

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
SILVER BETTY, INC.

Docket No.:

Plaintiff,

**VERIFIED COMPLAINT**

-against-

**JURY TRIAL DEMANDED**

TECHNOLOGY TRAINING SYSTEMS, INC., d/b/a  
ANTONELLI COLLEGE and MARY ANN DAVIS,

Defendants.

-----X

SILVER BETTY, INC., (hereinafter "plaintiff"), by their attorneys Rawle & Henderson, LLP, as for their complaint, alleges as follows:

**PARTIES**

1. Plaintiff is, and at all times hereinafter, a domestic corporation existing under and by virtue of the laws of the State of New York, with their principle place of business located at 100 West 57<sup>th</sup> Street, New York, New York.

2. Upon information and belief, defendant, Technology Training Systems, Inc. (hereinafter "TTS") is, and at all times hereinafter mentioned, a foreign corporation , existing under and by virtue of the laws of the State of Ohio, with its principal place of business located at 184 Shuman Boulevard, Suite 525, Naperville, Illinois.

3. Upon information and belief, defendant, Mary Ann Davis (hereinafter "Davis"), is, and at all times hereinafter mentioned, a resident of the State of Florida.

4. Upon information and belief, defendant, Davis, is, and at all times hereinafter mentioned, the president of TTS, operating under the name Antonelli College.

## **JURISDICTION**

5. This court has original jurisdiction over this action under 28 U.S.C. § 1332 (a) because it is a civil action in which the matter in controversy exceeds the sum or value of \$75,000 exclusive of interests or costs, and is between citizens of different states.

## **FOR A FIRST CAUSE OF ACTION FOR FRAUD**

### **Fraudulent Inducement**

6. Plaintiff is engaged in the business, among other things, of financing, purchasing, managing and selling for profit colleges.

7. Sometime prior to February 17, 2017, defendant, Davis, offered plaintiff the opportunity to purchase a 10% equity position in defendant, TTS, for the purpose of correcting various business problems in order to attract investors with the goal of putting the company up for sale.

### **The Agreement**

8. On February 17, 2017, both plaintiff and defendant entered into an agreement (hereinafter "the agreement").

9. Under said agreement, defendants represented that they were "in good standing with all Federal, State, Local and Accrediting bodies."

10. Under said agreement, defendants represented that "TTS was fully insured as to potential claims for personal injury, employment discrimination, misrepresentation, fraud, and sexual harassment." Defendants also agreed to provide plaintiff with Certificates of Insurance for those policies as well as the full policies in order for plaintiff to determine if the coverage was adequate.

11. Under said agreement, defendants agreed that plaintiff's investment in defendant, TTS would be used "solely for marketing...and other reasonable expenditures for the purpose of increasing profitability and expanding the business."

12. Under said agreement, it was further agreed that plaintiff would be given notice in writing on a monthly basis as to how the money was being spent.

13. Based on the above representations, and on representations by defendant, Davis, that defendant, TTS, was financially sound, plaintiff invested \$300,000 in defendant TTS.

14. Recently, plaintiff has come to know that each and every one of defendants' representations were willfully false and were made to induce plaintiff to enter into said agreement.

15. Plaintiff has learned, contrary to defendant's representation, that defendants were not in good standing with Federal State and Local agencies, in that defendant, TTS, had large business tax liabilities which had resulted in a notice from the Internal Revenue Service of their intent to seize TTS and defendant, Davis', personal assets.

16. Had plaintiff known this, he would not have invested \$300,000.

17. Plaintiff has learned that defendant, TTS, had coerced a financial aid employee to provide misleading information to Federal, State and Accrediting bodies.

18. Had plaintiff known this, he would not have invested \$300,000.

19. Plaintiff has learned that defendant, TTS, was not fully insured for various losses, but rather had multiple lawsuits brought against it and owes their attorneys large

sums of money for defending those suits. Had plaintiff known this, he would not have invested \$300,000.

20. Plaintiff has learned that defendant, TTS, had large and continued unpaid invoice delinquencies in vendor invoices and that vendors had removed certain equipment essential for the operation of defendant, TTS.

21. Had plaintiff known this, he would not have invested \$300,000.

22. Plaintiff has learned that defendant, TTS and Davis have utilized TTS employees for personal projects by companies owned by her and unrelated to TTS and have paid them through TTS.

23. Had plaintiff known this, he would not have invested \$300,000.

24. Plaintiff has learned that defendant, TTS, had received thousands of dollars in Airline Miles and used them for personal use which was not reported on financial statements for TTS.

25. Had plaintiff known this, he would not have invested \$300,000.

26. Plaintiff has learned that defendant, TTS, had comingled funds received for Financial Aid from the Federal Government with various bank accounts controlled by defendant, Davis, and for her personal use which were not reported on financial statements for TTS.

27. Had plaintiff known this, he would not have invested \$300,000.

26. Recently plaintiff has learned that defendant, Davis, has withdrawn hundreds of thousands of dollars as personal loans from defendant, TTS, with no guarantee of re-payment while defendants have made no distribution to plaintiff consistent with their 10% equity.

28. Had plaintiff known this, he would not have invested \$300,000.

29. Recently, plaintiff has learned that defendant, Davis, has withdrawn \$75,000 to \$85,000 monthly for the last two years and has moved that money into various businesses while defendants have made no distribution to plaintiff consistent with their 10% equity.

30. Recently plaintiff has come to know that defendant, Davis, took a personal loan from defendant, TTS, of approximately \$300,000 without any notice to plaintiff.

31. Recently, plaintiff has come to know that defendant, Davis, sold a truck driving school, owned by TTS which was also concealed from plaintiff.

32. Recently, plaintiff has come to know that defendant, Davis, has paid employees via "PayPal", rather than by a company check, and given employees IRS 1099 forms for less amounts than actually paid out; thus, concealing expenses and inflating the value of the company.

