

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

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ILAN ABRAHAM, EDGARDO ACOSTA GARCIA,
ILDEFONSO ACOSTA GARCIA, ALLEN AKERS, MARY L.
AKERS, JIMMY ALEMAN, NIEVES ALEMAN, MARCUS
ALONSO, LUCIA ALVA, JOSE ALVAREZ, JOHN APPELT,
DARREN AQUINO, JOHN AQUINO, SUSAN ASARO, A.W.
MANAGEMENT SERVICES, INC., DEBROAH MCGLONE-
BALUCH, STEPHEN BELLUARDO, NICOLE BENTON, JOHN
BIERL, MICHELE BIERL, WILLIAM BIERL, LIRON
BINSHTOCH, JAMES BOMBOLEVICZ, BERNADATTE
BURNS, DAVID BURNS, KEVIN BUTLER, MARIO
CAPUANO, DOMINICK CASAZZA, FRANK CASERTA,
JERRY CASTALDO, CRAIG COLLUZZI, JAMES COOKE,
JOSEPH CRAVOTTA, PATRICIA CRAVOTTA, MARIA
DELGADO, LOUIS D'ERRICO, VINCENT D'ONOFRIO,
KAPPA FARID, KATHLEEN FERRANTE, ROSIE
FERRAIOLO, ROSSI FERRAIOLO, JAMES FERRAIOLO,
STANLEY FERRAIOLO, NINA FITZMAURICE, JOSEPH
GALLETTI, CHRISTOPHER GRAVAGNA, LAUREN
GUNSEL, JANINE HAUFI, IOANNIS KARAGIANNIS, LUIS
LARA-RIVAS, RICKY LEE, SHYVONNE LOPEZ, THOMAS P.
LUCEY, PAUL J. LUKASIK, RUSSELL MARTIN, JOSEPH
MARTINO, THOMAS MAUGHAN, ROBERT MCKENNA,
DALIANA BADILLO MERCADO, LUCAS MOELLER, RAY
MOELLER, BENVENDO NEVES, WILLIAM K. NG, ALFRED
PAPPALARDI, KALPESH PATEL, RAMASH B. PITTI,
GENNARO PRUDENTE, RICHARD RACIOPPI, JR.,
KATHLEEN RAY, MARJORIE RODRIGUEZ, MARYANNE
ROTELLA, LARRY SAMUELS, GILA SCHIOWITZ, ROBERT
SCHWABB, JOHN SCHERILLO, KATHLEEN SMITH,
JOSEPH STEMBERGER, MICHAEL SULEK, KATHRYN
SULEK, RANDY TEJADA, AVI TROPE, HILLIL TROPE,
ARTHUR TYLER, MARK TYLER, ANGEL VASQUEZ,
KONSTANTINOS VASSILIOU, ADAM WYSOCKI, JAN
WYSOCKI,

Plaintiffs,

-against-

ENTREPRENEUR MEDIA, INC.,

Defendant.

**VERIFIED
COMPLAINT**

Index No.:

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Plaintiffs, by their attorneys, the Law Offices of Eliot F. Bloom, P.C., complaining of Defendant, ENTREPRENEUR MEDIA, INC., allege the following:

1. Plaintiffs are a group of individual investors who, prior to January, 2009, had invested in Agape World, Inc. (hereinafter referred to as "Agape"). Agape maintains offices at 150 Motor Parkway, Suite 106, Hauppauge, New York 11788.

2. Defendant, ENTREPRENEUR MEDIA, INC. (hereinafter "Entrepreneur"), is a foreign corporation duly licensed under the laws of the State of California, with an address of 2445 McCabe Way, Suite 400, Irvine, California 92614.

3. Entrepreneur does business in the State of New York, and transacts business in the County of Nassau.

4. Entrepreneur is an online and print business publication that publishes information regarding small businesses. Entrepreneur holds itself out as a legitimate, dependable, specialized and reliable source for such information. Entrepreneur includes an annual feature entitled "Hot 100: America's Top Fast-Growth Businesses and the Entrepreneurs Who Built Them" (hereinafter "Hot 100"), which, through the use of eligibility criteria devised exclusively by Entrepreneur, ranks 100 small businesses that Entrepreneur finds to be the nation's top fast-growth businesses. Entrepreneur allegedly requires that certain financial and other business-related benchmarks be met by prospective candidates before those businesses will be eligible for Hot 100 consideration.

5. In or before May, 2008 Entrepreneur and Agape exchanged financial and other business-related information for purposes of Hot 100 eligibility. At this time Agape conveyed positive and favorable financial and business data to Entrepreneur. Agape was subsequently selected from the pool of eligible businesses for inclusion in Entrepreneur's Hot 100 based solely

on this information.

