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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNIFIED CONTAINER, LLC, a Nevada limited liability company; and ANDERSON DAIRY, INC., a Nevada corporation; Plaintiffs, vs. MAZUMA CAPITAL CORP, a Utah corporation; REPUBLIC BANK, INC., a Utah corporation; DOES I through X, inclusive; and ROE CORPORATIONS I through X, inclusive, Defendants.	Case No.: 2:10-cv-00723 - DAK **AMENDED COMPLAINT** Judge Dale A. Kimball

Plaintiffs Unified Container, LLC ("Unified Container") and Anderson Dairy, Inc. ("Anderson Dairy") (collectively "Plaintiffs"), through counsel of record, hereby aver and allege as follows:

PARTIES

1. Plaintiff Unified Container is a Nevada limited liability company with its principal place of business in Nevada.

2. Plaintiff Anderson Dairy is a Nevada corporation with its principal place of business in Nevada.

3. Plaintiffs are informed and believe and thereupon allege that Defendant Mazuma Capital Corp ("Mazuma") is a Utah corporation with its principal place of business in Utah.

4. Plaintiffs are informed and believe and thereupon allege that Defendant Republic Bank, Inc. ("Republic Bank") is a Utah corporation with its principal place of business in Utah.

5. The true names and capacities, whether individual, corporate, associate or otherwise of Defendants named herein as DOES I through X, inclusive, and ROE CORPORATIONS I through X, inclusive, are unknown to Plaintiffs who, therefore, sue said Defendants by such fictitious names and will ask leave to amend this Complaint to show their true names and capacities when the same have been ascertained. Plaintiffs believe that each Defendant named as a DOE or ROE CORPORATION is responsible in some manner for the acts and/or omissions alleged herein.

JURISDICTION

6. This Court has subject-matter jurisdiction over this action pursuant to the provisions of 28 U.S.C. § 1332 because the amount in controversy exceeds the sum or value of $75,000, exclusive of interest and costs, and is between citizens of different states.

THE PURCHASE, RENEWAL, RETURN SCHEME

7. Plaintiffs are informed and believe and thereupon allege that the leases at issue in this lawsuit are part of a much larger pattern and practice of fraudulently inducing businesses to enter into lease agreements containing provisions that have been fraudulently misrepresented by the lessor to the customer and/or fraudulently concealed by the lessor from the customer. The lessor, or its assignee, then uses the misrepresented provisions to extort additional end of term payments from the customer.

8. The basic scheme involves the inclusion of a purchase, renewal, return ("PRR") provision in the lease. The lessor assures the customer they will be able to purchase the equipment at the end of the initial term in the lease for a reasonable or nominal price. Often, the lessor promises the equipment can be purchased at a fixed percentage of the total amount financed. However, at the end of the initial lease term, the lessor refuses to honor the agreed upon purchase price or negotiate in good faith regarding a purchase price, but instead, insists the lease automatically renews for an additional term (usually twelve months).

9. The inclusion of the purchase and return options in the lease are entirely illusory and intended only to give the customer the false impression that it can exercise any of the three options at the end of the initial lease term, when in fact, the lessor will only allow an automatic renewal at the end of the initial lease term.

10. The PRR scheme was pioneered by a company called Amplicon Inc. in California. Amplicon's now notorious scheme to defraud customers was exposed through

litigation and news articles such as the *Wall Street Journal* article published in June 11, 1998 (copy attached hereto as **Exhibit A**).

11. David A. DiCesaris was employed by Amplicon, Inc. for approximately four years.

12. Plaintiffs are informed and believe and thereupon allege that while employed at Amplicon Inc., David A. DiCesaris became familiar with and was trained in how to draft, conceal, and misrepresent the PRR provision in lease agreements in order to extract additional end of term payments from customers.

13. David A. DiCesaris left Amplicon, Inc. and eventually came to Utah where he became the Executive Vice President of Matrix Funding Corporation ("Matrix"). While at Matrix, Mr. DiCesaris trained Utah salespersons how to use PRR provisions to extract additional end of term payments from customers.

14. After Matrix filed for bankruptcy, Mr. DiCesaris started Applied Financial, LLC using the same office space, phone number, and employees from Matrix.

15. Applied Financial, LLC continued the PRR scheme used at Amplicon, Inc. and Matrix.

16. Applied Financial, LLC was associated with Republic Bank and had a preferential leasing relationship with Republic Bank.

17. In September of 2005, Mazuma was founded, in part, by former employees of Matrix and/or Applied Financial, LLC.

18. The co-founder of Mazuma and its current President and Chief Executive Officer, Jared Belnap, began his career in the leasing industry at Matrix.

19. Mazuma's current Executive Vice President of Credit and Syndication, Douglas Petty, was formerly the Chief Credit Officer at Applied Financial, LLC.

20. Mazuma's current Executive Vice President of Operations and Documentation, Nancy Eggan, was vice president of operations/documentation at Applied Financial, LLC and prior to that worked at Matrix.

