SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

Index No.:

BRUCE YEAGER,

Plaintiff,

-against-

MEDIA TRUST ACQUISITION, LLC, ALDEN GLOBAL CAPITAL, and ALEXANDRE ZYNGIER,

Defendants.

SUMMONS

Plaintiff designates **NEW YORK** County as the place of trial

Basis of venue is: Defendants Alden Global Capital and Alexandre Zyngier places of business

TO THE ABOVE NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED to appear in this action by serving a notice of appearance on plaintiff's attorneys within 20 days after service of this summons, exclusive of the day of service, or within 30 days after service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to answer, Judgment will be taken against you by default for the relief demanded in the Complaint.

Dated: New York, New York
April 13, 2018

Yours, etc.,

By: Wayne E. Cousin

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TO: MEDIA TRUST ACQUISITION
600 Mamaroneck Avenue, Suite 400
Harrison, New York 10528

ALDEN GLOBAL CAPITAL
885 Third Avenue, 34th Floor
New York, New York 10022

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ALEXANDRE ZYNGIER
475 Park Avenue South, Floor 12
New York, New York 10016

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COMPLAINT

Plaintiff Bruce Yeager ("Yeager" or "Plaintiff"), by his undersigned attorneys, as and for his Complaint against defendants Media Trust Acquisition, LLC ("Media Trust"), Alden Global Capital ("Alden"), and Alexandre Zyngier ("Zyngier") (collectively, the "Defendants"), alleges as follows:

THE PARTIES

1. Plaintiff, Bruce Yeager, is a natural person, who resides at 450 Central Drive, Briarcliff Manor, New York 10510.

2. Upon information and belief, defendant, Media Trust is a Delaware limited liability company that, during the relevant period, operated as an investment fund specializing in distressed debt and acquisition of companies in turnaround, particularly those operating in broadcast media. Media Trust's principal place of business is 600 Mamaroneck Avenue, Suite 400, Harrison, New York 10528, and can be served through its registered agent, Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808. Media Trust is a citizen of New York for purposes of jurisdiction because its sole member is, upon information and belief, Alexandre Zyngier, who is a citizen of New York State.

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3. Upon information and belief, defendant Alden Global Capital is a Delaware corporation with its principal place of business at 885 Third Avenue, 34th Floor, New York, New York 10022.

4. Upon information and belief, defendant Alexandre Zyngier is a natural person who resides in the State of New York, and has a business address of 475 Park Avenue South, Floor 12, New York, New York 10016.

JURISDICTION AND VENUE

5. This Court has personal jurisdiction over the Defendants because Defendants are and, at all relevant times, were residents of the State of New York.

6. Venue in this Court is proper pursuant to CPLR § 503 based on the facts set forth herein.

FACTS

7. Yeager joined the Pappas Telecasting Companies ("PTC") in 2007 as its Executive Vice President and Chief Financial Officer ("CFO"). In 2008, Harry Pappas, owner and Chief Executive Officer of PTC ("Pappas"), put thirteen (13) television and radio stations owned and/ or controlled by Harry Pappas, and managed by PTC, into bankruptcy and was, simultaneously, forced into personal bankruptcy due to a personal guarantee of the business loans.

8. Several years later, Pappas entered into an agreement with the sole remaining creditor impeding his exit from personal bankruptcy -- Comerica Bank, Inc. ("Comerica") -- which then permitted Pappas to exit personal bankruptcy (the "Trust Agreement").

9. The Trust Agreement, among other things, created the Pappas Liquidating Trust (the "Pappas Liquidating Trust"), into which Pappas placed all the remaining broadcast stations (television and radio) he still owned and managed (the "Stations").

10. Upon information and belief, Comerica's beneficial interest in the Pappas Liquidating Trust was approximately ninety-three percent (93%).

11. The Trust Agreement provided Pappas with an option to purchase Comerica's beneficial interest in the Pappas Liquidating Trust for twenty million dollars ($20 million). Pappas did not make this payment.

12. Following Pappas's failure to make the $20 million payment, Mr. Lee Shubert ("Shubert") was appointed as trustee of the Pappas Liquidating Trust on or about March 27, 2012.

