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**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA, FLORIDA

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HALCYON PARTNERS, INC.,

Plaintiff,

CIV. 8:00-cv-1409-T-26C

- against -

**GERALD C. PARKER and
ANDREW M. BADOLATO,**

Defendants.

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COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

JURY TRIAL DEMANDED

The plaintiff Halcyon Partners Inc. ("HPI"), by its undersigned counsel, hereby alleges the following as its complaint against the defendants Gerald C. Parker and Andrew Badolato:

1. The plaintiff Halcyon Partners Inc. ("HPI") is a corporation organized and existing under the laws of the State of California. It maintains its principal place of business in Los Angeles, California.
2. Upon information and belief, the defendant Gerald C. Parker is Chairman of Investment Management of America, a merchant bank specializing in venture capital and mergers and acquisitions ("IMA"). He maintains his residence in Sarasota, Florida.
3. Upon information and belief, defendant Andrew Badolato is CEO and a founder of IMA. He resides at 3108 Casey Key Road, Osprey, Florida 34229.

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JURISDICTION AND VENUE

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332 in that the matter in controversy exceeds the sum or value of \$75,000.00, exclusive of interest and costs, and is between a citizen of a State of the United States and a citizen of another State of the United States.

5. Venue in this District is proper under 28 U.S.C. § 1391(a), in that the defendants reside in this District.

FACTS UNDERLYING ALL CLAIMS

6. On information and belief, in or about September 1997, defendants Parker and Badolato owned, operated and managed an investment firm named St. James Capital, which operated out of offices in Safety Harbor and Clearwater, Florida.

7. St. James was in the business of acting as a financial consultant and advisor to a number of start-up corporations. St. James' clients included Inktomi Corporation, at the time a California corporation (now incorporated in Delaware) ("Inktomi"), Triton Network Systems Inc., a Florida corporation ("Triton"), Military Commercial Technologies, Inc., a Florida corporation ("Milcom"); and Paralogic Corporation, a Florida corporation ("Paralogic"). Paralogic has since been renamed TeraNex Corporation ("TeraNex"). The shares of Inktomi are publicly traded, and, on information and belief, the shares of Triton will be publicly traded on or about July 15, 2000.

8. On information and belief, defendants Parker and Badolato, St. James, and their new firm, Investment Management of America, Inc. were paid for services rendered to Inktomi and Milcom, in shares of stock in these companies and shares in Triton and TeraNex and warrants to purchase shares in Inktomi.

9. The shares of stock issued to defendants and the shares of stock underlying the warrants granted to defendants were "restricted" and could not be sold except in transactions exempt for registration under the U.S. Securities Act of 1933, as amended, (the "Act") and applicable state securities laws.

10. As such, all of such shares were illiquid in the hands of Parker, Badolato and St. James.

11. Defendants approached Guilhem Castagne, a former St. James employee, on or about September of 1997 and offered to sell some or all of the shares in Inktomi, Triton, Milcom and TeraNex to Mr. Castagne's company, Premier Ventures Limited ("PVL") in a private transaction.

12. Thereafter, Mr. Castagne agreed to purchase certain of the shares, or otherwise assist defendants in exercising warrants, on at least six separate occasions.

13. In each case the purchase of shares or exercise of warrants was memorialized in an Agreement between defendants Parker and/or Badolato on the one hand, and Castagne's investment firm, PVL, on the other (the "Purchase Contracts"). Each of the Purchase Contracts provided for the payment by Parker and Badolato of the attorney's fees of PVL resulting from "any dispute that may arise in the future over this Agreement".