21. Plaintiffs are informed and believe and thereupon allege that while employed at Matrix and/or Applied Financial current principals of Mazuma Capital became familiar with and were trained in how to draft, conceal, and misrepresent the PRR provision in lease agreements in order to extract additional end of term payments from customers.

22. Mazuma Capital is associated with Republic Bank and obtains financing for its leases containing PRR provisions from Republic Bank.

23. Like what took place at Amplicon, Inc., the PRR scheme utilized by Matrix, Applied Financial, LLC, Mazuma Capital, Tetra Financial Group, LLC and others has begun to be exposed through litigation and negative press. *See Deseret News* articles attached hereto as **Exhibits B and C**.

24. A common trait of Utah companies that utilize the PRR scheme to defraud their customers is that they obtain their financing through Republic Bank and assign and/or sell their leases to Republic Bank.

25. Earlier this year, in a case involving the same PRR scheme utilized by Mazuma, a Maryland federal district court held that a lessee was fraudulently induced by a Utah company that obtains its financing from Republic Bank to enter into a lease containing a PRR provision. The lessee entered the lease based upon the representations of the lessor that it could purchase the equipment at the end of the initial term at approximately ten percent of costs. *See House of Flavors, Inc. v. TFG-Michigan, L.P.*, 719 F. Supp. 2d 100 (D. Me. June 17, 2010)(copy attached hereto as **Exhibit D**).

THE UNIFIED CONTAINER LEASE

26. In August of 2007, Unified Container sought to purchase equipment relating to the creation of a plastic bottling business in order to facilitate the needs of Anderson Dairy's milk processing business. To that end, Unified Container's representative, Teresa Sowers, began speaking with financial entities regarding how best to obtain the equipment Unified Container sought.

27. One of the entities that Unified Container spoke with was Mazuma. Ms. Sowers had conversations with Ryan Ladle, a representative of Mazuma authorized to transact with Unified Container.

28. In August of 2007, after extensive negotiation, Mr. Ladle represented to Ms. Sowers the following:

- That Mazuma would lease the equipment in question to Unified Container for a period of two (2) years for monthly payments of $27,984.89 for the first six months and $59,247.06 for the next eighteen months (total lease payments of $1,234,356.42).

- That the amount of equipment that would be leased to Unified Container would have the approximate value of $1,218,323.00.

- That prior to the execution of the lease, Unified Container would be required to pay $265,183.95 toward the price of the equipment, as well as a deposit of approximately $350,000.

- That at the conclusion of the two-year term, Unified Container would be allowed to purchase the equipment for, at most, 10-12% of the fair market value of the equipment at the end of the lease term.

29. Based upon the representations of Mr. Ladle, as well as certain anticipated tax benefits for leasing equipment for the two-year period as opposed to simply purchasing it outright, Unified Container decided to accept the terms proposed and articulated above and proceed with Mazuma on execution of an equipment lease. However, there was never any ambiguity as to the fact that Unified Container was going to be entitled to purchase the equipment at the end of the lease-term for 10-12% of its fair market value.

30. Based upon the representations by Mazuma regarding the repurchase option at the end of the lease term, on or around August 16, 2007, Plaintiff and Mazuma entered into a Master Lease Agreement No. MCC1003 (the "Unified Equipment Lease").

31. In furtherance of the Unified Equipment Lease, Unified Container paid Mazuma the $265,183.95 toward the price of the equipment and provided Mazuma with the requested $350,000 deposit, which was subsequently reduced to $304,580.80.

32. On or around August 16, 2007, Unified Container and Mazuma executed a Lease Schedule No. 73-01 to Master Lease Agreement No. MCC1003 ("Unified Lease Schedule 73-01"), pursuant to which Mazuma financed Unified Container's purchase of various pieces of

equipment to be used in Unified Container's bottling business in a sum not to exceed One Million Eight Hundred Thousand Dollars ($1,800,000.00).

33. Unified Container complied with all of its duties and obligations under the Agreement and all conditions precedent have been met.

34. In justifiable reliance upon the representations made by Mazuma that Unified Container would be allowed to purchase the equipment for 10-12% of its fair market value at the conclusion of the two-year lease term, Unified Container complied with the payment obligations to Defendants and built an entire structure around the equipment, thus making it an integral part of Unified Container's business.

35. However, in spite of the fact that the Mazuma clearly and unambiguously agreed to sell the equipment set forth in Lease Schedule 73-01 to Unified Container at the conclusion of the two-year lease term for 10-12% of the fair market value of the equipment, and in spite of the fact that Unified Container will have paid Mazuma approximately $1,499,540.37 at the conclusion of the lease for equipment originally valued, per Lease Schedule 73-01 and the Agreement, at $1,218,323.00, Mazuma has refused, and is presently refusing to sell, Unified Container the equipment for 10-12% of its fair market value, instead demanding that Unified Container pay Mazuma the full alleged current value of the equipment, approximately $779,726.84.

