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1 2 3 4 5 6 7 8	BRIAN R. STRANGE (SBN 103252) lacounsel@earthlink.net GRETCHEN CARPENTER (SBN 180525) gcarpenter@strangeandcarpenter.com JOHN P. KRISTENSEN (SBN 224132) jkristensen@strangeandcarpenter.com STRANGE & CARPENTER 12100 Wilshire Blvd., Suite 1900 Los Angeles, CA 90025 Telephone: 310-207-5055; Fax: 310-82 STEPHEN G. SVAJIAN (SBN 266581) steve@sgslawgroup.com SGS LAW GROUP 1401 Highland Ave., Suite E Manhattan Beach, CA 90266 Telephone: 310-433-2920	CLERK, U.S. DISTRICT COURT MAY 6 2011 CENTRAL DISTRICT OF CALIFORNIA DEPURY 26-3210
10	Attorneys for Plaintiff DONE! Ventures, LLC	
11	UNITED STATES DISTRICT COURT	
12	FOR THE CENTRAL DISTRICT OF CALIFORNIA	
13	WESTERN DISTRICT	
14	DONE! VENTURES, LLC, a Delaware Limited Liability	Case No. 2:10-cv-04420-SJO-JC
15	Company,	FIRST AMENDED COMPLAINT FOR DAMAGES
16	Plaintiff,	& DEMAND FOR JURY TRIAL
17	vs.	(1) Breach of Contract
18	GENERAL ELECTRIC	(2) Specific Performance (3) Injunctive Relief
19	COMPANY, a New York Corporation; NBC UNIVERSAL,	(4) Declaratory Relief
20	INC., a Delaware corporation; IVILLAGE, INC., a Delaware Corporation, SEDO COM LL C. a	(5) Breach of Warranty of Authority (6) Constructive Freed
21	Corporation, SEDO.COM, LLC, a Massachusetts Domestic LLC, and DOES 2 through 10, inclusive,	(6) Constructive Fraud(7) Negligent Misrepresentation
22	Does 2 unough 10, inclusive, Defendants.	
23	Defendants.	Assigned to the Honorable S. James
24		Otero
25		
26)
27	Plaintiff DONE! Ventures, LLC (hereinafter "DONE!" or "Plaintiff")	
28	based upon personal knowledge as to all acts or events that Plaintiff has	
	-1-	
	FIRST AMENDED COMPLAINT & DEMAND FOR JURY TRIAL	

undertaken or witnessed, and upon information and belief as to all others, complains and alleges as follows:

ALLEGATIONS COMMON TO ALL CAUSES OF ACTION (Against All Defendants)

- 1. The true names, capacities or involvement, whether individual, corporate, governmental or associate, of the defendants named herein as DOE are unknown to Plaintiff who therefore sues said defendants by such fictitious names. Plaintiff prays for leave to amend this Complaint to show their true names and capacities when the same have been finally determined. Plaintiff is informed and believes, and upon such information and belief alleges thereon, that each of the defendants designated herein as DOE is negligently, intentionally, strictly liable or otherwise legally responsible in some manner for the events and happenings herein referred to, and negligently, strictly liable intentionally or otherwise caused injury and damages proximately thereby to Plaintiff, as is hereinafter alleged.
- 2. At all times herein mentioned, each and every defendant herein was the owner, agent, servant and employee, distributor of goods of each of the other and each was acting within the course and scope of his ownership, agency, service and employment.
- 3. At all times mentioned herein, each and every defendant was the successor of the other and each assumes the responsibility for the acts and omissions of the others.

THE PARTIES

- 4. DONE! is now, and at all times mentioned herein has been, a Delaware Limited Liability Company duly authorized, qualified, and registered to do business in the State of California.
- 5. Defendant General Electric Company (hereinafter "GE") is now, and at all times mentioned here has been, a New York Corporation duly

authorized, qualified, and registered to do business in the State of California.

