and execute the rollup plan. Finally, if none of these options work out, we could always resort to PLAN C, which would be the same as PLAN B, except that AFG Cos wouldn't go public. Instead, they would enlist the help of Integrity Partners for capital and acquisition assistance for the rollup plan before potentially going public. If we decide to go with PLAN A, we must get the auditors working on it as soon as possible. We could always adjust the MOU for auditing fees, depending on which plan or plans we pursue. By the way, feel free to call me anytime today.

25. On a Friday, July 14, 2023, conference call with the BEN executives and advisors, Michael Zacharski, Richard Miller and Chairman Chris Gaertner, Co-founder Michael Lucas, Defendant Brewer and Plaintiff Shawn Lucas, Brewer stated,

“Why wouldn’t we want to talk about the commercial relationship between AFG and BEN and work out the revenue and everyone keeps their own asset and let’s talk about how we can co-exist together, and you all get what you want as far as revenue is concerned?”

Chris Gaertner asked Brewer *“Wright, do you want to have an ownership position in BEN?”* Defendant Brewer responded: *“Of course I do, I would be a fool to say no.”* Michael Zacharski said, *“Wright is saying, here is what I am solving for, I want to transform the TPA industry and by having the technology that helps me, makes total sense.”*

26. Defendant Brewer then responded by saying:

“Let’s just go back to day one (the June 2023 acquisition and merger discussions), that that the thought is, when we didn’t split the baby and we (AFG and BEN) were all under one roof, that’s a hell of a sale to a TPA, that’s a hell of a sale, were going to use AI we are going to use the platform which you do not have, you do not have the Tronix, we are going to put the AI with Tronix and we are going to smash the market with this... roll up these four or five TPA’s we are going to give you... \$800M but were going to give you \$400M worth of stock, ok, they’ll do that deal, where as if I just go in with a plain jane IPO there going to say no we already looked at that and we are not interested, we already looked at that,”

27. On July 18, 2023, at 8:22 p.m. Defendant Brewer sent an email to Plaintiff Shawn Lucas asking to *“Correct this crap asap and give AFG Companies and myself a complete release on this Tronix/1Basket new company-crap, it never happen or will. Now I know why I didn’t sign the August 2022 update,”* – even though the only changes were the sixty-day termination notice, the previously agreed to agent fees and equity from the March 2022 agreement and the June 2022 agreement remained the same without any changes. Demonstrating that Defendants never intended

to honor the agent fees or equity due to Plaintiff Shawn Lucas and Due Figlie despite the tens of millions of dollars generated through those relationships for Defendant Brewer and AFG.

B. AFG Suffers Massive Cyber Intrusion

28. On August 4, 2023, an outside and unknown Threat Actor sent a “phishing” email that was not discovered until the ransomware cybersecurity data breach investigation. On information and belief, this phishing email was the gateway that was used to access privileged consumer and customer data of CareGard Warranty Services and its subsidiaries or affiliates.

29. On August 13, 2023, Integris IT has a ticket opened #7169954, for Amanda Tettleton, Chief Accounting Officer - “Ransomware has been detected at CRGD CareGard.” CRGD is the CareGard Server that holds all CareGard information. According to numerous witnesses, and on information and belief, Defendant Brewer had reduced AFG’s cyber security with Integris IT to monitoring in an effort to pinch pennies despite misrepresenting to employees, vendors, and third parties that AFG was compliant and following state and federal laws.

30. On August 13, 2023, at 6:34 p.m., Plaintiff Shawn Lucas received first contact from Amanda “Tettleton” Teichman (CAO) (“Amanda”) about a ransomware data breach. Amanda was contacted by Integris (AFG’s third party outside vendor and monitoring company). On information and belief, Booz Allen requested that Defendant AFG Companies preserve the firewall and VPN logs for forensic investigation. On information and belief, Defendant AFG Companies did not have an “Incident Response Plan” (IRP) in place at the time of the ransomware data breach (and still did not have one in place in February of 2024 and would not have one in place until July of 2024, per Jurgen Beck outside contractor with the title of CTO of AFG). On information and belief, Defendant AFG Companies and Brewer instructed Claims Manager Shaun Runels to reset the firewall logs. This resulted in AFG’s firewall logs being lost and “wiped out”; thus, the digital

evidence of Blackcat's hacker exploits, unauthorized access, and compromise of AFG's customer information, data, network, servers, and computers systems were lost forever.

Darrel Phipps

DP

8/14/2023 1:27 AM

Good morning,

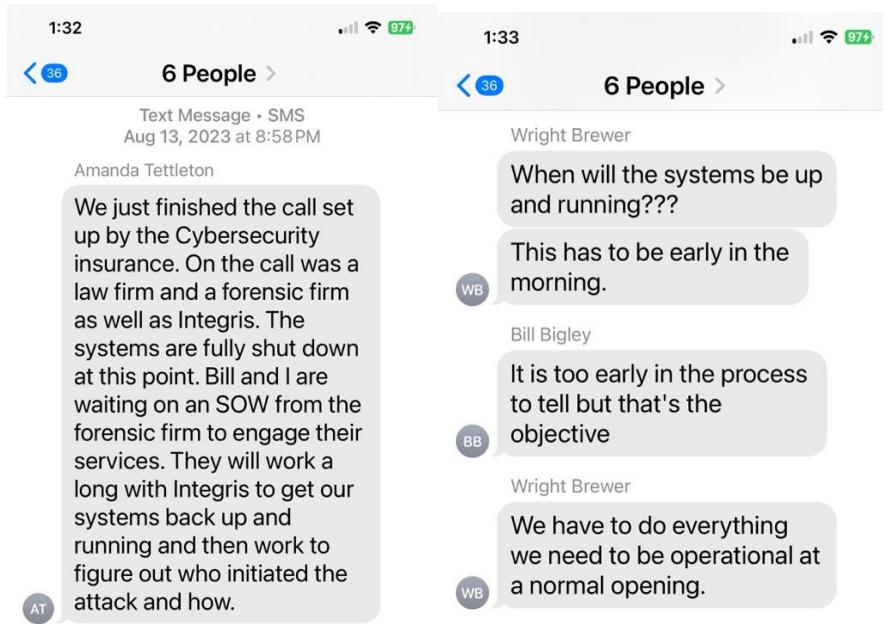
We have reviewed information from our SOC team. Their information indicates evidence of encryption on some workstation machines. It is reasonable to assume there will be some found on the server as well. In addition, we have reviewed the status of Azure Backups of the DC01 and RDS01 servers. They do not appear useful, as the most recent restore points are from May.

One of my technicians is working through password changes for email accounts. He will reply to this thread when that is complete.

