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CLERK OF THE COURT

1 **ACOMP**
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7 **DISTRICT COURT**
8 **CLARK COUNTY NEVADA**

9 *****

10 CHAD ELIE)
11)
12 Plaintiff,)
13 vs.)
14 IFRAH PLLC, a Professional Limited Liability)
15 Company, ALAIN JEFFERY IFRAH a/k/a JEFF)
16 IFRAH, individually, DOE individuals I through)
17 XX, and ROE CORPORATIONS I through XX,)
18 Defendants.)

Case No.: A679951
Dept. No.: XVI

AMENDED COMPLAINT
EXEMPT FROM
ARBITRATION

17 **AMENDED COMPLAINT**

18 COMES NOW, Plaintiff, CHAD ELIE, by and through his attorney of record, SIGAL
19 CHATTAH, ESQ., of the LAW OFFICES OF SIGAL CHATTAH, who hereby submits the
20 foregoing Amended Complaint and complains of Defendants and each of them and allege as
21 follows:
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I.
PARTIES

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3 1. Plaintiff, CHAD ELIE (hereinafter "Plaintiff" or "Mr. ELIE") is and at all times
4 herein mentioned, a resident of County of Clark, the State of Nevada.

5 2. At all times mentioned herein, Defendant, IFRAH PLLC, (hereinafter "IFRAH
6 PLLC") is a Professional Corporation with its principle office located in the District of
7 Columbia, but which has done business on behalf of Mr. ELIE in numerous states, including
8 Nevada California, Florida, and Illinois.

9 3. At all times mentioned herein, Defendant, ALAIN JEFFERY IFRAH a/k/a JEFF
10 IFRAH, (hereinafter "Mr. IFRAH") was a licensed Attorney owning and operating IFRAH
11 PLLC. Upon information and belief, Mr. IFRAH is licensed as an attorney in the District of
12 Columbia, but not licensed in Nevada, California, Florida or Illinois, although he performed
13 services for and provided legal advice to Mr. ELIE while Mr. ELIE was residing in those other
14 jurisdictions and/or operating businesses from those other jurisdictions.

15 4. The true names and capacities, whether individual, corporate, associate, or
16 otherwise, of Defendants DOES I through V, and ROE CORPORATIONS I through V,
17 inclusive, are unknown to Plaintiff, who therefore sues said Defendants by such fictitious names.
18 Plaintiff is informed and believes and thereon alleges that each of the Defendants designated
19 herein as a DOE or ROE CORPORATION is responsible in some manner for the events and
20 happenings herein referred to and damages caused proximately thereby to Plaintiff as herein
21 alleged; that Plaintiff will ask leave of this Court to amend this Complaint to insert the true
22 names and capacities of said Defendants DOES I through V and/or ROE CORPORATIONS I
23 through V, when same have been ascertained by Plaintiff, together with appropriate charging
24 allegations, and to join such Defendants in this action.

25 5. All of the acts or failures to act herein were duly performed by and attributable to
all Defendants, each acting as agent, employee, or under the direction and/or control of the

1 others. Said acts or failures to act were within the scope of said agency and/or employment and
2 each Defendant and ratified the acts and omissions by the other Defendants. Whenever and
3 wherever reference is made in this Complaint to any acts by Defendants, such allegations and
4 references shall also be deemed to mean the acts of each Defendant acting individually, jointly or
5 severally.

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7 **II.**
INTRODUCTION

8 6. Defendant law firm IFRAH PLLC and its partners and associates, including Mr.
9 IFRAH were retained to represent Mr. ELIE in a United States District Court Case *2:09-cv-*
10 *02120-PMP-VCF*.

11 7. Defendant IFRAH PLLC and Mr. IFRAH was also retained by Mr. ELIE on
12 behalf of his Company Elite Debit and 21 Debit to represent him in various transactions
13 involving the payment processing for two internet poker businesses that Mr. IFRAH
14 represented: Full Tilt Poker (“FTP”) and Poker Stars (“PS”).

15 8. Defendant IFRAH PLLC and Mr. IFRAH represented Mr. ELIE individually on
16 various other cases and provided ongoing legal advice to Mr. ELIE from 2008 until through
17 2011 and even after Mr. ELIE’s arrest on Friday, April 15, 2011, following his indictment for
18 offenses concerning his operations as a payment processor for Internet Merchants FTP and PS.

19
20 **Jeff Ifrah/ Ifrah PLLC**

21 9. At all times relevant herein, Mr. IFRAH portrayed himself as a leader in the
22 provision of legal advice to individuals and entities involved in the gaming industry-including
23 but not limited to the Internet Poker industry. Mr. IFRAH held himself out as a Specialist in the
24 Internet gaming field.

