

**UNITED STATES DISTRICT COURT FOR THE U. S. VIRGIN ISLANDS
DIVISION OF ST. CROIX**

LARRY WILLIAMS and
LnL PUBLISHING, INC

Plaintiffs,

v.

GENESISFINANCIAL TECHNOLOGIES, INC.
GLEN LARSON and PETE KILMAN

Defendants.

Case No.:2012-cv- 105

BREACH OF CONTRACT
INTENTIONAL MISREPRESENTATION
(FRAUD)
TRESPASS TO PERSONAL PROPERTY
TORTUOUS DESTRUCTION OF PROPERTY
VIOLATION OF 18 USC 1030
CIVIL CONSPIRACY TO VIOLATE 18 USC
§1030, TO DESTROY PERSONAL PROPERTY
AND TO COMMIT TRESPASS TO PERSONAL
PROPERTY
CONVERSION OF INTELLECTUAL
PROPERTY
RESTRAINING ORDER REQUEST

ACTION FOR DAMAGES
JURY TRIAL DEMANDED

COMPLAINT

Comes now the plaintiffs, by counsel, and hereby allege as the basis of their complaint against the defendants as follows:

1. This Court has subject matter jurisdiction over Plaintiffs' claims pursuant to 28 U.S.C. §1332, as the amount of damages/relief sought exceeds \$75,000 and there is diversity of citizenship, as well as 28 U.S.C. § 1331, as the complaint also raises federal questions in several counts. This Court also has supplemental jurisdiction under 28 U.S.C. §1367.
2. Plaintiff Larry Williams ("Williams"), is a resident of St. Croix. He is an author of many educational texts, published in 11 languages, and has been a keynote speaker at investment conferences around the world, conducting seminars known as "Inner Circle Workshops" relating to his market theories and strategies.
3. Williams is the holder of the copyright of many best selling items and is the originator of the "LW Sentiment" that was a joint project of Defendant and Williams. In the Genesis software it was described as: "**LW Sentiment** Description: Larry Williams Sentiment. This requires updating LW sentiment data from Genesis." On the Genesis website it was described as: "This is a proprietary index of advisory and option activity sentiment. It was developed by Larry Williams".

4. The data in the LW Sentiment is Plaintiff Williams' intellectual property and includes signals and market timing techniques he has developed over the past 50 years. The "LW Sentiment" was formerly known as the "Larry Williams Sentiment", first introduced to the public under Williams name and copyrighted in *New Thinking in Technical Analysis: Trading Models from the Masters*, Bloomberg, 2000.
5. Plaintiff LnL Publishing, LLC ("LnL") is a limited liability company organized pursuant to the laws of the Virgin Islands with its address at 118 Mr. Welcome, Christiansted, St. Croix, V.I. LnL is a successor-in-interest to certain of Plaintiff Williams' intellectual property rights and the right to receive payment pursuant to the contractual and other obligations alleged herein.
6. Defendant GENESIS FINANCIAL TECHNOLOGIES, INC. ("GENESIS") is a business with its corporate headquarters at 4775 Centennial Boulevard, #150, Colorado Springs, Colorado 80919-3309. Plaintiffs are informed and believe that GENESIS is a Colorado Corporation.
7. Defendant GLEN LARSON ("LARSON") is believed to have residences in Arizona and Colorado and is a shareholder and control person for GENESIS. Plaintiffs are informed and believe that Defendant LARSON is the Chief Executive Officer of GENESIS. GENESIS also does business as TRADE NAVIGATOR.
8. Defendant PETE KILMAN ("KILMAN") is an employee of GENESIS and a resident of Colorado Springs, Colorado. Defendant KILMAN did certain tortuous acts at the direction of Defendant LARSON.
9. All of the Defendants solicit, transact, and are doing business within this District and have caused injury to the Plaintiffs within the U.S. Virgin Islands. Plaintiffs' claims arise out of the Defendants' conduct that gives rise to personal jurisdiction over Defendant.
10. GENESIS is engaged in the business of financial software development, financial software sales, and software technical support services. When GENESIS was first starting in this business approximately 15 years ago, Plaintiff Williams and GENESIS developed a business relationship. GENESIS and Williams agreed that Williams would help promote and develop GENESIS software business as that would help his worldwide students.
11. Williams, in addition to writing books, newsletters and commodity timing advice, set the record for earnings in the World Cup Trading Championship in 1987, prior to meeting Genesis. He was a known major futures trader with a large following.