- 6. Defendant NBC Universal, Inc. (hereinafter "NBC") is now, and at all times mentioned here has been, a Delaware Corporation duly authorized, qualified, and registered to do business in the State of California. Plaintiff is informed and believes that NBC Universal, Inc. became part of a joint venture between defendant GE and third party Comcast Corporation. The Joint Venture is now known as NBCUniversal, LLC.
- 7. Defendant iVillage, Inc, (hereinafter "iVillage") is now, and at all times mentioned herein has been a subsidiary of NBC Universal, Inc. and was recently brought under the umbrella of NBCUniversal, LLC, and based on information and belief, is a Delaware Corporation duly authorized, qualified, and registered to do business in the State of California. Plaintiff is informed and believes that after this action, iVillage may have re-organized as a limited liability company identified as iVillage, LLC.
- 8. Defendants GE, NBC and iVillage, Inc. and doe defendants, 5-10, are collectively hereinafter referred to as "NBC Defendants."
- 9. Defendant Sedo.com, LLC (hereinafter "Sedo") is now, and at all times mentioned here has been, a Massachusetts domestic limited liability company duly authorized, qualified, and doing business in the State of California.
- 10. NBC maintains business operations throughout the World, including business operations in California.
- 11. Sedo is a domain name broker that availed itself of the laws of California by actively advertising and conducting business in Los Angeles County and throughout the State of California.
- 12. DONE! is in the business of Internet media development, marketing, and publishing.
 - 13. Benjamin L. Padnos is an Internet entrepreneur and the CEO of

DONE!. He was an early employee at Yahoo! and has been involved in operating Internet and technology businesses since 1996.

SUMMARY OF FACTS COMMON TO ALL CAUSES OF ACTION

IVILLAGE.COM AND WOMEN.COM NETWORKS

- 14. On March 19, 1999, iVillage, Inc., a media company targeting women, achieved one of the most successful initial public offerings (IPO) in history. Then in 2006, it was acquired by NBC for \$600 million. Today, iVillage has approximately 34 million unique visitors per month, making it the largest content-driven community for women on the web. As stated in company press releases, the website offers a "unique destination that brings women together...where women can find meaningful content, real-life conversations and the tools they need to manage their busy lives."
- 15. Approximately two years after its IPO, iVillage acquired its main competitor, Women.com Networks. Women.com Networks had a successful IPO of its own on October 15, 1999. After its first day of trading on the Nasdaq Stock Exchange, Women.com Networks had a market capitalization in excess of \$800 million. As a result of this business, its numerous public filings, and the success of the Women.com site, many other websites linked to Women.com, which gave the domain name Women.com significant value.
- 16. As part of the transaction with Women.com Networks, iVillage acquired the domain names Women.com and Women.net.
- 17. Women.com was a valuable name because of the traffic it generated. There were two primary ways that web traffic was generated by the Women.com domain name: (1) individuals who typed "Women.com" directly into their browser's URL; and (2) individuals who searched on the keyword "women" or other women-related keywords ("search engine traffic").
- 18. Search engine traffic depended on the site's "Page Rank." Women.com had a high "Page Rank" of 7 out of 10. The reason why

Women.com had a high "Page Rank" and part of the unique value of the names was that www.women.com generated a significant amount of traffic from links from other pages ("inbound links"). Google's search algorithm takes into account inbound links. Sites with more inbound links have a higher "Page Rank." Pages with many inbound links and a higher "Page Rank" generate more traffic through the search engines such as Google. Because of the large number of inbound links and its high "Page Rank", Women.com was positioned to rank at the top of search engines, which would have generated millions of visitors to the site per month, and significant income and profits to Plaintiffs.