14. PVL entered into the following transactions with Parker and Badolato, each represented by separate Purchase Contracts:

(A) On or about April 10, 1998, PVL provided defendant Parker with \$75,339.50 in order to exercise a warrant to purchase 22,655 Inktomi Shares at a price of \$3.3255 per share, which warrant was due to expire on April 21, 1998;

(B) On April 21, 1998 PVL purchased 100,000 shares of Triton from Parker for a purchase price of \$1.50 per share, for an aggregate purchase price of \$150,000.;

(C) On May 29, 1998, PVL purchased 200,000 shares of Triton from Parker for a purchase price of \$1.75 per share, for an aggregate purchase price of \$350,000;

(D) On June 17, 1998 PVL purchased 50,000 shares of Milcom from Parker at a price of \$2.50 per share or an aggregate of \$125,000, which purchase was bundled with 100,000 shares of Paralogic. This purchase was partially paid for in the amount of \$50,000;

(E) In May of 1997 PVL purchased from Badolato 10,886.47 shares of Milcom, which were bundled with 7,293.93 shares of Triton and 7,293.93 shares of Paralogic (now TeraNex);

(F) On October 18, 1998 PVL purchased from Parker 3047 share of common stock of Inktomi at a price of \$5.00 per share, or an aggregate of \$15,235.00.

15. In each of the transactions listed in Paragraph 14 above, PVL fully complied with the terms and conditions of the Purchase Contracts, excluding the partial payment made by PVL and discussed under Paragraph 14(D).

16. With the exception of 147,000 shares of Triton, Parker has failed to deliver the shares purchased despite repeated demands by PVL and Castagne. However, PVL subsequently lost the share certificates for the 147,000 shares of Triton. PVL alerted Parker to the lost certificates and asked for assistance in having Triton reissue the share certificates. Parker never assisted PVL nor ever conveyed an additional replacement certificates to PVL.

17. On or about February 7, 2000 PVL assigned, for good and valuable consideration, all of its right title and interest to the Purchase Contracts listed in Paragraph 14, to HPI.

18. HPI, as successor in interest to PVL, has made repeated demands of Parker and Badolato for delivery of the shares and defendants have refused to honor their contractual obligations.

19. HPI has retained undersigned counsel to represent its interests in this matter and has agreed to pay a reasonable fee for such services.

FIRST CAUSE OF ACTION

(Breach of Contract)

20. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

21. On April 10, 1998, HPI provided Parker with \$75,339.50 in order to permit Parker to exercise a warrant to acquire 22,655 Inktomi shares, which shares were to be transferred to plaintiff on that date. This stock, split adjusted, represents 60,413.33 shares as of the date hereof, 14,468 of which shares were not delivered to plaintiff.

22. Defendant Parker breached his Agreement and failed to deliver the balance of the subject shares.

23. The 14,468 common shares of Inktomi ("INKT") have a current market value of not less than \$1,750,000.

24. HPI has been damaged as a result of said breach in the amount of not less than \$1,750,000.

SECOND CAUSE OF ACTION

(Breach of Contract)

25. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

26. On April 21, 1998, HPI purchased 100,000 shares of Triton, which as of July 1, 2000 reverse split to 50,000 shares, for a purchase price of \$150,000.

27. Defendant Parker breached his Agreement and failed to deliver the subject shares to plaintiff.

28. The common shares of Triton have with a current market value of not less than \$600,000.

29. HPI has been damaged as a result of said breach in the amount of not less than \$600,000.

THIRD CAUSE OF ACTION

(Breach of Contract)

30. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

31. On May 29, 1998, HPI purchased 200,000 shares of common stock of Triton for a purchase price of \$350,000, which post split, equal 100,000 shares; 147,000 (or 73,500 post split) of such shares were delivered to plaintiff and were subsequently lost.

32. Defendant Parker breached his Agreement and failed to deliver the balance of subject shares to plaintiff, or to cause the lost stock certificates to be replaced.

33. The common shares of Triton have a current market value of \$1,200,000.

34. HPI has been damaged as a result of said breach in the amount of not less than \$1,200,000.

FOURTH CAUSE OF ACTION

(Breach of Contract)

35. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

36. On June 17, 1998, HPI purchased 50,000 shares of Milcom common stock from Parker for a purchase price of \$125,000. Such purchase enabled plaintiff to receive 100,000 shares of Paralogic which were "bundled" with the Milcom shares. The purchase was partially funded in an amount of \$50,000.