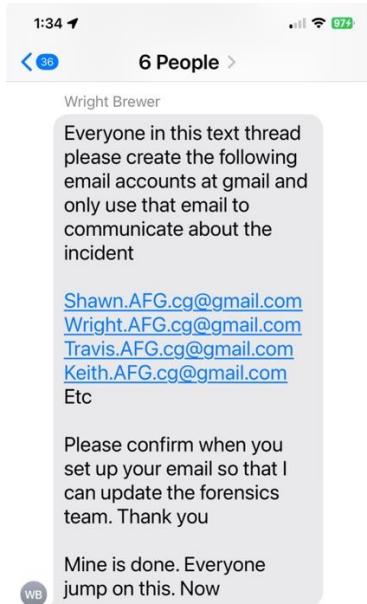
I will coordinate more fully with my team in the morning.

Darrel Phipps
Technical Operations Manager

31. On August 13, 2023, at 8:58 p.m., Plaintiff Shawn Lucas along with Defendant Ralph Wright Brewer III (CEO), Bill Bigley (CFO), Keith Cooper (COO), and Travis Gates (President of AFG Tech at the time) received a text from Amanda Tettleton (CAO), *"We just finished the call set up by the cybersecurity insurance. On the call was a law firm and a forensic firm as well as Integris. The systems are fully shut down at this point. Bill and I are waiting on an SOW from the forensic firm to engage their services. They will work along with Integris to get our systems back up and running and then work to figure out who initiated the attack and how."* Wright Brewer texted, *"When will the systems be up and running??? This has to be early in the morning."* Bill Bigley texted, *"It is too early in the process to tell but that's the objective."*

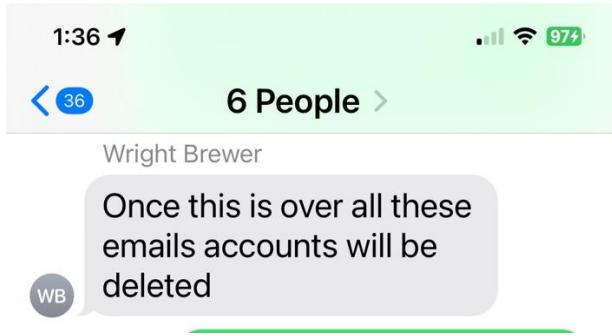


32. On August 14, 2023, Defendant Brewer texted the same group of people in the group chat to advise them to set up Gmail accounts.

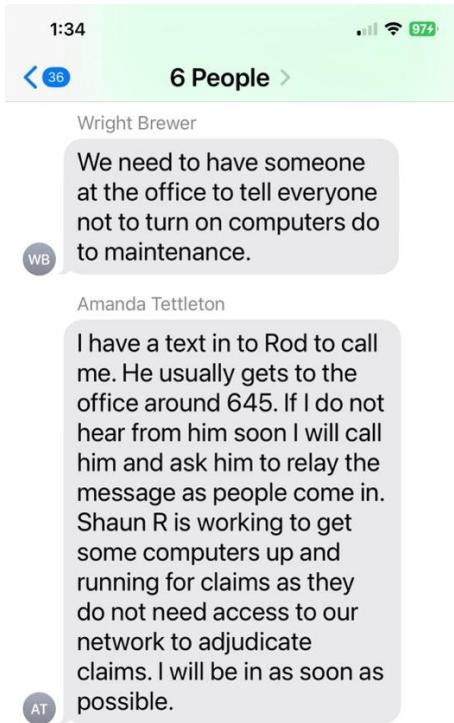


33. On August 14, 2023, at 5:16 a.m. a text was sent from Defendant Brewer, “*Once this is all over all these emails accounts will be deleted.*” On information and belief, Defendant Brewer was intentionally and proactively destroying evidence and failed to preserve evidence in anticipation

of litigation for investigators, regulators, state, and Federal authorities, and actively advised his senior executives to destroy evidence.



34. On August 14, 2023, Defendant Brewer texted, "*We need to have someone at the office to tell everyone not to turn on computers do (sic "due") to maintenance.*" This statement was incorrect. Amanda responds, "*...Shaun R is working to get some computers up and running for claims as they do not need access to our network to adjudicate claims. I will be in as soon as possible.*" On information and belief, the CareGard network was compromised by outside threat actors and could not provide CareGard Warranty Services or claim adjudication for its customers and auto dealers.



35. On August 15, 2023, Defendant Wright Brewer forwarded to Plaintiff Shawn Lucas an email Brewer had received from ALPHV a/k/a “Blackcat,” (the real Hackers and threat actor who compromised AFG’s network) validating what sensitive PII and data Blackcat had unauthorized access and acquired from Defendant AFG Companies and CareGard’s network and servers. Upon information and belief, Brewer verbally threatened individuals to not disclose the “ransomware demand” from Blackcat and would not allow Booz Allen (its outside incident response consultant), the Mullen Law Group (the incident response law firm hired by CowBell cyber insurance), third party consultants, nor any of his executives to communicate with the threat actors to determine the extent of the unauthorized access, compromise, and acquisition of AFG’s “sensitive data” by Blackcat.

Fwd: Hello ➤ Inbox x X ⏪ ⏴ ⏵

Wright Brewer wbrewer@afgusa.net via dkim.mimecast.org
to me ▼

Tue, Aug 15, 2023, 6:41AM ★ 😊 ↶ ⋮

Wright Brewer
CEO, President
CareGard Warranty Services, Inc
1900 Champagne Blvd.
Grapevine, TX 76051
(O) [\(817.552.4101\)](tel:817.552.4101)
(E) wbrewer@afgusa.net

<https://caregardservices.com/>

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From: alphv.alphv <alphv.alphv@proton.me>
Sent: Tuesday, August 15, 2023 7:49:20 AM
To: info <info@afgusa.net>
Subject: Hello

Important files on your network was ENCRYPTED and now they have "skmzxod" extension.
In order to recover your files you need to follow instructions below.

>> Sensitive Data

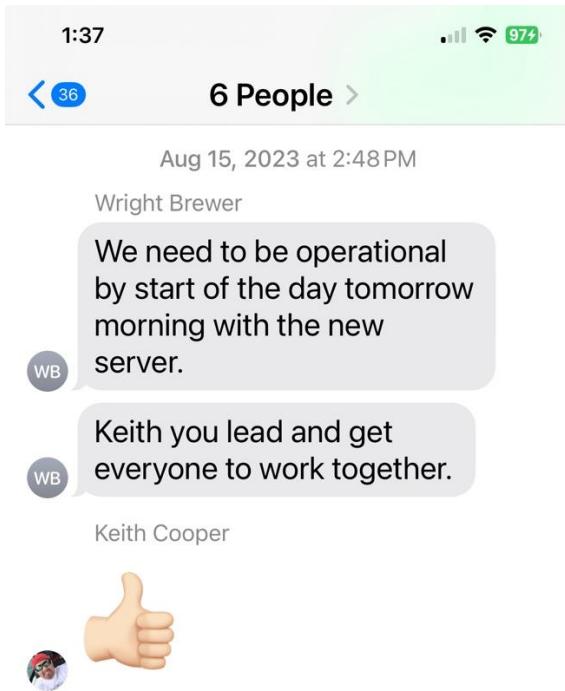
Sensitive data on your network was DOWNLOADED.
If you DON'T WANT your sensitive data to be PUBLISHED you have to act quickly.