1 10. Mr. IFRAH has published and continues to publish blogs and columns regarding
2 online gaming, poker and E-Gaming business, including frequent contributing editorials on
3 EGaming Review.

4 11. Mr. IFRAH has permitted himself to be nationally recognized as having expert
5 knowledge in the online gaming industry by various online outlets such as EGaming Review,
6 A-Z Online Casinos, and other outlets.

7 12. Mr. IFRAH has also been named by Chambers & Partners as “[o]ne of the most
8 customer service-oriented lawyers,” offering “exceptional expertise” concerning gaming law.

9 13. Mr. ELIE relied on Mr. IFRAH’s professional expertise as a top-tier litigation
10 attorney with particular expertise over the field of online gaming, specifically Internet poker.
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12 14. Acting upon such reliance, Mr. ELIE engaged Mr. IFRAH’s services as his
13 attorney and eventually, ELIE paid Mr. IFRAH in excess of four million dollars
14 (\$4,000,000.00), in attorney’s fees and what Mr. IFRAH termed “commissions” during the
15 course of Mr. IFRAH’s representation of Mr. ELIE.

16 15. Once indicted as part of the Black Friday Indictments, throughout the course of
17 discovery with the US Attorney’s Office, ELIE discovered the gruesome truth, that his own
18 lawyer, Mr. IFRAH, knowingly misrepresented the facts and the law to him; that Mr. IFRAH
19 hid critical documentation that had said documentation been disclosed to Mr. ELIE, Mr. ELIE
20 would have never continued to process poker.
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22 16. It was clear that Mr. IFRAH, used his position and esteem in the internet gaming
23 industry to further his own economic endeavors at Mr. ELIE’s expense and to Mr. ELIE’S
24 prejudice.
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1 17. IFRAH gave Mr. ELIE wrong advice regarding poker processing so that Mr.
2 IFRAH's other client-operators of Internet Poker sites-would benefit while Mr. IFRAH would
3 make a windfall not just from Mr. ELIE; but from these other clients that were paying Mr.
4 IFRAH substantial sums to find them a payment processing solution that would allow them to
5 operate in the United States without any apparent domestic presence here.

6 18. Mr. IFRAH took money not just from Mr. ELIE, but from FTP and PS; then hid
7 his involvement in same in violation of 18 USC §1001 when he provided information about his
8 Clients to the United States Attorney's Office for the Southern District of New York.

9 19 Mr. IFRAH specifically denied ever advising Mr. ELIE that processing
10 exclusively for Internet poker operators was legal.
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12 **Partner Weekly, LLC v. Viable Marketing Corp et al**

13 20. On October 7, 2009, Partner Weekly filed a Complaint in the Eighth Judicial
14 District Court against Viable Marketing Corp (hereinafter "*Viable*") and Chad ELIE
15 individually; Case No: A09-601153 (later removed to USDC Case No.: 2:09-cv-02120-PMP-
16 VCF).

17 21. The subject of said lawsuit involved an Advertising Agreement entered into by
18 the Parties therein (Partner Weekly and Viable) wherein there was a dispute as to monies due
19 and owing on said Agreement.

20 22. Part of both Viable's and Mr. ELIE's Affirmative Defenses and issues of
21 material breach of contract were a breach of Exclusivity Agreement that was provided by
22 Partner Weekly as an incentive in the subject transaction.

23 23. Mr. ELIE retained Defendants to defend his and Viable's interest in the litigation
24 but Defendants-failed to file a timely Opposition on a Motion for Summary Judgment that was
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1 filed in said case, resulting in Partner Weekly prevailing against Viable and Mr. ELIE on
2 Summary Judgment.

3 24. Defendant further failed to litigate the merits on behalf of ELIE and Viable
4 regarding the Breach of the Exclusivity Agreement, resulting in the claim being lost as a result
5 of said neglect.

6 **US v Isai Schienberg Et Al**
7 **Case No.: S3 10 Cr. 336**
8 **Poker Processing Conflict and**
Affirmative or Fraud/Misrepresentations

9 25. Defendant Mr. IFRAH individually and on behalf of the PLLC represented PS
10 and FTP as their Counsel, in various cases and endeavors.

11 26. Mr. IFRAH met Mr. ELIE when Defendant represented a Company called
12 Intabill¹ a lawsuit that Intabill initiated against Mr. ELIE's company, Viable Marketing, Inc..

13 27. During the Intabill lawsuit, even while knowing that Mr. ELIE was represented
14 by counsel in that matter, Mr. IFRAH directly engaged in settlement negotiations with Mr.
15 ELIE.

