

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

-----X

JOSEPH MORRISSEY,

Plaintiff,

Index No:

-against-

**BRUCE DEIFIK, OCEAN RESORT CASINO,
JP MORGAN CHASE, NA, BLUE OCEAN
WATER, LLC, AC OCEAN WALK, LLC, OCEAN
WALK, LLC d/b/a HQ2 NIGHTCLUB,
and AC BEACHFRONT LLC,**

**SUMMONS AND
VERIFIED COMPLAINT**

Defendants,

-----X

To the above named Defendant:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance on the Plaintiff's Attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if the summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: Carle Place, New York
December 3, 2018



Sam Afra,
Plaza Legal Services PLLC
393 Old Country Road, Suite 203
Carle Place, New York 11514

Defendant's Address:

Bruce Deifik - 500 Boardwalk, Atlantic City, New Jersey 08401
Ocean Resort Casino - 500 Boardwalk, Atlantic City, New Jersey 08401
JP Morgan Chase, NA - 383 Madison Ave, New York, New York 10179
Blue Ocean Water, LLC - 500 Boardwalk, Atlantic City, New Jersey 08401
Ocean Walk LLC - 500 Boardwalk, Atlantic City, New Jersey 08401
AC Beachfront LLC - 500 Boardwalk, Atlantic City, New Jersey 08401

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Plaintiff, Joseph Morrissey, by and through his attorneys Plaza Legal Services PLLC and Sam Afra, Esq., alleges as follows:

NATURE OF THE PROCEEDING

1. This action involves breach of contract of the Partnership Agreement, Ownership Agreement between Mr. Morrissey and Blue Ocean Waters, LLC ("Blue Ocean"), AC Ocean Walk, LLC ("AC Ocean"), and Ocean Resort Casino ("Casino") as well as breach of Contract for the Operations and Management of the above referenced parties and entities as well. Plaintiff also seeks, among other things, damages against Bruce Deifik (hereinafter sometimes referred to as Deifik) individually for Slander, Tortious Interference with a Contract, Unjust Enrichment and ascertainable and unascertainable damages beyond the jurisdictional and monetary limits of the lower courts but not less than 25,000,000.00.

2. Coupled with his Partnership Agreement with all Defendants, Plaintiff seeks an accounting of OCEAN WALK LLC d/b/a HQ2 Night Club (HQ), Blue Ocean, AC

Ocean, and the Casino as his contract called for a percentage of revenue.

3. Mr. Morrissey further seeks a declaratory judgment of his priority first in time, secured interest in Ocean Resort Casino and HQ over the Interest of Defendant JP Morgan Chase, NA (“JP Morgan”).

THE PARTIES

- A. PARTIES: The Plaintiff.
 4. Joseph Morrissey (“Mr. Morrissey”) is a resident of the State of New York residing in Suffolk County.
 - B. The Defendants.
 5. Defendant JP Morgan Chase, NA, is a national bank with its principal place of business at 383 Madison Ave, New York, New York 10179. As such, jurisdiction is proper.
 6. Upon information and belief Defendant Blue Ocean Water, LLC is a foreign corporation doing business in Atlantic City, New Jersey.
 7. Upon Information and belief Defendant Ocean Walk LLC, d/b/a HQ2 Night Club is a New Jersey limited liability company with its principal place of business at 500 Boardwalk, Atlantic City, New Jersey 08401.
 8. Upon Information and belief Defendant Ocean Resort Casino is a New Jersey company with its principal place of business at 500 Boardwalk, Atlantic City, New Jersey 08401.

9. Upon Information and belief Defendant Bruce Deifik ("Deifik") is of majority age, a resident of the State of Colorado, currently residing at the presidential suite at Ocean Resort Casino located at 500 Boardwalk, Atlantic City, New Jersey 08401.

10. Upon Information and belief Defendant AC Beachfront LLC is a foreign corporation doing business in Atlantic City, New Jersey.

ALLEGATIONS COMMON TO ALL COUNTS

11. On or about April 11, 2018 Defendant AC Ocean and Defendant Blue Ocean entered into a partnership agreement ("Partnership Agreement") where the two parties agreed to jointly run a night and day club with both parties owning 50% of the entity. Said Agreement was executed by Jiten Praikn for Blue Ocean and by Alan Greenstein for AC Ocean and called for 6% of gross revenue to be paid to the Casino for rent over the first five years for rent. A copy of the Partnership Agreement is attached and marked as Exhibit 1.

