

[Serve a copy on plaintiff/plaintiff's attorney. Then file original, with proof of service, in the Trial Support Office, Room 158.]

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

\_\_\_\_\_  
WILLIAM R. ZIEGLER

Plaintiff

- against -

JOHN OSLAN, CARY INTERNATIONAL, Ltd.,  
AND JOHN THOMAS STRUCTURED FINANCE GROUP Ltd.

Defendant

Index Number

602213/08

NOTICE OF APPEARANCE

Sir / Madam:

PLEASE TAKE NOTICE that the undersigned Defendant hereby appears in the above entitled action and demands that a copy of the Verified Complaint and all other papers in this action be served upon the Defendant at the address stated below:

Dated: August 20, 2008

Atty. for Defendants, [sign your name]

JEFFREY P. CHARTIER, Esq.

[print your name]

Attorney for Defendants

2027 Williamsbridge Rd

Bronx, NY 10461

(718) 892-8588

[your address and telephone number]

To: Plaintiff / Attorney for Plaintiff

CHRISTOPHER R. BELMONT, Esq.

Satterlee Stephens Burke & Burke LLP

230 Park Avenue

New York, New York 10169

(212) 818-9200

[name, address, telephone number]

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

----- X  
WILLIAM R. ZIEGLER,

: Index No: 602213/2008

:  
Plaintiff,

:  
-against-

:  
**COMPLAINT**

:  
JOHN DOLAN, CAREY INTERNATIONAL, LTD. and  
JOHN THOMAS STRUCTURED FINANCE GROUP  
LTD.,

:  
Defendants.  
----- X

Plaintiff William R. Ziegler ("Plaintiff"), by and through his attorneys, Satterlee Stephens Burke & Burke LLP, as and for his Complaint against defendants John Dolan ("Dolan"), Carey International, Ltd. ("Carey International") and John Thomas Structured Finance Group Ltd. ("John Thomas Structured Finance") (collectively "Defendants"), alleges as follows:

**PRELIMINARY STATEMENT**

1. This is an action to recover 26,400 shares of common stock of InterOil Corporation ("IOC") (with a current market value of approximately \$726,000) as compensation for Plaintiff's securing of \$20,000,000 in investments in IOC on behalf of the Defendants.

2. As a result of Plaintiff's securing of the investments, Defendants were awarded a fee in the form of 44,000 shares of IOC stock (with a current value of approximately \$1,210,000), under a consulting agreement entered into between Defendants and non-party Clarion Finanz AG ("Clarion").

3. Pursuant to an agreement with the Defendants, Plaintiff is entitled to 60% of the fee awarded to Defendants by Clarion.

4. Despite acknowledging Plaintiff's entitlement to payment by Defendants on several occasions, Defendants have failed and refused to make payment to Plaintiff. Rather, Defendants have kept the entire benefit of the fee paid by Clarion, despite the fact that Plaintiff himself located the entirety of the investments which lead to the fee paid to Defendants.

5. Defendants' bad faith actions amount to a willful breach of its contractual obligations to Plaintiff. Plaintiff is also entitled to recovery under theories of *quantum meruit* and unjust enrichment.

### PARTIES

6. Plaintiff is an individual residing within the State of New York.

7. Upon information and belief, defendant Dolan is an individual residing within the State of New York.

8. Upon information and belief, defendant Carey International is a corporation doing business within the State of New York, with a principal place of business located at 375 South End Avenue, Suite 3400B, New York, New York 10280.

9. Upon information and belief, defendant Dolan is the principal, President, Chairman and/or Chief Executive Officer of defendant Carey International.

10. Upon information and belief, defendant John Thomas Structured Finance is a corporation doing business within the State of New York with a principal place of business located at 375 South End Avenue, Suite 3400B, New York, New York 10280.

11. Upon information and belief, defendant Dolan is the principal, President, Chairman and/or Chief Executive Officer of defendant John Thomas Structured Finance.