16 28. Said communications affected Mr. ELIE's existing attorney-client relationship
17 with his then-existing counsel, even prompting Mr. ELIE's former counsel to threaten reporting
18 these direct communications to the Court and/or the State Bar of Florida officials.

19 29. Based on Mr. IFRAH's representations to Mr. ELIE about future processing
20 opportunities, Mr. ELIE resolved the litigation with Intabill by agreeing to pay funds to Internet
21 poker merchants.
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¹ PS acquired the interest of Intabill through the course of PS litigation against Intabill and one Daniel Tsvetkoff.

1 30. Subsequently, Mr. ELIE retained Defendants to represent him individually and
2 on behalf of various other Companies including but not limited to Viable Marketing, and
3 payment processing companies Elite Debit and 21 Debit.

4 31. Defendants discussed various options of processing peer to peer online financial
5 transactions with Mr. ELIE on behalf of Mr. IFRAH's other clients-FTP and PS.

6 32. Initially, Mr. IFRAH indicated that he represented PS and that he had a very
7 close relationship with its Owner/Founder, Isai Sheinberg; later Mr. IFRAH would indicate to
8 Mr. ELIE that he represented, or also represented FTP's interest.

9 33. In 2009, ELIE by and through his Company Elite Debit, retained IFRAH to
10 represent his interests in obtaining information regarding legalities and recommendations
11 regarding processing financial transactions related to peer to peer online poker.

12 34. During numerous conversations with Mr. ELIE at times when he was being paid
13 by Mr. ELIE, including conversations though phone and phone "texting", Mr. IFRAH told Mr.
14 ELIE that poker processing was lawful and that the US Government was not concerned with
15 poker, but rather with start-up e-commerce and not peer- to peer.

16 35. Mr. IFRAH explained that those other activities were what had compromised
17 Intabill with Regulators and Law Enforcement Officials, not its processing for the Internet
18 Poker Merchants.

19 36. Relying on Mr. IFRAH's counsel, Mr. ELIE and others commenced processing
20 of Internet poker payments on behalf of internet poker merchants out of a Utah based bank
21 known as Sun First Bank.
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1 37. IFRAH had encouraged Mr. ELIE and another individual, Jeremy Johnson to
2 begin processing on behalf of the Internet poker merchants he represented through Sun First
3 Bank.

4 38. IFRAH further advised Sun First Bank that processing on behalf of Internet
5 poker merchants was lawful, provided that the occurrence of poker processing was disclosed to
6 the bank.

7 39. IFRAH acting on his own behalf and/or on behalf of his law firm circulated legal
8 opinions from others that appeared to support his advice that such processing was lawful.

9 40. IFRAH further provided advice to Mr. ELIE while charging Mr. ELIE and/or his
10 business partner at that time for services in securing processing relationships with Sun First
11 Bank and the internet poker merchants Mr. IFRAH represented ELIE.

12 41. Mr. IFRAH was paid considerable sums to secure a payment processing solution
13 and IFRAH's solution was to convince Mr. ELIE that he would make lots of money, like
14 IFRAH was making, by engaging in activity that others viewed, *erroneously according to Mr.*
15 *IFRAH* as unlawful.

16 42. In 2010 Mr. ELIE spoke with a US Government Investigator and Prosecutors
17 about his processing of Internet poker transactions.

18 43. After those specific discussions with various Government Investigators
19 (involving different counsel from IFRAH), Mr. ELIE made a conscious decision to retreat from
20 the internet poker processing business.

21 44. At about that same time, Mr. ELIE learned that Federal Regulators had assumed
22 control over Sun First Bank's operations and stopped its payment processing activities.

1 45. Mr. ELIE explained his decision to IFRAH and notified him that he was no
2 longer interested in processing poker payments.

3 46. After Mr. ELIE announced his unwillingness to process Internet poker payment
4 transactions, IFRAH's poker clients agreed to pay IFRAH considerable sums to find for them a
5 domestic based payment processing solution that would allow them to continue operating
6 without any domestic assets.

7 47. IFRAH returned to Mr. ELIE, telling him that there was plenty of legitimate
8 money to be made as long as poker processing was disclosed to the bank.

9 48. When Mr. ELIE questioned IFRAH about this advice, given the fact the Sun
10 First Bank had recently been closed by US Government Officials even though poker processing
11 was fully disclosed at Sun First, IFRAH told Mr. ELIE that Sun First Bank was not shut down
12 because of the processing, but because, of other merchants that the regulators deemed unsavory.