Data includes:

- Employees personal data, CVs, DL, SSN.
- Complete network map including credentials for local and remote services.
- Private financial information including: clients data, bills, budgets, annual reports, bank statements.
- Manufacturing documents including: datagrams, schemas, drawings in solidworks format
- And more...

Samples are available on your User Panel.

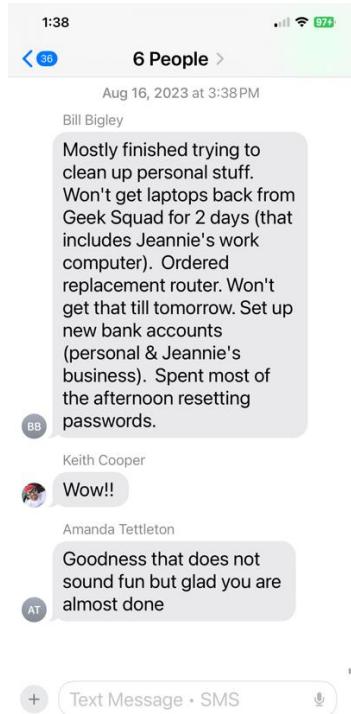
36. On August 15, 2023, Defendant Brewer texted that same group stating, “We need to be operational by start of day tomorrow morning with the new server. Keith (Cooper) you lead and get everyone to work together.” Eleven days had passed since the believed initial setup from Blackcat was planted and two full days had passed since Blackcat’s ransomware attack and compromise had devastated CareGard’s operations.



37. On August 16, 2023, Integris IT opened ticket # 7180960, Integris – DFW: Opportunity Request Form for CareGard – High Urgency. This ticket was CareGard requesting that Travis Gates be an authorized individual to work with Integris IT on behalf of CareGard.

38. On August 16, 2023, Bill Bigley, CFO, texted the same group, “Mostly finished trying to clean up personal stuff. Won’t get laptops back from Geek Squad for 2 days (that includes Jeannie’s work computer). Ordered replacement router. Won’t get that till tomorrow. Set up new bank accounts (personal & Jeannie’s business). Spent most of the afternoon resetting passwords.” Keith Cooper responded, “Wow.” Amanda Tettleton (CAO) responded, “Goodness that does not

sound fun, but glad you are almost done.” On information and belief, the CFO of CareGard and AFG Companies Bill Bigley (CFO) had his personal computers and his portable hard drive hacked during the cyber attack.



39. On August 17, 2023, Integris IT opened ticket #7185880, New PC Setups (Post-Ransomware), 27 hours, Amanda Tettleton was the contact. Defendant Brewer demanded everybody get back online despite an ongoing ransomware data breach cyber security incident investigation. Upon information and belief, Integris IT could not get CareGard fully operational for a few days. Jurgen Beck, CTO of AFG Tech was then ordered to buy six to twelve computers from BestBuy to try and rebuild AFG’s compromised network. Jurgen Beck, an outside consultant, worked with outside consultant Integris IT to try to get some computers.

40. Upon information and belief, Defendant Brewer forbid anyone from talking about the ransomware attack outside of the company and threatened termination if anyone disclosed the fact that AFG and CareGard had suffered a ransomware attack and that Blackcat had gained

unauthorized access to AFG's consumer data. Specifically, Defendant Brewer demanded the concealment of this fact from BEN AI.

41. On August 17, 2023, Plaintiff Shawn Lucas sent an email to Defendant Brewer, Amanda Tettleton, Keith Cooper and Travis Gates stating the "State, Federal & Customer Reporting Req" including the local FBI office notification, Foley & Lardner data breach chart by state including company requirements to dealers, agents, manufacturers, SET, etc...

State, Federal & Customer Reporting Req. Inbox x



shawn AFG <shawn.agf.cg@gmail.com>
to Wright, amanda, Keith, Travis ▾

Thu, Aug 17, 2023, 9:25 AM



Good Morning Team,

There are several reporting requirements with respect to data breaches and ransomware:

1) Local FBI office notification. 972-559-5000 main phone number. The FBI has a field office at DFW airport. They usually visit the office and take a report, but being that the threat actors are in Russia per Booz Allen, the investigation would stop at the border based on experience. We still need to reach out to them today, now that we have a better idea of the damage and we have begun remediating the risk.

<https://www.fbi.gov/contact-us/field-offices/dallas/news/press-releases/fbi-dallas-encourages-businesses-to-stay-vigilant-for-cyber-threats-partner-with-the-fbi>

2) I have attached the Foley & Lardner (nationwide law firm) March 2023 data breach chart by state. I did a cursory review and it appears almost every state is very similar in their approach. I will defer to AFG counsel to validate and advise, but we might be in good shape here.

3) If employees, contractors, agents, customers and/or dealers information was exposed, such as first and last name in combination with one of the following, then we have a requirement; drivers license number; social security number; medical information or account number; debit or credit card numbers, username and passwords etc...then there is a reporting requirement to those individuals.

In addition, each state has a minimum threshold as to whether you need to report to the state Attorney General office. The Foley Lardner report has that detail, once we determine the number of people impacted, whether they qualify and how fast we have to report.

4) Customers - Dealers, Nissan, SET, Genuine Lifetime, MBUSA etc....If information that exposes their customers was breached there is a requirement in most cases. We would have to look at every individual agreement to determine.

5) Partners/Pending Partners - Requirements vary, some written, some just being a good business partner per Wright. I think we have a lot of information now that we didn't have on Monday/Tuesday so we have a better picture - but still not the full picture. I'll defer to Wright and Keith on those notifications.

Any questions, send an email or call.

Thank you,

Shawn



42. On August 18, 2023, Bill Bigley CFO, sent an email to Keith Cooper, Travis Gates, Amanda Tettleton, Defendant Brewer and Plaintiff Shawn Lucas, that said, “Travis, Great plan. Can you or Donny let me know what the TA (Threat Actor) got from my computer today? Bill.”

43. On August 18, 2023, there was an AFG Touchpoint Call, which included executives from AFG Companies, CareGard, Integris, Booz Allen and Mullen Law Group (“AFG Touchpoint Call”) for a total of 31 people invited.

44. On or around August 18. 2023, Plaintiff Shawn Lucas had a conversation with Mark Hill of Scheef & Stone (The law firm for Defendant Brewer and Defendant AFG Companies) about the ransomware attack and the Mullen Law Group taking the lead for CareGard.

45. On August 19, 2023, Defendant AFG Companies Inc., and Defendant Brewer signed Exclusive Reseller Agreement with Brand Engagement Network Inc. Defendant Brewer never disclosed the ongoing Ransomware, data breach, cyber security incident to anyone at BEN.