## JURISDICTION AND VENUE

12. Jurisdiction in this action is proper pursuant to CPLR § 301 as upon information and belief Defendants reside within the State of New York.

13. Jurisdiction is proper in this Court pursuant to CPLR § 302(a)(1) as upon information and belief Defendants transact business within the State.

14. Venue is proper in this County pursuant to CPLR § 503(a) as upon information and belief the Defendants reside within the County of New York.

## BACKGROUND

### The Consulting Agreement

15. On or about April 24, 2008, defendant Carey International - through defendant Dolan – entered into a Consulting Agreement with non-party Clarion (the “Consulting Agreement”). A copy of the Consulting Agreement is annexed hereto as Exhibit A.

16. Pursuant to the terms of the Consulting Agreement, Carey International would assist Clarion in securing debt and/or equity financing from potential investors in IOC. Depending upon the category of financing secured, Carey International would earn a fee from Clarion in the form of a percentage of the gross proceeds or transactional value of the IOC investments. See Consulting Agreement, Exhibit A at page 1.

17. The Consulting Agreement further provides that upon the successful closing, funding and fee distribution of a secured investment, Carey International would pay a royalty of twenty percent (20%) of its fee from Clarion to non-party John Thomas Financial (“JTF”). See Consulting Agreement, Exhibit A at § 11. JTF is an entity which is unrelated to defendant John Thomas Structured Finance and an entity in which, upon information and belief, defendant Dolan has no interest.

### The Compensation Sharing Agreement

18. Shortly after Defendants entered into the Consulting Agreement with Clarion, defendant Dolan contacted Plaintiff in order to seek his assistance with the securing investments in IOC.

19. In response to this request, Plaintiff and Defendants entered into an agreement whereby the parties would pool their resources and jointly attempt to secure investments in IOC (the "Compensation Sharing Agreement").

20. As compensation for his assistance in securing investments in IOC, Defendants agreed to award half (50%) of all fees they were awarded as a result of the Consulting Agreement to Plaintiff. The Compensation Agreement was entered into on the basis that Defendants (collectively) and Plaintiff would each raise 50% of the investment in IOC, estimated to be between \$40,000,000 and \$50,000,000.

21. As set forth below, Defendants, upon information and belief, ultimately secured no investment in IOC whatsoever, and yet have wrongfully retained the entirety of the fee paid to it by Clarion and paid nothing to the Plaintiff.

### The Investment

22. Operating under the Compensation Sharing Agreement, Plaintiff successfully secured Twenty Million Dollars (\$20,000,000) in investments in IOC on behalf of the Defendants (the "Investment").

23. In fact, upon information and belief, none of the Defendants – Dolan, Carey International or John Thomas Structured Finance - secured any investment in IOC, other than those secured by the Plaintiff.

24. As a result of the fact that Plaintiff had raised the entirety of the Investment and Defendants had raised none, the parties agreed to amend the Compensation Sharing Agreement.

25. Under the terms of the Compensation Sharing Agreement, as amended, Defendants agreed that Plaintiff would be entitled to 60% of all fees earned by Defendants from Clarion, as opposed to the original 50%. Carey International would be entitled to remaining 40% of the fees earned from Clarion, less the 20% that was owed to non-party JTF – under the terms of the Consulting Agreement – and any other fees that may be owed to any other persons who introduced the Defendants to Clarion or to the Plaintiff.

26. Pursuant to the terms of the Consulting Agreement, payment of Defendants' fees was due from Clarion at the same time as the funding of the Investment.

27. Funding of the \$20,000,000 Investment in IOC (secured entirely through Plaintiff) occurred on or about May 9, 2008 and was announced on or about May 12, 2008.

28. On or about May 31, 2008, having not received its fees from Clarion, Defendants - through Dolan - wrote to Clarion demanding payment of its fee in the amount of 5.5% of \$20,000,000, equaling \$1,100,000, by the close of business June 3, 2008.