12. Plaintiff Williams agreed to give GENESIS' software recognition in his books and writings. In return GENESIS promised to give for no charge access to their software and programming assistance to Williams on indicators and ideas he was developing. They also provided several laptop computers. In return Williams allowed them to market at his seminars and lecture, never charging or taking a percentage of sales.
13. In response, Glen Larson proposed to Williams that he develop a "sentiment indicator" which Larry Williams agreed to do with the assistance of one of Defendants programmers.
14. Larry Williams' "Sentiment" became known as "LW Sentiment."
15. Larson told Williams that in appreciation for all he had done to help Larson, he would like to help Williams. Defendants business had grown from 2 people to over 20 employees due to Williams' recommendations that were provided free of charge to Genesis business. As a result of Williams endorsement, input of what was needed in the software and assistance, the business grew from a few thousand dollars a year to having 10,000 users.
16. The indicators have become known as "Larry Williams Futures and Stock Sentiment"; "Larry Williams Futures Sentiment" and "Larry Williams Stock Sentiment" which were initially offered by and through Larson. Users were charged \$25 per month for stocks, \$25 per month for futures or \$35 a month for both.
17. Larson and GENESIS then offered to give all the revenue from LW Sentiment to Williams. Williams responded that it would be better if the revenue was split 50/50. GENESIS/LARSON agreed to that split.
18. In or about late 2010, Williams became aware that he was not receiving the 50% of revenue from the LW Sentiment as agreed and promised. LARSON agreed that GENESIS was in arrears. In an accounting in June of 2012, GENESIS acknowledged that revenues were at least \$998,655.00, of which Williams was entitled to \$499,327.50, even though he had only been paid \$141,050.00 to date. This left a balance of more than \$358,000.00, based on the numbers provided by LARSON/GENESIS.
19. On August 8, 2012, Defendant KILMAN wrote and acknowledged that \$3,148.73 was due and owing for August of 2012 and that this was the split amount. KILMAN further stated in an email that he was "not sure if Glen already caught up on the past bills." In short, Genesis was now attempting to offset the amount due, with the fabrication of what they had done for Williams, even though it is known in the industry that Williams literally made Genesis the company that it had become, as in fact no offsets were due.

20. In August and September of 2012, GENESIS/LARSON refused to bring the past amounts due current. These amounts were based on the accounting LARSON provided. This included a misstated number of subscribers to Williams' Sentiments.
21. In late September of 2012, GENESIS/LARSON began denying due amounts. Williams informed GENESIS/LARSON that unless payment was brought current he was withdrawing from the agreement, that GENESIS could no longer use Williams' name to promote GENESIS' software and products and that GENESIS was to cease offering LW Sentiment to customers.
22. GENESIS/LARSON then informed Williams to cease the use of the GENESIS name in any future publications and to cease further use of GENESIS software. The date for ceasing use and publication was September 30, 2012.
23. On September 21, 2012, as Williams began his daily download for Genesis, a Trojan horse, virus and/or coded malware program or other destructive mechanisms, entered Williams' computer and erased all the data inputted previously into the GENESIS software on Mr. Williams' computer.
24. The destructive program was traced back to GENESIS. A few days later, Williams, broker, Alberto Alvarez received a call from Defendant KILMAN wherein KILMAN apologized, but stated that KILMAN had been instructed by LARSON to send the same evasive malware, virus and/or Trojan Horse into Alberto's computer to erase any trade signals of Mr. Williams in Alberto's system.
25. This virus "invasion" left Williams with open commodities trades that were open positions in the GENESIS software from before September 21, 2012.
26. As such, Williams has suffered extensive damage recouping data and reconstructing his intellectual property that was wiped out by GENESIS/LARSON/KILMAN's unlawful and tortuous acts. Additionally he was not able to timely exit open trades due to the acts of the defendants.
27. On or about January of 2012, Williams became suspicious of the subscriber numbers that GENESIS was supplying to Williams for LW Sentiment. These numbers were stated to be in the low 200s of month subscribers.
28. At or about January of 2012, several employees of GENESIS, unaware of subscriber numbers being provided to Williams, stated that there were over 900 LW Sentiment month subscribers. Within the last month, a former employee informed Williams that the monthly subscriber numbers were more than 1,000 and possibly 2,500.

