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9 **UNITED STATES DISTRICT COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11

12 STACY JAMES, WILLIAM HAAG and) Case No.
MICHAEL SCHRIBER, Individually, On Behalf of)
13 All Others Similarly Situated and On Behalf of the)
General Public,)
14)
Plaintiffs,) CLASS ACTION COMPLAINT
15) FOR VIOLATIONS OF THE
vs.) RACKETEERING INFLUENCED
16) AND CORRUPT ORGANIZATIONS
IGNATIUS A. PIAZZA and FRONT SIGHT) ACT AND CALIFORNIA
17 MANAGEMENT INCORPORATED dba FRONT) CONSUMER PROTECTION LAWS
SIGHT FIREARMS TRAINING INSTITUTE)
18)
Defendants.)
19) JURY TRIAL DEMANDED
20)
21)

22 Plaintiffs Stacy James, William Haag and Michael Schriber, individually, on behalf of all
23 others similarly situated and on behalf of the general public, by and through their attorneys,
24 allege the following based upon personal knowledge as to themselves and their own acts, and on
25 information and belief as to all other matters, based upon, *inter alia*, the investigation conducted
26 by and through their attorneys:
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1 **INTRODUCTION AND OVERVIEW OF THE ACTION**

2 1. This is a class and private Attorney General action brought under the Federal
3 Racketeering and Corrupt Organizations Act (“RICO”) and California consumer protection laws,
4 on behalf of the purchasers of “First Family Memberships” marketed and sold by Defendant
5 Front Sight Management Incorporated, doing business as Front Sight Firearms Training Institute.
6 Plaintiffs allege that the defendants used false and misleading statements in order to sell the
7 memberships. Plaintiffs further allege that Defendant Piazza illegally diverted money obtained
8 from plaintiffs and members of the class, as well as money from a bank loan using Front Sight
9 property as security, for his personal use and self aggrandizement, thus causing harm to plaintiffs
10 and members of the class. By this Complaint plaintiffs seek to enjoin the defendants from
11 continuing to market and advertise Front Sight Memberships in ways that violate State and
12 Federal laws, and to recover compensatory damages, punitive damages, restitution and/or
13 disgorgement of the defendants’ improper gains.

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15 **JURISDICTION AND VENUE**

16 2. Plaintiffs bring this class action pursuant to §1964(c) of RICO, 18 U.S.C. §1964(c);
17 California's Fraudulent Transfer Act, Cal. Civ. Code §3439.01, et seq.; and the common law of
18 civil conspiracy. This Court has subject matter jurisdiction over this class action, and the claims
19 asserted herein, pursuant to 18 U.S.C. §1964(c) and 28 U.S.C. §1367.

20 3. Pursuant to Fed. R. Civ. P. 4(k)(1)(A) and (D), this Court has personal jurisdiction
21 over each of the defendants because:

22 a. defendants either reside or have their principal place of business in this judicial
23 district, or pursuant to the California "long-arm" statute, Cal. Civ. Proc. Code §410.10, each of
24 the defendants has maintained deliberate minimum contacts with the State of California and/or
25 each of the defendant's activities in this State has been so continuous and systematic that such
26 defendant may be said to be present here; and/or

27 b. pursuant to §1965(b) of RICO, 18 U.S.C. §1965(b), this Court has personal
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1 jurisdiction over defendants Piazza and Front Sight Management Incorporated, and there is no
2 other district in which a court would have personal jurisdiction over all of the potential co-
3 conspirators.

4 4. Venue is properly laid in this District pursuant to 18 U.S.C. §1965 and 28 U.S.C.
5 §1391 because many of the wrongful acts alleged herein, including the dissemination of
6 materially false and misleading information, occurred in this District. In addition, defendants
7 transacted substantial business in this District, including the sale of memberships, as described
8 herein, during the class period.

9 5. In connection with the acts alleged in this Complaint, defendants directly and
10 indirectly used the means and instrumentalities of interstate commerce, including the U.S. mail,
11 interstate wire communications, and interstate travel.

12 **THE PARTIES**

13 6. Plaintiff Stacy James (“Plaintiff James”) is, and at all times relevant was, a resident of
14 San Diego, California. In or about June 2000, Plaintiff James purchased a Copper First Family
15 Membership for \$5,900. In or about January 2001, Plaintiff James satisfied the payment plan
16 approved by Defendant Piazza for an additional \$ 44,100, and was issued a Silver First Family
17 Membership.

18 7. Plaintiff William Haag (“Plaintiff Haag”) is a resident of Nye County Nevada. In or
19 about July 2000, Plaintiff Haag purchased a Platinum First Family Membership for \$175,000. At
20 the time he purchased the Platinum Membership, Plaintiff resided in Washoe County, Nevada.

21 8. Plaintiff Michael Schriber (“Plaintiff Schriber”) is, and at all times relevant was, a
22 resident of San Diego, California. In or about November 2000, Plaintiff Schriber purchased a
23 Bronze First Family Memberships for himself, and a Copper First Family Membership for his
24 wife for a total of \$18,450.