BROKERAGE RELATIONSHIP BETWEEN IVILLAGE AND SEDO

- 19. In January 2010, iVillage, Inc. entered into a brokerage agreement ("Brokerage Agreement") with Sedo, whereby Sedo would act as iVillage's exclusive agent in selling the domain names Women.com and Women.net.
- 20. On January 12, 2010, NBC changed the DNS settings of the domain names and "parked" them with Sedo to help market the domain names as being "for sale." The web site included a link to an advertisement for the domain Women.com. The advertisement at Sedo.com stated that Women.com was for sale and that sale of the domain name Women.com included the name Women.net:

Offer Description . . . The acquisition of Women.com

includes the two domains: Women.com AND Women.net.

SALE BETWEEN DONE! AND NBC

- 21. On May 20, 2010, Mr. Padnos was contacted by Alan Hack and was informed that the domain names Women.com and Women.net were for sale. Alan Hack is a domain name broker who introduced Mr. Padnos to Jeffrey Gabriel, an account executive who worked for Sedo. Mr. Gabriel was the broker who recently sold a domain name for approximately \$13,000,000.00.
 - 22. DONE! made the decision to make a significant investment in the

Women.com and Women.net properties with the goal of creating a robust content network, targeting women.

- 23. At all times, Sedo held itself out as the broker for the NBC Defendants, with authority to sell the domains. On May 21, 2010, Mr. Padnos made an offer of \$1,000,000 for the domain names Women.com and Women.net. Sedo purported to be communicating with the NBC Defendants about the transaction. Within a few hours of Mr. Padnos' offer, Mr. Gabriel sent Mr. Padnos the following email: "Ben and Alan, The offer has been made to my contact. He said he is going to get back to me as soon as possible." Plaintiff is informed and believes that Mr. Gabriel's contact was NBC Universal's Senior Vice-President of Business Development John Curbishley.
- 24. On May 24, 2010, through its agent, Mr. Gabriel, NBC accepted DONE!'s offer. Gabriel's email acceptance stated the following: "... Congratulations! The offer for Women.com has been accepted!" There was no mention that Plaintiff's offer was rejected. There was no mention of a "counter offer." There was no communications that any additional material terms needed to be agreed upon. At all times, Mr. Gabriel and Mr. Padnos referred to both domains women.com and women.net collectively as "women.com."
- 25. On May 27, 2010, Mr. Padnos was contacted by Mr. Gabriel and was told that, "Jeff Zucker has overruled the transaction" and that the deal was off. Mr. Gabriel confirmed Sedo had sold domains for NBC Universal in the past and that "this was the first time this type of thing had ever happened." NBC told Gabriel that he had "earned his commission."
- 26. On June 15, 2010, Sedo's Chief Operating Officer and General Counsel, Jeremiah Johnston, admitted to Plaintiff that: Sedo "definitely intends to be compensated for our time and services" involved with the transaction; that it is Sedo's "standard practice to seek our commission fee when a party refuses to fulfill their obligation"; Sedo did their "best to reach out to NBC to explain

[Sedo's] position and encourage them to follow through with the transaction"; and Sedo "will continue to press [its] claim for payment of [Sedo's] commission fee."

27. Plaintiff is informed and believes the NBC Defendants contend Sedo did not have authority to enter into the contract that is subject of this action. Plaintiff is informed and believes the NBC Defendants also contends they never agreed to the transaction. Either NBC Defendants are liable to Plaintiff as set forth herein and/or Sedo is liable to Plaintiffs for the reasons set forth below.

FIRST CAUSE OF ACTION

BREACH OF CONTRACT

[As Against Defendants iVillage, Inc., General Electric Company, NBC Universal, Inc., Sedo.com and Does 2-10, Inclusive]

- 28. Plaintiff hereby incorporates by this reference as if fully set further herein, each and every allegation set forth in each and every averment of the preceding Paragraphs 1 through 27 above of this Complaint.
- 29. Defendants GE, NBC, iVillage and Sedo.com (collectively referred to sometimes as "Defendants") are parties to the Agreement described above and attached hereto as Exhibit "1". Plaintiff has performed each and every term and condition of the Agreement on its part to perform, except such terms and conditions that they are not able to perform due to Defendants' behavior.
- 30. Defendants have breached the Agreement. Defendants have failed and refused to transfer the property to Plaintiff.
- 31. Plaintiff is entitled to specific performance and injunctive relief. Defendants' wrongful and unlawful conduct, unless and until enjoined and restrained, will cause great and irreparable injury to Plaintiff. For example, Plaintiff will lose, and has lost, significant opportunity to further extend its domain name network through the incorporation of Women.com and Women.net. Further, Plaintiff already began holding itself out to its business

partners and associates as the true owners of Women.com and Women.net. If Plaintiff is not able to gain control of the subject domain names, its reputation will be irreparably damaged.

