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**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK**

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**GEORGE L. OLSEN and EMPIRE GATEWAY,  
LLC,**

**Index No.:**

**Date Purchased:**

**Plaintiffs,**

**-against-**

**SUMMONS**

**SANDRA DYCHE,**

**The Basis of Venue is Plaintiff's  
Principal Place of Business at  
299 Broadway, New York, NY**

**Defendant.**

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**TO THE ABOVE-NAMED DEFENDANT:**

**YOU ARE HEREBY SUMMONED** to answer the complaint in this Action and to serve a copy of your Answer, or if the Complaint is not served with a Summons, to serve a Notice of Appearance, on the Plaintiff's Attorneys within twenty (20) days after the service of the Summons, exclusive of the day of service, or within thirty (30) days after the service is complete, if the Summons is not personally delivered to you within the State of New York; and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

The basis of venue designated is Plaintiff's principal place of business.

Dated: New York, New York  
August 1, 2011

**HELLER, HOROWITZ & FEIT, P.C.**

By: \_\_\_\_\_

*Stuart A. Blander*  
*Attorneys for Plaintiff*  
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**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK**

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**GEORGE L. OLSEN and EMPIRE GATEWAY,  
LLC,**

**Index No.:**

**Plaintiffs,**

**-against-**

**COMPLAINT**

**SANDRA DYCHE,**

**Defendant.**

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Plaintiffs, George L. Olsen (“Olsen”) and Empire Gateway, LLC (“Empire”), by their attorneys, Heller, Horowitz & Feit, P.C. as and for their Complaint against defendant Sandra Dyche, allege as follows:

1. On or about November 7, 2007, Olsen, defendant and Mehreen Shah (“Shah”) entered into an Operating Agreement with respect to Empire Gateway, LLC.
2. Under the Operating Agreement, Olsen received a 40% membership interest in Empire, Dyche received a 36.25% membership interest in Empire and Shah received a 23.75% membership interest in Empire. Thereafter, Shah’s interest in Empire was acquired by Empire, so that at the present time, Olsen has a 52.5% interest in Empire and defendant has a 47.5% interest in Empire.
3. The Operating Agreement further provides that Olsen, separate and apart from his authority as the holder of a majority interest in Empire, “shall be responsible for the day to day activities of [Empire] [and] shall represent [Empire], as a member of the New York City Regional Center [“NYCRC”] . . . and shall be responsible for all of [Empire’s] decisions in connection with the day to day activities of Regional Centers [and] is authorized to vote

[Empire's] interest in those Regional Centers . . .”

4. Pursuant to a separate Operating Agreement for NYCRC, Empire holds a 55% membership interest in NYCRC; the other 45% membership interest is held by Chambers Holdings, LLC.

5. NYCRC operates a “regional center” approved by the United States Citizenship and Immigration Services (“USCIS”), which administers the EB-5 Program for foreign investors. Defendant has no ownership, operational or other interest in NYCRC.

**As and For a First Cause of Action**

6. Plaintiffs incorporate by reference paragraphs 1 through 5 of the Complaint.

7. Prior to execution of the Operating Agreement and the issuance of a membership interest to defendant, defendant represented to Olsen and assured Olsen that she had extensive expertise and contacts in the identification and solicitation of potential EB-5 investors for NYCRC. Such purported expertise and contacts – together with defendant’s expressed willingness and ability to work to locate potential EB-5 investors – was the basis for her receipt of her membership interest in Empire.

8. Indeed, Section 7.5 of the Empire Operating Agreement specifically provides that “Shah and Dyché will each seek to encourage investors to invest in the regional centers.” That Section goes on to state that defendant “shall be eligible for a \$2,000 investment payment for each new investor they bring to the regional centers” (subject to certain limitations).

9. In executing the Operating Agreement and agreeing to deliver a membership interest in Empire to defendant, Olsen reasonably and in good faith relied upon the representations of defendant as to her ability, experience and willingness to work to attract

potential EB-5 investors. But for such representations, Olsen would not have executed the Operating Agreement and would not have delivered a membership interest in Empire to defendant.

10. Defendant knew that her representations were false and intended that plaintiffs rely on these false representations in executing the Operating Agreement and delivering to her a membership interest in Empire.

11. Notwithstanding her representations and her contractual obligation under the Operating Agreement, defendant has, in the almost four years since the execution of the Operating Agreement, utterly failed to take any steps to obtain EB-5 investors, which was the very essence of her agreement with Olsen, and has failed to present a single EB-5 investor. Instead, defendant has consistently frustrated the ability to attract investors, and the efforts which defendant was supposed to undertake have been performed instead by Olsen and other representatives of Empire.

12. Under these circumstances, and because defendant's acquisition of her membership interest in Empire was procured by fraud, plaintiffs are entitled to an order directing the return of her membership interest to plaintiffs.

**As and For a Second Cause of Action**

13. Plaintiffs incorporate by reference paragraphs 1 through 12 of the Complaint.

14. Under the Operating Agreement, defendant is required to take reasonable and good faith efforts to secure EB-5 investors.

15. In breach and violation of her contractual obligations, defendant has done virtually nothing to secure EB-5 investors, which constitutes a material breach of her obligations

and a complete failure of consideration.

16. Plaintiffs have fully and properly performed all of their contractual obligations.

17. As a result, defendant has forfeited and should be compelled to return her membership interest in Empire.

**As and For a Third Cause of Action**

18. Plaintiffs incorporate by reference paragraphs 1 through 17 of the Complaint.

19. As a result, plaintiffs have been damaged in an amount to be determined at trial

**As and For a Fourth Cause of Action**

20. Plaintiffs incorporate by reference paragraphs 1 through 19 of the Complaint.

21. As a member of Empire, defendant owed and owes Olsen and Empire a fiduciary duty of candor, loyalty and good faith.

22. Section 9.1 of the Operating Agreement provides that “no Member shall, without the written consent of all of the other Members sell, assign, transfer, mortgage or otherwise encumber his, her or its interest in the Company . . .”

23. In violation of Section 9.1 of the Operating Agreement, and in flagrant breach of her fiduciary duty to Olsen, in September 2009, defendant purported to enter into a secret and undisclosed agreement with Shah under which she purported to obtain an assignment of Shah’s 21.75% membership interest in Empire, for the purpose of securing a majority ownership interest in Empire and thereby impairing the rights of Olsen.

24. When Olsen discovered defendant’s duplicity, and confronted defendant, defendant agreed to rescind the purported assignment.

25. Plaintiffs have also recently discovered that in July 2009, defendant, purporting to

act as a “principal” of NYCRC, executed a so-called “Referral Agreement” with Back C. Kim, as “Agent”, under which Kim would receive a \$25,000 “referral fee” for each investor presented to NYCRC. Kim is the brother of defendant and the specified “referral fee” of \$25,000 is \$5,000 more than the customary referral fee of \$20,000.

26. Upon information and belief, the specified referral fee was \$25,000 because Kim was to thereafter kick back to defendant the sum of \$5,000 out of his “referral fee”, which kick back constitutes a further fraud and breach of fiduciary duty.

27. In addition, defendant has wrongfully and without authorization repeatedly held herself out as a representative of NYCRC and in various forums and settings and to various governmental and non-governmental actors, resulting in injury to Empire’s relationship with NYCRC.

28. In light of the foregoing breaches of fiduciary duty, defendant has forfeited and is required to return any membership interest which she has previously received in Empire.

29. Plaintiffs have no adequate remedy at law.

**As and for a Fifth Cause of Action**

30. Plaintiffs incorporate by reference paragraphs 1 through 29 of the Complaint.

31. Defendant is taking the position that notwithstanding the provisions of Section 6.1 of the Operating Agreement granting Olsen exclusive responsibility with respect to “all of [Empire’s] decisions in connection with the day to day activities of regional centers”, she has some right to involve herself in the affairs and management of NYCRC.

32. Plaintiffs have no adequate remedy at law.

**WHEREFORE**, plaintiffs demand judgment as follows:

A. An Order declaring that defendant no longer has a valid membership interest in Empire by virtue of her fraud, breach of contract, breach of fiduciary duty and failure of consideration;

B. An Order prohibiting defendant from holding herself out as a representative of NYCRC or Empire;

C. A Declaratory Judgment that defendant has no right to participate in the management and affairs of NYCRC and that, under the Operating Agreement, Olsen has the sole right to do so;

D. Compensatory damages in an amount to be determined at trial; and

E. Together with such and other further relief as to this Court may seem just and proper and the costs and disbursements of this action.

Dated: New York, New York  
August 1, 2011

**HELLER, HOROWITZ & FEIT, P.C.**

By: \_\_\_\_\_

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