**Defendants' Breach Of The  
Compensation Sharing Agreement**

29. In June of 2008, Clarion fulfilled its obligations under the Consulting Agreement by distributing 44,000 shares of common stock of IOC. Upon information and belief, the distribution was allocated as follows: 35,200 shares of common stock of IOC to one or more of the Defendants and 8,800 shares of common stock of IOC to non-party JTF.

30. Pursuant to the Compensation Sharing Agreement, Plaintiff is entitled to 60% of the 44,000 shares of stock (i.e. 26,400 shares).

31. Defendants have wrongfully refused to turn over any of the stock to Plaintiff, despite the existence of the Compensation Sharing Agreement and the fact that the fee paid to Defendants by Clarion was entirely the result of investments secured by Plaintiff.

32. Defendants' refusal to make payment to Plaintiff under the Compensation Sharing Agreement is particularly egregious in light of the numerous instances in which Defendant Dolan confirmed Plaintiff's entitlement to 60% of the fee the Defendants and JTF received from Clarion.

33. Indeed, on June 26, 2008, defendant Dolan wrote to Plaintiff stating:

Carey is on your side, and agrees with your offer for a 60% Bill Z[iegler] – 40% Carey fee split on the \$20M fund raise for IOC. Carey simply needs a payment request letter stating that you raised the \$20M and that all the compensation in restricted shares shall be divided 60% Bill Z[iegler], 40% to Carey and 20% of the Carey shares of 40% or 8% shares for John Thomas Financial.

A copy of the June 26, 2008 email is annexed hereto as Exhibit B.

34. Again, on June 26, 2008, defendant Dolan wrote to plaintiff stating:

[John Thomas Financial] does not know that you are taking 60% of the fee for fund raising...

A copy of the June 26, 2008 email is annexed hereto as Exhibit C.

35. Once more, on June 26, 2008, defendant Dolan wrote to plaintiff stating:

I will join you as a partner as always, but I will need your fee sharing request documents of 60% so together we can send an advice on your letterhead to Haynes & Boone and the transfer agent of the new modifications and share distributions.

A copy of the June 26, 2008 email is annexed hereto as Exhibit D.

36. On June 27, 2008, defendant Dolan wrote to Neil Dolinsky of IOC, stating:

Once again fee share distribution on the 44,000 restricted shares 60% to William R. Ziegler or 26,400 shares 40 % to Carey or 17,600 shares divided 20% of the Carey 40% or 8% to John Thomas Financial or 3,520 as per agreement 32% or 14,080 shares to Carey International Ltd.

A copy of the June 27, 2008 email is annexed hereto as Exhibit E.

37. Again on June 27, 2008, defendant Dolan wrote to IOC stating:

Bill Ziegler has requested that 60% of the total fee shares of 44,000 or 26,400 are re-issued to him and the other 40% shares to Carey with 20% of the 40% or 8% to JTF.

A copy of the June 27, 2008 email is annexed hereto as Exhibit F.

38. Once more, on June 27, 2008, defendant Dolan also wrote to Plaintiff stating:

If IOC asks you, please advise your reading of the [Consulting Agreement] with Carey that an approximate 20% of the royalty Fee to JTF is 20% of the 40% fee Carey receives which is 8% and quite and introduction fee.

A copy of the June 27, 2008 email is annexed hereto as Exhibit G.

39. On July 8, 2008, defendant Dolan wrote to Phil Mulacek, President and CEO of IOC, requesting written confirmations so that "...Carey can conclude fee sharing with Bill Ziegler." A copy of the July 8, 2008 email is annexed hereto as Exhibit H.

40. Despite their obligation to do so, as confirmed by the above correspondence, Defendants have failed and refused to make payment to Plaintiff under the Compensation Sharing Agreement.

**AS AND FOR PLAINTIFF'S  
FIRST CAUSE OF ACTION  
(BREACH OF CONTRACT)**

41. Plaintiff repeats and realleges each and every allegation set forth within paragraphs 1 through 40, as if set forth fully herein.