12. In or about February 2018 the principals to the Partnership Agreement approached Mr. Morrissey to assist in raising capital for the Casino and the soon to be created HQ as Mr. Morrissey has extensive experience in running and operating night clubs within the United States.

13. Mr. Morrissey due to his experience, reputation, and notoriety is a public figure in the community.

14. In March 2018 Defendant Deifik enlisted Mr. Morrissey to assist in raising capital for the HQ and Casino renovations. In an effort to raise capital for Deifik, Mr. Morrissey was employed by Deifik as a broker with the promise Deifik would pay Mr. Morrissey \$50,000.00 if he could raise \$10,000,000.00 in infrastructure investments through Blue Ocean Waters, LLC, and its principals. In addition, Deifik promised Mr. Morrissey a contract to manage the Nightclub if Mr. Morrissey was successful in raising the infrastructure capital.

15. Blue Ocean and Deifik negotiated terms of buying an interest in the Casino for the \$10,000,000.00 investment, simultaneous to this agreement, an Operations and Management Agreement was negotiated including ownership rights in the HQ for Mr. Morrissey after he assisted in raising the \$10,000,000.00 capital.

16. Deifik provided Blue Ocean a preferential lease agreement with AC Ocean as a result of its investment of \$10,000,000.00.

17. On about April 21, 2018 Mr. Morrissey entered into an Operations and Management Agreement with Blue Ocean that called for Mr. Morrissey to be paid a yearly salary of \$200,000.00 and receive a HQ profit split of 70% to Blue Ocean and 30% to Mr. Morrissey, and should the Club be sold Mr. Morrissey would receive 49% of the proceeds of the sale, and Mr. Morrissey was granted “..the non-assignable authority and full power to take all actions and to do all things reasonably required to perform the obligations of manager...” (Operations and Management Agreement “O and M Agreement”) Mr. Morrissey was further guaranteed a 49% interest in the infrastructure

and improvements constructed in the Casino in the HQ. A copy of the O and M Agreement is attached and marked as Exhibit 2.

18. In conjunction with the O and M Agreement, Mr. Morrissey was interviewed and had a background check conducted on him so his name would be included in the liquor license coupled with operating HQ.
19. On or about June 4, 2018 the Defendant Deifik and Defendant AC Beachfront LLC ("Beachfront") entered into a Mezzanine Loan Agreement with Defendant JP Morgan as the lender. (Mezzanine Loan Agreement hereinafter "Loan Agreement").
20. In the Loan Agreement in Schedule 4.1.22 Defendant Deifik and Defendant Beachfront defrauded JP Morgan and intentionally did not list Mr. Morrissey's contract, or Mr. Morrissey's interest in the HQ including Mr. Morrissey's liquor license. Deifik intentionally defrauded JP Morgan by failing to disclose Mr. Morrissey's contract and ownership interest in the property.
21. In the Loan Agreement in Schedule 4.1.26 Deifik provided the list of 15 leases disclosed on June 4, 2018, Deifik intentionally did not disclosed that AC Ocean Walk LLC is involved with a partnership agreement with Blue Ocean Waters, LLC and rent will be paid 6% of gross receipts even though the Loan Agreement requires that leases require a minimum of 8% gross receipts for leases. Deifik intentionally defrauded JP Morgan by failing to disclose the leases currently listed as active with the property. Further, Deifik failed to disclose that Plaintiff had a senior lien position with the HQ.
22. In the Loan Agreement in Schedule 4.1.39 detailing Material Agreements, Defendant AC Beachfront LLC and Defendant Deifik failed to list Mr. Morrissey's salary of \$200,000.00 and his ownership percentage of the HQ to JP Morgan.

23. As agreed to by Defendant Deifik, upon the closing and funding of the Loan Agreement, Mr. Morrissey was paid his \$50,000.00 commission for raising \$10,000,000.00 for Defendant Deifik's existing loan payment for the Casino. The \$50,000.00 commission was paid from Casino proceeds from the Mezzanine Loan to Arthur Giordano. The \$50,000.00 was paid to Giordano because Defendant Deifik needed a casino approved vendor license which Giordano did have. The check was written by Alan Greenstein.