33. Had plaintiff known this, he would not have invested \$300,000.

34. Recently, plaintiff has learned that defendant, TTS, was in jeopardy of having its accreditor issue a Cease Order, which would end all on-line enrollments, thereby reducing revenue.

35. Had plaintiff known all of the above information, he would never have invested \$300,000 in the company.

36. Plaintiff was therefore actively and fraudulently misled by defendants as to the financial health of defendant, TTS, and by defendant, Davis', fraudulent concealment of material information , in order to induce plaintiff to invest \$300,000 in TTS, not one penny of which has been seen by plaintiff.

37. As the result of the above, plaintiff has been damaged in the sum of \$300,000 plus interest and attorney's fees.

**AS FOR A SECOND CAUSE OF ACTION FOR BREACH OF CONTRACT**

38. Plaintiff repeats, reiterates, and realleges each and every allegation contained in paragraphs numbered "1" through "34" as if fully set forth herein.

39. Plaintiff and defendant entered into an agreement on February 17, 2017.

40. Plaintiff has fulfilled all the obligations under the agreement.

41. Defendant, TTS, has breached the agreement in multiple ways.

42. Defendant, TTS, failed to transfer stock in the company to plaintiff, as per the agreement.

43. Defendant failed to use the \$300,000 paid by plaintiff solely for marketing, payroll, overhead, a lead management system, and other reasonable expenditures for increasing profitability and expanding the business.

44. Defendant, TTS, failed to give notice to plaintiff as to how the money was being spent, as per the agreement

45. Defendant, TTS, failed to provide insurance policies and certificates of insurance, as per the agreement.

46. Defendant failed to provide and continues to fail to provide monthly financial statements though duly demanded.

47. Defendant, TTS, has intentionally misrepresented its financial condition.

48. Defendant, TTS, has failed to distribute 10% of revenue to plaintiff.

49. Defendant, TTS, has failed to return plaintiff's investment.

50. As the result of the above, plaintiff has been damaged in the sum of \$300,000 plus interest and attorney's fees.

**WHEREFORE**, plaintiff demands judgment on their first cause of action against Technology Training Systems, Inc. d/b/a Antonelli College and Mary Ann Davis in the sum of \$300,000 in compensatory damages plus \$500,000 in punitive damages; on their second cause of action against Technology Training Systems, Inc. d/b/a Antonelli College and Mary Ann Davis in the sum of \$300,000, all together with interest, reasonable attorney's fees, additional late charges, and the costs and disbursements of this action, and for such other and further relief as this court deems just and proper.

Dated: Mineola, New York  
June 11, 2018

Yours, etc.

**RAWLE & HENDERSON LLP**  
Attorneys for Plaintiff

By: \_\_\_\_\_

DEREK E. BARRETT (DB6866)  
170 Old Country Road, Suite 215  
Mineola, New York 11501  
(516) 294-2001  
**File No.: 804122**

**TO:** Defendant's Address(es):  
Technology Training Institutes, Inc.  
184 Shuman Blvd. Suite 525  
Naperville, IL 60563

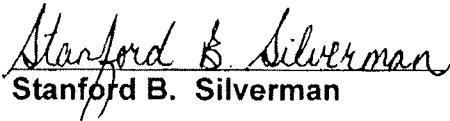
Mary Ann Davis  
184 Shuman Blvd. Suite 525  
Naperville, IL 60563

Registered Agent for Service of Process  
Highland Park Service Corporation  
28601 Chagrin Blvd. Suite 500  
Cleveland, OH 44122

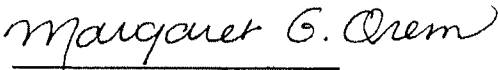
**VERIFICATION**

STATE OF NEW YORK    )  
                                  )  
COUNTY OF NEW YORK )    ss.:

**STANFORD B. SILVERMAN**, being duly sworn, deposes and says that deponent is the President of Silver Betty, Inc., plaintiff, in the within proceeding, that deponent has read the foregoing Verified Complaint and knows the contents thereof; that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and that as to those matters deponent believes it to be true.

  
**Stanford B. Silverman**

Sworn to before me this  
11th day of June, 2018

  
\_\_\_\_\_  
**NOTARY PUBLIC**

**MARGARET G. OREM**  
Notary Public - State of New York  
No. 01OR6110341  
Qualified in New York County  
My Commission Expires May 24, 2020



Docket No.

RJI No.

Hon.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SILVER BETTY, INC.

Plaintiff,

-against-

TECHNOLOGY TRAINING SYSTEMS, INC. d/b/a ANTONELLI COLLEGE and MARY ANN DAVIS

Defendant.

**SUMMONS AND COMPLAINT**

**RAWLE & HENDERSON LLP**

*Office and Post Office Address, Telephone*

170 OLD COUNTRY ROAD, SUITE 215  
MINEOLA, NY 11501  
(516) 294-2001

To

Signature (Rule 130-1.1-a)

.....  
Print name beneath

Attorney(s) for

Service of a copy of the within

is hereby admitted.

Dated,

.....  
Attorney(s) for

Please take notice

NOTICE OF ENTRY

that the within is a (*certified*) true copy of a  
duly entered in the office of the clerk of the within named court on

NOTICE OF SETTLEMENT

that an order  
settlement to the HON.

of which the within is a true copy will be presented for  
one of the judges

of the within named court, at

on at

Dated,

M  
Yours, etc.

**RAWLE & HENDERSON LLP**

*Attorneys for PLAINTIFF, Silver Betty, Inc.*

*Office and Post Office Address*  
170 OLD COUNTRY ROAD, SUITE 215  
MINEOLA, NY 11501  
(516) 294-2001

To