- 32. The domain names Women.com and Women.net are unique properties that are not replaceable. There is only one Women.com and Women.net in the entire world. As such, Plaintiff has no adequate remedy at law for the injuries currently being suffered and that it continues to suffer because monetary damages are inadequate if Defendants' conduct is not restrained.
- 33. As a direct and proximate result of Defendants' breach of the Agreement, Plaintiff has been damaged in an amount of at least \$10,043,072.00.

SECOND CAUSE OF ACTION

SPECIFIC PERFORMANCE

[As Against Defendants iVillage, Inc., General Electric Company, NBC Universal, Inc. and Does 2-10, Inclusive]

- 34. Plaintiff hereby incorporates by this reference as if fully set further herein, each and every allegation set forth in each and every averment of the preceding Paragraphs 1 through 33 above of this Complaint.
- 35. The consideration named in the contract to be received by NBC Defendants is adequate when compared to the value of the property and considering all circumstances, including the relationship of the parties and the objects to be accomplished by the contract.
- 36. The Agreement is fair, just, and reasonable in all respects as to NBC Defendants.
- 37. Plaintiff is ready, willing, and able to consummate the purchase of the domain names and to pay to NBC Defendants the purchase price as set forth in the written contract.
- 38. Plaintiff has no adequate remedy at law because the properties, which are the subject of the contract, are very unique domain names, which

.

herein, each and every allegation set forth in each and every averment of the preceding Paragraphs 1 through 41 above of this Complaint.

- 43. An actual controversy now exists between Plaintiff and Defendants concerning their respective rights, duties, and obligations under the Agreement. Specifically, Defendants assert that they may/can back out of the Agreement.
- 44. Plaintiff disputes Defendants' assertions and otherwise contends that the Agreement must be followed in transferring ownership of the domain names from the NBC Defendants to the Plaintiffs.
- 45. Plaintiff desires a judicial determination and declaration of the parties' respective rights, duties and obligations under the Agreement, that, in accordance with the mutual intent of the parties at the time of contracting as evidenced by their course of dealing following the creation and execution of the Agreement, and in accordance with the ordinary custom and practice relating to the purchase and sale of domain names in California, the transfer in ownership in the property takes place pursuant to the Agreement.

FIFTH CAUSE OF ACTION

Breach of Warranty of Authority California *Civil Code* §§ 2342, 2343 & 3318

[As Against Defendants Sedo.com and Does 2-10, Inclusive]

- 46. Plaintiff hereby incorporates by this reference as if fully set further herein, each and every allegation set forth in each and every averment of the preceding Paragraphs 1 through 45 above of this Complaint.
- 47. California *Civil Code* § 2342 states, "[o]ne who assumes to act as an agent thereby warrants, to all who deal with him in that capacity, that he has the authority which he assumes."
- 48. At all times, Sedo assumed to act as an agent of defendant iVillage and the other NBC Defendants for the purpose of selling the domains women.com and women.net. From January 2010 until at least May 24, 2011, the

domains women.com and women.net had their DNS set to forward an internet browser to a webpage designed and controlled by Sedo. Mr. Gabriel at all times informed Mr. Padnos that he was the broker with authority to enter into the

- If Sedo did not have authority, then Sedo's representations
- Plaintiff acted to its detriment in relying on the representations and
- As a direct and proximate result of Sedo's breach of its warranty of authority, Plaintiff has been damaged in an amount of at least \$10,043,072.00