24. Mr. Morrissey was paramount in establishing a positive culture for success with HQ Club and established a safe and compliant work environment.

25. Upon its inception, by and through Mr. Morrissey's management, he engaged celebrities to HQ; celebrities brought to HQ include Mark Walhberg, Heidi Klum, Alessandra Ambrosio, 50 Cent, Fat Joe, Waka Flocka, Fabulous, Cassie, DJ Whookid, DJ Irie, Farrah Abraham, DJ Clue, and Biz Markie.

26. Between June 28, 2018 and August 11, 2018 HQ had sales totaling \$2,287,469.99, however, Plaintiff was not paid his contractual profit sharing percentage despite being entitled to it. While a total sales figure was provided, Mr. Morrissey was denied an accounting of how these numbers were determined. Pursuant to his O & M Agreement, all figures for HQ would be processed by Mr. Morrissey. Despite repeatedly requesting an accounting, Mr. Morrissey was denied an accounting of HQ.

27. During the course of running HQ Club pursuant to his O & M Agreement several disputes arose between Mr. Morrissey and Defendant Deifik.

28. On or about July 2018, a female employee at HQ Club approached Mr. Morrissey informing him that she was uncomfortable with Defendant Deifik routinely asking her

and her friends, (all of whom were approached by Deifik while interviewing for employment with the Salon within the Casino), to come see the great view from his presidential suite at the Casino. The female employee felt uncomfortable with the long and heavy hugs extended by the married Deifik. The employee not feeling comfortable or safe, recorded the visit on her cellular phone while in the presidential suite visit and showed Plaintiff to validate her fears. Prior to visiting his room, the female employees were treated to free alcoholic beverages at Ivan Kane's Royal Jelly Burlesque Nightclub at the bequest of Defendant Deifik stressing they should all celebrate International Tequila Day. The female employee stressed to Mr. Morrissey that they all felt obligated to drink and socialize with Defendant Deifik in order to be hired at the Salon.

29. Mr. Morrissey confronted the married Defendant Deifik and explained that while he was the owner of the Casino, he was causing the females employees and female employment applicants to feel uncomfortable around him, and he should no longer demand they come to his room at the presidential suite nor should he demand extended physical contact with aggressive hugs. Plaintiff further cautioned Defendant Deifik about purchasing alcohol for employees to the point the employees become or became intoxicated.

30. The married Defendant Deifik explained to Mr. Morrissey that this was his casino and he would bring anyone he wanted to his room and purchase alcoholic drinks for anyone.

31. In July 2018, Mr. Morrissey observed several minor females in the HQ. Mr. Morrissey immediately had the females removed from the Club and conducted an investigation as to how the minors entered the Club. Mr. Morrissey's investigation determined that Security allowed the Casino's Head of Security for the Casino's step daughter into the Club. Mr. Morrissey discussed the matter directly with Defendant Deifik who dismissed the

incident as insignificant and failed to hold any employee accountable and stopped any discipline or accountability for both Security personnel and the Casino's Head of Security, who breached security measures, Casino Regulations, Liquor Regulations, and risked customer safety.

32. Mr. Morrissey and Defendant Deifik's business relationship began to sour after Mr. Morrissey confronting the married Deifik about sexually harassing employees and allowing minors into HQ. Although there are Sexual Harassment protocols in place with the Casino, Defendant Deifik did not comply with any of the procedures and protocol which included unwanted sexual advances with employees and applicants seeking employment.

33. On August 10th, 2018 around 12:55 pm at the Ocean Cafeteria, Plaintiff saw Defendant Deifik in the employee cafeteria. Plaintiff approached Defendant Deifik to say hello when Defendant Deifik jumped out of his seat and started yelling at Plaintiff, inches from his face, in the presence of over 100 employees including Casino Officials, Loretta Pickas, Jachob Winter, and Alan Greenstein, "...I told you I am a street guy! I handle my business on the Street!"

34. After feeling bullied and humiliated by Defendant Deifik, Mr. Morrissey left the cafeteria without anything further to say.