46. On August 21, 2023, Amanda Tettleton, CAO, sent an email to Defendant Brewer, Keith Cooper, Travis Gates, Bill Bigley and Plaintiff Shawn Lucas, stating, “Team, this meeting is to discuss if and when we will start communication with the TA (Threat Actor).” Again, Defendant Brewer continued to deny everyone from contacting the Threat Actor which impeded the investigation.

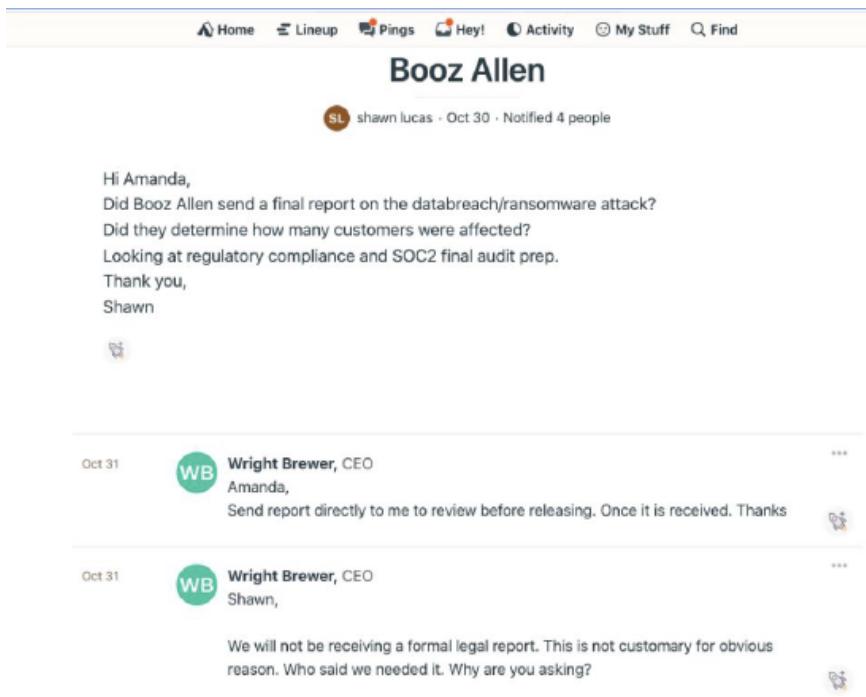
47. On August 21, 2023, there was another AFG Touchpoint call with the same thirty-one (31) people invited.

48. On August 21, 2023, Amanda Tettleton sent an email to Defendant Brewer, Bill Bigley, Keith Cooper, Travis Gates and Plaintiff Shawn Lucas stating, “The email activity they (Booz Allen and Integris) provided included emails that were not legitimate dating back to 8/4/23, nine days before Amanda notified Plaintiff Shawn Lucas of the ransomware attack.

49. On August 21, 2023, more than a week after the original notification from Integris IT of the ransomware data breach cyber-attack, CareGard continued to have network connection and disruption issues.

50. On September 13, 2023, Integris IT opened ticket #7279811 regarding folders still missing files on the CareGard customer data drive.

51. On October 30, 2023, Travis Gates (another former executive of AFG and State and Federal Whistleblower) informed Plaintiff Shawn Lucas that all the necessary hardware installations to protect AFG Companies and CareGard were finally completed. Shawn Lucas posted a message in the portal software called BaseCamp where Brewer wanted all communications to be regarding these projects. Plaintiff Shawn Lucas asked Amanda the following, *“Hi Amanda, Did Booz Allen send a final report on the databreach/ransomware attack? Did they determine how many customers were affected? Looking at regulatory compliance and SOC2 final audit prep. Thank you, Shawn.”*



The screenshot shows a BaseCamp interface with a navigation bar at the top featuring links for Home, Lineup, Pings, Hey!, Activity, My Stuff, and Find. The main area is titled "Booz Allen". A message from "shawn lucas" dated "Oct 30" is displayed, containing the following text:

Hi Amanda,
 Did Booz Allen send a final report on the databreach/ransomware attack?
 Did they determine how many customers were affected?
 Looking at regulatory compliance and SOC2 final audit prep.
 Thank you,
 Shawn

Below this message, a response from "Wright Brewer, CEO" dated "Oct 31" is shown:

Wright Brewer, CEO
 Amanda,
 Send report directly to me to review before releasing. Once it is received. Thanks

Another message from "Wright Brewer, CEO" dated "Oct 31" follows:

Wright Brewer, CEO
 Shawn,
 We will not be receiving a formal legal report. This is not customary for obvious reason. Who said we needed it. Why are you asking?

52. On October 31, 2023, Defendant Brewer responded, “*Amanda, send report directly to me to review before releasing. Once it is received. Thanks.*” Defendant Brewer continued, “*Shawn, We will not be receiving a formal legal report. This is not customary for obvious reason. Who said we needed it. Why are you asking?*”

53. Shawn Lucas was following up to begin the SOC2 compliance audit again after months of it being “on hold” because of the ransomware data breach. On information and belief, Defendant Brewer continued to impede any advancement of regulatory compliance with state and federal law.

54. Upon information and belief, in early November of 2023, Defendant Brewer retaliated against Plaintiff Shawn Lucas by appointing Jason DeLaporte, President of BEN Auto, despite DeLaporte having little to no experience in the automotive software deployment within car dealerships and manufacturers. Defendant Brewer and DeLaporte had begun their plan to isolate Plaintiff Shawn Lucas from BEN AI Automotive and DealerLifetime strategy meetings due to his persistence that Defendant Brewer follow the law.

55. In a February 19, 2024, email from Jurgen Beck, CTO of AFG Technologies and one of the technical leads for compliance sent an email to Travis Gates, Amanda Tettleton, David Duggan, Keith Cooper, Bill Bigley and Plaintiff Shawn Lucas, stating, “9. Written Incident Response Plan – In progress” – demonstrating that Defendant AFG Companies and subsidiaries were not in compliance with FTC Safeguards.

Jurgen Beck <jbeck@afg.tech>
to Travis, D, Amanda, me, Keith, William

Mon, Feb 19, 2024, 1:41PM

Since we are discussing significant fundamentals of the InfoSec efforts under way, I am adding to the audience. Your questions are a good basis for an extended status update.

As for the overall timelines, see the attached document. Keep in mind that this is fluent. We're still putting the pieces together.

FTC Safeguards vs. SOC 2: The plan is to complete many of the SOC 2 controls, which play directly into the Safeguards compliance. It's a parallel effort since the clock on the SOC 2 audit(s) is also ticking.