13 49. Furthermore, IFRAH told ELIE that after Mr. ELIE pulled away from Sun First
14 Bank, Mr. ELIE's former Business Partner and his colleagues had started to process on behalf
15 of other Merchants and that Federal Regulators deemed unsavory.

16 50. IFRAH assured Mr. ELIE that poker only transactions were lawful and fully
17 defensible.

18 51. As a test of this advice, Mr. ELIE asked IFRAH to secure an agreement from the
19 poker operators he was also representing to indemnify Mr. ELIE if the Government were to
20 challenge the legality of poker-only payment processing transactions.

21 52. On Mr. ELIE's behalf, IFRAH did negotiate and secure an Indemnification
22 Agreement from at least one of the poker merchants for whom IFRAH also worked.

1 53. Despite Mr. IFRAH's repeated claims that the poker processing was completely
2 legal, the Federal Trade Commission had obtained a Temporary Restraining Order and froze all
3 monies held by Sun First Bank associated with poker processing.

4 54. Defendant had a clear incentive for his Clients, FTP and PS in finding a
5 Company that would process the financial transactions, and Mr. ELIE's with his new Company,
6 21 Debit became the perfect means for securing a third-party domestic processing solution.

7 55. Despite Mr. ELIE's hesitation to continue to process poker after the Department
8 of Justice and Federal Trade Commission's Involvement in Sun First Bank, IFRAH continued
9 to assure Mr. ELIE that the peer to peer processing was lawful and that there were no criminal
10 ramifications to engage in such activities.

11 56. IFRAH made continuous representations to ELIE that according to the Federal
12 Deposit Insurance Corporation (FDIC) there were no problems with PS, FTP and Mr. ELIE
13 continuing to process poker transactions.

14 57. Thereafter, IFRAH orchestrated meetings with various Chicago Banks to begin
15 processing poker, specifically All American Bank and New City Bank in the Chicago, Illinois
16 area.

17 58. IFRAH claimed to represent FTP and PS as their Counsel, and as Counsel for 21
18 Debit in the transactions, charging both for his services and reaping financial benefits from
19 both.

20 59. In Mr. ELIE's case, IFRAH requested the payments made to him be
21 characterized as payments for "consulting" services rather than legal services.

22 60. Upon information and belief, IFRAH asked for such payments to be so
23 characterized because he knew that the US Government was likely to come after Mr. ELIE and
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1 the poker merchants and he did not want to face disqualification from representing a criminal
2 Defendant on the basis that he had provided legal advice to that or another Defendant.

3 61 IFRAH gave Mr. ELIE misleading advice to further his own pecuniary interests
4 in his representation of Full Tilt Poker and Pokerstars.

5 62. Thereafter, IFRAH represented Mr. ELIE with various banks as to set up the
6 poker processing for both PS and FTP, whereby Mr. ELIE and his Company 21 Debit LLC,
7 relied on IFRAH's representation and assurances as to the legalities of same.

8 63. IFRAH received payments from FTP and PS in his representation of them, for
9 among other things, procuring companies (i.e. banks and payment and payment processors) to
10 process poker transactions, regardless of whether such peer to peer online poker was legal.

11 64. IFRAH further solicited, abetted and further recommended and encouraged Mr.
12 ELIE to continue to seek banks that would conduct such third party payment processing, despite
13 IFRAH's knowledge that said activities were highly risking and possibly unlawful.

14 65. IFRAH would also receive monthly payments of approximately \$100,000.00 per
15 month from Mr. ELIE's Company 21 Debit, paid directly from All American Bank, as a so-
16 called ongoing "commission" on procuring the deals with the banks which processed poker
17 transactions.
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19 66. IFRAH continuously recommended that Mr. ELIE also retain other experts and
20 obtain legal opinions as to the legalities of third party processing in order to insulate both
21 himself and FTP and PS from any liabilities.

22 67. IFRAH completely and with an utter disregard to his ethical obligations to Mr.
23 ELIE continued to advise Mr. ELIE and to serve the interests of his poker merchant Clients
24 despite a clear conflict of interest between them and the advice he was giving to them.
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1 68. Indeed, the merchants were advised to stay out of the United States of America
2 while Mr. ELIE was advised that what he was doing was safe.

3 69. In fact, in late 2010, IFRAH received a Memorandum from the law firm of Akin
4 Gump Strauss Hauer & Feld LLP, regarding discussions involving Akin Gump and the US
5 Attorney's Office for the Southern District of New York; whereby prosecutors confirmed to
6 Akin Gump and to IFRAH that they believed that third-party poker processing was illegal.