36. Mazuma, in direct contravention of the express representations made to Unified Container in order to induce Unified Container to enter into the Unified Equipment Lease, now wants Unified Container to pay an amount, which when added to the amounts already paid,

would be in excess of $1,000,000.00 above the value of the equipment at the time the Agreement was entered into by Unified Container.

37. Unified Container substantially performed all of the conditions of the Unified Equipment Lease in good faith in reliance upon Mazuma's representations that Unified Container would be able to purchase the equipment for 10-12% of the fair market value at the end of the two-year lease term. Additionally, Unified Container has substantially altered its business in reliance upon the representations made by Mazuma regarding the ability to purchase the equipment at the conclusion of the lease-term.

38. On or about September 4, 2007, Mazuma assigned Master Lease Agreement No. MCC1003, together with Lease Schedule No. 73-01, to Defendant Republic Bank.

39. On information and belief, Mazuma has a custom and practice of using the PRR provision to force its lessees to extend the term of the initial lease for an additional lease period because Mazuma refuses to negotiate in good faith a purchase of the leased equipment at the end of the lease term.

40. Mazuma failed to disclose to Unified Container that it would attempt to extract a large payment from lessees at the end of the initial term under the lease.

41. On information and belief, Mazuma and/or its successors and assigns, including Republic Bank, never intended to perform either Option No. 1 or Option No. 3 under the PRR provision.

42. On information and belief, Republic Bank and Mazuma have agreed to act in concert with respect to the use of PRR provisions in the leases negotiated by Mazuma, which

leases are then assigned to Republic Bank, to force the extension of the leases beyond the initial lease term.

43. On information and belief, as part of the scheme agreed upon by Mazuma and Republic Bank, Mazuma (1) negotiates leases containing a PRR provision, (2) represents to the lessee during the negotiation of the lease that the PRR provision permits the lessee to elect certain options at the end of the lease, including the option to purchase the leased property, and (3) subsequently assigns that lease to Republic Bank. At the end of the lease, Republic Bank, as the assignee of the lease, (1) disclaims the earlier representations of Mazuma concerning the end-of-lease options, (2) refuses to negotiate a purchase price, asserting that it has an "absolute right" to reject the lessee's purchase price proposals for any reason, and/or insists upon a purchase price that is greater than the cost to renew the lease for the extension period, and (3) forces the lessee to extend the initial lease term for the extension period.

44. Indeed, only a few weeks after entering the lease with Unified, Mazuma sold and assigned the lease to Republic Bank. Significantly, Mazuma not only sold the base term monthly payments to Republic Bank, but additional "continuation payments" due after the base term.

45. Because Mazuma could only sell Republic Bank continuation lease payments if the lease automatically renewed, the "Sales and Assignment Agreement" demonstrates that Mazuma had no intention of honoring the end-of-lease term purchase option provision or Unified's decision to exercise its option to terminate the lease pursuant to that provision.

46. As a result, Mazuma's contemporaneous representations to Unified that it could terminate lease and buy the equipment at the end of the base term were knowingly false and

made for the sole purpose of inducing Unified to enter into the lease and Anderson Dairy to enter into the Guaranty.

47. On information and belief, Mazuma paid its sales representatives sales commissions at signing not only for the initial term of the Unified Equipment Lease, but also for the extension of the Unified Equipment Lease that would occur under the PRR provisions which would result when Mazuma Capital failed to negotiate in good faith at the end of term. By paying its sales representatives commissions for an anticipated extension of the lease under the PRR terms at the signing of the Unified Equipment Lease, Mazuma Capital did not intend at the time the Unified Equipment Lease was signed to negotiate a purchase of the lease equipment in good faith.

48. On information and belief, Mazuma Capital had a pattern and practice of re-selling the lease to Republic Bank prior to the end of term for an amount based upon an extension of the lease, even before any negotiations occurred at the end of term between Mazuma Capital and its customers.

49. As a direct and proximate result of the Mazuma's material breaches, material misrepresentations of fact, and refusal to sell the equipment to Unified Container as promised and agreed to, Unified Container has been damaged, the exact amount to be proven at trial.

50. The actions of Defendants were willful and malicious or intentionally fraudulent conduct, or conduct that manifests a knowing and reckless indifference toward, and a disregard of, the rights of Plaintiffs. Plaintiffs are thus entitled to an award of punitive and exemplary damages, the exact amount to be proven at trial.

51. It has become necessary for Unified Container to engage the services of an attorney in these proceedings as a direct and proximate result of the conduct alleged herein and therefore, Unified Container is entitled to recover its attorneys' fees and costs incurred herein.

THE ANDERSON DAIRY LEASE

52. In August of 2007, Anderson Dairy sought to purchase equipment relating to its dairy operations. To that end, Anderson Dairy's representative, Teresa Sowers, began speaking with financial entities regarding how best to obtain the equipment Anderson Dairy sought.