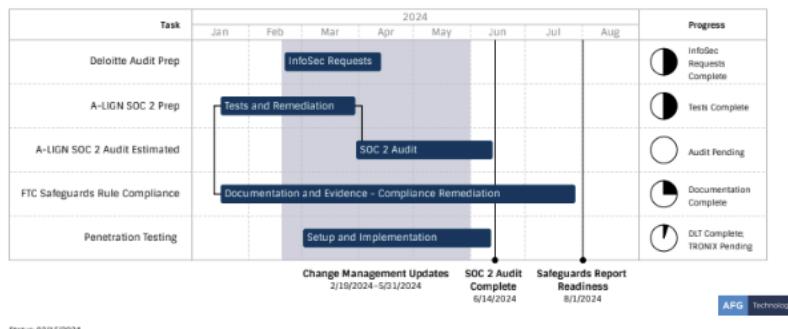
1. Safeguards Team - Currently consists of Dave, Keith, Bill, Amanda, Jurgen, Sharon, vCISO (VioletX)
2. Written Risk Assessments - Working on an automated solution via Vanta - Expected ETA is within the SOC 2 Audit timeline
3. Written InfoSec Program - Will consist of content from the Vanta SOC 2 Prep and includes line items from the long Safeguards list not automatically covered there
4. InfoSec Training - Underway
5. Phishing Penetration Testing - Completed per your statement
6. Vendor Assessment and Agreements - Proposal to add Vendor Management to Vanta subscription currently before executives
7. Access Controls - Physical: Managed by IT company Integris - Software/Digital: Proposal to add Access Management to Vanta subscription currently before executives
8. Technical Requirements - SOC 2 tests and controls cover much of this and is currently being evaluated. Gap remediation proposal from the infrastructure management service provider is pending - Proposal ETA: 2/21/24 - Remediation ETA: Based on Service Provider proposed timeline, undetermined at the moment
9. Written Incident Response Plan - In progress
10. Written Annual Report to Board - Will be available when the SOC 2 audit prep in Vanta completes

JURGEN BECK :: AFG Technologies

56. In a February 19, 2024, email, Jurgen provided a timeline that AFG Companies and subsidiaries would be FTC Safeguard compliant by August of 2024, a full one year after the FTC required companies be compliant. Upon information and belief, this delay was intentional because pushing the compliance beyond the actual ransomware data breach date of August 13, 2024, would not require a disclosure to the auditors.

Combined Audit and Compliance Timeline

Deloitte Audit, A-LIGN SOC 2, FTC Safeguards Rule Compliance, Change Management Improvements



57. On or about February 20, 2024, Defendant Brewer and Defendant AFG Companies held a meeting about investment into BEN Automotive AI Founders Club with executives from

Southeast Toyota Distributors, JM Family Enterprises and JM&A. The attendees were as follows; David Bliskey, Director of Fixed operations; Suzanne Clark, Director of Incentive and Analysis; Chris Harvey, Director of Training; Kevin Hull, Director of Strategic Planning; Jakub Konieczny, Director of Strategic Investees DSP; Taylor Burns Manager Lifetime Products; Shirley Johnson, Senior Manager Data Analytics. From AFG Companies the attendees were Defendant Brewer, CEO of CareGard and AFG Companies; Jason DeLaporte, President, Ben Automotive Inc.; Dave Duggan, President of AFG Technologies LLC; Keith Cooper, COO CareGard; Bill Bigley, CFO CareGard; and Amanda Tettleton, CAO CareGard. At the last minute Defendant AFG Companies and Defendant Brewer uninvited Chris Gaertner Chairman of BEN AI (Previously DHC Acquisition Corp) and Michael Zacharski, CEO of BEN AI.

58. In the March 7, 2024, “Vision Meeting” the following conversations took place on information and belief from numerous witnesses: Defendant Brewer said, “SET (Southeast Toyota Distributors) has an interest in partnering with us. Because of the trust factor we already built up through CareGard. They’re interested in this technology, because they know what’s coming. I talked to Dave Bliskey (SET’s district fixed operations manager), again, yesterday morning, he says, we’ve got to do something because we got to have a strategy, we got to do something because we can’t wake up two years, we got twenty-one different AI’s. Which if that’s the case, and they become our partner, that is the runway, that’s the runway.”

59. On information and belief, Defendant Brewer, says “Even without Toyota it’s a big deal. In the end, you know, we build this thing into an enterprise value of five billion (dollars), what does that do for us, for all our business? So, we acquire competitors that that falls in line with the long term agenda or possibility that how Jim Moran JM Family thinks.”

60. On information and belief, David Duggan said, “We are engaged with companies like SET (Southeast Toyota Distributors) and they want to invest. Getting to the five billion valuation looks like somewhere between ten and fifteen percent market penetration by 2029.”

61. On information and belief, Jason DeLaporte says “What you’re seeing here is what we put in front of the investment group at SET (Southeast Toyota Distributors owned by JM Family Enterprises). This is what we are shaping with them, so it has a little bit of a dealer slant.”

62. On information and belief, David Duggan, says, “Henning (An auto dealer group in Washington State) is our first alpha site, here’s all your data sources.”

63. On information and belief, Jason DeLaporte says, “Because we got to figure this thing out and then we have to figure out how to scale it. Now all the sudden they’ve gone through Pathwai and they show up on our platform. We are not communicating this by the way, outside of this room. We are not communicating this, is we have to build this covertly, with no one knowing for a while. Ok, we have to do it that way or we lose, it’s part of the strategic advantage.” DeLaporte continues, “We don’t have to use the assistants, the BEN AI assistants, we don’t have to use those we can ride without it. No worries, you don’t have to use it (meaning BEN AI).” Upon information and belief, this is why Defendants AFG Companies and Defendant Brewer never completed Dealer Management System (“DMS”) integration with The Reynolds & Reynolds Company, CDK Global, Cox Automotive/DealerTrack as well as other third party vendors in the automotive vertical, as they would’ve had to comply with their data licensing agreements.

64. On information and belief, Defendant Brewer says, “This proforma is relative to SET’s investment, they’re not investing into CareGard there investing into BEN Auto.”

65. On information and belief, David Duggan says, “Service assistant is what the Canadians want, yeah, but again, they’re ready. So the Canadians are ready to be another Alpha site for us for the service assistant.”

66. On information and belief, Defendant Brewer says, “And that answers one of your other questions by the way, that we’re already got dealers in the system, yeah, that want to do something.” Jason DeLaporte says, “I’m actually slow rolling it, we have Lithia and a group of dealers out of North Carolina, Mile One, we have like 15 of these, and I’m trying not to go to fast.” David Duggan says, “If the technology were developed now and ready to go, they would all be signing up...BEN AI can do most of that without a ton of development on our side, because its feeding manuals.” Seven months after signing the Exclusive Reseller Agreement Defendant AFG Companies was not prepared to fulfill their obligations.

67. On information and belief, Jason DeLaporte says, “what’s attractive to somebody like SET is they can look at and do the math and go, we can deliver that we can actually deliver, it’s part of our pitch.” Defendant Brewer than says, “Oh they want to buy the whole thing they want to invest in the whole thing.”