7 70. IFRAH failed to disclose this Memorandum to Mr. ELIE and continued
8 receiving payments from both FTP/PS and Mr. ELIE as long as all Parties continued processing
9 poker, which IFRAH advised in favor of and aggressively sought.

10 71. It was only after Mr. ELIE was indicted that it became known to him, that his
11 Attorney, IFRAH, withheld the 2010 Akin Gump Memorandum and other information he
12 possessed and believed.

13 72. After his arrest in the Black Friday Indictments, Mr. ELIE was represented by
14 another Attorney; not by IFRAH.

15 73. When said Attorney approached IFRAH about IFRAH's willingness to provide
16 an "[A]dvice of Counsel" defense to Mr. ELIE given the fact that IFRAH had accompanied Mr.
17 ELIE into Sun First Bank and then later from Bank to Bank in Illinois, advising Bank
18 management that poker processing was legal and providing legal opinions to Mr. ELIE and to
19 the banks for their review, IFRAH denied that he represented Mr. ELIE on this issue.
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21 74. IFRAH claimed that he had always believed that the government would go after
22 the poker merchants and their payment processors and he wanted to be able to represent one of
23 them in the ensuing criminal prosecution.
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1 75. For that reason, IFRAH stated, that he always made sure that his name was not
2 on the legal opinions he circulated.

3 76. IFRAH never disclosed this information about his concerns to Mr. ELIE before
4 Mr. ELIE'S arrest.

5 78. Defendants received in excess of \$1,000,000.00 (One Million USD) in
6 commission payments from Mr. ELIE's companies as Defendant's "cut" from the processing
7 poker payments with the banks.

8 79. It is clear that Defendants' activities in both representing FTP and PS and ELIE
9 (and 21 Debit) were clear conflicts of interests whereby Defendants' were as continuously
10 benefitting from representation of both individuals and entities with interests that were utterly
11 inconsistent but that were not fully disclosed to Mr. ELIE.

12 80. Defendant specifically mislead ELIE regarding the legalities of processing poker
13 so that he can continue to receive monies (commission payments) from ELIE.

14 81. It is also clear that Defendant placed Full Tilt Poker and Pokerstars interests
15 above ELIE's interests in violation of his Ethical obligations.

16 82. The most egregious act Defendant IFRAH engaged in however, was providing
17 testimony and information against Mr. ELIE and others to the United States Attorney's Office
18 in the Investigation leading to the Black Friday Indictments, including but not limited to his
19 own Clients' indictments.¹

20 83. Defendant IFRAH provided testimony against his own clients to avoid being
21 indicted, altogether denying his involvement in the Black Friday Affair except as an attorney
22 advising the poker companies.
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1 84. Defendant's statements minimized his involvement in the operations, including
2 the fact that he was being paid commissions on processing no different from the commissions
3 that the government would determine, in Mr. ELIE's case, were illegal and eventually
4 forfeitable.

5 84. IFRAH received revenue from the poker processing as commission payments
6 tantamount to what a business partner of ELIE would have received.

7 85. IFRAH's statements were material and certainly violative of 18 U.S.C. §1001.

8 86. While providing the US Attorney's Office with testimony against his clients,
9 IFRAH failed to disclose that he was receiving commission payments directly from Mr. ELIE's
10 companies 21 Debit and Elite Debit as commissions for assisting Mr. ELIE in obtaining
11 exclusive poker payment processing accounts with FTP and PS that IFRAH told Mr. ELIE were
12 fully legal.

13 87. Defendant IFRAH violated the basic rules of his ethical obligations to Mr. ELIE
14 and put his own pecuniary interests ahead of his client's and in turn thereafter, attempted to
15 absolve himself of any illegal activity by denying his involvement in Mr. ELIE's processing
16 decisions.

17 88. Instead IFRAH told the U.S. Attorney's office that he had not provided any legal
18 advice to Mr. ELIE.

19 89. As a result of Defendant's misrepresentations and false and misleading legal
20 advice, Mr. ELIE re-engaged in payment processing with Mr. IFRAH even after Sun First Bank
21 was closed and was indicted along with others in the April 15, 2011, Black Friday indictments.
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1 98. As a further direct and proximate result of Defendants' breach, Mr. ELIE has had
2 to hire counsel to prosecute this matter by reason of which he is entitled to reasonable attorney's
3 fees.

4 **IV.**
5 **SECOND CLAIM FOR RELIEF**
6 **(Professional Malpractice)**
7 **(US v Isai Schienberg Et Al**
8 **Case No.: S3 10 Cr. 336)**

9 99. Plaintiff repleads and realleges all of the paragraphs in the preceding Claims for
10 relief and incorporates the same by reference as if fully set forth herein.

11 100. Defendant owed a duty to Mr. ELIE to use such skill, prudence, and diligence as a
12 lawyer of ordinary skill and capacity in exercising and performing the tasks which they
13 undertook.

14 101. Defendants failed to investigate whether Poker Processing in fact legal in
15 accordance with the task that he was hired to do.

16 102. Defendant further failed to represent ELIE in a matter that was not a conflict with
17 his other Client's specifically FTP and PS.

18 103. Defendant failed in his obligation to represent ELIE so that he would obtain
19 monthly commission payments in the amount of \$100,000.00 USD regardless of whether
20 processing poker was legal or not.

21 104. In total for services rendered by Ifrah as Counsel for Mr. ELIE, Defendant
22 received no less than \$3,000,000.00 USD in fees for same.

23 105. Defendant further violated the Rules of Professional Conduct by disclosing
24 privileged information that was wrongful legal advice given to Mr. ELIE, in order to avoid
25 indictment from the US Attorney's office for his own illegal activities.

106. As a result of Defendant's wrongful advice, Mr. ELIE was convicted of Felony
Bank Fraud and was sentenced to five (5) months in prison for same.

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VI.
FOURTH CLAIM FOR RELIEF
(Breach Of Covenant Of Good Faith and Fair Dealing Against All Defendants)

116. Plaintiff repleads and realleges all of the paragraphs in the preceding Claims for Relief and incorporates the same by reference as if fully set forth herein.

117. Based on the continuous relationship between Plaintiff and Defendants, ELIE continued to pay Defendants for the legal advice and consults as agreed by said parties and expected to be represented competently therefore.

118. Defendants, wrongfully and deliberately took advantage of the good faith extended by Mr. ELIE in continuously providing payments under said Agreement, thereby breaching the implied covenant of good faith and fair dealing inherent in the subject Agreement.

119. Wherefore Defendants did not act in good faith, that is, did not perform the contract in the manner reasonably contemplated by the parties, Mr. ELIE has a remedy that goes beyond that of breach of the express terms of the contract.

120. As a direct and proximate result of Defendants' breach, Plaintiff has suffered damages in excess of \$10,000.00, the exact amount of which will be proven at trial.

121. As a further direct and proximate result of Defendants' breach, Plaintiff has had to hire counsel to prosecute this matter by reason of which it is entitled to reasonable attorney's fees.

VII.
FIFTH CLAIM FOR RELIEF
(Intentional Misrepresentation Fraud
Against All Defendants)

122. Plaintiff repleads and realleges all of the preceding paragraphs and incorporates the same by reference as if fully set forth herein.

1 123. That Defendants, and each of them, jointly and severally, and/or their agents
2 and/or representatives, made numerous material, false, and misleading written and oral
3 representations as contained in the foregoing allegations set forth in the paragraphs six (6)
4 through eighty (80) above to defraud Plaintiff of his monies.

5 124. That when the Defendants, and each of them, jointly and severally, and/or their
6 agents and/or representatives, made the aforementioned representations as contained in the
7 foregoing allegations set forth in the paragraphs six (6) through ninety-one (91) above, they
8 knew or should have known them to be false. That the Defendants, and each of them, jointly and
9 severally, and/or their agents and/or representatives, negligently, willfully and/or maliciously
10 made said statements and/or representations, and knew or should have known that the Plaintiff
11 would fully rely upon said statements and/or representations and the accuracy of same and enter
12 into agreements and business transactions with Defendants and provide access to substantial
13 amounts of monies to Defendants, resulting in Defendants, and each of them, jointly and
14 severally, and/or their agents and/or representatives receiving substantial compensation.

15 125. That at the time Defendants, and each of them, jointly and severally, and/or their
16 agents and/or representatives, made the statements and representations as contained in the
17 foregoing allegations set forth in the paragraphs six (6) through ninety-one (91) above, and at the
18 time the Plaintiff entered into their respective agreements and business transactions with, and
19 provided monies to, Defendants, Plaintiff were ignorant of the falsity of the statements and/or
20 representations of the Defendants, and each of them, jointly and severally, and/or their agents
21 and/or representatives.
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23 126. That in reliance upon the statements and/or representations of the Defendants, and
24 each of them, jointly and severally, and/or their representatives and/or agents, the Plaintiff were
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1 induced to enter agreements and business transactions with and provide monies to Defendants,
2 believing that the Defendants, and each of them, jointly and severally, and/or their agents and/or
3 representatives would perform as represented and promised.

4 127. That had the Plaintiff known that Defendants, and each of them, jointly and
5 severally, and/or their representatives and/or agents, never intended to perform as represented
6 and promised, the Plaintiff would have never entered into their respective agreements and
7 business transactions with Defendants and would have never tendered monies to Defendants, and
8 each of them, jointly and severally, and/or their representatives and/or agents for same.

9 129. That Plaintiff's reliance upon the verbal and written representations of
10 Defendants, and each of them, jointly and severally, and/or their representatives and/or agents
11 was justified.

12 130. That as a result of the false and fraudulent misrepresentations of the Defendants,
13 and each of them, jointly and severally, and/or their representatives and/or agents, the Plaintiff
14 has been damaged in an amount in excess of \$10,000.00, and is entitled to punitive damages in
15 addition to general and/or compensatory damages, according to proof to be taken by the Court at
16 the time of the trial of this matter, plus any and all applicable interest at the legal rate until fully
17 paid.

18 131. That it has been necessary for Plaintiff to retain the services of legal counsel for
19 which Plaintiff is entitled to recover such costs and expenses from Defendants.

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22 **VIII.**
23 **SIXTH CLAIM FOR RELIEF**
24 **(Civil Actions For Damages Resulting From Racketeering)**
25 **All Defendants**

132. Plaintiff repleads and realleges all of the preceding paragraphs and incorporates
the same by reference as if fully set forth herein.

1 133. NRS 207.400 forbids the use of any proceeds derived from racketeering activity
2 when such person has received such proceeds with criminal intent.

3 134. NRS 207.470 provides that any person injured in his business or property by
4 reason of any violation of NRS 207.400 has a cause of action against the person causing such
5 injury for three times the actual damages sustained.

6 135. Defendants are considered an "Enterprise" as defined under NRS 207.380.

7 136. NRS 207.390 defines "Racketeering activity" as engaging in at least two crimes
8 related to racketeering that have the same or similar pattern, intents, results, accomplices, victims
9 or methods of commission, or are otherwise interrelated by distinguishing characteristics and are
10 not isolated incidents, if at least one of the incidents occurred after July 1, 1983, and the last of
11 the incidents occurred within 5 years after a prior commission of a crime related to racketeering.
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13 137. During the course of the Defendant's representation of ELIE commencing in
14 2009, the Defendants and others who are both known and unknown to the Plaintiff at this time,
15 being person employed by and associated with the enterprise described in Paragraphs 2 through 5
16 which was engaged in, the activities which affected, interstate and foreign affairs of the
17 enterprise through a pattern of racketeering activity, as hereinafter set forth in violation of NRS
18 207.350 *et seq.*

19 138. The pattern of racketeering activity consisted of at least two acts involving
20 Offering False Evidence and two acts of obtaining possession of money or property valued at
21 \$650 or more by false pretenses. The specific acts of racketeering committed by the Defendants
22 are set further below in paragraphs, eighty-five (85) through).
23

24 **PREDICATE ACT I- OFFERING FALSE EVIDENCE**
25

1 139. Defendant provided false and untruthful information and testimony about Mr.
2 ELIE and his Clients to the US Attorney's Office in the investigation leading to the Black Friday
3 Indictments dated April 15, 2011.

4 140. That Defendant provided said false information and testimony and failed to
5 disclose his own involvement in the Black Friday Investigation to avoid prosecution along with
6 his Clients at FTP/ PS and Mr. ELIE.

7 141. Defendants' actions involved a pattern of providing false and misleading
8 information against Plaintiff herein along with other unnamed individuals, also Clients of
9 Defendants' to the US Attorney's Office in violation of his ethical obligations to his Client to
10 avoid his own prosecution.
11

12 142. As a result of Defendants' failure to acknowledge and disclose his own receipt of
13 profits from peer to peer poker processing, and protect Mr. ELIE's interests, Mr. ELIE was
14 indicted along with others in the case of *US v Isai Schienberg Et Al*, Case No.: S3 10 Cr. 336.

15 **PREDICATE ACT II-FALSE PRETENSES**

16 143. Defendant, knowingly and designedly by false pretense and with an intent to
17 cheat and defraud obtained from Plaintiff monies as his Counsel to represent his best interests
18 individually and on behalf of his Company 21 Debit.

19 144. Defendant continued to provide ELIE with false information regarding the
20 legalities of peer to peer poker processing to further his own pecuniary interests as both attorney
21 for ELIE and for Full Tilt Poker and Pokerstars.
22

23 145. Defendant encouraged ELIE to process poker with various banks as stated *supra*.
24 And received monies from processing poker transaction despite clearly knowing that the
25 processing of such poker transactions were likely illegal.