53. Ms. Sowers had conversations with Ryan Ladle, a representative of Mazuma authorized to transact business with the Anderson Dairy.

54. In August of 2007, after extensive negotiation, Mr. Ladle represented to Ms. Sowers the following:

- That Mazuma would lease the equipment in question to Anderson Dairy for a period of three (3) years for monthly payments of $18,830 for the first twelve months and $31,260 for the next twenty-four months (total lease payments of $976,200.00).
- That the amount of equipment that would be leased to Plaintiff would have the approximate value of $1,000,000.
- That prior to the execution of the lease, Plaintiff would be required to pay a deposit of approximately $19,150 to be applied to the first lease payment.
- That at the conclusion of the three-year term, the Plaintiff would be allowed to purchase the equipment for between 10% to 14% of its residual value.[1]

55. Based upon the representations of Mr. Ladle, as well as certain anticipated tax benefits for leasing equipment for the three-year period as opposed to simply purchasing it

[1] At the time of funding, the term was changed to 24 months.

outright, Anderson Dairy decided to accept the terms proposed and articulated above and proceed with Mazuma on execution of an equipment lease. However, there was never any ambiguity as to the fact that Anderson Dairy was going to purchase the equipment at the end of the lease-term for between 10% to 14% of its residual value.

56. Based upon the representations by Defendant regarding the repurchase option at the end of the lease term, on or around August 16, 2007, Anderson Dairy and Mazuma entered into a Master Lease Agreement No. MCC1002 (the "Anderson Equipment Lease").

57. On or around August 16, 2007, Anderson Dairy and Mazuma executed a Lease Schedule No. 73-01 to the Anderson Equipment Lease ("Anderson Lease Schedule 73-01"), pursuant to which Mazuma financed Anderson Dairy's purchase of various pieces of equipment to be used in Anderson Dairy's dairy business not to exceed One Million Dollars ($1,000,000.00).

58. On or around April 17, 2008, Anderson Dairy and Mazuma executed a Lease Schedule No. 82-02 to the Anderson Equipment Lease ("Anderson Lease Schedule No. 82-02") pursuant to which Mazuma financed Anderson Dairy's purchase of various pieces of equipment to be used in Anderson Dairy's dairy business not to exceed One Million Five Hundred Thousand dollars ($1,500,00.00). As with the previous Anderson Lease Schedule 73-01, Mazuma represented that at the conclusion of the twenty-four month base lease period that Anderson Dairy would be entitled to purchase the equipment between 10 – 14% of its residual value.

59. On or around June 5, 2008, Anderson Dairy and Mazuma executed a Lease Schedule No. 82-03 to the Anderson Equipment Lease ("Anderson Lease Schedule No. 82-03") pursuant to which Mazuma financed Anderson Dairy's purchase of various pieces of equipment to be used in Anderson Dairy's dairy business not to exceed Four Hundred Eighty-Three Thousand Seven Hundred Thirty-Nine dollars and five cents ($483,739.05). Mazuma represented that at the conclusion of the twenty-four month base lease period that Anderson Dairy would be entitled to purchase the equipment for between 10 to 14% of its residual value.

60. Anderson Dairy complied with all material obligations under the Anderson Equipment Lease and all conditions precedent have been met.

61. In justifiable reliance upon the representations made by Mazuma regarding the terms that Anderson Dairy would be allowed to purchase the equipment for at the end of the initial lease terms, Anderson Dairy complied with the payment obligations to Defendants and built an entire structure around the equipment, thus making it an integral part of Anderson Dairy's business.

62. However, in spite of the fact that the Mazuma clearly and unambiguously agreed to sell the equipment set forth in the Anderson Lease Schedule 73-01 to Anderson Dairy at the conclusion of the two-year lease term for between 10% to 14% of its residual value of the equipment, and in spite of the fact that Anderson Dairy will have paid Mazuma approximately $523,054.92 at the conclusion of the lease for equipment originally valued, per Lease Schedule 73-01 and the Agreement, at $516,260.95, Mazuma has refused, and is presently refusing to sell,

Plaintiff the equipment for 10 to 14% of its residual value, instead demanding that Anderson Dairy pay Mazuma the full alleged current value of the equipment, approximately $276,163.46.

63. Mazuma, in material breach of the Anderson Agreement and in direct contravention of the express representations made to Plaintiff in order to induce Anderson Dairy to enter into the Agreement and the Master Lease, now wants Anderson Dairy to pay an amount, which when added to the amounts already paid, would be in excess of $282,957.43 above the value of the equipment at the time the Agreement was entered into by the parties.

64. In spite of the fact that the Mazuma clearly and unambiguously agreed to sell the equipment set forth in the Anderson Lease Schedule 82-02 to Anderson Dairy at the conclusion of the two-year lease term for between 10 to 14% of its residual value, and in spite of the fact that Anderson Dairy will have paid Mazuma approximately $1,127,688.63 at the conclusion of the lease for equipment originally valued, per Lease Schedule 82-02 and the Agreement, at $950,866.00, Mazuma has refused, and is presently refusing to sell, Plaintiff the equipment for between 10 to 14% of its residual value, instead demanding that Anderson Dairy pay Mazuma the full alleged current value of the equipment, approximately $494,569.12.