68. On information and belief, Defendant Brewer then says, “There’s a reason why I want Jason to go through this with you guys (Meaning Amanda Tettleton, Keith Cooper, Jason DeLaporte, David Duggan, Erick Roberts, Travis Gates, Bill Bigley) the reason is I want y’all to see the upside as a team. And what does that mean to you individually? We’re working on a corporate stock performance plan for individual employees...and people in the executive group will be able to participate.” David Duggan says, “So, five Billion at 10% market penetration at a 15x multiple which is absolutely completely realistic for a software company.”

69. On information and belief, David Duggan says, “If we gave them (SET) 8% equity for forty million, they would get a 31% return in five years, which is a good number, it’s a great number.” Jason DeLaporte says, “It’s insane, especially when your benefiting in the actual fruit.” David Duggan says, “One of the considerations is if you get an SET to come on, it is significant risk reduction to the plan, because now we have a partner who has access to six thousands rooftops and is invested in making sure that we get it out there that it works and that we do it right.”

70. On information and belief, Jason DeLaporte says, “The initial reviews they (SET) there main guy assigned to us (Jacob) came from Truist...he looked at our first valuation and said you do know what profit is on a technology company, right? He’s been 100% engaged. They have fifty-eight billion dollars in cash.” Defendant Brewer says, “The word I’m getting from Bliskey is, you know when we do these things we get extremely involved with every one of our companies that we partner with, what does that tell you? They coordinate, they coordinate things on board people, they get things, you know, yeah.” Jason DeLaporte says, “We don’t have any exclusivity in this right now...if they did decide to ask that, our terms would change because not only would we be locking ourselves out, we’d also be guaranteeing numbers. So, there is an advisor to the CEO...I sat down with Jacob and said I would identify the influencers involved...Jacob said there were five...we may not need to get the technology folks involved before we actually get an investment.”

71. On information and belief, Jason DeLaporte says, “We will have bought and merged technologies and other companies into this will have ten companies we got two right now and they’ll all be on this by the way”. Defendant Brewer says, “To be quite frank with the person we are going to have to compete against, potentially...is BEN inc.” Jason DeLaporte says, “but we have completely diversified our risk compared to what it was eight and half months ago,

because we were betting the whole enchilada on,” Defendant Brewer responds, “Oh no, no, we keep everything, we keep everything, good thing huh, that’s how we protect us.”

72. On information and belief, Jason DeLaporte says, “So my sales and marketing budget goes way, way down, if we do the SET deal, because now I don’t have to go market, I don’t have to sell, I don’t have to do all these things.” Upon information and belief, Defendant AFG Companies was not going to market BEN AI globally, but just focus on five states in the Southeastern United States with SET doing the sales and marketing.

73. On information and belief, David Duggan, says, “So and with companies like SET, its credibility there because they’re working with us.” Upon information and belief, SET was interfering with the Exclusive Reseller Agreement between BEN AI and Defendant AFG Companies Inc. to the detriment of the investors and shareholders of BEN AI.

74. On information and belief, Jason DeLaporte says, “Currently CareGard is the cash cow, it’s the only thing that’s funding anything right now....we have to make sure we are not breaking that business.”

75. On information and belief, David Duggan says, “Challenges, current tech is not sufficient to realize the vision for CWS (CareGard Warranty Services). Can we use other technology? Current CWS infrastructure is not scalable. What do we need to do to scale?...The infrastructure is not there, right now, everything collapses. Do we spend a year improving Tronix and adding all these new features and capabilities?” Upon information and belief, AFG Companies misrepresented to BEN AI their technology platform and capability when signing the Exclusive Reseller Agreement.

76. On information and belief, Defendant Brewer says, “We’re changing AFG Tech into call center. It’s no longer gonna be a profit center. No more built-in profit margins, and nothing like that. It is a true cost center.”

77. On information and belief, Erick Roberts says, “With the employee transition, like AFG Tech, like doesn’t even have any employees, they’re all AFG Companies.”

78. On information and belief, Amanda Tettleton, says “Technically their all Automotive Financial Group.”

79. On information and belief, Bill Bigley says, “You gotta have Southwest Colonial, you got to have Automotive Financial Group, but within Automotive Financial Group, that could be the operating company, it’s a TPA (third party administrator) ready.”

C. Defendants Concealed Competition and Sale of BEN Stock

80. On August 19, 2023, BEN, a cutting-edge innovator in AI-powered customer engagement solutions, entered into an Exclusive Reseller Agreement with AFG. A true and correct copy of the Exclusive Reseller Agreement is attached hereto as **Exhibit B**. This agreement represented a strategic partnership designed to integrate BEN’s proprietary AI technology into AFG’s dealership systems. The collaboration aimed to revolutionize how dealerships utilize real-time data to enhance customer interactions and streamline their operations.

81. The Exclusive Reseller Agreement was a cornerstone of BEN’s efforts to expand into the automotive sector, leveraging Defendant AFG’s established presence and network within the industry. AFG was tasked with reselling BEN’s AI technology as part of its product offerings to automobile manufacturers, distributors and franchise dealerships across the country and around the world. The success of this partnership was dependent on AFG’s compliance with data security

standards and operational readiness, which Defendant AFG and its CEO, Defendant Ralph Wright Brewer III, explicitly represented as being fully in place. Upon information and belief, Defendant AFG Companies spent zero dollars and allocated zero resources outside of the USA and Canadian markets, completely ignoring Europe, China, Japan, Central America, South America, India and Russia to name a few.

82. Given Defendant AFG's exclusive reseller agreement with BEN, investors should have been informed of the recent ransomware attack, data breach, and all truthful details surrounding Defendant AFG's response. Instead, Defendants failed to disclose these material facts prior to the signing of the Reseller Agreement, harming BEN's shareholders.

83. Specifically, BEN allocated 1.75 million shares of its common stock to Defendant AFG in September 2023, subject to the completion of the merger, valued at \$10 per share at the time of issuance. Those shares were subsequently transferred in March of 2024 to Defendant AFG. This initial allotment provided AFG with stock valued at \$17.5 million. Shortly after BEN began publicly trading on or about March 15, 2024, BEN's stock price rose to \$19 per share, significantly increasing the value of AFG's holdings to approximately \$33.5 million, creating a personal financial windfall for Defendant Brewer and Defendant AFG.

84. Upon information and belief, in addition to the stock allotment, Defendant AFG also secured a warrant agreement as part of the Exclusive Reseller Agreement. This warrant agreement granted Defendant AFG the right to purchase an additional one million shares of BEN stock at \$10 per share, subject to performance benchmarks related to AFG's obligations and performance under the Exclusive Reseller Agreement. At the time the stock price reached above \$19, this warrant provided Defendant Brewer with an unrealized potential profit of approximately \$9 million if exercised.