25 9. Defendant Ignatius Piazza (“Defendant Piazza”) is, and at all times relevant was, a
26 resident of Santa Cruz County, California. Defendant Piazza is the President and majority
27 shareholder of Defendant Front Sight Management Incorporated.
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1 10. Defendant Front Sight Management Incorporated (“Front Sight” or “the Company”)
2 is a California Corporation with its corporate headquarters in Santa Cruz County, California.
3 Defendant Front Sight does business under the fictitious name of Front Sight Firearms Training
4 Institute, with facilities in Nevada and Alaska. The vast majority, if not all, of the false
5 statements disseminated by the defendants via the U.S. mails and over the internet originated at
6 Defendant Front Sight’s corporate headquarters or the residence of Defendant Piazza.

7 11. During the Class Period, Defendant Piazza, as President of Front Sight, was privy to
8 non-public information concerning the Company’s business, finances, products, markets and
9 present and future business prospects via access to internal corporate documents, conversations
10 and connections with other corporate officers and employees, attendance at management and
11 Board of Directors meetings and committees thereof and via reports and other information
12 provided to him in connection therewith. Because of his possession of such information,
13 Defendant Piazza knew or recklessly disregarded the fact that adverse facts specified herein had
14 not been disclosed to, and were being concealed from, Class Members and the general public.

15 12. Because of Defendant Piazza’s position with the Company, he had access to the
16 adverse undisclosed information about the Company’s business, operations, operational trends,
17 financial statements, markets and present and future business prospects via access to internal
18 corporate documents (including the Company’s operating plans, budgets and forecasts and
19 reports of actual operations compared thereto), conversations and connections with other
20 corporate officers and employees, attendance at management and Board of Directors meetings
21 and committees thereof and via reports and other information provided to them in connection
22 therewith.

23 13. Defendant Piazza was privy to confidential proprietary information concerning the
24 Company and its business, operations, growth, financial statements, and financial condition, as
25 alleged herein and was involved in drafting, producing, reviewing and/or disseminating the false
26 and misleading statements and information alleged herein, was aware, or recklessly disregarded,
27 that the false and misleading statements were being issued regarding the Company, and approved
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1 or ratified these statements, in violation of Federal and State laws.

2 14. As an officer and controlling person of Front Sight, Defendant Piazza had a duty to
3 disseminate accurate and truthful information in the Company's advertising and public
4 statements with respect to the Company's financial condition and performance, growth,
5 operations, business, markets, management, earnings and present and future business prospects,
6 and to correct any previously-issued statements that had become materially misleading or untrue,
7 so that investors, consumers and Class Members' decisions to purchase Front Sight Memberships
8 would be based upon truthful and accurate information. Defendant Piazza's misrepresentations
9 and omissions during the Class Period violated these specific requirements and obligations.

10 15. Defendant Piazza participated in the drafting, preparation, and/or approval of the
11 various public statements and communications complained of herein and was aware of, or
12 recklessly disregarded, the misstatements contained therein and omissions therefrom, and was
13 aware of their materially false and misleading nature. Because of his Board membership and/or
14 executive and managerial position with Front Sight, Defendant Piazza had access to the adverse
15 undisclosed information about Front Sight's financial condition and performance as
16 particularized herein and knew or recklessly disregarded that these adverse facts rendered the
17 positive representations made by or about Front Sight and its business issued or adopted by the
18 Company materially false and misleading.

19 16. Defendant Piazza, because of his position of control and authority as an officer
20 and/or director of the Company, was able to and did control the content of the various press
21 releases, e-mails, advertising mailers and other public statements pertaining to the Company
22 during the Class Period. Defendant Piazza was provided with copies of the documents alleged
23 herein to be misleading prior to or shortly after their issuance and/or had the ability and/or
24 opportunity to prevent their issuance or cause them to be corrected. Accordingly, Defendant
25 Piazza is responsible for the accuracy of the public statements and releases detailed herein and is
26 therefore primarily liable for the representations contained therein.

27 17. Each of the defendants is liable as a participant in a fraudulent scheme and course of
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1 business that operated as a fraud or deceit on purchasers of Front Sight Memberships by
2 disseminating materially false and misleading statements and/or concealing material adverse
3 facts. The scheme: (1) deceived the general public regarding Front Sight's business, operations,
4 management and the intrinsic value of Front Sight Memberships; and (2) caused Plaintiffs and
5 other members of the Class to purchase Front Sight Memberships at artificially inflated prices.

6
7 **CLASS ACTION ALLEGATIONS**

8 18. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil
9 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or
10 otherwise acquired memberships in Front Sight Firearms Training Institute between January
11 1997 and November 7, 2005, inclusive, (the "Class Period") and who were damaged thereby.
12 Excluded from the Class are defendants, the officers and directors of the Company, members of
13 their immediate families and their legal representatives, heirs, successors or assigns and any
14 entity in which defendants have or had a controlling interest.

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17 19. The members of the Class are so numerous that joinder of all members is
18 impracticable.