65. Mazuma, in material breach of the Anderson Agreement and in direct contravention of the express representations made to Anderson Dairy in order to induce Anderson Dairy to enter into the Agreement and the Master Lease, now wants Anderson Dairy to pay an amount, which when added to the amounts already paid, would be in excess of $671,391.75 above the value of the equipment at the time the Agreement was entered into by the parties.

66. In spite of the fact that the Mazuma clearly and unambiguously agreed to sell the equipment set forth in the Anderson Lease Schedule 82-03 to Anderson Dairy at the conclusion of the two-year lease term for between 10 to 14% of its residual value, and in spite of the fact that Anderson Dairy will have paid Mazuma approximately $393,267.90 at the conclusion of the lease for equipment originally valued, per Lease Schedule 82-03 and the Agreement, at $342,324.88, Mazuma has refused, and is presently refusing to sell, Plaintiff the equipment for between 10 to 14% of its residual value, instead demanding that Anderson Dairy pay Mazuma the full alleged current value of the equipment, approximately $183,119.86.

67. Mazuma, in direct contravention of the express representations made to Plaintiff in order to induce Anderson Dairy to enter into the Anderson Equipment Lease, now wants Anderson Dairy to pay an amount, which when added to the amounts already paid, would be in excess of $234,062.88 above the value of the equipment at the time the Anderson Equipment Lease was entered into by the parties.

68. Anderson Dairy substantially performed all of the conditions of the Anderson Equipment Lease between the parties in good faith in reliance upon Mazuma's representations that Anderson Dairy would be able to purchase the equipment at the end of the initial lease terms at the agreed upon amounts. Additionally, Anderson Dairy has substantially altered its business in reliance upon the representations made by Mazuma regarding the ability to purchase the equipment at the conclusion of the lease-term.

69. On information and belief, Mazuma has assigned the Anderson Equipment Lease, as well as all associated lease schedules, to Republic Bank.

70. On information and belief, Mazuma sold not only the payments due under the base term of the lease, but also sold "continuation payments" to Republic Bank because both Mazuma and Republic Bank knew they would never allow Anderson Dairy to exercise the purchase option in the Anderson Equipment Lease.

71. On information and belief, Mazuma has a custom and practice of using the PRR provision to force its lessees to extend the term of the initial lease for an additional lease period because Mazuma refuses to negotiate in good faith a purchase of the leased equipment at the end of the lease term.

72. Mazuma failed to disclose to Anderson Dairy that it would attempt to extract a large payment from lessees at end of term.

73. On information and belief, Mazuma and/or its successors and assigns, including Republic Bank, never intended to perform either Option No. 1 or Option No. 3 under the PRR provision.

74. On information and belief, Republic Bank and Mazuma have agreed to act in concert with respect to the use of PRR provisions in the leases negotiated by Mazuma, which leases are then assigned to Republic Bank, to force the extension of the leases beyond the initial lease term.

75. On information and belief, as part of the scheme agreed upon by Mazuma and Republic Bank, Mazuma (1) negotiates leases containing a PRR provision, (2) represents to the lessee during the negotiation of the lease that the PRR provision permits the lessee to elect certain options at the end of the lease, including the option to purchase the leased property, and

(3) subsequently assigns that lease to Republic Bank. At the end of the lease, Republic Bank, as the assignee of the lease, (1) disclaims the earlier representations of Mazuma concerning the end-of-lease options, (2) refuses to negotiate a purchase price, asserting that it has an "absolute right" to reject the lessee's purchase price proposals for any reason, and/or insists upon a purchase price that is greater than the cost to renew the lease for the extension period, and (3) forces the lessee to extend the initial lease term for the extension period.

76. On information and belief, Mazuma paid its sales representatives sales commissions at signing not only for the base term of the Anderson Equipment Lease, but also for the extension of the Anderson Equipment Lease that would occur under the PRR provisions which would result when Mazuma Capital failed to negotiate in good faith at the end of term. By paying its sales representatives commissions for an anticipated extension of the lease under the PRR terms at the signing of the Anderson Equipment Lease, Mazuma Capital did not intend at the time the Anderson Equipment Lease was signed to negotiate a purchase of the lease equipment in good faith.

77. On information and belief, Mazuma Capital had a pattern and practice of re-selling the lease to Republic Bank prior to the end of term for an amount which included an extension of the lease, even before any negotiations occurred at the end of term between Mazuma Capital and its customers.

78. As a direct and proximate result of the Mazuma's material breaches, material misrepresentations of fact, and refusal to sell the equipment to Anderson Dairy as promised and agreed to, Anderson Dairy has been damaged, the exact amount to be proven at trial.