85. Upon information and belief, on March 7, 2024, Defendant Brewer convened a clandestine off-site executive meeting at 8343 Hilltop Road, Argyle, Texas ominously titled “AFG Executive Vision Meeting” to conspire with others to compete against BEN. During this meeting, Defendant Brewer unveiled a five-year plan centered on creating a new entity to compete against BEN, its new business partner, known as “Pathwai.” Specifically, Pathwai (now DaidaX) was designed to compete against BEN in the automotive AI market. Brewer openly declared “war on” BEN as AFG’s direct competition. This declaration came despite the fact that Defendant Brewer had already reaped significant personal financial gains from his BEN stock holdings. His calculated betrayal laid bare his intent to undermine BEN even as he grossly enriched himself to BEN’s detriment in the automotive market.

86. Upon information and belief, by March 15, 2024, Defendant Brewer’s scheme had reached its apex. BEN’s stock became publicly traded, instantly making Defendant Brewer and his family multimillionaires. On information and belief, on or about March 19, 2024, Defendant Brewer wasted no time capitalizing on his ill-gotten gains. Witnesses observed Defendant Brewer in his office, pressuring his Goldman Sachs stockbroker, Sean Baird, to liquidate as much BEN stock as possible at the market’s opening. On information and belief, Defendant Brewer acknowledged to the witness the sale of securities on Friday, March 15, 2024, the day BEN began trading on the NASDAQ. At this time, Brewer was an insider holding more than 5% of BEN’s stock, and knowingly concealed from BEN, the public markets, and the SEC in direct violation of securities laws the sale of those securities and subsequent required 13d filings. This concealment was integral to Brewer’s fraudulent scheme, allowing him to profit while evading disclosure obligations. Brewer not only hid this rapid sale of BEN shares, he failed to file the required Rule

13 disclosure and all subsequent disclosures to the detriment of Plaintiffs Due Figlie and Shawn Lucas as well as the other investors and shareholders of BEN AI.

87. Rule 13 requires that investors who obtain 5% beneficial ownership or more of a company's stock file a Schedule 13 with the SEC within 10 calendar days of passing the 5% threshold. As summarized below, Rule 13 and the Schedule 13 disclosure forms play a critical role in disseminating to investors material information about substantial share acquisitions and potential company acquisitions.

88. The default presumption for investors that hit the 5% beneficial ownership threshold is that they are active investors and must file a Schedule 13D that discloses the purpose of their acquisition. *See Rule 13d-1(a).* Yet Defendants AFG and Brewer never filed the required paperwork with the SEC.

89. On information and belief, these sales began on or around March 15, 2024, BEN AI stock was trading on the NASDAQ under the stock symbol BNAI and the stock traded as high as \$19.75 a share on March 18, 2024, by May 24, 2024 BNAI stock traded at a low of around \$1.10, wiping out hundreds of millions of dollars in value to BEN AI and decimating the investors and shareholders of BEN AI.

90. Upon information and belief, this dramatic fall in the BEN share price directly led Plaintiff to incur sizeable damages as they were led to invest in BEN stock in the belief that one of the largest shareholders were not actively depressing its value.

D. Plaintiffs' BEN Stock Ownership and Damages

91. On March 14, 2024, Due Figlie LLC held 361,934 shares of common stock in Brand Engagement Network Inc., NASDAQ: BNAI. On March 18, 2024, the value of those shares hit a high of approximately \$7,148,196. Because of Defendants AFG Companies and Brewers

actions, by May 24, 2024, the value of those shares were worth \$398,127, a loss of approximately \$6,750,068. On or about May 28, 2024, Plaintiff Due Figlie committed to investing another \$888,750.00 in Securities Purchase Agreement with Brand Engagement Network Inc., at \$2.50 a share, receiving another 355,500 shares of BNAI common stock because of Defendant AFG's long term commitment of funding six million five hundred thousand dollars (\$6.5 million) every March 13th up to a total of thirty-two million five hundred thousand dollars (\$32.5 million) over the five years. Upon information and belief, Defendant Brewer and AFG, manipulated the stock price of BNAI to deflate the stock. Plaintiff Due Figlie LLC also holds hundreds of thousands of warrants in BEN AI.

IV. CAUSES OF ACTION

COUNT I

For Violation Of Section 10(b) Of The Exchange Act And Rule 10b-5 Against All Defendants

1. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth in this Count.
2. During the relevant time period, Defendants Brewer and AFG carried out a plan, scheme, and course of conduct that was intended to: (i) deceive the investing public, including Plaintiffs as alleged in this Complaint; and (ii) cause Plaintiffs to buy BEN stock.
3. Defendants Brewer and AFG (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business that operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to avoid public scrutiny of his plans to sell BEN stock without reporting those transactions to other

investors or the public.

4. Defendants Brewer and AFG, directly and indirectly, by the use, means, or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal his sales of BEN in defiance of his statutory obligations, including under Rule 13.

5. Defendants Brewer and AFG omitted material facts required to be disclosed by statutory obligation, including under Rule 13, and made the materially misleading omissions and statements specified above, which he knew or recklessly disregarded to be false or misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Namely, Defendants Brewer and AFG made materially false and misleading omissions each day of the relevant period by refusing to report his purchases or sales of BEN stock on a Schedule 13D form.

6. Defendants Brewer and AFG had actual knowledge of the misrepresentations and omissions of material fact set forth in this Complaint or recklessly disregarded the true facts that were available to him. Defendants Brewer and AFG engaged in this misconduct to conceal his sales of BEN stock from the investing public for as long as possible and to support the artificially higher prices of the Company's securities.

7. As a direct and proximate result of Defendants AFG and Brewer's wrongful conduct, Plaintiff suffered damages in connection with their respective sales of the Company's stock and/or trading of other securities.

8. By virtue of the foregoing, Defendant AFG and Brewer violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

COUNT II

For Violations Of Sections 10(b) And 20A Of The Exchange Act And Rule

10b-5 Promulgated Thereunder For Insider Trading Against All Defendants

9. This Count is asserted for violations of §20A of the Exchange Act, 15 U.S.C. § 78t(a) on behalf of Plaintiff who traded BEN securities contemporaneously with the sale of BEN stock by Defendants AFG and Brewer, while he was in possession of material, nonpublic information as alleged herein including concerning his ownership of BEN common stock and intentions for BEN.

10. Section 20A(a) of the Exchange Act provides that:

Any person who violates any provision of the [Exchange Act] or the rules or regulations thereunder by purchasing or selling a security while in possession of material, nonpublic information shall be liable ... to any person who, contemporaneously with the purchase or sale of securities that is the subject of such violation, has purchased securities of the same class.