SIXTH CAUSE OF ACTION

BREACH OF FIDUCIARY DUTY

[As Against Defendants Sedo.com and Does 2-10, Inclusive]

- Plaintiff hereby incorporates by this reference as if fully set further herein, each and every allegation set forth in each and every averment of the preceding Paragraphs 1 through 52 above of this Complaint.
- At all times, Sedo acted as a broker for both the buyer, DONE!, and
- DONE! put its trust and confidence in Sedo, who accepted the trust and confidence. Due to the unequal positions in the relationship between Sedo and Plaintiff, Sedo had a duty to disclose information to DONE! and act with due care towards DONE! Sedo breached that duty if material terms of the
- As a direct and proximate result of Sedo's breach of its fiduciary duty, Plaintiff has been damaged in an amount of at least \$10,043,072.00.

SEVENTH CAUSE OF ACTION

NEGLIGENT MISREPRESENTATION

[As Against Defendants Sedo.com and Does 2-10, Inclusive]

- 56. Plaintiff hereby incorporates by this reference as if fully set further herein, each and every allegation set forth in each and every averment of the preceding Paragraphs 1 through 55 above of this complaint.
- 57. Sedo misrepresented to DONE! what were the material terms of the transaction to the NBC Defendants, and misrepresented to the NBC Defendants what were the material terms of the transaction to the NBC Defendants. Sedo knew these representations pertaining to the material terms of the Agreement were not true. Nevertheless, Sedo proceeded to inform Sedo of incorrect material terms regarding the Agreement. DONE! justifiably relied on Sedo's representation that its offer was accepted.
- 58. As a direct and proximate result of DONE!'s reliance on the statements by Sedo, Plaintiff has been damaged in an amount of at least \$10,043,072.00.

PRAYER

WHEREFORE, Plaintiff prays for the following relief, to be determined by a jury, as follows:

For the First Cause of Action against all Defendants:

- 1. For general compensatory damages, including lost profits and special damages, at the legal interest rate, of at least \$10,043,072.00;
- 2. For attorneys fees and costs of suit incurred herein;
- 3. For such other and further relief as the Court deems proper.
- For the Second Cause of Action against the NBC Defendants:
 - 1. For an Order that the NBC Defendants specifically perform their obligations under the Agreement:

FIRST AMENDED COMPLAINT & DEMAND FOR JURY TRIAL

DEMAND FOR JURY TRIAL Plaintiff DONE! Ventures, LLC (hereinafter "DONE!" or "Plaintiff") hereby demands a trial by jury. DATED: May 6, 2011 Respectfully submitted, By: Brian R. Strange (SBN 103252) lacounsel@earthlink.net Gretchen Carpenter (SBN 108525) gcarpenter@strangeandcarpenter.com John P. Kristensen (SBN 224132) jkristensen@strangeandcarpenter.com STRANGE & CARPENTER 12100 Wilshire Blvd., Suite 1900 Los Angeles, California 90025 Telephone: (310) 207-5055 Fax: (310) 826-3210 STEPHEN G. SVAJIAN (SBN 266581) steve@sgslawgroup.com SGS LAW GROUP 1401 Highland Ave., Suite E Manhattan Beach, CA 90266 Telephone: 310-433-2920

-15-

EXHIBIT 1

From: To:

Sedo :: Jeffrey Gabriel Alan Hack; ben@done.com

Subject:

RE: Women.com

Date:

Monday, May 24, 2010 1:23:06 PM

Importance:

Alan and Ben,

Congratulations! The offer for Women.com has been accepted!

Here are the next steps:

NBC/GE will be creating a Bill of Sale for this transaction. We have used this process in the past, and it is nothing out of the ordinary.

What they will need from you is the following:

Name of your corporation Legal Entity Type of Corporation (Delaware Corporation for example) Official Address Contact information

Once I send that over to them they will have it turned around very quickly then we will send you an invoice.