19 20. While the exact number of Class members is unknown to Plaintiffs at this time and
20 can only be ascertained through appropriate discovery, Plaintiffs believe that there are over 2,000
21 members in the proposed Class.

22 21. Plaintiffs' claims are typical of the claims of the members of the Class, because
23 Plaintiffs and all of the Class members sustained damages arising out of defendants' wrongful
24 conduct complained of herein.

25
26 22. Plaintiffs will fairly and adequately protect the interests of the Class members and
27 have retained counsel who are experienced and competent in class actions, RICO/securities
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1 litigation and consumer protection cases

2 . 23. A class action is superior to all other available methods for the fair and efficient
3 adjudication of this controversy, since joinder of all members is impracticable. Furthermore, as
4 the damages suffered by individual members of the Class may be relatively small, the expense
5 and burden of individual litigation make it impossible for the members of the Class to
6 individually redress the wrongs done to them. There will be no difficulty in the management of
7 this action as a class action.
8

9 24. Questions of law and fact common to the members of the Class predominate over any
10 questions that may affect only individual members, in that defendants have acted on grounds
11 generally applicable to the entire Class. Among the questions of law and fact common to the
12 Class are:
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14 a. Whether the defendants issued uniform, standardized deceptive advertisements
15 and statements as alleged in perpetrating a fraud upon the class;
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17 b. Whether the acts of the defendants violated the Racketeering and Corrupt
18 Organizations Act;

19 c. Whether the defendants conduct violated the California Unfair Business
20 Practices Act;

21 d. Whether the defendants conduct violated other provisions of the California
22 Business & Professions Code;

23 e. Whether the defendants conduct violated California Consumer Legal Remedies
24 Act;
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26 f. Whether the defendants conduct breached their fiduciary duties to members of
27 the Class; and
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1 g. Whether the members of the Class have sustained damages and, if so, what is
2 the appropriate measure of damages.

3 **SUBSTANTIVE ALLEGATIONS**

4
5 25. In or about 1997, defendants closed escrow on a 550-acre parcel of land north of Las
6 Vegas, Nevada, and commenced a plan to develop a “resort style, first class training facility” for
7 gun enthusiasts. The plan included nine training ranges, live-fire simulator ranges, a five-story
8 SWAT tower, a 5,000 square foot indoor video training simulator building, a defensive driving
9 track, a 7,200 square foot armory and gun-smithing facility, a pro shop, a 7,200 square foot
10 classroom, an administrative building, a maintenance building, five on-site homes for staff, RV
11 parking, a 1,000 yard rifle range, 4,500 square foot air stip, four private training ranges, a 7,200
12 square foot marshal art’s gymnasium, a 900 square yard celebrity training facility, and a complete
13 residential community with a commercial/retail center, community center, a private kindergarten
14 through 12th grade school, 350 condominiums and 177 one-acre luxury home sites.

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17 26. In order to accomplish this massive undertaking, defendants needed a lot of money.
18 Although State and Federal securities laws require the disclosure of material information and
19 risks when soliciting risk capital from investors, defendants attempted to avoid such disclosures,
20 and thus violated these laws, by selling “memberships” in the resort, in varying amounts.

21 Initially prices were set at \$8,900 for a “Copper Membership;” \$23,000 for a “Bronze
22 Membership;” \$90,000 for a “Silver Membership;” and \$300,000 for a “Platinum Membership.”
23 Each of these memberships gave purchasers access to certain courses free of charge, with the
24 Silver and Platinum Memberships giving the purchasers access to virtually all offered courses in
25 perpetuity. In addition, the 177 Platinum memberships also gave the purchaser a one-acre home
26 site in the resort. In selling the one-acre home sites included in the Platinum memberships,
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1 defendants violated both Federal and State laws regarding the sale of real estate.

2 27. After January 1997 and continuing through December 2002, Defendant Piazza or a
3 Front Sight employee he trained, gave standardized sales presentations at the Front Sight facility
4 in Nevada, wherein they identified the following benefits of being a First Family Member:
5

6 a. Guaranteed next-day enrollment in any classes for all levels of First Family
7 Members;

8 b. Front Sight would supply the weapons and ammunition as part of the full
9 automatic classes for no charge;

10 c. Front Sight would supply protective gear, weapons and simunitions
11 ammunition in the tactical scenario series of classes at no charge;

12 d. First Family Memberships were good investments because prices were going
13 to double, triple and quadruple and that now was the time to buy. Defendant Piazza affirmed that
14 he knew this because he was the “one who sets the prices.” Defendant Piazza further stated that
15 at some point in the future Front Sight would no longer be selling First Family memberships, and
16 at that time members could sell their memberships. Thus members could take all the classes they
17 wanted and later recoup more than their initial investment.
18

19 28. Continuing from the initial membership offering, through the filing of this action,
20 defendants have issued glowing reports to the public and members of the class, touting Front
21 Sight Firearms Training as growing, with increased profits each year, and at various times
22 publishing reports that outside investors were interested in fully funding the resort so new
23 members should purchase immediately so they can get their membership before prices go up.
24