79. The actions of Defendants were willful and malicious or intentionally fraudulent conduct, or conduct that manifests a knowing and reckless indifference toward, and a disregard of, the rights of Plaintiffs. Plaintiffs are thus entitled to an award of punitive and exemplary damages, the exact amount to be proven at trial.

80. It has become necessary for Anderson Dairy to engage the services of an attorney in these proceedings as a direct and proximate result of the conduct alleged herein and therefore, Plaintiff is entitled to recover its attorneys' fees and costs incurred herein.

FIRST CLAIM FOR RELIEF
(Fraud as to the Unified Master Lease)

81. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

82. Mazuma, through its authorized agent Mr. Ladle, made a false representation of fact to Unified Container's authorized representative, Ms. Sowers, that Unified Container would be allowed to purchase the aforementioned equipment for 10-12% of its fair market value at the conclusion of a two-year lease term if Unified Container entered into the Unified Equipment Lease with Mazuma.

83. Mazuma knew that it had no intention of selling the equipment to Unified Container at 10-12% of its fair market value in August of 2007 when Mr. Ladle made the representation to Ms. Sowers.

84. Mazuma made the representation regarding Unified Container's ability to purchase the equipment at the conclusion of the lease-term for 10-12% of its fair market value with the intent to induce Unified Container into entering into the Unified Equipment Lease.

85. Mazuma knew, at the time they made the above representations to Unified Container, that Mazuma and/or its successors had no intention of negotiating in good faith for the purchase by of the leased equipment at the end of term.

86. At the time Mazuma made the above-described misrepresentations to Unified Container, Mazuma (i) knew that they were false, (ii) made the misrepresentations recklessly and/or in bad faith, and/or (iii) made the misrepresentations knowing that Mazuma had insufficient knowledge (or, in fact, different knowledge) of the facts upon which they based such representations.

87. Mazuma made the above-described misrepresentations, and/or failed, concealed and omitted to disclose material facts, to induce Unified Container to execute the Unified Equipment Lease.

88. Unified Container justifiably relied upon Mazuma's material misrepresentations regarding the ability to purchase the equipment and took action, including, but not limited to, making the aforementioned payments and structuring its business around the equipment.

89. As a direct and proximate cause of Mazuma's material misrepresentations of fact, Unified Container has been damaged, the exact amount to be proven at trial.

90. The actions of Mazuma were willful, fraudulent and malicious, and Unified Container is thus entitled to an award of punitive and exemplary damages, the exact amount to be proven at trial.

91. It has become necessary for Unified Container to engage the services of an attorney in these proceedings as a direct and proximate result of the conduct alleged herein and therefore, Plaintiff is entitled to recover its attorneys' fees and costs incurred herein.

SECOND CLAIM FOR RELIEF
(Breach of Implied Covenant of Good Faith and Fair Dealing as to Unified Equipment Lease)

92. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

93. In every contract there exists an implied covenant that the parties will act in good faith, with fair dealing, and that one party will not conduct itself in a manner that would prevent the other party from achieving its benefit of the bargain.

94. Defendants, in bad faith, have breached the implied covenant of good faith and fair dealing by, among other things, the conduct described in the preceding paragraphs, breaching the Unified Equipment Lease and failing to comply with its obligations as articulated and failing to negotiate in good faith under the PRR provision contained in the Unified Equipment Lease.

95. As a direct and proximate result of Defendants' breach of the covenant of good faith and fair dealing, Unified Container has been damaged in an amount to be proven at trial in this matter.

96. As a result of the aforementioned conduct on the part of Defendants and breach of the covenant of good faith and fair dealing by Defendants, it has been necessary for Unified Container to hire an attorney to prosecute this matter, such that an award of reasonable attorney's fees is appropriate in this matter.

THIRD CLAIM FOR RELIEF
(Promissory Estoppel as to Property under Unified Master Lease)

97. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

98. Relying upon Mazuma's promise that, at the end of the term of the Unified Master Lease, Unified Container would be allowed to purchase the property and equipment leased pursuant to the Unified Equipment Lease for a price between 10 and 12% of its fair market value, Unified Container entered into Unified Equipment Lease and corresponding lease schedules.

99. Relying upon Mazuma's promise that, at the end of the term of the Unified Equipment Lease, Unified Container would be allowed to purchase the property and equipment leased pursuant to the Unified Equipment Lease for a price between 10 and 12% of its fair market value, Unified Container did not pursue other available financing and lease options for the property and equipment.

100. In light of the negotiations between Mazuma and Unified Container regarding the Unified Equipment Lease, specifically the statements, explanations, and representations that Mazuma made to Unified Container during those negotiations, and in the context of these

particular circumstances, Unified Container's reliance upon Mazuma's promise was prudent and reasonable.

101. Mazuma knew, or should have known, that Unified Container relied on Mazuma's promise concerning the end-of-lease purchase price.