29. GENESIS software does nothing without data. The data is then manipulated (programmed) by users and becomes their intellectual property of commodity expert such as Williams.
30. Williams' intellectual property in the GENESIS system could only be accessed by Williams' security password. When Williams' subscribers began calling and/or writing the first week of October about the absence of the LW Sentiment at GENESIS, the GENESIS Sales department responded in an email as follows: "Raphael: Hi people what happened with the LW sent, it is the same tool yet? Cause I follow this tool and I'm confusing [sic] now. Tks". "Welcome Raphael to online chat for Genesis Sales department. Please wait for the next available operator." "Call accepted by operator Eric P." "Raphael: hi Eric"; Eric P.: Hello Raphael, the LW Sentiment has been changed to TN Consensus. **All the data for the indicator is the same. It's is the same indicator, just has a different name.**"
31. The data is and was Larry Williams' intellectual and personal property that Genesis agreed to market and pay Williams for, and in fact had made payments, from time to time.

**FIRST CAUSE OF ACTION AGAINST GENESIS AND LARSON
(BREACH OF AGREEMENT)**

32. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.
33. Williams and GENESIS/LARSON reached an oral agreement, which was performed, to split revenue on the sales of subscriptions to the LW Sentiment.
34. In June of 2012, GENESIS/LARSON provided an accounting, which is incorporated herein by reference.
35. GENESIS/LARSON have failed, refused and continue to fail and refuse to bring the past due amounts current and to pay accounting to the agreement reached between the parties; thereby, breaching the contract between the parties.
36. As a direct and proximate result of Defendants' breach of the oral agreement to split revenues on the LW Sentiment, Plaintiffs have suffered losses of not less than \$358,000.00 pursuant to Defendants' stated accounting.

**SECOND CAUSE OF ACTION AGAINST GENESIS AND LARSON
(INTENTIONAL MISREPRESENTATION, FRAUD)**

37. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.

38. Throughout the agreement between the parties, Defendants GENESIS and LARSON misstated the number of subscribers to Williams. Said misstatements occurred from inception to 2012.
39. In June of 2012, Defendants stated that the number of monthly subscribers was under 200.
40. On August 8, 2012, Defendant KILMAN stated that there were 203 monthly subscribers to the LW Sentiment Index.
41. In fact, the number of monthly subscribers is believed to have always been more than 500 and Plaintiff is informed and believes the number has exceeded 1,000 for many months, if not more, for over 10 years.
42. Additionally Defendant sold historical files of the LW Sentiment for substantial sums, none of which were ever accounted for to Williams. At other times Defendant bundled LW Sentiment with other products and again no accounting was ever provided. Yearly subscriptions were also sold and no accounting was provided for such sales.
43. The representation of the number of subscribers was the basis for the calculation of the revenue and split owed to Williams.
44. The number of subscribers was an essential and material fact that Defendants misrepresented, concealed and falsely published to Williams.
45. As such, the Defendants have provided a knowingly false accounting, as it is believed there have been over 1,000 users during most of the time of the agreement. The Defendants claim that only 200 used Williams LW Sentiment Indicator is false.
46. Defendants' intentional misrepresentations and concealment of the true number of subscribers was done with the intent to defraud Williams of the profits due him.
47. As a direct and proximate result of this fraud, Williams has been damaged in an amount to be proven at the time of trial of this matter.
48. This fraud was committed with conscious disregard for Williams' rights and was despicable in nature. Said fraud also warrants an award of punitive damages against Defendants.