37. Defendant Parker breached his Agreement and failed to deliver the subject shares to plaintiff.

38. The common shares of Milcom have a current market value of not less than \$60,000 and the Paralogic (now TeraNex Corp.) shares have a current market value of not less than \$30,000.

39. HPI has been damaged as a result of said breach in the amount of not less than \$90,000.

FIFTH CAUSE OF ACTION

(Breach of Contract)

40. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

41. In March, 1998 HPT purchased 10,886.47 shares of Milcom from Badolato, which shares were bundled with 7,293.93 shares of TeraNex and 7,293.93 shares of Triton, pre-reverse split.

42. Defendant Badolato breached his Agreement and failed to deliver the subject shares to plaintiff.

43. The common shares of Milcom have a current market value of \$32,659.41; the common shares of Triton have a current market value of not less than \$43,763.58 and the common share of TeraNex have a market value of not less than \$10,940.90.

44. HPI has been damaged as a result of said breach in the amount of not less than \$87,364.

SIXTH CAUSE OF ACTION

(Breach of Contract)

45. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

46. On October 18, 1998 HPT purchased 3,047 shares of common stock of Inktomi from Parker, adjusted to 8,125.33 for stock splits.

47. Defendant Parker breached his Agreement and failed to deliver the subject shares to plaintiff.

48. The common shares of Inktomi, have a current market value of not less than \$975,000.

49. HPI has been damaged as a result of said breach in the amount of not less than \$975,000.

SEVENTH CAUSE OF ACTION

(For Common Law Fraud)

50. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

51. At the time Parker and Badolato entered into the sales transactions listed in Paragraph 14, they had no intent to deliver the shares purchased by plaintiff.

52. Upon information and belief, in many cases, defendants had sold or made arrangements to sell the subject shares to others, prior to entering into the Purchase Contracts with plaintiff.

53. HPI was induced to enter into its contracts with Parker and Badolato, and to pay the purchase price upon the representations of Parker and Badolato that they were the record and beneficial owners of the shares and owned the shares free and clear, and had the unencumbered right to transfer the shares to plaintiff, and would not have entered into these contracts nor paid the purchase price but for defendants fraudulent withholding of the fact that the shares had been sold to these third parties. Parker and Badolato committed the foregoing fraudulent sales with malice.

54. Plaintiff has been damaged by this fraud in the amount of not less than \$4,702,364.

55. Plaintiff is entitled to punitive damages in the amount of Thirty Million Dollars (\$30,000,000.00).

EIGHTH CAUSE OF ACTION

(Unjust Enrichment)

56. HPI repeats and realleges each and every of the allegations in paragraphs 1 through 19 as if fully set forth herein.

57. Parker & Badolato have been unjustly enriched in the amount of not less than \$4,702,364 and HPI has thereby been damaged in the same amount.

NINTH CAUSE OF ACTION

(Conversion)

58. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 19 of the complaint as though fully set forth herein.

59. Upon information and belief, defendants have sold for their benefit those shares that were lawfully purchased by plaintiff.

60. As such, defendants have converted the property of plaintiff to cash and other consideration.

61. Plaintiff is entitled to damages in the amount of consideration received by defendants.

TENTH CAUSE OF ACTION

(Specific Performance)

62. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 19 of the complaint as though fully set forth herein.

63. Plaintiff has fully complied with the terms and conditions of each of the contract for the purchase of shares from defendants.

64. Plaintiff is entitled to the benefit of its agreement and request an Order directing defendants to deliver to plaintiff the following shares of stock:

- (i) 22,593.33 Shares Inktomi
- (ii) 153,646.97 Shares Triton
- (iii) 30,886.47 Shares Milcom
- (iv) 47,293.93 Shares TeraNex

ELEVENTH CAUSE OF ACTION

(Securities Fraud)

65. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 19 of the complaint as though fully set forth herein.

66. Defendants Parker and Badolato, at all times relevant to this Action acted as founders, promoters and control persons of Inktomi, Triton, Milcom and Paralogic, as such terms are defined under the Securities Act of 1933, as amended. (the "Act") and applicable rules and regulations promulgated thereunder.