102. At the time Mazuma made the promise, Mazuma expected, or should have reasonably expected, to induce action or forbearance on the part of Unified Container and/or a third party.

103. At the time Mazuma made the promise, and during all material periods thereafter, Mazuma was aware of all material facts.

104. At the time Republic Bank accepted the assignment of the Unified Equipment Lease, and related lease schedules, from Mazuma, and during all material periods thereafter, Republic Bank knew, or reasonably should have known, about Mazuma's promise to Unified Container and Unified Container's reliance thereupon.

105. As a direct and proximate result of Unified Container's reliance on Mazuma's promise, Unified Container has been damaged in an amount to be proven at trial in this matter.

106. As a result of the aforementioned conduct on the part of Defendants, it has been necessary for Unified Container to hire an attorney to prosecute this matter, such that an award of reasonable attorney's fees is appropriate in this matter.

FOURTH CLAIM FOR RELIEF
(Fraud as to Anderson Equipment Lease)

107. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

108. Mazuma, through its authorized agent Mr. Ladle, made false representations of fact to Anderson Dairy's authorized representative, Ms. Sowers, that Anderson Dairy would be allowed to purchase the aforementioned equipment for between 10 to 14% of its residual value at the conclusion of the initial lease term if Anderson Dairy entered into the Anderson Equipment Lease and schedules with Mazuma.

109. Mazuma knew that it had no intention of selling the equipment to Anderson Dairy at the agreed upon value when Mr. Ladle made the representations to Ms. Sowers.

110. Mazuma made the representations regarding Unified Container's ability to purchase the equipment at the conclusion of the initial lease-terms with the intent to induce Anderson Dairy into entering into the Anderson Equipment Lease and accompanying schedules.

111. Mazuma knew, at the time they made the above representations to Anderson Dairy, that Mazuma and/or its successors had no intention of negotiating in good faith for the purchase by of the leased equipment at the end of term.

112. At the time Mazuma made the above-described misrepresentations to Anderson Dairy, Mazuma (i) knew that they were false, (ii) made the misrepresentations recklessly and/or in bad faith, and/or (iii) made the misrepresentations knowing that Mazuma had insufficient

knowledge (or, in fact, different knowledge) of the facts upon which they based such representations.

113. Mazuma made the above-described misrepresentations, and/or failed, concealed and omitted to disclose material facts, to induce Anderson Dairy to execute the Anderson Equipment Lease and schedules.

114. Anderson Dairy justifiably relied upon Mazuma's material misrepresentations regarding the ability to purchase the equipment and took action, including, but not limited to, making the aforementioned payments and structuring its business around the equipment.

115. As a direct and proximate cause of Mazuma's material misrepresentations of fact, the Anderson Dairy has been damaged, the exact amount to be proven at trial.

116. The actions of Mazuma were willful, fraudulent and malicious, and Anderson Dairy is thus entitled to an award of punitive and exemplary damages, the exact amount to be proven at trial.

117. It has become necessary for Anderson Dairy to engage the services of an attorney in these proceedings as a direct and proximate result of the conduct alleged herein and therefore, Anderson Dairy is entitled to recover its attorneys' fees and costs incurred herein.

FIFTH CLAIM FOR RELIEF
(Breach of Good Faith and Fair Dealing as to Anderson Master Lease)

118. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

119. In every contract there exists an implied covenant that the parties will act in good faith, with fair dealing, and that one party will not conduct itself in a manner that would prevent the other party from achieving its benefit of the bargain.

120. Defendants, in bad faith, have breached the implied covenant of good faith and fair dealing by, among other things, the conduct described in the preceding paragraphs, breaching the Anderson Agreement and failing to comply with its obligations and failing to negotiate in good faith under the PRR provision contained in the Anderson Equipment Lease.

121. As a direct and proximate result of Defendants' breach of the covenant of good faith and fair dealing, Anderson Dairy has been damaged in an amount to be proven at trial in this matter.

122. As a result of the aforementioned conduct on the part of Defendants and breach of the covenant of good faith and fair dealing by Defendants, it has been necessary for Anderson Dairy to hire an attorney to prosecute this matter, such that an award of reasonable attorney's fees is appropriate in this matter.

SEVENTH CLAIM FOR RELIEF
(Promissory Estoppel as to Equipment under Anderson Equipment Lease)

123. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

124. Relying upon Mazuma's promise that, at the end of the term of the Anderson Equipment Lease, Anderson Dairy would be allowed to purchase the property and equipment leased pursuant to the Anderson Equipment Lease for a price between 10 to 14% of its residual

value, Anderson Dairy entered into Anderson Equipment Lease and corresponding lease schedules.

125. Relying upon Mazuma's promise that, at the end of the term of the Anderson Equipment Lease, Anderson Dairy would be allowed to purchase the property and equipment leased pursuant to the Anderson Equipment Lease for a price between 10 to 14% of its residual value, Anderson Dairy did not pursue other available financing and lease options for the property and equipment.