**THIRD CAUSE OF ACTION AGAINST GENESIS, LARSON AND KILMAN
(TRESPASS TO PERSONAL PROPERTY)**

49. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.
50. On September 21, 2012 in the late afternoon when Williams began his daily download for Genesis, a “Trojan horse virus” and/or coded malware program (or other destructive mechanism), entered Williams’ computer and erased all the data inputted previously into the GENESIS software on Mr. Williams’ computer.
51. The destructive program erased Williams personal data including all commodity timing data, proprietary indicators (some still in the developmental stage) and signals Williams had created and input into the software program in which his personal property resided.
52. Defendants caused the same destructive program to wipe-out the trade position information and signals in Williams’ name at Williams’ broker.
53. Defendants’ intentional trespass to Williams’ personal property caused irreparable and nearly incalculable damage to Williams’ personal property. Damage includes months of reconstructing and/or retrieving data from other locations. In fact, not all personal property could be reconstituted.
54. Defendants’ intentional trespass to Williams’ property deserves an award of exemplary damage to prevent the twice-committed conduct from occurring in the future.

**FOURTH CAUSE OF ACTION AGAINST GENESIS, LARSON AND KILMAN
(TORTUOUS DESTRUCTION OF PERSONAL PROPERTY)**

55. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.
56. On September 21, 2012 in the late afternoon when Williams began his daily download for Genesis, a “Trojan horse virus” and/or coded malware program (or other destructive mechanism), entered Williams’ computer and erased all the data inputted previously into the GENESIS software on Mr. Williams’ computer.
57. The destructive program erased Williams personal data including all commodity timing data and systems and formulas Williams had input into the software program over the last 15 years in which the personal property resided.
58. Defendants caused the same destructive program to wipe-out the trade position information and signals in Williams’ name at Williams’ broker.

59. Defendants' intentional tortuous destruction of Williams' personal property caused irreparable and nearly incalculable damage to Williams' personal property.
60. Damages included months of reconstructing and/or retrieving data from other locations. Not all personal property could be reconstituted.
61. Defendants intentional tortuous destruction of Williams' property warrants an award of exemplary damage to prevent the twice-committed conduct from occurring in the future.

**FIFTH CAUSE OF ACTION AGAINST GENESIS, LARSON AND KILMAN
(VIOLATION OF 18 USC §1030)**

62. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.
63. Defendants' acts of intrusion into Williams' and his broker's computers constituted violations of 18 USC § 1030, the Computer Fraud and Abuse Act. Defendants knowingly intended to cause damage to Williams' computer and data on both computers.
64. Williams' damages for such intentional violation of the federal law exceed the \$5,000.00 amount required in 18 USC §1030(c) (4)(A).
65. In addition to entitlement to the compensatory damages caused by Defendants' intentional violation of the law and tortuous conduct, Williams is entitled to an order restraining such unlawful conduct in the future.

**SIXTH CAUSE OF ACTION AGAINST GENESIS, LARSON AND KILMAN
(CIVIL CONSPIRACY TO COMMIT TRESPASS TO PERSONAL PROPERTY,
TORTUOUS DESTRUCTION OF PROPERTY AND VIOLATIONS OF 18 USC§1030)**

66. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.
67. Defendants GENESIS, LARSON and KILMAN agreed, on or about September 21, 2012, to wipe Williams' personal data from Williams' computer and that of Williams' broker. Defendants agreed and/or combined to engage in a civil conspiracy to commit these unlawful and tortuous acts alleged in this complaint.
68. Defendants, and each of them, combined to engage in a civil conspiracy of which the principal element was to inflict wrongs against and/or injury on Plaintiff Williams as described in this complaint. Defendants combined to engage in a civil conspiracy that was furthered by these overt acts.