25 29. All of the presentations given to potential purchasers and members of the Class were
26 standardized and both created and taught to Front Sight employees by Defendant Piazza.
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1 Everyone who took classes at the facility was encouraged to sit through a sales session, where
2 Piazza or his employee advised potential purchasers and members of the Class that purchasing a
3 membership at Front Sight was an “investment” that would increase in value over time as the
4 resort was completed. The ability to later resale the memberships at a profit was presented as a
5 key factor that made the purchase such a smart investment. So too was the ability to will the
6 Platinum and Silver memberships to heirs.
7

8 30. Based on defendants’ standardized misrepresentations, plaintiffs and members of the
9 class purchased Front Sight memberships.
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11 31. What defendants failed to disclose was that memberships were not being sold at a
12 rate, or dollar amount, sufficient to proceed with the plan as presented. In fact, at the same time
13 Defendant Piazza was disseminating glowing reports across the country about Front Sight’s
14 success, Front Sight was unable to timely pay its employees wages or the Company’s other
15 financial obligations.
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17 32. Whenever Piazza needed money, a “new deal” would come out. The deal always
18 claimed to be an “exchange in abundance,” wherein Piazza was being the nice guy and helping
19 purchasers out. The new deals also always had some false reason for requiring a prompt
20 response, such as imminent full funding from an outside source, or prices are set to go up in the
21 near future. The truth, which was not disclosed to class members, was that there was no
22 imminent full funding and prices would never go up.
23

24 33. Rather, Piazza, in his scheme to extract as much money as possible out of Americans
25 who believe strongly in their Constitutional Right to Bear Arms, and in their right and need to
26 protect their families, systematically identified victims based on the amount of money they had to
27 spend, and once he pillaged all he could from one tier, he dropped to the next tier and repeated
28

1 the scheme. Thus in the beginning he was able to get \$50,000 to \$200,000 from each victim, and
2 when he depleted that tier was able to get \$5,000 to \$20,000 from each victim, and in his final
3 offensive is now taking \$1,200 from each new “Life Member.”
4

5 34. In order to keep the early class members from discovering the scheme, Piazza took a
6 fraction of the monies raised from members and completed at least some project each year. This
7 gave the appearance that at least some development was progressing. He also continued to
8 publish false glowing statements about how well the Company was doing, and identified windfall
9 events that were imminent and going to result in memberships increasing in value, as promised.
10

11 35. As with any “Ponzi scheme,” eventually the pyramid got too big, and Piazza was
12 unable to bring in enough new money from memberships to maintain the scheme without
13 dropping membership prices precipitously. This exposed the problems being experienced by
14 Front Sight, and the misrepresentations that had been made over the years.

15 36. In addition, since Piazza was unable to raise sufficient capital through even the
16 reduced rate memberships, in February 2005 he for the first time procured a loan secured by the
17 Front Sight property. Rather than use the money to pay back investors he had defrauded who
18 purchased the early memberships, or provide the promised infrastructure for the Platinum
19 members’ home sites, or give the early membership purchasers back facility access rights he had
20 unilaterally taken away, Piazza diverted the funds for his own personal use and benefit, including
21 his Hollywood career.
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24 **SPECIFIC MISREPRESENTATIONS MADE BY THE DEFENDANTS**

25 37. On or about December 20, 2002, Defendant Piazza issued a release via e-mail and
26 U.S. mail stating that “full funding of Front Sight Resort is imminent . . . which will allow us to
27 complete the Front Sight Resort much faster. . .” In this same release, Defendant Piazza stated
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1 that all members who were paid in full by December 31, 2002 would receive a “one full level
2 upgrade” when we “close our full funding.” Defendants further represented that:

3 a. “The investment community has finally discovered Front Sight as we are
4 seriously negotiating a very attractive multi million dollar deal that will fully fund Front Sight
5 Las Vegas, ” and that the “recent attention we have received from the investment community has
6 been remarkable.” Defendant Piazza further stated that “people with millions of dollars are
7 looking for solid, profitable, and tangible companies like Front Sight to invest their money in for
8 very safe and very strong returns.”

9 b. “Over the last 6 years Front Sight has averaged a minimum 40% growth each
10 year, and has shown huge profits every year.”

11 c. “President Bush signed the Armed Pilots Bill and the government is looking at
12 paying us to train the lion’s share of the 85,000 pilots that will seek training to be armed in the
13 cockpit.”

14 d. “Front Sight has nearly 100 million dollars of untapped profits that can be
15 realized from a fully secured capital improvement investment in Front Sight Resort and Master
16 Planned Community.”

17 e. The release closed by stating that, “Those who participate in our success are
18 about to be rewarded like no other student in the history of the firearms training industry,” and
19 that “after full funding is received, all First Family Membership [sic] will double (possibly triple)
20 in price, so you will be getting an even bigger bang for your buck if you are fortunate enough to
21 be a paid-in-full First Family Member before midnight, December 31, 2002.” Needless to say,
22 “full funding” never occurred, and this was just another ploy of defendants to accelerate the
23 extraction of money from class members.
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1 38. On June 22, 2003, in an effort to intimidate members from taking issue with
2 Defendant Piazza's business practices, Defendant issued a broadcast e-mail stating that in
3 response to a small number of members complaining about his decision to use Company resources
4 to open a facility in Alaska (which was in effect a vacation home that only a handful of members
5 would visit each summer), he "JUST BOOTED THEM OUT of the Front Sight Organization."
6 Piazza further stated that "We will hear no more of their self-centered, self indulgent whining,
7 complaining, and rumor mongering" and that "others have been warned." Piazza then represented
8 that although he did not need to profit off these vacant memberships, he would sell the
9 memberships to the 14 highest bidders.
10

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12 39. On November 6, 2003, Piazza sent out another mailing and e-mail to class members
13 stating that everyone who had paid in full by June 1, 2003 would receive the full upgrade. In
14 addition, Piazza offered to give those that missed the payment-in-full upgrade a chance to get an
15 upgrade for a \$1,000 fee if they paid full price for a new membership
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17 40. On December 10, 2003, Defendant Piazza released a mass marketing letter and e-mail
18 stating that he wanted "500 of our current members to upgrade to Gold," and that any member,
19 regardless of level, can be upgraded to Gold for \$5,000. The offer included the ability for the
20 purchaser to sell their Gold membership. This resulted in a precipitous drop in the value of all
21 previously purchased memberships.
22

23 41. On December 20, 2003, Piazza issued another e-mail and letter, stating that:

- 24 a. sales of the \$5,000 Gold Upgrade Program were "rapid, strong and steady";
25 b. "We have HUGE promotional programs, joint ventures, acquisitions, and
26 growth set for 2004 with some real giants in the industry";
27 c. "We have spent much of 2003 preparing for a TEN FOLD increase in
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1 EVERYTHING we are doing for 2004 and YOU will get to enjoy the fruits of our hard work by
2 taking advantage of this Gold Upgrade.”

3
4 d. The cost of Gold memberships throughout 2003 was \$240,000 and would be
5 marketed in 2004 at \$240,000, “so you can see that this one time \$5,000 Upgrade to Gold (no
6 certificates provided) is not only an unbelievable gift, **it is also an unbelievable investment.**”

7 [Emphasis added].

8 e. No current Silver, Gold or Platinum Members had voiced any concern over
9 selling Gold Memberships for a fraction of the cost paid by earlier investing class members, and
10 that current Gold and Platinum Members will “also receive a wonderful bonus after the first of the
11 year that will make EVERYONE wish they had been one of the early purchasers of a Gold or
12 Platinum membership.”

13
14 42. Effective January 1, 2004, Defendant unilaterally revoked many of the privileges
15 previously extended to members, and added additional commitments, including:

16 a. No longer providing ammunition for the fully automatic weapon courses and
17 no longer supplying protective gear simmunitions ammunition in the tactical scenario series;

18 b. Now requiring members to pay a \$50 per year “background check fee;” and

19 c. Now requiring a two-week advance enrollment for courses rather than the
20 previously promised next-day enrollment.
21

22 43. When members protested this breach of the membership agreement, Defendant
23 Piazza retorted that members’ concern over the additional costs they now would bear would be
24 offset “one-hundred times” by a free upgrade and certificates each year. In fact, the upgrade had
25 little to no value, and the certificates were simply additional advertising so defendants could lure
26 potential members to the facility for a sales presentation.
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1 44. In January 2004, Plaintiff James sent an e-mail to Defendant Piazza requesting that
2 Piazza at least honor the benefits under the Silver membership he initially purchased by: (1)
3 allowing one-day prior enrollment in courses rather than two weeks; (2) not requiring the \$50.00
4 “background check fee;” (3) providing free ammunition for the full automatic weapons course;
5 and (4) providing free simmunitions gear and ammunition. Piazza refused.

7 45. On October 25, 2005, having saturated the market and in need of money, Piazza
8 issued a public offering of Front Sight “Lifetime Memberships” for one payment of \$1,200. Thus
9 for what was the alleged value of a single course, defendants sold memberships virtually
10 indistinguishable from those previously sold to class members for tens of thousands of dollars. In
11 promotion of this offering, Piazza stated that:

13 a. Increased demand will be driving course prices and memberships out of the
14 reach of Front Sight students who are not already members; and

15 b. Piazza had already authorized a 25% increase in all course prices in
16 anticipation of the increased demand from his reality series television show.

18 46. With this last offering, defendants are wringing what they can from the last tier of
19 investors. Even with the millions of dollars raised from class members, and the six-million dollars
20 from the bank, to date only a very small fraction of the promised improvements to the property
21 have been completed. Whereas a world class resort community with was promised, all that exists
22 is a downgraded portion of the training facility surrounded by a chained link fence. With
23 defendants now committed to over 2,000 lifetime members, and the market for memberships now
24 saturated to the point that a full membership can be bought for the price a single class used to cost,
25 defendants’ scheme is rapidly coming to a close. Thus, this action is being filed.

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COUNT I

VIOLATIONS OF §1962(a) AND (d) OF THE RICO ACT

47. Plaintiffs reallege and incorporate herein by reference ¶¶1-46 of this Complaint.

48. This claim for relief arises under §1962(a) and (d) of RICO and is asserted against all defendants.

49. Each defendant is a "person," as that term is defined in §1961(3) of RICO.

50. An association-in-fact of the defendants who, as described above, actively participated in and were integral to the fraudulent scheme which constitutes an "enterprise," as defined in 18 U.S.C. §1961(4). Each defendant either participated in the creation and implementation of the fraudulent scheme, received transfers of Front Sight assets, or obtained control over the transferred assets.

51. At all times relevant to the events and wrongful conduct alleged herein, each of the defendants were employed by or associated with the association-in-fact enterprise, each of which were engaged in and the activities of which affected interstate commerce.

52. As alleged above, defendants have committed and/or aided and abetted a pattern of illegal acts including, but not limited to, the issuance of false and misleading statements referred to above, constituting multiple acts of:

(a) Mail fraud, in violation of 18 U.S.C. §1341. Each of the defendants engaged in multiple acts of mail fraud through their implementation of various components of the fraudulent scheme. Each of the various false publications and asset transfers described herein were effectuated through the exchange of information and documents utilizing the U.S. mail, as well as other methods of interstate communication;

(b) Wire fraud, in violation of 18 U.S.C. §1343. Defendants committed multiple acts of

1 wire fraud, including dissemination of the false statements set forth above over the internet.

2 (c) Engaging in interstate and/or foreign travel in aid of racketeering enterprises, in
3 violation of IS U.S.C. §1952. Defendant Piazza traveled to Nevada, and on information and
4 belief, Costa Rica, in order to create, implement and monitor the scheme to defraud members of
5 the class and divert Company assets to his own use.
6

7 (d) Laundering monetary instruments, in violation of 18 U.S.C. §1956. Defendant Piazza's
8 transfer of Company assets to his own use and control, including, without limitation, converting
9 Company property to property in Costa Rica were created and effectuated for the purpose of
10 transferring assets away from the Company in order to undermine members ability to seek redress
11 for the wrongful acts alleged herein and thus further the scheme defraud class members; and
12

13 (e) Interstate transportation of stolen property, in violation of 18 U.S.C. §2314. As detailed
14 above, Piazza defrauded the public out of over \$5,000,000 and such proceeds were transmitted in
15 interstate commerce as part of the fraudulent scheme.
16

17 53. Each of the foregoing wrongful acts constitute "racketeering activity," as that term is
18 defined in §1961(1) of RICO. Each such act of racketeering activity had similar purposes,
19 involved the same or similar participants and methods of commission and had similar results
20 impacting upon similar victims, namely plaintiffs and the members of the class and, thus,
21 constituted a "pattern of racketeering activity," as that term is defined in §1961(5) of RICO. Each
22 one of the defendants agreed and conspired with other defendants and co-actors to commit the
23 above-referenced predicate acts of racketeering activity and to violate §1962 (a) and (d) of RICO.
24

25 54. In violation of §1962 (a) and (d) of RICO, defendants conspired to derive and derived
26 substantial proceeds through the above-referenced pattern of racketeering activity and conspired to
27 use or invest and used or invested such proceeds in the operations of the association-in-fact
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COUNT III

FRAUDULENT CONVEYANCE

60. Plaintiffs reallege and incorporate herein by reference ¶¶1-46 of this Complaint.

61. Defendant Piazza, in furtherance of the scheme to defraud plaintiffs and members of the class, and for the purpose of transferring or encumbering Front Sight assets to illegally undermine the ability of plaintiffs and class members to obtain satisfaction for the damages caused to them by the scheme, diverted Company assets, including without limitation Company assets converted to property in Costa Rica and the proceeds from a \$6,000,000 loan to the Company in or about February 2005, thus attempting to place them beyond the reach of Front Sight's creditors. Such actions violated the Uniform Fraudulent Transfer Act as adopted in California (where the scheme was implemented).

62. Such actions violated §531 of the California Penal Code because they constituted a plan "contrived with intent to deceive and defraud others, or to defeat, hinder, or delay creditors or others of their just debts, damages, or demands."

63. Under §3439.04(a) of the California Civil Code, the fraudulent scheme resulted in transfers and obligations "made with actual intent to hinder, delay, or defraud" creditors.

64. The transactions detailed herein constitute fraudulent transfers of Front Sight assets, which Piazza planned and implemented in order to hinder, delay and defraud creditors.

COUNT IV

UNLAWFUL, UNFAIR AND FRAUDULENT

BUSINESS ACTS AND PRACTICES

65. Plaintiffs, on behalf of themselves and all others similarly situated and on behalf of the general public as appropriate, reallege, as if fully set forth herein, each and every allegation

1 contained in ¶¶ 1-46 herein, and further allege as follows:

2 66. The acts, omissions, misrepresentations, practices and non-disclosures of Defendants
3 as alleged herein constituted unlawful, unfair and fraudulent business acts and practices within the
4 meaning of California Business and Professions Code § 17200, et seq.
5

6 67. Defendants' marketing and advertising practices in connection with the sale of Front
7 Sight Memberships tend to deceive plaintiffs, members of the Class and the general public, who
8 purchase Defendants' memberships who believe that Defendants will operate Front Sight in a
9 manner that maintains the value of their memberships and provides for long term viability of
10 Front Sight. Defendants' deception constitutes a fraudulent business practice under the California
11 UCL in that Defendants' failed to disclose the high risk nature of the memberships and the
12 fraudulent acts set forth herein to members of the Class and the general public.
13

14 68. As a result of the foregoing, pursuant to California Business & Professions Code §
15 17203, plaintiffs, on behalf of the Class and the general public, seek an Order of this Court
16 requiring defendants to immediately cease such acts of unfair competition and enjoining
17 defendants from continuing to falsely advertise or conduct business via the unlawful, fraudulent or
18 unfair business acts and practices and untrue and misleading advertising complained of herein and
19 from failing to fully disclose the true nature of their misrepresentations, and ordering defendants
20 to engage in a corrective advertising or informational campaign. Plaintiffs additionally request an
21 Order from the Court requiring the payment or return of any monies wrongfully acquired, saved or
22 retained by defendants by means of such acts of unfair competition so as to restore to any persons
23 in interest any and all monies which were acquired and obtained by means of such acts of unfair
24 competition and/or as may be necessary to prevent the use or employment of any practice which
25 constitutes unfair competition, as well as imposing an asset freeze or a constructive trust over
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1 such monies.

2 69. Plaintiffs on behalf of themselves, all others similarly situated and to the extent
3 permitted under California law, the general public, therefore, seek an order of this Court for
4 appropriate available remedies under California Business & Professions Code § 17203.
5

6 **COUNT V**

7 **COMMISSION OF UNTRUE AND MISLEADING ADVERTISING**

8 70. Plaintiffs, on behalf of the general public reallege, as if fully set forth herein, each and
9 every allegation contained in ¶¶1-46 herein, and further alleges as follows.

10 71. California Business & Professions Code § 17500, et seq. prohibits various deceptive
11 practices in connection with the dissemination in any manner of representations for the purpose of
12 inducing, or which are likely to induce, directly or indirectly, the purchase of the memberships at
13 issue.
14

15 72. The policies, acts and practices alleged herein were intended to, and did, induce the
16 sale of the memberships here at issue to the consuming public and violated and continue to violate
17 this section, in that in violation of California Business & Professions Code § 17500, defendants
18 caused to be made, published, disseminated, circulated or placed before the public advertisements
19 concerning the Front Sight Memberships at issue which contained statements which were untrue,
20 deceptive, misleading or omitted material facts and which by the exercise of reasonable care
21 should have been known by defendants to be untrue, deceptive or misleading.
22

23 73. The above-described acts and practices conducted by defendants still continue to this
24 day and present a threat to the general public.
25

26 74. As a result of the foregoing, pursuant to California Business & Professions Code §
27 17535, plaintiffs, on behalf of the general public, seek an Order of this Court for the relief set
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1 forth in ¶ 68 above.

2 **COUNT VI**

3 **VIOLATION OF THE CALIFORNIA CONSUMERS LEGAL REMEDIES ACT**

4
5 75. Plaintiffs, on behalf of themselves and all others similarly situated, reallege, as if fully
6 set forth herein, each and every allegation contained in ¶¶1-46 herein, and further allege as
7 follows:

8 76. The California Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, et seq.
9 ("CLRA"), has adopted a comprehensive statutory scheme prohibiting various deceptive practices
10 in connection with the conduct of a business providing goods, property or services primarily for
11 personal, family or household purposes.

12
13 77. The policies, acts and practices engaged in by Defendants and alleged herein were
14 intended to, and did, result in the sale of Front Sight memberships at issue to plaintiffs, members
15 of the Class and the general public primarily for personal, family or household purposes, and
16 violated and continued to violate the California CLRA in at least the violation of Cal. Civ. Code §
17 1770(a)(14).

18
19 78. As a result, plaintiffs, members of the Class and the general public have suffered
20 irreparable harm, entitling them to both injunctive relief and restitution.

21 79. As a result, pursuant to California Civil Code § 1780(a)(2), plaintiffs seek on behalf
22 of themselves and Class members an order enjoining the above-described wrongful acts and
23 practices of Defendants, providing restitution to plaintiffs and the Class, ordering the payment of
24 costs and attorneys' fees, and any other relief deemed appropriate and proper by the Court under
25 California Civil Code § 1780.