11. As set forth herein, Brewer violated Exchange Act Section 10(b), Rule 10b-5 and Section 20(a) for the reasons stated in the above. Additionally, Defendants AFG and Brewer further violated Exchange Act Section 10(b), Rule 10b-5, and Rule 10b5-1 (17 C.F.R. § 240.10b5-1) by selling shares of BEN common stock while in possession of material, nonpublic information concerning his ownership of BEN common stock and intentions for BEN which he omitted to disclose, which information Defendants AFG and Brewer had a duty to disclose, and which Defendants AFG and Brewer failed to disclose in violation of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, as more fully alleged herein.

12. Defendants AFG and Brewer's purchases and sales occurred between March 1, 2024, and March 14, 2025.

13. Contemporaneously with Defendants AFG and Brewer's one million seven hundred fifty thousand (1.75 million) shares Defendant AFG received for the Exclusive Reseller

Agreement that did not allow AFG Companies to compete with BEN AI and Defendant AFG's initial purchase of BEN common stock pursuant to the subscription agreement dated September 7, 2023, Plaintiffs acquired or traded BEN securities on a national securities exchange, while Defendant AFG and Brewer was in possession of material, nonpublic information he had a duty to disclose, but failed to disclose, as alleged herein, including information concerning his ownership of BEN common stock and intentions for BEN.

14. Plaintiffs have been damaged as a result of the violations of the Exchange Act alleged herein.

15. This action was brought within five years after the date of the last transaction that is the subject of Defendant AFG and Brewer's violation of Section 20A, and, with respect to the underlying violations of Section 10(b) of the Exchange Act alleged in this Count and in Count One above, was brought within five years after the date of the last transaction that violated Section 20A of the Exchange Act by Defendants AFG and Brewer.

DAMAGES

Actual Damages

16. Plaintiffs have suffered significant actual damages as a direct result of the Defendants' breaches of security law:

Attorneys' Fees and Costs

17. Plaintiffs are entitled to recover their attorneys' fees and costs incurred in pursuing this action under applicable law and the terms of the Reseller and Consulting Agreements.

Pre- and Post-Judgment Interest

18. Plaintiffs seek pre-judgment and post-judgment interest on all damages awarded, as permitted by law, to fully compensate them for the harm suffered due to Defendants' actions.

PRAYER FOR RELIEF

Plaintiffs Shawn Lucas and Due Figlie seek judgment against Defendants, jointly and severally, for:

1. Awarding compensatory damages in favor of Plaintiffs against Defendants AFG and Brewer, for all damages sustained as a result of Defendants' wrongful conduct, in an amount to be proven at trial, including interest;
2. Awarding Plaintiff's reasonable costs and expenses incurred in this action, including attorneys' fees and expenses; and
3. Awarding such equitable, injunctive or other relief as the Court may deem just and proper.
4. Any additional relief the Court deems just and proper.

Respectfully submitted,

YARBROUGH BLACKSTONE LAW FIRM

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Attorneys for Plaintiff

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS**

DUE FIGLIE LLC AND SHAWN LUCAS

Plaintiff

v.

3:25-cv-00629-N

Civil Action No.

RALPH WRIGHT BREWER III, et al

Defendant

CERTIFICATE OF INTERESTED PERSONS/DISCLOSURE STATEMENT

(This form also satisfies Fed. R. Civ. P. 7.1)

Pursuant to Fed. R. Civ. P. 7.1 and LR 3.1(c), LR 3.2(e), LR 7.4, LR 81.1(a)(4)(D), and LR 81.2,

DUE FIGLIE LLC AND SHAWN LUCAS

provides the following information:

For a nongovernmental corporate party, the name(s) of its parent corporation and any publicly held corporation that owns 10% or more of its stock (if none, state "None"):

****Please separate names with a comma. Only text visible within box will print.***

None

A complete list of all persons, associations of persons, firms, partnerships, corporations, guarantors, insurers, affiliates, parent or subsidiary corporations, or other legal entities that are financially interested in the outcome of the case:

****Please separate names with a comma. Only text visible within box will print.***

DUE FIGLIE LLC, SHAWN LUCAS, RALPH WRIGHT BREWER III,
AFG COMPANIES, INC

Date: 3/17/2025
Signature: _____
Print Name: Jason Blackstone
Bar Number: 24036227
Address: 100 Crescent Court, suite 700
City, State, Zip: Dallas, TX 75201
Telephone: 214-707-7781
Fax: N/A
E-Mail: jason@ybfir.com

UNITED STATES DISTRICT COURT

for the
Northern District of Texas

Due Figlie LLC et al)	
<i>Plaintiff</i>)	
v.)	Civil Action No. 3:25-cv-00629-N
)	
AFG Companies Inc et al)	
<i>Defendant</i>)	
)	

Summons in a Civil Action

TO: AFG Companies Inc

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) -- or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12(a)(2) or (3) -- you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or the plaintiff's attorney, whose name and address are:

Matthew Yarbrough
100 Crescent Ct
Suite 700
Dallas , TX 75201

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

DATE: 03/17/2025

CLERK OF COURT



Signature of Clerk or Deputy Clerk



Civil Action No. 3:25-cv-00629-N

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for (*name of individual and title, if any*) _____
was received by me on (*date*) _____.

I personally served the summons on the individual at (*place*) _____
_____ on (*date*) _____; or

I left the summons at the individual's residence or usual place of abode with (name) _____, a person of suitable age and discretion who resides there, on (date) _____, and mailed a copy to the individual's last known address; or

I served the summons on (*name of individual*) _____, who is designated by law to accept service of process on behalf of (*name of organization*) _____ on (*date*) _____; or

I returned the summons unexecuted because _____ or _____

other (specify)

I declare under penalty of perjury that this information is true.

Date:

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

UNITED STATES DISTRICT COURT

for the
Northern District of Texas

Due Figlie LLC et al)	
<i>Plaintiff</i>)	
v.)	Civil Action No. 3:25-cv-00629-N
)	
AFG Companies Inc et al)	
<i>Defendant</i>)	

Summons in a Civil Action

TO: Ralph Wright Brewer, III

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) -- or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12(a)(2) or (3) -- you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or the plaintiff's attorney, whose name and address are:

Matthew Yarbrough
100 Crescent Ct
Suite 700
Dallas , TX 75201

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

DATE: 03/17/2025

CLERK OF COURT



Signature of Clerk or Deputy Clerk



Civil Action No. 3:25-cv-00629-N

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for (*name of individual and title, if any*) _____
was received by me on (*date*) _____.

I personally served the summons on the individual at (*place*) _____
_____ on (*date*) _____; or

I left the summons at the individual's residence or usual place of abode with (name) _____, a person of suitable age and discretion who resides there, on (date) _____, and mailed a copy to the individual's last known address; or

I served the summons on (*name of individual*) _____, who is designated by law to accept service of process on behalf of (*name of organization*) _____ on (*date*) _____; or

I returned the summons unexecuted because _____ or _____.

other (specify) _____

I declare under penalty of perjury that this information is true.

Date:

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: