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8 **IN THE UNITED STATES DISTRICT COURT**
9 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

10 TAREK A. FOUAD, derivatively on behalf of)
11 nominal defendant DIGITAL SOULA)
12 SYSTEMS,)

13 Plaintiff,

14 vs.

15 THE STATE OF QATAR, by and through its)
16 MINISTRY OF DEFENSE, QATAR)
17 ARMED FORCES, MINISTRY OF)
18 ECONOMY AND COMMERCE, and)
19 DOES 1-30,)

20 Defendants.

21 -and-

22 DIGITAL SOULA SYSTEMS,

23 Nominal Defendant, Real)
24 Party in Interest.)

CASE NUMBER:

COMPLAINT FOR:

- 25 **(1) BREACH OF CONTRACT**
- 26 **(2) FRAUD**
- 27 **(3) NEGLIGENT MISREPRESENTATION**
- 28 **(4) UNJUST ENRICHMENT**
- (5) UNFAIR COMPETITION**
- (6) INTERFERENCE WITH PROSEPCTIVE**
- ECONOMIC ADVANTAGE; and**
- (7) DECLARATORY RELIEF**

29 Plaintiff, TAREK A. FOUAD, derivatively on behalf of DIGITAL SOULA SYSTEMS
30 (“DSS”), brings this action as follows:

PARTIES

31 1. Plaintiff, TAREK A. FOUAD, is a United States citizen, resident of California, a
32 British citizen, and founding 20% shareholder of DSS, a Qatar based defense and security consultancy
33 and limited liability company, pursuant to the provisions of Qatar’s commercial companies law No. (11)
34 of 2015, which did business in Fullerton, California. DSS is registered with the Registration and
35 Commercial Licences Department of the Ministry of Economy and Commerce of Qatar, which

1
2 registration and the Establishment ID issued by the Ministry of the Interior, show that, as of June 25,
3 2018, and at all relevant times herein, Tarek Fouad was “the manager in charge” “with full and
4 unrestricted authority” and “had signing authority on behalf of DSS, pursuant to Article 7 of the
5 company’s Articles of Association Limited Liability. Article 8 provides that “the Company manager
6 shall have the full authority to manage the Company. The acts of the manager shall be binding upon the
7 Company provided that they are endorsed by the capacity under which he has acted,” and “shall
8 represent the Company before the judiciary and third parties.” This action is filed on behalf of DSS.

9 2. Nominal Defendant, DIGITAL SOULA SYSTEMS (“DSS”), is a limited liability
10 Qatar company with a corporate headquarters in Doha, Qatar, but did a substantial amount of business
11 in California. DSS has three shareholders, Al Sedriah Holding Company, represented by Lt. Col.
12 Mohamed Al-Mannai, with 60% of the shares, Salam International Investment Ltd., represented by
13 Mr. AbdulSalam Abu-Issa, with 20% of the shares, and Tarek Fouad, with 20% of the shares. Al
14 Sedriah Holding is beneficially owned as to 83% by a member of the Royal Family, and as to 17% by
15 Lt. Col. Al-Mannai. Al Sedriah Holding is also a majority shareholder in Soula Systems and Avyara
16 Information Systems. Lt. Col. Al-Mannai is also executive chairman of Al Sedriah Holding, Soula
17 Systems and Avyara Information Systems.

18 3. The relationship between the three DSS shareholders is governed by a
19 Shareholders Agreement, pursuant to which it was agreed that, so long as a shareholder retained an
20 ultimate shareholding of not less than 10%, that shareholder was entitled to representation on the board
21 of directors. Pursuant to this agreement, Lt. Col. Al-Mannai, AbdulSalam Abu-Issa, and Tarek
22 Fouad, constitute the DSS Board of Directors.

23 4. DSS is named in this Complaint as a nominal defendant in its derivative capacity,
24 and this shareholder's derivative action is brought on its behalf.

25 5. Defendant, the STATE OF QATAR, is a foreign state, as defined by the Foreign
26 Sovereign Immunity Act (“FSIA”), 28 U.S.C. 1603. The head of state and head of government of
27 Qatar is the current Emir of Qatar, Sheikh Tamim bin Hamad Al Thani. For FSIA purposes, no
28 distinction is drawn between the "state" and its "government." David Stewart, *The Foreign Sovereign*

1 *Immunities Act: A Guide for Judges*, p. 6 (Federal Judicial Center International Litigation Guide
2 2013). The State of Qatar maintains a Consulate in the Central District of California.

3 6. Defendants, MINISTRY OF DEFENSE (“MOD”) and QATAR ARMED
4 FORCES (“QAF”), and MINISTRY OF ECONOMY AND COMMERCE (“MOEC”) (collectively,
5 with the State of Qatar, the Qatar Defendants) are agents and instrumentalities of the government of the
6 State of Qatar. They are the departments responsible for defense procurement in Qatar, and
7 registration of corporations to do business in Qatar. 28 U.S.C. §1603 provides: “(a) a ‘foreign state’
8 includes a political subdivision of a foreign state or an agency or instrumentality of a foreign state as
9 defined in (b). (b) an ‘agency or instrumentality of a foreign state’ means any entity– (1) which is a
10 separate legal person, corporate or otherwise, and (2) which is an organ of a foreign state or political
11 subdivision thereof or a majority of whose shares or other ownership interest is owned by a foreign
12 state or political subdivision thereof.” The current Minister of Defense is Dr. Khalid bin Mohammad Al
13 Attiyah, General Headquarters (GHQ), Qatar Armed Forces, P.O. Box. 37, Doha, Qatar. The QAF
14 and MOD also do business in Fullerton, California.

15 7. Defendant DOES 1 through 20, inclusive, are sued herein under fictitious names.
16 Their true names and capacities are unknown to Plaintiffs at this time. When the true names and
17 capacities of said defendants are ascertained, Plaintiffs will seek leave to amend this complaint to insert
18 their true names and capacities. Each fictitiously named DOE is responsible as a partner, co-
19 conspirator, director, officer, employee, agent, fiduciary, insurer or reinsurer of Defendants, or were
20 involved in the business of Plaintiff and consequently are responsible for the occurrences and claims
21 alleged. Plaintiff is informed and believes, and based thereon alleges, that each of the fictitiously named
22 defendants is responsible in some measure for the actions, events and damages herein alleged.

23 8. Plaintiff is informed and believes, and based thereon alleges, that at all times
24 herein mentioned, defendants were and are the agents, servants, employees, joint venturers, co-
25 conspirators, and/or partners, each of the others, and all times herein mentioned were acting within the
26 course and scope of said relationships; furthermore, that at all times herein mentioned, defendants and
27 real parties in interest while acting as principals, expressly directed, consented to, approved, affirmed
28 and ratified each and every action taken by the other herein alleged. Each reference to one defendant is

1 also a reference to each and every other defendant.

2 9. Each of the Defendants was engaged and doing business in California at all times
3 relevant to this action.

4 **SUBJECT MATTER JURISDICTION**

5 10. The federal question jurisdiction of this Court is invoked pursuant to 28 U.S.C.
6 1330, 28 U.S.C. 1331, the Federal Arbitration Act (“FAA”), 9 U.S.C. 203, and the Foreign
7 Sovereign Immunity Act (“FSIA”), 28 U.S.C. §1602 et seq. The pendent and supplemental
8 jurisdiction of this Court over the Plaintiff’s state law claims, including, but not limited to, Cal. Corp.
9 Code §800(b), is invoked pursuant to 28 U.S.C. 1367. Additionally, this Court has subject
10 matter jurisdiction over Plaintiffs’ claims under 28 U.S.C. § 1332, because Plaintiff is a citizen of the
11 state of California and none of the Defendants is a citizen of the State of California, and the amount in
12 controversy exceeds \$75,000, exclusive of interest and costs.

13 11. An action against a foreign sovereign arises under federal law for purposes of
14 Article III jurisdiction. *Verlinden B.V. v. Cent. Bank of Nigeria*, 461 U.S. 480 (1983). Here,
15 jurisdiction and procedure are governed by the FSIA. David Stewart, *The Foreign Sovereign*
16 *Immunities Act: A Guide for Judges*, p. 18 (Federal Judicial Center International Litigation Guide
17 2013). However, for most purposes, the statute itself does not provide the substantive law, but
18 provides that where no immunity exists, foreign states "shall be liable in the same manner and to the
19 same extent as a private individual under like circumstances." 28 U.S.C. §1606. Thus, state substantive
20 law is controlling on most issues of liability in FSIA cases. *First Nat'l City Bank v. Banco Para El*
21 *Comercio Exterior de Cuba*, 462 U.S. 611, 620, 622, n.11 (1983).

22 12. This dispute arises from the QAF’s breach of a commercial Consultancy Services
23 Agreement (Tender No. TAC/PD/DC/S/88/2013-2014)(“the Agreement”) with DSS, part of which
24 was performed in Fullerton, California, and which performance elsewhere in Qatar had a direct effect
25 and foreseeable financial consequences in this District. *Seetransport Wiking Trader v. Navimpex*
26 *Centrala*, 989 F.2d 572, 580 (2d Cir. 1993), finding subject matter and personal jurisdiction under
27 FSIA, even where contract was never performed.

1 13. The FSIA, 28 U.S.C. 1605 et seq., is “the sole basis for obtaining jurisdiction over
2 a foreign state in our courts.” *Argentine Republic v. Amerada Hess Shipping Corpo*, 488 U.S. 428,
3 434 (1989).

4 14. “Under international law, states are not immune from the jurisdiction of foreign
5 courts insofar as their commercial activities are concerned, and their commercial property may be
6 levied upon for the satisfaction of judgments rendered against them in connection with their commercial
7 activities.” 28 U.S.C. 1602. A foreign state, or its agency or instrumentality, is immune from the
8 District Court’s subject matter jurisdiction, if the particular lawsuit does not come within an exception
9 set forth in 28 U.S.C. §§1605-1607. 28 U.S.C. §1604; *Republic of Argentina v. Weltover*,
10 *Inc.(Weltover)* 504 U.S. 607, 610-11 (1992).

11 15. This Court has subject matter jurisdiction over the government of THE STATE OF
12 QATAR,, and its MOD, QAF, and MOEC, because they are not immune from the jurisdiction of the
13 courts of the United States under the FSIA, since they **waived** their immunity explicitly or by
14 implication, pursuant to 28 U.S.C. §1605(a)(1).

15 16. The Qatar Defendants are within the **implied waiver exception** to sovereign
16 immunity under 28 U.S.C. §1605(a)(1). “[T]he courts have found [implicit] waivers in cases where a
17 foreign state has agreed to arbitration in another country.” H.R. Rep. No. 94-1487, at 48 (1976),
18 reprinted in 1976 U.S.C.C.A.N. 6605, 6617; *Seetransport Wiking Trader v. Navimpex Centrala*,
19 989 F.2d 572, 578-79 (2d Cir. 1993); *Stati v. Republic of Kazakhstan* 199 F. Supp. 3d 179, 187-
20 88 (D.D.C. 2016) finding Kazakhstan’s agreement to arbitrate in Sweden operates as an implied
21 waiver of immunity to suit in the United States; *M.B.L. Int’l contractors v. Republic of Trinidad*
22 *Tobago*, 725 F.Supp. 52, 54-55 (D.D.C. 1989); *Iptrade Int’l S.A. v. Federal Republic of Nigeria*,
23 465 F.Supp.824, 826 (D. D.C. 1978).

24 17. This Court also has subject matter jurisdiction over the government of THE
25 STATE OF QATAR,, and its MOD, QAF, and MOEC, because they are not immune from the
26 jurisdiction of the courts of the United States under the FSIA, since this action is based upon a
27 **commercial activity** carried on by the State of Qatar and its MOD, QAF and MOEC, in the United
28 States, and is based upon an act performed in the United States in connection with a **commercial**

1 **activity** of the State of Qatar and its MOD, QAF and MOEC, elsewhere, and upon an act outside the
2 territory of the United States in connection with a **commercial activity** of the State of Qatar and its
3 MOD, QAF and MOEC, elsewhere and that act causes a **direct effect** in the United States, pursuant
4 to §1605(a)(2). *S. Davis Int'l v. Repub. of Yemen*, 218 F.3d 1292, 1302 (11th Cir. 2000).

5 18. The subject matter of the Consultancy Services Agreement is commercial, as
6 defined in the FSIA. 28 U.S.C. 1603(d): “A ‘commercial activity’ means either a regular course of
7 commercial conduct or a particular commercial transaction or act. The commercial character of an
8 activity shall be determined by reference to the nature of the course of conduct or particular transaction
9 or act, rather than by reference to its purpose.” “The term ‘commercial’ as used in the New York
10 Convention, though it does not have a specific statutory definition, refers to ‘matters or relationships,
11 whether contractual or not, that arise out of or in connection with commerce.” *Belize Social Dev. Ltd.*
12 *V. Gov’t of Belize*, 794 F.3d 99, 103-04 (D.C.Cir. 2015), citing Restatement (Third) of U.S. Law of
13 Int’l Commercial Arb. §1-1 (2012); Restatement (Third) of Foreign Relations Law §487 cmt. F
14 (1987), explaining that “the fact that an agreement to arbitrate is in the contract between a government
15 and a private person may confirm its commercial character;” and *Island Territory of Curacao v.*
16 *Soliltran Devices, Inc.* 356 F.Supp. 1, 13 (S.D.N.Y. 1973), and further finding “the dispute in this
17 case, which arises out of a service contract between a company and a government to provide biometric
18 and electronic passports...clearly ‘arise[s] out of or in connection with commerce.’” See also, *Stati v.*
19 *Republic of Kazakhstan*, 199 F.Supp.3d 179, 187 (D.D.C. 2016), citing *Diag-Human, S.E. v.*
20 *Czech Republic-Ministry of Health*, 824 F.3d 131, 135-36 (D.C. Cir. 2016); *S. Davis Int'l v.*
21 *Repub. of Yemen*, 218 F.3d 1292, 1302-3 (11th Cir. 2000), finding “just a contract” was within the
22 “commercial activity exception,” and stating “‘import-export transaction involving sales to, or purchases
23 from, concerns in the United States’ are included within the conduct of the first clause of §1605(a)(2)
24 and defining commercial activity under §1603(d) to include ‘a single contract, if of the same character
25 as a contract which might be made by a private person;” and *Harris Corp. v. National Iranian Radio*
26 *Television*, 691 F.2d 1344, 1351 (11th Cir. 1982), finding “a letter of credit arrangement [had] a
27 sufficiently direct effect in the United States, and thus ha[d] significant foreseeable financial
28 consequences here,” as to fall within the commercial activity exception. “[A]n effect is ‘direct’ if it

1 follows as an immediate consequence of the defendant's activity. *Weltover* at 618, (quoting *Weltover,*
2 *Inc. V. Republic of Argentina*, 941 F.2d 145, 152 (2d Cir. 1991).” *Miel v. Republic of Iraq*, 573
3 F.Supp.2d 781, 794 (S.D.N.Y. 2008).

4 19. A contract between a foreign state and a private party for the purchase and sale of
5 goods and services is presumptively commercial. *Practical Concepts, Inc. v. Republic of Bolivia*,
6 811 F.2d 1543, 1549 (D.C. Cir. 1987); *Hilaturas Miel, S.L. v. Republic of Iraq*, 573 F. Supp. 2d
7 781 (S.D.N.Y. 2008) (government agreement to purchase yarn). Even "a contract to buy army boots
8 or even bullets is a 'commercial' activity, because private companies can similarly use sales contracts to
9 acquire goods." *Weltover*, 504 U.S. at 614-15; see for e.g., *Ministry of Def & Support for Armed*
10 *Forces of Islamic Republic of Iran v. Cubic Def. Sys., Inc.*, 385 F.3d 1206 (9th Cir. 2004) (sale
11 and servicing of Air Combat Maneuvering Range); *Joseph v. Office of the Consulate Gen. Of*
12 *Nigeria* 830 F.2d 1018, 1023 (9th Cir. 1987)(“a contract to purchase military supplies, although clearly
13 undertaken for public use, is commercial in nature...);” *Park v. Shin*, 313 F.2d 1138, 1145 (9th Cir.
14 2002)(quoting *Joseph*); *UNC Lear Servs., Inc. v. Kingdom of Saudi Arabia*, 581 F.3d 210 (5th Cir.
15 2009), *cert. denied*, 559 U.S. 971 (2010) (repair services for F-5 aircraft parts and components);
16 *Virtual Def. Dev. Int'l Inc. v. Republic of Moldova*, 133 F.Supp. 2d 1 (D.D.C. 1999) (contract for
17 sale of MIG-29 aircraft). A motor vehicle lease is a "commercial" activity, even where usage is limited
18 to official business of a foreign government mission to the United Nations. *Ford Motor Co. v. Russian*
19 *Fed'n*, No. 09 Civ. 1646 (JGK), 2010 WL 2010867, at *4 (S.D.N.Y. May 10, 2010). Contracts for
20 legal services have also been held to fall within this exception. *Embassy of Fed. Republic of Nigeria v.*
21 *Ugwuonye*, 901 F. Supp. 2d 136, 140-41 (D.D.C. 2012).

22 20. Where, as here, the foreign state and its agencies and instrumentalities, unfairly,
23 unlawfully and fraudulently lock out a U.S. minority shareholder's interest in, and management of, a
24 foreign company, thereby denying the minority shareholder's share of the company's earnings and
25 dividends, causing a foreseeable interruption of the contractual flow of capital, management personnel,
26 engineering data, machinery, equipment, materials, and packaging between the foreign state and the
27 United States, that foreseeable interruption substantially and directly affects the United States and is
28 sufficient to satisfy the commercial activities exception. David Stewart, *The Foreign Sovereign*

1 *Immunities Act: A Guide for Judges*, p. 54 (Federal Judicial Center International Litigation Guide
2 2013), citing *Foremost-McKesson, Inc. v. Islamic Republic of Iran*, 905 F.2d 438 (D.C. Cir. 1990).

3 21. Moreover, criminal acts in the course of business or trade, such as bribery,
4 forgery, or fraud, can constitute commercial activity where they are conduct in which private parties can
5 engage. See for e.g., *Keller v. Cent. Bank of Nigeria*, 277 F.3d 811, 816 (6th Cir. 2002).

6 22. The State of Qatar has also entered into numerous commercial contracts with
7 persons to provide consulting, public relations, offensive cyber and other lawful and unlawful
8 commercial services in order to further the State of Qatar's public relations efforts and economic
9 and commercial interests.

10 23. This Court also has subject matter jurisdiction over the government of THE
11 STATE OF QATAR,, and its MOD, QAF, and MOEC, because they are not immune from the
12 jurisdiction of the courts of the United States under the FSIA, since the action seeks to enforce an
13 agreement made by the State of Qatar and its MOD, QAF, and MOEC, with or for the benefit of DSS
14 to submit to **arbitration** all or any differences which have arisen or which may arise between the parties
15 with respect to a defined legal relationship, concerning a subject matter capable of settlement by
16 arbitration under the laws of the United States, including the Federal Arbitration Act, 9 U.S.C. 201 et
17 seq., and FSIA, 28 U.S.C. 1605 et seq., where the agreement is subject to the New York Convention,
18 which is a treaty or other international agreement in force for the United States calling for the
19 recognition and enforcement of arbitral awards, and since the underlying claim, save for the agreement
20 to arbitrate, could have been brought in a United States court under 28 U.S.C. §1605 or §1607,
21 pursuant to §1605(a)(6).

22 24. The State of Qatar and its MOD and QAF have agreed in writing to arbitrate this
23 commercial dispute before the International Chamber of Commerce, International Court of Arbitration
24 in London, England, pursuant to Article 56.1 of the Consultancy Services Agreement, and subject to
25 the New York Convention, pursuant to the FAA, 9 U.S.C. §201. The Qatar Defendants are therefore
26 within the arbitration exception to sovereign immunity under 28 U.S.C. §1605(a)(6). *Creighton Ltd. v.*
27 *Government of the State of Qatar*, 184 F.3d 118, 123-24 (D.C. Cir. 1999)(decided before Qatar
28 became a signatory to the New York Convention in 2002), "Indeed, it has been said with authority that

1 the New York Convention ‘is exactly the sort of treaty Congress intended to include in the arbitration
2 exception...Accordingly we hold that the district court has subject matter jurisdiction over this case
3 pursuant to the arbitration exception in §1605(a)(6);’ *S. Davis Int’l v. Repub. of Yemen*, 218 F.3d
4 1292, 1302 (11th Cir. 2000), “we find that the district court has subject matter jurisdiction pursuant to
5 the arbitration exception under §1605(a)(6)(B)...;” *Africard Co. Ltd. V. Republic of Niger*, 210
6 F.Supp.3d 119, 124-5 (D.D.C. 2016), “It is well settled that the New York Convention gives rise to
7 jurisdiction under the treaty exception,” quoting *Cargill Int’l S.A. v. M’T Pavel Dybenko*, 991 F.2d
8 1012, 1018 (2d Cir. 1993); *Stati v. Republic of Kazakhstan*, 199 F.Supp.3d 179, 189 (D.D.C.
9 2016), “when a foreign state agrees to arbitrate in a country that has signed the New York Convention,
10 it waives its sovereign immunity in all of the signatory countries...”

11 25. The United States, Qatar and the United Kingdom are now signatories to the New
12 York Convention, and the subject matter of the dispute is not entirely domestic in scope, because it
13 involves a dispute arising in both California and Qatar, among non-citizens of the United States.
14 *Africard Co. Ltd. V. Republic of Niger*, 210 F.Supp.3d 119, 123 (D.D.C. 2016).

15 26. The Federal Arbitration Act codifies the U.N. Convention on the Recognition and
16 Enforcement of Foreign Arbitral Awards, June 10, 1958, 21 U.S.T. 2517, 330 U.N.T.S. 3 [known as
17 the New York Convention], into U.S. law. 9 U.S.C. §201-207 (2010). Section 202 of the FAA
18 specifies that: “[a]n arbitration agreement or arbitral award arising out of a legal relationship, whether
19 contractual or not, which is considered as commercial ...falls under the [New York] Convention.” “An
20 action or proceeding falling under the Convention shall be deemed to arise under the laws and treaties
21 of the United States. The district courts of the United States ... shall have original jurisdiction over such
22 an action or proceeding, regardless of the amount in controversy.” 9 U.S.C. §203; *Africard Co. Ltd.*
23 *V. Republic of Niger*, 210 F.Supp.3d 119, 123 (D.D.C. 2016); *Stati v. Republic of Kazakhstan*,
24 199 F.Supp.3d 179, 190 (D.D.C. 2016), finding all that is required for jurisdiction under the FSIA is a
25 ‘non-frivolous’ argument that the controversy is covered by the [New York] Convention,” citing
26 *Chevron Corp. V. Ecuador*, 795 F.3d 200, 204 (D.C. Cir. 2015), and *Agadas Chasidei Chabad of*
27 *U.S. v. Russian Fed’n*, 528 F.3d 934, 941 (D.C. Cir. 2008).

1 “foreign states are not ‘persons’ protected by the Fifth Amendment;” *Africard*, at 126; “[F]oreign
2 sovereigns and their extensively controlled instrumentalities are not ‘persons’ under the Fifth
3 Amendment’s Due Process Clause— and thus have no right to assert a personal jurisdiction defense.”
4 *GSS Grp. Ltd. V. Nat’l Port Auth.*, 680 F.3d 805, 809 (D.C.Cir. 2012). “Instead, the provisions of
5 the FSIA determine whether a court can exercise personal jurisdiction over a foreign sovereign.”
6 *Africard* at 126; see also, *Frontera Res. Azerbaijan Corp. v. State Oil Co. of Azerbaijan Republic*,
7 582 F.3d 393 (2d Cir. 2009).

8 31. Similarly, since the MOD, QAF and MOEC, are agents of the government of the State
9 of Qatar they are not "persons" for purposes of the due process clause and cannot invoke the minimum
10 contacts test to avoid the personal jurisdiction of the district court. *TMR Energy Ltd. v. State Prop.*
11 *Fund of Ukraine*, 411 F.3d 296, 301-02 (D.C. Cir. 2005).

12 32. Qatar’s courts have no jurisdiction over this derivative action. This is not a matter
13 which can properly be determined by Qatar’s courts. Moreover, such courts cannot guarantee a secure
14 and fair hearing, nor provide a safe environment for all relevant parties to travel to and from the country
15 and attend the hearing. In fact, The Plaintiff has been advised by the U.S. Federal Bureau of
16 Investigation not to return to Qatar, because of threats to Plaintiff’s personal safety and because the
17 government of Qatar cannot guarantee a secure and fair hearing, nor provide a safe environment for all
18 relevant parties to travel to and from the country and attend the hearing. Qatar law prevents a civil
19 litigant from leaving the country throughout the pendency of any civil action through appeal and final
20 judgment. DSS and its managers and officers are unable to seek a fair hearing in Qatar, given the fact
21 that the beneficial shareholder in AI-Sedriah is a member of the Royal Family, and since the
22 government of the State of Qatar and its departments are the Defendants. No law firm in Qatar will
23 prosecute any such action, which involves the actions of a member of the Royal Family, as this case
24 does.

25 VENUE

26 33. Venue is proper in the District Court for the Central District of California under
27 28 U.S.C. §1391, because a substantial portion of the events giving rise to the Plaintiff’s claims
28 occurred in this District, and because the Defendants are subject to the Court’s subject matter and

1 personal jurisdiction with respect to acts of the Government of Qatar and its MOD, QAF and MOEC,
2 in this District, pursuant to the FAA and the FSIA. Alternatively, venue is proper in this judicial district
3 under 28 U.S.C. §1391J(b)(3) because there is no judicial district in a State in which all non-foreign
4 defendants are resident, and at least one Defendant is subject to personal jurisdiction in California.

5 **GENERAL ALLEGATIONS**

6 34. This dispute arises from the QAF's breach of the commercial Consultancy
7 Services Agreement (Tender No. TAC/PD/DC/S/88/2013-2014)("the Agreement") with DSS in
8 relation to the acquisition of a C4I system (command, control, communications, computers and
9 intelligence system) for Joint Operations Command, which was referred to by the parties as the Falcon
10 Project ("the Project"). This dispute concerns the Defendant QAF's failure to pay sums due and
11 outstanding to the Plaintiff pursuant to a contract for the provision of consultancy services, together with
12 the consequential damages suffered by the Plaintiff as a result of the non-payment of these sums and for
13 the detrimental reliance upon false representations made by the Defendant QAF. In addition, Plaintiff
14 has suffered consequential damages as a result of being blacklisted by the QAF, as a result of Plaintiff's
15 discovery of evidence of corruption in a number of acquisitions of defense systems by Qatar.

16 35. QAF awarded the Agreement to DSS, and Terms and Conditions were signed by
17 QAF, and the delivery of services under the Agreement commenced shortly thereafter, in or around
18 March 2015. A copy of the final Agreement, including terms and conditions, is appended hereto as
19 Exhibit A, including Annexes A-E.

20 36. Pursuant to the terms of the Agreement, DSS agreed to supply the defined Scope
21 of Services and Deliverables and additional consultancy services to the QAF in accordance with the
22 terms of the Agreement. It was an express term of the Agreement that DSS shall perform the Services
23 as specified in the Scope of Work, Article 3.2.

24 37. The Scope of Work, which is attached to the Terms and Conditions as Appendix
25 A, provides for the Project to be run as a turnkey project, with eight milestones. Although the
26 Agreement has a term of twelve months, nothing in the Agreement provides that the Agreement
27 terminates at the end of this twelve month period, nor is there a contractual requirement for the Services
28 and Deliverables to be completed by the end of this twelve month period.

1 38. Indeed, the Scope of Work clearly indicates that the aim of the Agreement is for
2 the acquisition of the JOC C4I System and accordingly the milestones are described against only an
3 "anticipated delivery time frame" of twelve months. The contract gives the QAF the right to obtain
4 additional consultancy services, which were subsequently agreed upon. On January 10, 2016, the QAF
5 confirmed through Deputy Director of the Falcon Project, Lt. Col. Masser Al-Ghanim, that DSS had
6 met all milestones to date, and that "the project will likely be extended by an additional six months."

7 39. Shortly after the QAF signed the contract with DSS, QAF signed an agreement
8 with Raytheon to participate in five joint working groups to learn about and evaluate Raytheon's C4I
9 solution for joint command and control and for other military operation centers. Two of the joint
10 working groups were in Fullerton, California, and three of the joint working groups were in Qatar.
11 Raytheon was seeking a sole source award from the QAF, which was then considering a sole source
12 award to Raytheon.

13 40. The consultancy services commenced in March 2015, and continued with two
14 DSS consultants traveling to Fullerton, California for two weeks in May 2015 and another two weeks
15 in July 2015 to provide consultancy services to the QAF and to evaluate Raytheon's C4I system and
16 system functionality for the QAF. The remainder of the DSS consultants provided advisory services
17 and participated in the working groups in Fullerton, California via a conference link with the three
18 working groups in Qatar. All tolled, 1150 hours over 143.75 days of consulting services were provided
19 by ten DSS consultants in five joint working groups, and an additional 120 hours over 15 days were
20 provided by seven DSS consultants reviewing Raytheon's Falcon Project Proposal, Raytheon's
21 Proposal, and Thalas' Proposal.

22 41. The QAF Falcon Project Committee consisted of well over a dozen officers
23 ranging from the rank of Captain to Brigadier General from all different branches of the Qatar military.
24 The Falcon Project Committee officers also traveled to the United States twice in May and July of
25 2015, and participated in the working groups in Fullerton, California, to evaluate Raytheon's C4I
26 solutions. Raytheon subsequently presented an unsolicited C4I proposal to QAF at the end of the
27 working groups.
28

1 42. By agreement between the parties, DSS additional consulting services were
2 invoiced between November 2015 and March 2018, in the amount of QAR30,057,335. As of March
3 7, 2018, the outstanding balance on these invoices, including interest, expenses, performance and
4 advance payment guarantees is QAR 33,673,832 (US \$9,183,415). The outstanding invoices include
5 the work performed by DSS consultants during the working groups in Fullerton, California. To date,
6 the outstanding balance has not been paid. In addition, DSS was never reimbursed tens of thousands of
7 dollars for its expenses for this work, including airline tickets, car rental, meals, and insurance coverage
8 for the consultants and managers in the United States.

9 43. Article 29 and 30 of the Consultancy Services Agreement provide that only the
10 QAF, and not DSS, may terminate the agreement for convenience and for default. DSS has no
11 contractual rights of termination. Article 31 of the agreement provides that the QAF may also suspend
12 the performance of the agreement.

13 44. However, neither the right to terminate or to suspend the agreement was
14 exercised by the QAF, and DSS was obligated to continue to perform under the Agreement, which
15 included maintaining consultants for the Project.

16 45. Notwithstanding some initial expansion of the scope of the Project, milestones 1
17 to 5 (which comprise Phase One of the Project) were all performed and delivered by DSS in
18 accordance with the terms of the Agreement and within the twenty-six week time frame anticipated.
19 No performance issues were raised and invoices were issued by DSS and duly paid by the QAF.
20 Similarly, milestone 6 was duly performed, invoices submitted and subsequently paid by the QAF.
21 Accordingly, nothing concerning milestones 1 to 6 are part of the dispute between the QAF and DSS.

22 46. Thereafter, however, significant delays occurred to the Project, either at the
23 specific request of the QAF or as a direct result of its actions or omissions. These delays were caused
24 by a number of different factors, including:

25 A. Delays were caused by the Qatar Minister of Defense - specifically by repeatedly
26 changing the Project Director, the individual responsible for the delivery of the overall project for the
27 QAF. In this regard, the Project Director was changed from Brigadier General Hassan Al Ali to
28 Brigadier General Abdul Aziz Al Dossari; then changed back to Brigadier General Hassan Al Ali; and

1 then to Brigadier General Mohammed Abdul Latif Al-Mannai. Each change caused considerable delays
2 as a result of the new Project Director wanting to learn about the Project and then making changes to
3 the scope of the Project.

4 B. Delays were caused by the Emiri Diwan - following the sharp decline in oil prices
5 in 2016, the Qatari government considered the ways in which expenses to all non-World Cup 2022
6 projects could be cut. In particular, the Emiri Diwan commenced a project review process which
7 resulted in significant delays.

8 C. Delays were caused by the Respondent's Tender Committee - in response to requests
9 for further time from third party international defense companies, the QAF granted extensions to
10 proposed deadlines for further tenders, which impacted the Project.

11 47. The QAF has confirmed that DSS delivered all milestones on time and has
12 accepted responsibility for these delays, thereby extending the time for DSS' collection of the
13 outstanding invoices.

14 48. In particular, the QAF admitted responsibility for the delays in a letter from
15 Brigadier General Mohammed Abdul Latif Al-Mannai, copied to the Qatar Minister of Defense. QAF's
16 Project leadership assured DSS (and its consultants, who are retired military personnel from the United
17 States, United Kingdom, Germany, Pakistan and Canada) on several occasions that DSS would be
18 paid for the Project delays.

19 49. As a direct result of the delays, DSS was assured in several meetings including on
20 October 24, 2016 (some 19 months after the start of the Project) that if DSS continued to support the
21 Project, maintaining its operations and performing tasks assigned to DSS, then (i) second and
22 subsequent phases of the Project would take place in due course; (ii) DSS would be entitled to
23 complete its work under the Project; and (iii) DSS would receive payment in full for the outstanding
24 invoices and for the delays which had occurred.

25 50. In strict reliance upon these representations, DSS continued to support the Project
26 and to perform those tasks assigned to DSS. Invoices for this work in the amount of QAR 16,087,456
27 (approximately US \$4,419,626) were duly submitted by DSS, but were not paid within the 45-day
28 payment time frame, nor have been paid at any time thereafter.

1 of Plaintiff's claims than it was due. and received lesser sums in partial payment of Plaintiff's claims than
2 it was due.

3 63. Plaintiff's reliance on Defendants' representations and warranties was justified
4 inasmuch as they represented themselves to be Qatari security and defense professionals with expertise
5 as to Plaintiff's operations, and further represented that they were acting in good faith.

6 64. As a proximate result of Defendants' fraudulent misrepresentations and breach of
7 their fiduciary duties, the Plaintiff has incurred costs, expenses and attorneys' fees in the defense of
8 claims made against the Plaintiff, which has further proximately and consequentially resulted in other
9 adverse financial consequences and damages, in an amount believed to be more than \$10 million, which
10 is subject to further proof at trial.

11 65. At the time the Defendants engaged in the conduct alleged herein, they were guilty
12 of intentional conduct and/or despicable conduct which was carried on by Defendants with, a conscious
13 disregard of the Plaintiff's rights, malice, fraud, or oppression. Defendants were possessed of the full
14 knowledge as to the rights and interests of the Plaintiff described herein, and acted in reckless
15 indifference and wanton disregard of those rights, and otherwise acted in a despicable manner in doing
16 the acts described herein thereby causing cruel and unusual hardship to the Plaintiffs. Therefore,
17 Plaintiff is entitled to an award of punitive and exemplary damages against the agencies and
18 instrumentalities of the State of Qatar. 28 U.S.C. 1606.

19 **THIRD CAUSE OF ACTION**

20 **(Negligent Misrepresentation as to all Defendants)**

21 66. Plaintiff refers to and re-alleges paragraphs 1 through 65, inclusive, and
22 incorporates the same herein by reference as though fully set forth, and alternatively pleads as follows.

23 67. At various times since October 2016, Defendants negligently misrepresented to
24 Plaintiff that they would pay for the additional consultancy services for the QAF in accordance with the
25 terms of the above described Consultancy Services Agreement. These misrepresentations were made
26 both in writing and orally, through means electronic and mechanical, via Defendants' principals and
27 agents, including, but not limited to, Dr. Khalid bin Mohammad Al Attiyah, and others.
28

1 enriched during the time in which the above described wrongful practices occurred, to the detriment of
2 DSS. Defendants obtained the benefit from DSS by fraud or the taking of an undue advantage.
3 Defendants profited by engaging in the wrongful conduct set forth in this Complaint. Defendants also
4 wrongfully converted funds belonging to DSS. As a result, Plaintiff seeks recovery of Defendants' ill-
5 gotten gains and profits obtained at Plaintiff's expense.

6 74. Defendants' enrichment is directly and causally related to the detriment of DSS.

7 75. These benefits were accepted by Defendants under such circumstances that it
8 would be inequitable for these benefits to be retained without payment. As alleged herein, Defendants
9 breached their fiduciary duties and/or abused their positions of control over DSS and therefore
10 Defendants are not justified to retain the benefits conferred upon them.

11 76. The acts, false representations and wrongful conduct of Defendants damaged
12 Plaintiff financially. As a direct and proximate result of Defendants' unjust enrichment and having and
13 receiving the consultancy services, Plaintiff has been damaged in an amount reasonably believed to be in
14 excess of \$4.5 million, and has sustained, and will continue to sustain, monetary damages, including
15 interest, in an amount to be determined according to proof at time of trial.

16 77. The aforementioned acts of Defendants, and each of them, were intentional,
17 wilful, wanton, malicious, fraudulent, oppressive, in conscious disregard of Plaintiff's rights, were
18 undertaken by them with the intent to injure Plaintiff, and constituted despicable conduct that subjected
19 Plaintiff to cruel and unjust hardship also in conscious disregard of Plaintiff's rights so as to justify an
20 award of punitive and exemplary damages pursuant to Cal. Civil Code §3294. Defendants were
21 possessed of the full knowledge as to the rights and interests of the Plaintiff described herein and
22 Defendants acted in reckless indifference to and with wanton disregard of Plaintiff's rights in doing the
23 acts described herein. By reason of these act, Plaintiff is entitled to punitive and exemplary damages
24 against the agencies and instrumentalities of the State of Qatar in an amount according to proof at the
25 time of trial, and in order to deter said Defendants and others similarly situated from similar unlawful
26 conduct in the future.

FIFTH CAUSE OF ACTION

**(Unfair Competition Violation of Business and Professions Code §17200 et seq.,
as to all Defendants)**

78. Plaintiff refers to and re-alleges paragraphs 1 through 77, inclusive, and incorporates the same herein by reference as though fully set forth, and alternatively pleads as follows.

79. This cause of action is brought by reason of Plaintiff having sustained actual harm and injury in fact resulting from the unlawful, unfair and fraudulent business practices on the part of the Qatar Defendants, and each of them. Plaintiff has been directly harmed and affected by the unlawful, unfair and fraudulent business practices conducted by the Qatar Defendants, and each of them, within the last four years. Said conduct further violates public policy and is unethical, fraudulent, oppressive, and injurious to persons seeking to utilize the Plaintiff's consultancy services.

80. On or about March 21, 2018, the MOD unlawfully, unfairly and fraudulently instructed DSS to cease all efforts to both arbitrate this dispute and prosecute said causes of action against the Qatar Defendants, and threatened that if such instructions were not followed, DSS and its shareholders would be subjected to sanctions and reprisal by the State of Qatar.

81. Plaintiff seeks the statutory remedies of Cal. Business & Professions Code Section 17200 et seq., including, but not limited to, restitution and disgorgement of all monies paid or to be paid pursuant to the Consultancy Services Agreement, resulting from the Qatar Defendants' unfair, unlawful, fraudulent conduct.

82. Plaintiff has demanded that the Qatar Defendants cease and desist from engaging in the unfair business practices and unlawful conduct described herein; yet despite such demand said Defendants have failed and refused, and continue to fail and refuse, to cease and desist from all efforts to prevent the arbitration and/or litigation of this dispute.

83. Plaintiff is informed and believes and thereon alleges that as a direct and proximate result of the aforementioned unfair, unlawful and fraudulent acts and practices on their part, the Qatar Defendants wrongfully withheld at least \$4.5 million of monies acquired by means of unfair competition, belonging to the Plaintiff, which has resulted in the unjust enrichment of said Defendants at the expense of the Plaintiff. As a direct result thereof, Plaintiff is entitled to restoration and restitution of

1 all illegally withheld monies, and requests that this court issue an order requiring said Defendants, and
2 each of them, to restore and return all such amounts to the Plaintiff.

3 84. Plaintiff hereby requests that this Court issue an order requiring the Qatar
4 Defendants to disgorge all such unlawfully, unfairly and fraudulently acquired amounts to Plaintiff.

5 85. As a result of the foregoing alleged unfair, unlawful, and fraudulent business
6 practices on the part of the Qatar Defendants, Plaintiff is entitled to a temporary restraining order,
7 preliminary injunction and permanent injunction, enjoining the Qatar Defendants from allowing the
8 dissolution of DSS, before the claims in this action are resolved and all creditors of DSS are fully
9 satisfied.

10 86. In doing the things alleged herein on the part of the agencies and instrumentalities
11 of Qatar, they acted despicably, with malice, fraud and oppression, and wilfully intended to defraud and
12 cause injury to Plaintiff in conscious disregard of Plaintiff's rights under the Consultancy Services
13 Agreement, thereby justifying an award of punitive and exemplary damages against the agencies and
14 instrumentalities of the State of Qatar in an amount appropriate to punish said Defendants and to deter
15 others from engaging in similar conduct.

16 87. In the event the Plaintiff is successful in the prosecution of this action, then the
17 Plaintiff is entitled to the recovery of its attorneys' fees and costs in accordance with Cal. Code of Civil
18 Procedure Section 1021.5 in that the prosecution of this action will likely result in the enforcement of an
19 important right affecting the public interest and because a significant benefit will have been conferred on
20 the general public by reason of this action.

21 **SIXTH CAUSE OF ACTION**

22 **(Interference with Prospective Economic Advantage as to all Defendants)**

23 88. Plaintiff refers to and re-alleges paragraphs 1 through 87, inclusive, and
24 incorporates the same herein by reference as though fully set forth, and alternatively pleads as follows.

25 89. Plaintiff enjoyed and economically benefitted from, and continues to enjoy and
26 benefit from, its prospective economic relationships with its consultancy clients, including the State of
27 Qatar and its MOD, QAF, and MOEC, vendors, consultants, and defense contractors in the United
28 States, United Kingdom, Germany, Pakistan, and Canada with respect to advisory and consultancy

1 services for the acquisition of command, control, communications, computers and intelligence systems,
2 with regard to the following projects: Falcon Project Phase 2, QAR 124,915, 234 (U.S.
3 \$34,223,352), Tactical Data Link Advisory Services, QAR 5,868,720 (U.S. \$1,607,868), Joint
4 Electronic Warfare Advisory Services, QAR 23,034,146 (U.S. \$6,310,725), and Consultancy
5 Services for Acquisition of Corvette Naval ships, QAR 112,423,711 (U.S. \$30,801,017).

6 90. At all relevant times, the Qatar Defendants had actual knowledge of Plaintiff's
7 actual and prospective economic relationships with its consultancy clients, including the State of Qatar
8 and its MOD, QAF, and MOEC, vendors, consultants, and defense contractors in the United States,
9 United Kingdom, Germany, Pakistan, and Canada with respect to the acquisition of command, control,
10 communications, computers and intelligence systems, with regard to the following projects: Falcon
11 Project Phase 2, QAR 124,915, 234 (U.S. \$34,223,352), Tactical Data Link Advisory Services,
12 QAR 5,868,720 (U.S. \$1,607,868), Joint Electronic Warfare Advisory Services, QAR 23,034,146
13 (U.S. \$6,310,725), and Consultancy Services for Acquisition of Corvette Naval ships, QAR
14 112,423,711 (U.S. \$30,801,017).

15 91. The Qatar Defendants, and each of them, intentionally interfered with the
16 aforesaid actual and prospective economic relationships of the Plaintiff by blacklisting DSS from being
17 awarded these projects and any other work in Qatar, and by doing other and further things and/or acts
18 not presently known or ascertained by Plaintiff which things and/or acts have directly and intentionally
19 interfered with Plaintiff's economic relationships. When the true extent of the acts of interference on the
20 part of said Defendants are ascertained, Plaintiff will seek leave to amend this Complaint accordingly.

21 92. The acts of interference, false representations, and conduct of the Qatar
22 Defendants, and each of them, successfully interfered with, and greatly disrupted Plaintiff's actual and
23 prospective economic relationships with its consultancy clients, including the State of Qatar and its
24 MOD, QAF, and MOEC, vendors, consultants, and defense contractors in the United States, United
25 Kingdom, Germany, Pakistan, and Canada with respect to the acquisition of command, control,
26 communications, computers and intelligence systems, with regard to the following projects: Falcon
27 Project Phase 2, QAR 124,915, 234 (U.S. \$34,223,352), Tactical Data Link Advisory Services,
28 QAR 5,868,720 (U.S. \$1,607,868), Joint Electronic Warfare Advisory Services, QAR 23,034,146

1 (U.S. \$6,310,725), and Consultancy Services for Acquisition of Corvette Naval ships, QAR
2 112,423,711 (U.S. \$30,801,017).

3 93. As a direct and proximate result of the Qatar Defendants intentional interference
4 with said Plaintiff's prospective economic relationships, Plaintiff has sustained and will continue to
5 sustain, monetary damages in a sum in excess of \$10 million, to be determined according to proof at the
6 time of trial.

7 94. The aforementioned acts of said Defendants, and each of them, were wilful,
8 wanton, malicious and oppressive, and were undertaken by them with the intent to injure said Plaintiff
9 and constituted despicable conduct that subjected said Plaintiff to cruel and unjust hardship in conscious
10 disregard of Plaintiff's rights so as to justify an award of punitive and exemplary damages as to the
11 agents and instrumentalities of the State of Qatar.

12 **SEVENTH CAUSE OF ACTION**

13 **(Declaratory Relief as to all Defendants)**

14 95. Plaintiffs refer to and re-allege paragraphs 1 through 94, inclusive, and
15 incorporate the same herein by reference as though fully set forth, and alternatively plead as follows.

16 96. An actual controversy has arisen and now exists between Plaintiff and
17 Defendants regarding their respective rights, statutory, fiduciary and contractual duties and obligations in
18 that Plaintiff contends that Defendants are liable to Plaintiff pursuant to the Consultancy Services
19 Agreement. Defendants contend that they are not liable to Plaintiff.

20 97. Plaintiff desires a judicial determination of the respective rights of Plaintiff and
21 Defendants, and in particular, desire a declaration of Defendants' responsibility pursuant to the
22 Consultancy Services Agreement to pay for the additional consultancy services delivered by DSS to the
23 MOD and QAF.

24 98. As a result of the unfair, unlawful and fraudulent conduct of Lt. Col. Al-Mannai
25 and Abdulsalam Abu-Issa, conspired with the MOD to prevent the arbitration of this dispute, and
26 directing, receiving and facilitating the unauthorized payments by a U.S. third party defense contractor
27 of QAR 7,006,750 (US \$1,924,931), for no lawful consideration, to a member of the Royal Family,
28 Plaintiff is entitled to an injunction requiring any settlement of these claims be supervised by the Court in

1 order to insure proportional payment of any liquidated claims to all creditors of DSS according to their
2 equitable interests, after offset for any liabilities incurred.

3 99. Such a declaration is necessary and appropriate at this time so that the parties may
4 ascertain their rights and duties with respect to each other.

5 **DEMAND ALLEGATIONS**

6 100. On or about June of 2017, the DSS Board of Directors began to make efforts to
7 to pursue the above claims against the Qatar Defendants, including the GOVERNMENT OF THE
8 STATE OF QATAR, by and through its MOD and QAF. All 3 members of the board of directors
9 approved the retention of Cooley (UK) LLP, and subsequently agreed to pay, and paid Cooley (UK)
10 LLP for legal services to prosecute the causes of action herein, pursuant to Article 56 of the
11 Consultancy Services Agreement.