13. Shubert decided to continue Yeager's employment as CFO of the Stations during the bankruptcy.

14. In or about late 2012 to early 2013, Yeager (with Shubert's approval) sought to find buyers for the Stations.

15. Having spent years as CFO working with the Stations' financials, Yeager had unique knowledge of, and insight into, the value of the Stations, Comerica's readiness to sell, and the types of buyers that would best be suited for such a sale.

16. In connection with finding an appropriate buyer, Yeager contacted a former colleague, Gerald Sokol, Jr. ("Sokol"), and asked Sokol for recommendations of potential investors who might be interested in buying the Stations.

17. Sokol recommended Zyngier, who had a relationship with Alden at the time. Sokol sent an introduction email to both Yeager and Zyngier on May 7, 2013.

18. On Sokol's recommendation, Yeager reached out to Zyngier to gauge Zyngier's and Alden's interest in the Stations.

19. Leading up to May 2013, Yeager and Zyngier had numerous discussions and Yeager provided Zyngier with financial documentation regarding the possible purchase of the Stations.

20. Yeager provided critical information to Zyngier that facilitated the purchase of the Stations. Yeager put Zyngier in touch with the Trustee of the Pappas Liquidating Trust.

21. One or more of the defendants ultimately purchased Comerica's beneficial interest in the Pappas Liquidating Trust for a discounted price of approximately $14,000,000 (the "Buyers").

22. Yeager, in his individual capacity, worked with the Buyers to help them effectuate both the purchase and the eventual profitable sale of the Stations.

23. Absent, Yeager's participation, the profit generated from the sale would not have occurred.

24. To this end, Yeager, in his individual capacity, and Zyngier, acting on behalf of the Buyers, reached an agreement that Yeager would receive fifty percent (50%) of any share Zyngier would receive from the ultimate sale profits of the Stations.

25. Yeager and Zyngier agreed that Yeager's share of the ultimate profits would equal 12.5% of the total difference between the revenue from the sales of the Stations by the Buyers and the initial $14,000,000 investment made by the Buyers to purchase the Stations (the "Profit").

26. The ultimate Profit realized by the Buyers is estimated to total more than $34,000,000.

27. Based on the foregoing, Yeager is entitled to a total of at least $2,452,419.00 under the agreement between Yeager and Zyngier.

Actual Distributions through September 2016 to:			
Pappas Liquidating Trust	Station	Date	Media Trust
2,000,000	KCWI	3/21/2016	1,150,000
24,100,000	KHGI	5/9/2016	20,460,000
1,000,000	KHGI	5/27/2016	930,000
500,000	KCWI	5/31/2016	500,000
500,000	KHGI	7/27/2016	465,000
Total Distributions to Media Trust			23,505,000

Actual and Estimated Future Payments to Media Trust Based on Liquidity as of September 2016					
	KCWI	KHGI/KFXL	KTRB	KMPH-AM	Total
Actual Distributions thru Sept. 2016	1,650,000	21,855,000			23,505,000
Future Distributions based on projected liquidity[1]	844,911	3,944,444	5,000,000	325,000	10,114,356
	2,494,911	25,799,444	5,000,000	325,000	33,619,356
				Initial Investment (estimated)	14,000,000
				Profit	19,619,356
				Yeager's 12.5% Share	2,452,419

[1] Projected liquidity after payment of estimated expenses of $1.15 million. This estimate also does not include any proceeds that could arise from a television spectrum auction currently ongoing by the FCC.

28. In November 2014, Yeager's employment agreement with PTC expired. However, Yeager continued to work for PTC without an employment agreement.

29. Since the expiration of Yeager's employment agreement, Yeager, either himself or through his counsel, has worked with PTC to agree upon terms of a new employment agreement.

30. Additionally, Yeager has worked since on or about August 8, 2016 with Pappas Liquidating Trusts' current trustee, David Stapleton ("Stapleton") to agree upon a retroactive salary and Separation and Release Agreement (the "Release Agreement").

31. Since in or about September 2016, Pappas Liquidating Trust and Yeager have agreed upon the terms of Yeager's retroactive salary agreement and the Separation Agreement, which would include severance, and are prepared to execute same.