35. On August 11, 2018, Plaintiff ran into Defendant Deifik handing out "Bruce Bucks" in the Casino. Plaintiff approached Defendant Deifik to speak with him privately. Defendant Deifik would not speak with Plaintiff and insisted in a loud threatening voice that "...I handle my business on the street and that is where we can discuss our business."

While yelling at Plaintiff, Defendant Deifik repeatedly poked Plaintiff in the chest with his finger. Plaintiff left the confrontation in fear of Defendant and Defendant Deifik's threats.

36. After this confrontation, Mr. Morrissey was informed that he was being terminated for cause, however, he could keep his job if he agreed to give up his ownership interest in the HQ and give up his profit sharing in HQ. In addition, Plaintiff would further have no involvement with any accounting practices on the premises.

37. Plaintiff informed all defendants with the exception of JP Morgan that he had a contract and would continue to operate HQ pursuant to his contract.

38. After hearing that Mr. Morrissey would not relinquish his ownership rights or his profit sharing rights, Defendant Deifik called and left Mr. Morrissey a threatening message saying, "If you want a fight that is exactly what we will do."

39. Plaintiff, continued to work until his admittance was no longer allowed and he was denied entry into the Casino.

40. Defendant Deifik seeks to eliminate Mr. Morrissey's employment and his ownership interest because this employment and ownership interest were not disclosed on the Loan Agreement.

41. Upon information and belief Defendant Deifik is currently seeking to sell the Casino to a new buyer and is seeking to eliminate anyone with ownership interest who could thwart

the sale.

CAUSES OF ACTION**A. FIRST CAUSE OF ACTION****Declaratory Judgment**

42. Plaintiff restates and realleges the allegations of paragraphs "1" through "42" above as if fully set forth herein.

43. Plaintiff entered into an equitable contract (O and M Agreement) with vested property interest in the real property wherein the HQ Club is located in April 2018. This interest was not disclosed to Defendant JP Morgan in its Loan Agreement.

44. Defendant had actual knowledge of the Plaintiff's employment, and interest in real property at the time of its loan, as Mr. Morrissey was working at the Casino and receiving a Casino Employee Paycheck and failed to disclose it to interested parties.

45. Plaintiff's interest in the real property is first in time to Defendant JP Morgan.

WHEREFORE Plaintiff seeks a declaratory judgment stating that Plaintiff's equitable interest in the Casino is superior to that of JP Morgan and for such other relief as the Court deems just and proper.

B. SECOND CAUSE OF ACTION**Accounting**

46. Plaintiff restates and realleges the allegations of paragraphs "1" through "46" above as if fully set forth herein.

47. Pursuant to Plaintiff's O and M Agreement, Mr. Morrissey had the right to an

accounting of the HQ and its revenue. Further, Mr. Morrissey had a fiduciary duty along with Defendant Blue Ocean and AC Ocean concerning the running of the HQ and Plaintiff's responsibility as a principal in the liquor license.

48. Based upon information and belief the revenue collected at the HQ are being utilized to pay outside debts of the Casino and personal obligations of Defendant Deifik.

49. Mr. Morrissey made several requests from Defendant Deifik, Blue Ocean, AC Ocean and HQ representatives in regards to the accounting and management of the HQ. All Defendants refused to provide any accounting and based upon information and belief used HQ funds to supplement income within the Casino.

50. Plaintiff has fulfilled all terms of the O and M Agreement.

51. Plaintiff has no adequate remedy at law and certain damages are unascertainable and beyond the jurisdictional and monetary limits of the lower courts.

WHEREFORE Plaintiff seeks an order from the Court for an accounting of the HQ Club and its revenue from April 2018 to present and for such other relief as the Court deems just and proper.

C. THIRD CAUSE OF ACTION

Breach of Contract

52. Plaintiff restates and realleges the allegations of paragraphs "1" through "52" above

as if fully set forth herein.

53. Plaintiff has a valid management contract with Defendants Blue Ocean, AC Ocean

Walk and an equitable interest in HQ.

54. Plaintiff fulfilled all requirements of the O and M Agreement.

55. Plaintiff was terminated and denied entry of the Casino property without cause

denying his rights to the O and M Agreement.

56. Neither Defendant Blue Ocean, AC Ocean Walk, or HQ had cause to terminate his

contract.