12 101. On or before, March 21, 2018, Plaintiff informed the board of directors in writing
13 of the ultimate facts of each cause of action herein alleged and demanded that the board of directors
14 take such action as is necessary for the corporation to prosecute the causes of action against the Qatar
15 Defendants. On April 15, 2018, the board of directors and the corporation refused and continue to
16 refuse, to prosecute this action and Plaintiff's efforts to obtain such action have failed because the other
17 2 members of the board of directors, one of whom is an officer in the QAF, were instructed by the
18 MOD to cease all efforts to both arbitrate this dispute and prosecute said causes of action against the
19 Qatar Defendants, and were further instructed that if such instructions were not followed, DSS and its
20 shareholders would be subjected to sanctions and reprisal by the State of Qatar.

21 102. On June 8, 2018, Plaintiff having been specifically authorized pursuant to Article
22 721 of the Qatar Civil Law No. (22) of 2004, Article 7 of the Articles of Association, and Article 719
23 of the Qatar Civil Law No. (22) of 2004, authorizing acts of management in preserving, maintaining,
24 and collecting the rights and settling the debts of the company, filed a Request for Arbitration of the
25 causes of action herein, before the International Chamber of Commerce International Court of
26 Arbitration, pursuant to Article 56 of the Consultancy Services Agreement.

27 103. On August 30, 2018, 2 of the 3 members of the Board of Directors, through
28 counsel at Dentons, prevented the requested arbitration, and thereafter sought to terminate the retention

1 of Cooley (UK), LLP, and unlawfully attempted to remove Plaintiff as a manager, director and board
2 member of DSS. As a result, DSS is entitled to the costs of the arbitration proceeding, including the
3 attorneys fees of counsel before the ICC International Court of Arbitration.

4 104. During late September of 2018, while 2 of the 3 members of the Board of
5 Directors were preventing the requested arbitration, the MOD became aware that Lt. Col. Al-Mannai
6 and AbdulSalam Abu-Issa, directed, received, and facilitated unauthorized payments by a U.S. third
7 party defense contractor of QAR 7,006,750 (US \$1,924,931), for no lawful consideration, to a
8 member of the Royal Family.

9 105. Between November 1, 2018, in an apparent quid pro quo to avoid prosecution for
10 which they could be charged for having directed, received and facilitated these bribes, Lt. Col. Al-
11 Mannai and AbdulSalam Abu-Issa, in breach of their fiduciary duty to DSS, further agreed to accept
12 the QAF's transfer of only QAR 9,021,550 (U.S. \$2,471,658) to DSS in exchange for their continuing
13 refusal to prosecute the causes of action in this action on behalf of DSS for the remaining outstanding
14 balance of QAR 16,087,456 (U.S. \$4,419,626).

15 106. In so refusing to prosecute this action the board of directors did not act in good
16 faith or in any reasonable belief that its refusal to commence this action was good business judgment or
17 in the best interest of the corporation. Rather, this refusal by the board of directors was in the exercise
18 of bad faith and breach of its fiduciary duty to maintain and defend the interests of the corporation.

19 107. The other 2 members of the DSS Board of Directors personally profited from the
20 wrongdoing alleged in this Complaint. They also lack the objectivity to judge their own misconduct.
21 Accordingly, a majority of the Board engaged in the wrongdoing and have interests adverse to
22 prosecuting these claims on behalf of DSS in a fair and unbiased manner. Thus, the DSS Board of
23 Directors could not exercise independent objective judgment in deciding whether to bring this action
24 nor in vigorously prosecuting the claims alleged herein.

25 108. Despite having knowledge of the history of the Qatar Defendants' misconduct
26 and the other 2 members of the DSS Board of Directors having facilitated unauthorized payments by
27 third parties to a member of the Royal Family, the current Board of Directors has failed and refused to
28 seek recovery for DSS for any of the causes of action for the misconduct alleged herein.

1 109. The majority of the directors cannot be relied upon to reach a truly independent
2 decision whether to commence the demanded action against themselves, the officers, and the Qatar
3 Defendants responsible for the misconduct alleged in this Complaint, because, among other things, the
4 Board is currently dominated by 2 of 3 Directors, who were personally and directly involved in the acts
5 of mismanagement, abuse of control and waste alleged and who each approved the actions complained
6 of, and to whose directives and views the Board has consistently acceded and will continue to accede.

7 110. The DSS Board's domination by these 2 of 3 directors inhibits the Board's ability
8 to validly exercise their business judgment and render them incapable of reaching an independent
9 decision whether to accept any demand by Plaintiff to address the wrongs detailed herein, as
10 exemplified by their inaction in the years since the wrongdoing began. The 2 of 3 members of the
11 Board of Directors are biased and cannot appropriately and fairly adjudicate any demand on the
12 Board.

13 111. If Plaintiff is successful in this action, a substantial benefit will result to the
14 nominal defendant DSS corporation on whose behalf this action is prosecuted and Plaintiff is entitled to
15 recover the attorneys' fees and costs incurred herein. As a result of the unfair, unlawful and fraudulent
16 conduct of Lt. Col. Al-Mannai and Abdulsalam Abu-Issa, preventing the arbitration of this dispute, and
17 directing, receiving and facilitating the unauthorized payments by a U.S. third party defense contractor
18 of QAR 7,006,750 (US \$1,924,931), for no lawful consideration, to a member of the Royal Family,
19 Plaintiff is entitled to an injunction requiring any settlement of these claims be supervised by the Court in
20 order to insure proportional payment of any liquidated claims to all creditors of DSS according to their
21 equitable interests, after offset for any liabilities incurred.

22 **WHEREFORE**, Plaintiff prays judgment against Defendants, the government of THE STATE OF
23 QATAR, by and through its MOD, QAF and MOEC, as follows:

- 24 1. For an award of actual, compensatory, and consequential monetary damages against all
25 Defendants, jointly and severally, in an amount to be determined according to proof at
26 time of trial;
- 27 2. For an award of restitution and disgorgement of all illicit proceeds generated as a result
28 of the wrongful conduct alleged herein;

- 1 3. For an award of pre-judgment interest at the maximum legal rate on all sums awarded;
- 2 4. For an award of reasonable attorneys fees and costs of suit incurred herein;
- 3 5. For an award of punitive and exemplary damages;
- 4 6. For a declaration of the parties respective rights and liabilities pursuant to their
- 5 agreements, statutory and common law duties to one another;
- 6 7. For an injunction requiring any settlement of these claims be supervised by the Court in
- 7 order to insure proportional payment of any liquidated claims to all creditors of DSS
- 8 according to their equitable interests, after offset for any liabilities incurred;
- 9 8. For such other and further relief as this Court may deem to be fair, just and proper.

10 Dated: September 25, 2019

WEBB & CAREY APC

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/s/Patrick D. Webb
Patrick D. Webb
Attorneys for Plaintiff Tarek A. Fouad, derivatively on
behalf of DIGITAL SOULA SYSTEMS

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EXHIBIT A