42. Plaintiff and Defendants entered into the Compensation Sharing Agreement, as amended, whereby Defendants would pay to Plaintiff 60% of all fees the Defendants and JTF received from Clarion as a result of investments in IOC secured by either the Plaintiff or the Defendants.

43. Plaintiff has performed each and every one of his obligations under the Compensation Sharing Agreement.

44. Defendants have failed and refused to make payment to the Plaintiff under the Compensation Sharing Agreement, although such payment having been duly demanded.

45. Defendants' failure to make payment to the Plaintiff constitutes a willful breach of the Compensation Sharing Agreement.

46. Plaintiff has been damaged by Defendants' breach of the Compensation Sharing Agreement.

47. Plaintiff is entitled to recover from Defendants 60% of the fee the Defendants and JTF received from Clarion (equaling 26,400 shares of IOC stock) or money damages in the amount of the current market value of 26,400 shares of IOC stock.

**AS AND FOR PLAINTIFF'S  
SECOND CAUSE OF ACTION  
(QUANTUM MERUIT)**

48. Plaintiff repeats and realleges each and every allegation set forth within paragraphs 1 through 47, as if set forth fully herein.

49. Plaintiff performed services on behalf of the Defendants with regard to his securing of the Investment.

50. Plaintiff's services in securing the Investment were performed at Defendants' request.

51. Defendants' accepted the services of the Plaintiff in securing the Investment and have benefited from the same.

52. At all times, the Plaintiff reasonably believed that he would be compensated for his services with regard to his securing of the Investment.

53. Plaintiff is entitled to recover from Defendants 80%<sup>1</sup> of the fees Defendants received from Clarion (equaling 35,200 shares of IOC stock) or money damages in the amount of the current market rate of 35,200 shares of IOC stock.

**AS AND FOR PLAINTIFF'S  
THIRD CAUSE OF ACTION  
(UNJUST ENRICHMENT)**

54. Plaintiff repeats and realleges each and every allegation set forth within paragraphs 1 through 53, as if set forth fully herein.

55. By their acceptance of the services performed by the Plaintiff in securing the Investment and their refusal to make payment to the Plaintiff under the Compensation Sharing Agreement, as amended, Defendants have been unjustly enriched.

56. Plaintiff is entitled to recover from Defendants 80% of the fee Defendants and JTF received from Clarion (equaling 35,200 shares of IOC stock) or money damages in the amount of the current market value of 35,200 shares of IOC stock.

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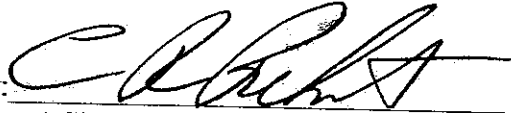
<sup>1</sup> Plaintiff acknowledges non-party JTF's entitlement to a fee of 20% of the fee paid to Defendants by Clarion. Therefore, Plaintiff seeks 80% of the fee granted to Defendants by Clarion.

WHEREFORE, Plaintiff William R. Ziegler demands judgment against Defendants John Dolan, Carey International, Ltd. and John Thomas Structured Finance Group Ltd., jointly and severally, as follows:

- i. On Plaintiff's First Cause of Action, for an award directing Defendants to transfer to Plaintiff 26,400 shares of IOC stock, or in the alternative awarding Plaintiff monetary damages in the amount of the current market value of 26,400 shares of IOC stock;
- ii. On Plaintiff's Second Cause of Action, for an award directing Defendants to transfer to Plaintiff 35,200 shares of IOC stock, or in the alternative awarding Plaintiff monetary damages in the amount of the current market value of 35,200 shares of IOC stock;
- iii. On Plaintiff's Third Cause of Action, for an award directing Defendants to transfer to Plaintiff 35,200 shares of IOC stock, or in the alternative awarding Plaintiff monetary damages in the amount of the current market value of 35,200 shares of IOC stock;
- iv. Awarding Plaintiff his costs incurred in this action, including but not limited to reasonable attorneys' fees; and
- v. For such further relief as the Court may deem just and proper.