32. Media Trust, the largest stakeholder in the Pappas Liquidating Trust, has advised Pappas Liquidating Trust that it will not sign off on any Separation Agreement between Pappas Liquidating Trust and Yeager, unless and until Yeager agrees to a global release of his claims against Media Trust.

33. Media Trust is preventing Yeager and Pappas Liquidating Trust from entering into the Separation Agreement.

FIRST CAUSE OF ACTION
<u>Breach of Contract Against Defendants</u>

34. Plaintiff repeats and realleges the allegations in paragraphs 1 through 33 above as if fully set forth at length herein.

35. Yeager and the Buyers entered into a valid and binding oral agreement as to the amount of compensation Yeager would receive from the profits received by Media Trust, to be paid upon Media's Trust's receipt of those profits.

36. Yeager worked with the Buyers and provided financial information to the Buyers based on this oral agreement.

37. The Buyers utilized Yeager's knowledge and expertise to effectuate both the purchase and profitable sale of the Stations.

38. Defendants' failure to pay Yeager his share is a breach of the agreement.

39. Yeager has been damaged as a result of the Buyer's breach of the agreement.

SECOND CAUSE OF ACTION
Promissory Estoppel Against Defendants

40. Plaintiff repeats and realleges the allegations in paragraphs 1 through 39 above as if fully set forth at length herein.

41. In words or conduct, the Defendants agreed to pay Yeager millions of dollars based on the profits they received from the sale of the Stations.

42. This promise was clear and unambiguous.

43. Yeager relied on this promise when performing services for the Buyers in connection with their acquisition of the Stations.

44. Yeager's reliance was reasonable and foreseeable.

45. Yeager has been damaged by the Defendants' refusal to pay Yeager his share of the sale profits.

THIRD CAUSE OF ACTION
Unjust Enrichment Against Defendants

46. Plaintiff repeats and realleges the allegations in paragraphs 1 through 45 above as if fully set forth at length herein.

47. Defendants requested, encouraged, accepted and/or utilized Yeager's services, knowledge, and expertise in connection with the Buyers purchase of the Stations.

48. The services Yeager provided the Buyers were above and beyond his normal job responsibilities and performance objectives in connection with his employment with PTC.

49. Yeager's services to the Buyers resulted in large financial benefits to Defendants.

50. Defendants have refused to compensate Yeager for such services.

51. Defendants' enrichment has come at the expense of Yeager.

52. The circumstances here are such that in equity and good conscience Defendants should make restitution to Yeager in an amount to be determined at trial, but in an amount not less than $10,000,000.

FOURTH CAUSE OF ACTION
Tortious Interference Against Media Trust

53. Plaintiff repeats and realleges the allegations in paragraphs 1 through 52 above as if fully set forth at length herein.

54. Yeager and Pappas Liquidating Trust have come to a meeting of the minds on all terms of a Separation Agreement and are prepared to execute same.

55. Media Trust has willfully and intentionally interfered with Yeager's entry into the Separation Agreement with Pappas Liquidating Trust.

56. Media Trust's willful and intentional interference with the execution of the Separation Agreement has caused damages to Yeager.

57. Yeager continues to suffer damages from Media Trust's tortious interference.

58. As a result, Yeager is entitled to compensatory and punitive damages in an amount to be determined at trial, but in an amount not less than $10,000,000.

FIFTH CAUSE OF ACTION
Declaratory Judgment Against Defendants

59. Plaintiff repeats and realleges the allegations in paragraphs 1 through 58 above as if fully set forth at length herein.

60. Defendants breached the agreement between Yeager and the Buyers when they refused to pay Yeager his share of the profits from the sale of the Stations.

61. Yeager complied with all of his obligations under this agreement.

62. By reason of the foregoing, there now exists an actual, justiciable controversy between the parties regarding the Defendants' valid and binding obligations to pay Yeager no less than $2,452,419. This Court is vested with the power and authority to adjudicate the parties' respective rights, duties and obligations with respect to the issue raised by this cause of action for declaratory judgment.

WHEREFORE, Plaintiff demands judgment against Defendants for the following:

a. Compensatory damages;

b. Punitive damages;

c. Attorney's fees and costs;

d. Interest; and

e. Such other and further relief as the court deems just and necessary.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: April 13, 2018
New York, New York

DENTONS US LLP

By: ______________________

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