6. Entrepreneur had reason to know that Agape would use its inclusion in Hot 100 to solicit business and investment. Entrepreneur was aware that its Hot 100 list would be used by Agape to attract unsuspecting investors, and that such investors would rely on the list and its criterion in their decision(s) to invest, maintain their investment, and/or recommend investment to others. Notwithstanding this knowledge and awareness, Entrepreneur did not attempt to verify the information received from Agape; at no time did Entrepreneur visit Agape headquarters, meet with its principals or request and/or conduct an examination of Agape's books and records. Instead, Entrepreneur relied exclusively on the information provided by Agape in drawing its conclusions and making its recommendation.

7. Had Entrepreneur conducted itself with a minimum of due diligence—such as taking reasonable steps to verify the accuracy and or veracity of the information provided by Agape—it would have found that much of the information provided by Agape was false, misleading and/or inaccurate, thereby drastically changing Entrepreneur's conclusions as to Agape's strength and security and presumably forcing Entrepreneur to find Agape ineligible for Hot 100. Instead, Entrepreneur failed to take these reasonable measures, thereby placing its readers at risk.

8. Upon print publication of the May 2008 issue of Entrepreneur Magazine, agents and employees of Agape began distributing copies of the issue to prospective investors. Agape's motivation for distributing Entrepreneur was its inclusion in the highly favorable Hot 100 feature, which it used to bolster its claims of financial success, stability and solvency. Plaintiffs herein were among the prospective investors that received the May 2008 edition from Agape personnel. Each Plaintiff, relying on Entrepreneur's conclusions regarding Agape's financial

stature and believing its presumably specialized financial assessment of Agape to be accurate and dependable, decided to invest with Agape.

9. That Entrepreneur, knowing that the information it published would be relied upon by various levels of investors, deliberately, willfully and recklessly failed to exercise due diligence in publishing information about Agape.

10. That Entrepreneur failed to disclose to its readers how it obtained information on Agape, and that such information was unverified and uncorroborated.

11. In January, 2009, after months of financial distress and following the arrest of Agape's Chief Executive Officer, Nicholas Cosmo, it was publicly revealed that Agape was merely an elaborate "Ponzi" operation.

12. As a direct result thereof, each Plaintiff herein suffered significant economic and financial harm.

**AS AND FOR A FIRST CAUSE OF ACTION,
GROSS NEGLIGENCE**

13. Plaintiff repeats and reiterates each and every allegation contained in paragraphs number "1" through "12" as if fully set forth herein.

14. That the Defendant had a duty to exercise reasonable care to Plaintiffs that was foreseeable under the circumstances.

15. That the Defendant, its agents, servants, and/or employees failed to use that degree of due care that it knew or should have known was required in researching and confirming as accurate the information received from Agape prior to publication.

16. That the Defendant, its agents, servants, and/or employees failed to use even slight care in its publication of the information attained by Agape, which was devoid of any corroboration and was in fact inaccurate.

17. That the Defendant, its agents, servants, and/or employees' conduct was so reckless and careless that it evinced a complete disregard for the rights and interest of Plaintiffs.

18. That the Defendant, its agents, servants, and/or employees knew or should have known that individual investors would consult and rely on its publication for purposes of individual investment, and the same was reasonably foreseeable to Defendant.

19. That the Defendant, its agents, servants, and/or employees knew or should have known that individual investors would believe that the information the Defendant printed regarding Agape had been verified as accurate and/or otherwise corroborated.

20. That the gross negligence of the Defendant, its agents, servants, and/or employees was the actual cause of Plaintiff's injury herein.

21. That the gross negligence of the Defendant, its agents, servants, and/or employees was the proximate cause of Plaintiff's injury herein.


22. That, by reason of Defendant's gross negligence, Plaintiffs were damaged in an amount to be determined at trial according to proof, but expected to be well in excess of the jurisdictional minimum of this Court and of all lower courts that would otherwise have jurisdiction. Plaintiffs further demand punitive damages against Defendant, ENTREPRENEUR MEDIA, INC., in the amount of ONE HUNDRED AND SEVENTY EIGHT MILLION and 00/000 (\$178,000,000.00) DOLLARS.

WHEREFORE Plaintiffs demand judgment for compensatory damages in an amount to

be determined at trial according to proof, but expected to be well in excess of the jurisdictional minimum of this Court and of all lower courts that would otherwise have jurisdiction, and ONE HUNDRED AND SEVENTY EIGHT MILLION and 00/000 (\$178,000,000.00) DOLLARS in punitive damages, together with any further relief the Court may deem to be just and proper.

Dated: Mineola, New York
April 7, 2009

Yours, etc.



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