126. In light of the negotiations between Mazuma and Anderson Dairy regarding the Anderson Equipment Lease, specifically the statements, explanations, and representations that Mazuma made to Anderson Dairy during those negotiations, and in the context of these particular circumstances, Anderson Dairy's reliance upon Mazuma's promise was prudent and reasonable.

127. Mazuma knew, or should have known, that Anderson Dairy relied on Mazuma's promise concerning the end-of-lease purchase price.

128. At the time Mazuma made the promise, Mazuma expected, or should have reasonably expected, to induce action or forbearance on the part of Anderson Dairy and/or a third party.

129. At the time Mazuma made the promise, and during all material periods thereafter, Mazuma was aware of all material facts.

130. At the time Republic Bank accepted the assignment of the Anderson Equipment Lease, and related lease schedules, from Mazuma, and during all material periods thereafter,

Republic Bank knew, or reasonably should have known, about Mazuma's promise to Anderson Dairy and Anderson Dairy's reliance thereupon.

131. As a direct and proximate result of Anderson Dairy's reliance on Mazuma's promise, Anderson Dairy has been damaged in an amount to be proven at trial in this matter.

132. As a result of the aforementioned conduct on the part of Defendants, it has been necessary for Anderson Dairy to hire an attorney to prosecute this matter, such that an award of reasonable attorney's fees is appropriate in this matter.

SEVENTH CLAIM FOR RELIEF
(Civil Conspiracy as to all Defendants)

133. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

134. On information and belief, Mazuma has assigned Republic Bank many leases during the course of their substantial business relationship.

135. On information and belief, most, if not all, of these leases contain a provision similar, if not identical, to the PRR provisions contained in the Unified Equipment Lease and Anderson Equipment Lease, as further described above.

136. On information and belief, Mazuma and Republic Bank had, during all times material hereto, an agreement or meeting of the minds concerning the negotiation, administration, performance, and enforcement of the PRR lease provisions.

137. On information and belief, Mazuma and Republic Bank have acted in concert to commit fraud against, among others, Unified Container and Anderson Dairy, as further described and alleged herein.

138. Mazuma and Republic Bank have committed one or more overt, unlawful acts of fraud, as further described and alleged herein.

139. As a direct and proximate result of Mazuma and Republic Bank's conspiracy, both Anderson Dairy and Unified Container, separately and individually, have been damaged in an amount to be proven at trial in this matter.

140. The actions of Mazuma and Republic Bank were willful, fraudulent, and malicious, and Anderson Dairy and Unified Container, separately and individually, are entitled to an award of punitive and exemplary damages, the exact amount to be proven at trial.

141. As a result of the aforementioned conduct on the part of Defendants, it has been necessary for Unified Container and Anderson Dairy to hire an attorney to prosecute this matter, such that an award of reasonable attorney's fees is appropriate in this matter.

EIGHTH CLAIM FOR RELIEF
(Declaratory Relief as to all Defendants)

142. Plaintiffs incorporate by reference the preceding Paragraphs of this Complaint as though fully set forth herein.

143. There is a justifiable controversy as to the terms of the master leases and schedules, specifically as to the agreed-upon purchase price of the equipment at the expiration of the initial lease terms.

144. Plaintiffs have a legal interest in this controversy.

145. The issues involved herein are ripe for judicial determination of the rights and obligations of the parties hereto.

146. Plaintiffs are entitled to judgment pursuant to 28 U.S.C. §§ 2201 and 2202 and Rule 57 of the Federal Rules of Civil Procedure, declaring that it is entitled to purchase the equipment denoted in the Lease Schedules as represented by Mazuma and agreed to by the parties, or in the alternative, that the PRR provisions of the Master Lease Agreements are void, unconscionable and/or illegal.

147. Plaintiffs are also entitled to a judicial declaration that Defendants are liable for their material breaches of the agreements.

148. As a direct and proximate result of Defendants' aforementioned conduct, Plaintiffs have been damaged in an amount to be determined at trial.

149. As a direct result of the aforementioned conduct on the part of Defendants, it has been necessary for Plaintiffs to hire an attorney to prosecute this matter, such that an award of reasonable attorneys' fees is appropriate.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

1. To award Plaintiffs for damages sustained as a result of Defendants' wrongful acts complained of herein;

2. Rights and remedies as provided for under Utah Code Ann. § 70A-2a-505 and § 70A-2a-508.

3. To award Plaintiffs punitive damages sustained as a result of Defendants' wrongful acts complained of herein;

4. To award Plaintiffs' attorneys' fees and costs;

5. For a declaration of the rights and obligations of the parties pursuant to the various agreements, declaring the purchase price of the equipment; or in the alternative, that the PRR provisions in the lease agreements are void, unconscionable and/or illegal.

6. For all other relief this Court deems just and proper.

DATED this 18th day of April 2011.

/s/ BRANDON J. MARK

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Brandon J. Mark
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