1 **PREDICATE ACT III NRS 205.390. OBTAINING SIGNATURE BY FALSE**
2 **PRETENSES**

3 146. Defendants intentionally solicited Plaintiff's business by providing Plaintiff with
4 alleged legal opinions which Defendant allegedly obtained to obtain ELIE's business in the
5 poker processing.

6 147. Defendants specifically knew that the legal advice he was providing was more for
7 the purposes of serving his own pecuniary interests over his obligation to Mr. ELIE.

8 148. Defendants intentionally and knowingly with the intent to fraudulently induce
9 misrepresented the legal facts to induce Plaintiff into entering into the poker processing
10 Agreements with banks, so that Mr. Ifrah would receive monies in excess of \$1,000,000.00
11 Annually from 21 Debit.

12 149. Defendant maliciously and knowingly with the intent to fraudulently induce Mr.
13 ELIE to process poker continuously misrepresented the legalities of same.

14 150. Defendants, with the intent to cheat and/or defraud Plaintiff herein, another,
15 designedly by color and/or aid of a false writing or other false pretense, representation or
16 presentation obtained the signatures of Plaintiff herein Agreements with banks and poker sites.

17 151. Defendants are further guilty of obtaining possession of money and/or property
18 valued at \$650 or more, and/or obtaining a signature by means of false pretenses;

19 152. Defendants actions of obtaining possession or money and/or property valued at
20 \$650.00 or more and/or obtaining a signature by means of false pretenses has been completed in
21 a pattern of activities, deliberate and with aforethought, to defraud the Plaintiff.

22 153. That it has been necessary for Plaintiff to retain the services of legal counsel for
23 which Plaintiff is entitled to recover such costs and expenses from Defendants.

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IX.
SEVENTH CLAIM FOR RELIEF
(Piercing the Corporate Veil- All Defendants)

154. Plaintiff repleads and realleges all of the preceding paragraphs and incorporates the same by reference as if fully set forth herein.

155. Defendant IFRAH PLLC, and Defendants each and everyone one of them, collectively as a group, were and are at all times relevant herein influenced and governed by Defendants IFRAH, wherein such a unity of interest and ownership that one is inseparable from the other.

156. Wherefore such behavior of a corporate entity demonstrates that any adherence to the corporate fiction of a separate entity would sanction fraud and/or promote injustice.

157. That as a direct and proximate result of Defendants' unconscionable behavior, Plaintiff has been damaged in an amount in excess of \$10,000.00, the exact amount of which will be determined at trial.

158. As a further direct and proximate result of Defendants behavior, Plaintiff has had to hire Counsel to prosecute this matter by reason which he is entitled to reasonable attorney's fees.

X.
EIGHTH CLAIM FOR RELIEF
(Civil Conspiracy/Collusion All Defendants)

159. Plaintiff repleads and realleges all of the preceding paragraphs and incorporates the same by reference as if fully set forth herein.

160. Defendants and each of them acted in concert in planning and carrying out the actions alleged in this Complaint

1 161. Defendants and each of them engaged in the acts alleged in this Complaint in
2 furtherance of the common design.

3 162. As a direct and proximate result of Defendants' actions, Plaintiffs have incurred
4 compensatory damages in an amount according to proof.

5 163. As a direct and proximate result of Defendants' actions, Plaintiffs have incurred
6 reasonable attorneys' fees and costs in pursuing this action in an amount according to proof.

7 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

8 1. For consequential damages in an amount in excess of \$10,000, the exact amount
9 of which will be proven at trial;

10 2. For all out of pocket costs incurred by the Plaintiff since the commencement of
11 the underlying litigation.


12 3. For punitive damages in accordance with NRS 207.470

13 4. For attorney's fees and costs of suit;

14 5. For such other and further relief as this Honorable Court deems just and
15 reasonable under the circumstances.

16 Dated this 14th day of May, 2013.

17 LAW OFFICES OF SIGAL CHATTAH

18 
19 _____
20 SIGAL CHATTAH, ESQ.
21 Nevada Bar No. 8264
22 LAW OFFICES OF SIGAL CHATTAH
23 5875 S. Rainbow Blvd. #204
24 Las Vegas, Nevada 89118
25 Attorney for Plaintiff
Chad Elie

¹ On April 15, 2011 the United States Department of Justice charged the principals of Pokerstars, Full Tilt Poker and Absolute Poker along with Elie (Black Friday Chad) with Bank Fraud, illegal gambling offenses and money laundering billions of dollars in gambling proceeds. This was followed by the seizure of internet domain names used

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by Pokerstars, Full Tilt Poker and Absolute Poker as well as the freezing of 75 bank accounts utilized by those operators and their payment processors.