Sedo Needs from you:

The email of the account that you use for your account at Sedo. That way I know the right account to put the invoice in and get it over to you, and tie the funds to the right people.

Feel free to call me with any questions!! Thanks 617.800,7837

Regards,

Jeffrey M. Gabriel

Senior Sales Consultant

Sedo.com :: 161 First Street :: Cambridge, MA 02142

tel (617)299.1729 :: fax 508-365-3930 www.sedo.com :: jeffrey.gabriel@sedo.com

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Please consider the environment before printing this email or any attachments.

From: Alan Hack [mailto:alan@namesplusmarketing.com]

Sent: Friday, May 21, 2010 4:49 PM

To: ben@done.com; Sedo :: Jeffrey Gabriel

Subject: RE: Women.com

Jeff,

Thanks for moving quickly on behalf of Ben. We look forward to hearing back from you as soon as you know more.

Sincerely,

Alan Hack, President
Names Plus Marketing
alan@NamesPlusMarketing.com
www.NamesPlusMarketing.com
USA Phone: +1-480-422-9730
USA Fax: +1-480-907-2241

From: Ben Padnos [mailto:ben@done.com]

Sent: Friday, May 21, 2010 1:44 PM

To: 'Sedo :: Jeffrey Gabriel'

Cc: 'Alan Hack'

Subject: RE: Women.com

Thank you, Jeff. I'm always reachable on my cell, 310-346-7071. Here's my info:

DONE! Ventures, LLC 221 34th Street, Suite 1000 Manhattan Beach, CA 90266

office: (310) 546-3663 email: ben@done.com

From: Sedo :: Jeffrey Gabriel [mailto:jeffrey.gabriel@sedo.com]

Sent: Friday, May 21, 2010 1:39 PM

To: ben@done.com Cc: 'Alan Hack'

Subject: RE: Women.com

Ben and Alan,

The offer has been made to my contact. He said he is going to get back to me as soon as possible.

Regards,

Jeffrey M. Gabriel

Senior Sales Consultant

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From: Ben Padnos [mailto:ben@done.com] **Sent:** Friday, May 21, 2010 4:28 PM

To: Sedo :: Jeffrey Gabriel Subject: RE: Women.com

Correct - one wire transfer payment.

From: Sedo :: Jeffrey Gabriel [mailto:jeffrey.gabriel@sedo.com]

Sent: Friday, May 21, 2010 1:25 PM

To: ben@done.com Cc: 'Alan Hack'

Subject: RE: Women.com

Ben,

It was nice speaking with you today. I am confirming that I have received the offer.

Question:

Payment: will be made in one payment correct?

Regards,

Jeffrev M. Gabriel

Senior Sales Consultant

Sedo.com :: 161 First Street :: Cambridge, MA 02142

tel (617)299.1729 :: fax 508-365-3930 www.sedo.com :: jeffrev.gabriel@sedo.com

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From: Ben Padnos [mailto:ben@done.com]

Sent: Friday, May 21, 2010 4:16 PM

To: Sedo :: Jeffrey Gabriel

Cc: 'Alan Hack'

Subject: RE: Women.com

Jeff,

This email confirms my offer of \$1MM valid until 5pm on Monday, May 24, 2010.

Thank you,

Ben Padnos DONE! Ventures, LLC ben@done.com

Blog: www.benpadnos.com

Twitter: www.twitter.com/benpadnos

Mob: (310) 346-7071

From: Sedo :: Jeffrey Gabriel [mailto:jeffrey.gabriel@sedo.com]

Sent: Friday, May 21, 2010 1:03 PM

To: ben@done.com Subject: Women.com

Ben,

Here is my contact information.

Here is my personal cell phone you can reach me anytime 508.579.5653.

Regards,

Jeffrey M. Gabriel

Senior Sales Consultant

Sedo.com :: 161 First Street :: Cambridge, MA 02142

tel (617)299.1729 :: fax 508-365-3930 www.sedo.com :: jeffrey.gabriel@sedo.com

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