67. Parker and Badolato owed plaintiff a fiduciary obligation and duty.

68. Defendants breached their fiduciary duty to plaintiff by failing to, among other things, inform plaintiff or their intent to sell the subject shares to others or by selling shares of stock, which they did not own.

69. Defendants violated the anti-fraud provision of the Act, and specifically Rule 10b - 5 promulgated thereunder.

70. Such violations have damaged plaintiff in an amount of not less than \$4,702,364.

TWELFTH CAUSE OF ACTION

(Injunction)

71. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 19.

72. Upon information and belief, defendants have sold, transferred or otherwise encumbered the shares that they contracted to sell to plaintiff, as more fully identified in Paragraph 14 of the complaint.

73. Plaintiff has suffered and will continue to suffer irreparable harm and damage unless defendants are enjoined from selling, transferring or otherwise encumbering the shares at issue in this action.

74. Plaintiff has no adequate remedy at law unless defendants are enjoined from encumbering the shares at issue.

WHEREFORE, the plaintiff HALCYON PARTNERS, INC. demands judgment against the defendants GERALD C. PARKER and ANDREW M. BADOLATO, as follows:

1) On the First Cause of Action, damages in the amount of One Million Six Hundred Thousand (\$1,600,000.00) Dollars, with interest thereon from the 10th day of April, 1998.

2) On the Second Cause of Action, damages in the amount of Six Hundred Thousand (\$600,000.00) Dollars with interest thereon from the 21st day of April, 1998.

3) On the Third Cause of Action, damages in the amount of One Million Two Hundred Thousand (\$1,200,000.00) Dollars, with interest thereon from the 29th day of May, 1998.

4) On the Fourth Cause of Action, damages in the amount of Ninety Thousand (\$90,000) Dollars, with interest thereon from the 17th day of June, 1998.

5) On the Fifth Cause of Action, damages in the amount of Eighty-Seven Thousand Three Hundred and Sixty Four (\$87,364) Dollars, with interest thereon from the 1st day of March, 1998.

6) On the Sixth Cause of Action, damages in the amount of Nine hundred and Seventy Five Thousand (\$975,000) Dollars, with interest thereon from the 18th day of October, 1998.

7) On the Seventh Cause of Action, damages in the amount of Four Million Seven Hundred and Two Thousand, Three hundred and Sixty-Four (\$4,702,364) Dollars,

with interest thereon from the 30th day of September, 1997, and an award of punitive damages in the amount of Thirty Million Dollars (\$30,000,000.00);

8) On the Eighth Cause of Action, damages in the amount of Four Million, Seven Hundred and Two Thousand, Three Hundred and Sixty-Four (\$4,702,364) Dollars, with interest thereon from the 30th day of September, 1997;

9) On the Ninth Cause of action, damage in the amount of, damages in the amount of consideration received by defendants for the shares, with interest thereon from the 30th day of September, 1997.

10) On the Tenth Cause of Action, an Order directing defendants to deliver the following Shares to plaintiff:

(i)	22,593.33	Shares Inktomi
(ii)	153,646.97	Shares Triton
(iii)	30,886.47	Shares Milcom
(iv)	47,293.93	Shares Paralogic

or in lieu thereof, damages in the amount of Four Million, Seven Hundred and Two Thousand, Three Hundred and Sixty-Four (\$4,702,364) Dollars with interest thereon from the 30th day of September, 1997.

11) On the Eleventh Cause of Action damages in the amount of Four Million, Seven Hundred and Two Thousand, Three Hundred and Sixty-Four (\$4,702,364) Dollars, with interest thereon from the 30th day of September, 1997.

12) On the Twelfth Cause of Action, an Order of the court:

a) enjoining defendants from selling, transferring or otherwise encumbering the shares at issue in this action;

b) ordering Defendants to immediately transfer to Plaintiff the shares at issue in this action; and

c) for additional relief as this Court deems just and proper in the circumstances.

13) On each and every of the Causes of Action, the plaintiff's costs and its attorneys' fees.

Dated: July 10, 2000



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