69. Defendants, and each of them, understood, accepted, and/or explicitly and/or implicitly agreed to the general objectives of their scheme to inflict the wrongs and against Plaintiff Williams as alleged herein.
70. Defendants, and each of them, acquired, possessed and maintained a general knowledge of the conspiracy's objectives to intentionally inflict wrongs and injury on Plaintiff Williams.
71. Defendants, and each of them, combined to engage in a scheme that was intended to violate the law and concealed and secreted the scheme. Defendants combined to engage in this scheme that was intoned to violate the rights and harm the business of Plaintiffs Williams and LnL.
72. In committing the acts described above, defendants acted with malice toward Plaintiffs Williams and LnL and Plaintiffs are entitled to recover exemplary damages in such an amount as will sufficiently punish defendants for their willful and malicious conduct in order to serve as an example to prevent further repetition of such conduct in the future.

**SEVENTH CAUSE OF ACTION AGAINST GENESIS AND LARSON
(FOR CONVERSION OF INTELLECTUAL/ PERSONAL PROPERTY)**

73. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.
74. The data in the LW Sentiment is the intellectual and/or personal property of Williams and LnL. Defendant LARSON agreed that the Williams data/property would not be offered by GENESIS after September 30, 2012.
75. In the week immediately following September 21st, GENESIS has continued to offer Williams' data to the public. As Eric P. stated, "the LW Sentiment has been changed to TN Consensus. All the data for the indicator is the same. It's the same indicator, just has a different name."
76. The data GENESIS and LARSON are offering are Plaintiffs' intellectual/personal property, as simply changing the name does not constitute the ceasing of sales of the data.
77. As such, the Defendants have no right to this data and have converted for their own use, sale and profit. Intentionally Defendants have intentionally converting the Plaintiffs' intellectual/personal property.
78. This property is the culmination of nearly 50 years of research in the commodity prices and forecasting. Defendants' intentional conversion of said property has caused Plaintiffs compensatory damages in an amount to be proven at the time of trial of this matter.

79. Defendants' conduct is and was wanton and malicious and Plaintiffs are entitled to recover exemplary damages in such an amount as will sufficiently punish defendants for their willful and malicious conduct and as will serve as an example to prevent further repetition of such conduct in the future.

**EIGHTH CAUSE OF ACTION AGAINST GENESIS AND LARSON
(INJUNCTIVE RELIEF)**

80. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth in the preceding allegations.

81. Plaintiffs will be irreparably harmed if Defendants are not restrained from offering for sale the data which constitutes Plaintiffs' personal/intellectual property.

82. Defendants have demonstrated an unwillingness to refrain from selling and profiting from Plaintiffs' personal/intellectual property data.

83. Pursuant to 18 USC 1030, Plaintiffs are entitled to injunctive relief against Defendants for any further acts in violation of the law.

84. Plaintiffs request that GENESIS, on its website and in its sales department, and doing business as TRADE NAVIGATOR on that website be restrained from offering the indicator which Plaintiffs developed for the Defendants.

85. Additionally, Genesis said they would remove using Williams name to promote their business, yet they continue to use his name and likeness in their promotions.

WHEREFORE, Plaintiffs demand judgment against the defendants, jointly and severally, as follows:

A. An award of compensatory damages for breach of contract not less than \$358,000.00 with interest thereon;

B. An award of compensatory and exemplary damages against GENESIS and LARSON for fraud in the amount as determined by the trier of fact;

C. An award of compensatory and exemplary damages against GENESIS, LARSON and KILMAN for tortuous destruction of property;

D. An award of compensatory damages against GENESIS, LARSON and KILMAN for violations of 18 USC 1030 and injunctive relief there under;

E. An award of compensatory damages and exemplary damages against GENESIS, LARSON and KILMAN for Civil Conspiracy;

F. An award of compensatory damages and exemplary damages against GENESIS and LARSON for conversion of intellectual/personal property;

G. For an order restraining Defendants from offering Plaintiffs' personal property/data on the internet as Defendants' own and to restrain any further violations of 18 USC 1030;

H. Attorneys' fees and costs;

I. Prejudgment Interest; and

J. All other and further relief as this Court sees just and proper.

A TRIAL BY JURY IS DEMANDED AS TO ALL ISSUES TRIABLE BY A JURY.

Dated: October 30, 2012

/s/Joel H. Holt

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