Dated: New York, New York  
September 15, 2008

SATTERLEE STEPHENS BURKE & BURKE LLP

By: 

Christopher R. Belmonte  
Michael H. Gibson  
230 Park Avenue, Suite 1130  
New York, New York 10169  
(212) 818-9200  
*Attorneys for Plaintiff*

To:

Jeffrey P. Chartier, Esq.  
Attorneys for Defendants  
2027 Williamsbridge Road  
Bronx, New York 10461  
(718) 892-8588

# **EXHIBIT A**

**Carey**   
**INTERNATIONAL LTD**

375 South End Avenue, Suite 3400B, New York, NY 10280  
(914) 721 6050 phone (914) 358 0516 fax  
www.CareyLtd.com

**INVESTMENT BANKING CONSULTING AGREEMENT**

This Agreement dated April 24, 2008, between Carey International Ltd. (CIL) located at 375 South End Ave, Suite 3400B, New York, NY 10280 and Claron Finanz AG, Gerbergasse 5, P.O. Box 3817, 8021 Zurich, Switzerland confirms the engagement of CIL to serve as an Investment Banker and financial consultant to the Company. CIL shall act as a facilitator with respect to assisting the Company in securing debt and/or equity financing, acquisitions, mergers, strategic alliances or joint ventures (Qualified Transactions). This sets forth the entire Agreement between the parties hereto with respect to the subject matter herein contained. Therefore in consideration for the promises and covenants contained herein and for other valuable considerations the sufficiency and receipt of which is hereby acknowledged, CIL and the Company agree as follows:

The Company hereby retains CIL as an Investment Banker on a non-exclusive basis to provide financial advice, consultation and information to the Board of Directors and the Officers of the Company. It is the understanding of the parties that CIL shall be an independent contractor to your Company. Any compensation earned by Carey in this agreement is separate and distinct from any fees that may be charged by any investors or other parties.

**Funding Compensation:** As compensation for its services Company agrees to pay CIL the following:

- a) **Equity Raise:** If CIL introduces Company to a source that provides funding in the form of equity capital, or any other type of financial or transactional investment acceptable to the Company:
  - > CIL shall receive compensation in the amount equal to five and one half percent (5 1/2 %) of gross proceeds or transactional value of, and in the same form of equity received by the Company resulting from introductions made by CIL, which results in financing to the Company. Company agrees to pay CIL after each transaction and the funds are released.
  
- b) **Debt Raise:** If CIL introduces the client to a source that provides funding in the form of debt such as stock loans, credit lines or any other type of loan, then:
  - > CIL shall receive compensation in the amount equal to four percent (4%) of gross proceeds or as agreed or transactional value of capital actually received by the Company resulting from introductions made by CIL. Company agrees to pay CIL after each transaction and the funds are released.

1. **Company Participation:** Company agrees to participate with CIL and produce proper and verifiable documentation necessary for presentation to investors. Furthermore, the Company has the absolute right to reject any offer.
2. **Company and CIL** agree to use best efforts to complete said funding
3. **Services and Fees:** Company agrees to pay approved out-of-pocket expenses incurred in serving the Company, which will be at Company discretion and must be pre-approved in writing by company.
4. **Registration:** CIL will register with the Company the identity and information of potential investors, who or which may be prepared to enter into a Qualified Transaction with the Company.
5. **Severance:** Termination of this Agreement shall not affect the right of CIL to receive compensation as provided in Paragraph # 1 hereof with respect to any prospect introduced to the Company prior to such termination. If the Company enters into a Qualified Transaction with a prospect referred by CIL any time during the term of and for a period of five years following termination of this Agreement, the Company shall, at the time of the consummation of such transaction, pay to CIL the consideration set forth in this Agreement. All introductions by CIL will be attached as an Exhibit and be registered as an approved contact and introduction of CIL.
6. **Notices:** Any and all notices desired or required to be transmitted by either party hereto by the other party shall be in writing, return receipt requested to such parties at the following addresses:  
  