26
27 80. In compliance with the provisions of California Civil Code § 1782, plaintiffs will,
28

1 within thirty days of filing this action, give written notice to each named defendants in this
2 Complaint of the intention seek damages under California Civil Code §§ 1750, et seq., and
3 requesting Defendants offer an appropriate correction to all affected consumers.
4

5 81. If each defendant fails, within thirty days after receipt of the § 1782 notice, to
6 adequately respond to plaintiffs' demand to correct the wrongful conduct described above, and
7 otherwise fail to cease the misrepresentations described above; engage in a corrective information
8 campaign; correct the misleading nature of their representations described above or otherwise
9 rectify all claims brought on behalf of the Class members who are impacted by Defendants'
10 alleged violations, and offer to compensate plaintiffs and members of the Class for all damages
11 incurred as a result of the conduct alleged in this Complaint, plaintiffs will amend this Complaint
12 to demand such damages, as well as well as interest thereon and statutory and exemplary
13 damages, as appropriate.
14

15 **COUNT VII**

16 **FRAUD**

17
18 82. Plaintiffs reallege and incorporate herein allegations of paragraphs 1-46 of this
19 complaint as though fully set forth herein.

20 83. When defendants made the mis representations set forth above, they knew them to be
21 false.
22

23 84. Defendant made the misrepresentations knowing that plaintiffs and members of the
24 Class would rely on said misrepresentations.

25 85. Plaintiffs and members of the Class did in fact rely on said misrepresentations to their
26 detriment. Had plaintiffs and members of the Class known the true facts they would not have
27 purchased Front Sight Memberships.
28

1 86. As a result of the intentional misrepresentations of the defendants, plaintiffs and
2 members of the Class have been damaged in an amount subject to proof at time of trial.

3
4 87. The conduct of Defendants, and each of them, as described herein, was done with a
5 willful and conscious disregard for the rights of plaintiffs and members of the Class. Said conduct
6 is outrageous and constitutes oppression, fraud and malice under California Civil Code Section
7 3294, entitling Plaintiffs and members of the Class to exemplary and punitive damages in an
8 amount sufficient for the sake of example and by way of punishing Defendants, and each of them.

9
10 **COUNT VIII**

11 **NEGLIGENT MISREPRESENTATION**

12 88. Plaintiffs reallege and incorporate herein allegations of paragraphs 1-46 of this
13 complaint as though fully set forth herein.

14 89. When defendants made the misrepresentations set forth above, they had no reasonable
15 grounds for believing them to be true and made the representations with the intent to induce
16 plaintiffs and members of the Class to purchase Front Sight Memberships at inflated prices.

17
18 90. Defendants made the misrepresentations knowing that plaintiffs and members of the
19 class were in fact relying upon said misrepresentations in deciding to purchase Front Sight
20 memberships.

21 91. When plaintiffs and members of the Class purchased Front Sight memberships, they
22 were ignorant of the falsity of defendants statements, and had they known the true facts they
23 would not have purchased said memberships.

24
25 92. As a result of the negligent misrepresentations of the defendants, plaintiffs and
26 members of the Class have been damaged in an amount subject to proof at time of trial.

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COUNT IX

BREACH OF CONTRACT BY DEFENDANT FRONT SIGHT

93. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1-46 of this complaint as though fully set forth herein.

94. Defendant Front Sight breached its contract with plaintiffs and members of the Class as set forth above.

95. As a proximate result of said breaches, plaintiffs and members of the Class have suffered damages in an amount subject to proof at time of trial.

PRAYER FOR RELIEF

WHEREFORE plaintiffs, on behalf of themselves and all others similarly situated and on behalf of the general public as appropriate under California law, pray for judgment against Defendants as follows:

1. An order certifying the plaintiff Class and appointing plaintiffs and their counsel to represent the Class;
2. Awarding plaintiffs and members of the class compensatory damages in an amount that may be proved at trial, together with pre-judgment interest at the maximum rate allowed by law;
3. Awarding plaintiffs members of the class treble damages pursuant to §1964(c) of RICO;
4. Requesting this Court order defendant Piazza to divest himself of any interests, direct or indirect, that he holds in Front Sight (the enterprise);
5. Requesting this Court issue an order imposing reasonable restrictions on the future activities or investments of defendants, and each of them, including prohibiting defendants, and each of them, from engaging in the same type of endeavor as the enterprise(s) engaged in;
6. Setting aside each of the fraudulent transfers of Front Sight assets made by Defendant

1 Piazza;

2 7. Attaching the assets that were fraudulently transferred by Defendant Piazza;

3 8. Enjoining defendants from further asset transfers until restitution and damages in this
4 action have been satisfied;

5
6 9. Prejudgement attachment of the defendants' assets until restitution and damages in this
7 action have been satisfied;

8 10. For attorneys' fees pursuant to, inter alia, C. C. P. § 1021. 5, and for costs of suit; and

9 11. For such other and further relief as this Court may deem just and proper.
10

11

12 DEMAND FOR JURY TRIAL

13

14 Plaintiffs demand a trial by jury for themselves and members of the Class on all claims so triable.

15

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17 DATED: November 7, 2005

GREER & ASSOCIATES, APC

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By: _____
C. KEITH GREER, Attorneys for Plaintiffs

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