WHEREFORE Plaintiff seeks an amount of not less than \$15,000,000.00 for breach of contract against defendants Blue Ocean, AC Ocean Walk, and HQ, costs of suit, attorney fees, statutory damages and further relief the Court deems just and proper.

D. FOURTH CAUSE OF ACTION

Defamation / Slander

57. Plaintiff restates and realleges the allegations of paragraphs "1" through "57" above as if fully set forth herein.

58. After terminating Plaintiff, Defendant Deifik repeatedly told third parties that Plaintiff

was fired for theft of services for comping drinks and tables for Casino patrons.

59. The false statements were made to third parties resulting in the loss of reputation to Plaintiff.

60. Plaintiff's good name has been damaged by Defendant's statements.

E. FIFTH CAUSE OF ACTION

Unjust Enrichment

61. Plaintiff restates and re-alleges the allegations of paragraphs "1" through "61" above as if fully set forth herein.

62. Defendant Deifik and other Defendants were unjustly enriched by Plaintiff while failing to compensate Plaintiff and fulfill the obligations to him as per the contracts, agreements and promises made by Defendants to Plaintiff.

F. SIXTH CAUSE OF ACTION

Detrimental Reliance

63. Plaintiff restates and re-alleges the allegations of paragraphs "1" through "63" above as if fully set forth herein.

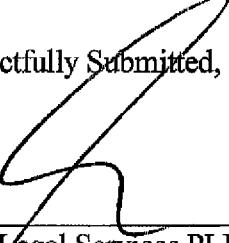
64. Plaintiff relied to his detriment on Defendants contracts, promises, obligations and agreements as fully set forth above.

65. As such Plaintiff was injured financially to his detriment due to the actions, acts and breach of contracts and agreements by Defendants.

WHEREFORE Plaintiff seeks an amount of not less than \$10,000,000.00 for all counts and causes of action above and for such other relief as the Court deems just and proper.
Dated: Carle Place, NY

December 3, 2018

Respectfully Submitted,

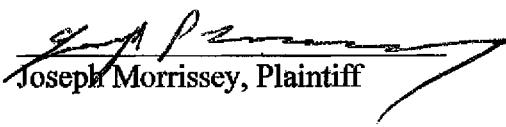

Plaza Legal Services PLLC
Sam Afra, Esq.
393 Old Country Road, Suite 203
Carle Place, NY 11514

VERIFICATION

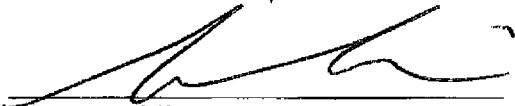
Joseph Morrissey, being duly sworn, deposes and says:

I am the Plaintiff in the above-entitled action. I have read the foregoing Complaint and know the contents thereof. The same are true to my knowledge, except as to matters therein stated to be alleged on information and belief and as to those matter, I believe them to be true.

To the best of my knowledge, information and belief, formed after an inquiry reasonable under the circumstances, the presentation of these papers or the contentions therein are not frivolous as defined in Subsection C of Section 130-1.1 of the Rules of the Chief Administrative Judge (22 NYCRR).


Joseph Morrissey, Plaintiff

Sworn to before me this 3rd
Day of December, 2018.


Notary Public

AIMEE R. EHRLICH
NOTARY PUBLIC-STATE OF NEW YORK
No. 01EH6298172
Qualified in Nassau County
My Commission Expires March 10, 2022

Index No:

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COUNTY OF NEW YORK

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-against-

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WALK, LLC d/b/a HQ2 NIGHTCLUB,
and AC BEACHFRONT LLC

Defendants.

SUMMONS AND COMPLAINT

PLAZA LEGAL SERVICES, PLLC
Attorneys for Plaintiff
JOSEPH MORRISSEY

393 Old Country Road
Carle Place, NY 11514
516 336-4995
SAFRA@PLAZALAWYERS.COM

To: _____

Service of a copy of the within
Dated: _____

is hereby admitted.

NOTICE OF APPEARANCE:

PLEASE TAKE NOTICE

that a (proposed) and (proposed) of which the within is a true copy will be presented for settlement to one of the judges of the within named court at on _____, 20____, at 9:30 A. M.

Dated: _____

To: [PLAINTIFF'S/DEFENDANT'S ATTORNEY]
Address

PART 130 ATTORNEY CERTIFICATION: _____