To: Carey International, Ltd.:  
375 South End Ave, Suite 3400B  
New York, NY 10280  
914 721 6050 ph  
914 358 0516 fax  
  
To: Clarion Finanz AG  
Gerbergasse 5  
P.O. Box 3817  
8021 Zurich, Switzerland  
+41 44 227 60 00 ph  
+41 44 277 60 10 fax
7. **Confidentiality:** CIL upholds strict standards of confidentiality including non-disclosure of Company information. Company agrees to keep all CIL's advice, information and resources confidential limited to sole use by Company.
8. **Litigation:** Company agrees in the event of any litigation for the enforcement of any part of this Agreement the prevailing parties shall be entitled to an award of all reasonable costs and expenses including attorney's fees including any appellate enforcement.

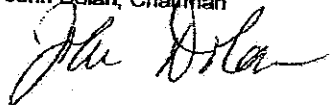
9. **Miscellaneous:** This sets forth the entire Agreement between the parties hereto and shall be governed in accordance with the laws of the State of New York and cannot be altered, amended, modified, terminated or rescinded, except in writing by both parties hereto, and shall inure to the benefit of and be binding upon the parties hereto, and their respective successors, transferees and assigns. Signature by an officer of the Company duly authorized by the Company by facsimile or by counterparts shall be deemed acceptable to this Agreement.
10. **Duration:** This agreement shall be for 1 year, and automatically terminated unless renewed.
11. **It is agreed and understood between the parties contained herein that upon successful closing, funding and fee distribution, Carey International Ltd and/or assigns will pay a royalty fee of approximately 20% fee to John Thomas Financial and/or assigns.**

If this Agreement meets with your approval, please sign below and return a copy via email or fax and an original copy by mail.

**Agreed and Accepted by:**

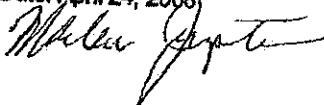
Carey International Ltd

John Dolan, Chairman



Marlene Jupiter, President

Date: April 24, 2008



Clarion Finanz AG

By: Carlo Civelli, Director

By: 

Date: April 24, 2008

# **EXHIBIT B**

**Paoline Migliozi**

**From:** john dolan [jdolan3580@yahoo.com]  
**Sent:** Thursday, June 26, 2008 3:00 PM  
**To:** david mars; William Ziegler BB; William Ziegler  
**Subject:** Bill & David,

Carey is on your side, and agree with your offer for a 60% Bill Z-40% Carey fee split on the \$20M fund raise for IOC. Carey simply needs a payment request letter stating that you raised the \$20M and that all the compensation in restricted shares shall be divided 60% Bill Z, 40% to Carey and 20% of the Carey shares of 40% or 8% shares for John Thomas Financial.

We need to notify the transfer agent today of such change and re-issuance of shares in that manner. I returned 8800 shares addressed to my John Thomas Structured Finance Group LLC to IOC's counsel Haynes and Boone's Bill Nelson in Houston 713 547 2084. IOC's Neil Dolinsky stated that in order to have OUR shares registered in this debenture he required the other shares back. IOC has not issued new shares to JTF so a timely letter and Opinion letter today will cease IOC and any erroneous transfer of OUR shares to JTF.

again of the 44,000 shares

60% Bill Z

32% Carey

8% JTF

Please use my Carey International Ltd 375 South End ave , Ste 3400B, NY NY 10289 address

Best Regards,

*John Dolan, Chairman & CEO*

**Carey International, Ltd.**

*Investment Banking Services*

*"Service does not cost, it pays".*

[www.CareyLtd.com](http://www.CareyLtd.com)

**MRI Image Engineering, Ltd.**

*Chairman & CEO*

*"Home of the SatPad-The Gold Standard in MRI Imaging"*

[www.MRISATPAD.com](http://www.MRISATPAD.com)

914 721 6050 wk

914 358 0516 fax

Come Grow With Us !

7/28/2008