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6 John Terenzio and TAP, Inc.

FILED
San Francisco County Superior Court

MAR 05 2013

CLERK OF THE COURT
By: Marcia L. Gove
Deputy Clerk

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SAN FRANCISCO

10 CGC-13-529261

11 JOHN TERENCEIO, an individual; and TAP,
INC., a Florida corporation,

) Case No.

12 Plaintiffs,

) COMPLAINT FOR:

13 vs.

) (1) BREACH OF IMPLIED
AGREEMENT

14 CURRENT TV, LLC, a Delaware corporation;
CURRENT MEDIA, LLC, a Delaware
15 corporation; AL GORE, an individual; and DOES
1 through 20, inclusive,

) (2) UNJUST ENRICHMENT
) (3) QUANTUM MERUIT

16 Defendants.

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19 For their Complaint, Plaintiffs John Terenzio and TAP, INC. (together, "Plaintiffs") hereby
20 allege as follows:

21 THE PARTIES

22 1. Plaintiff John Terenzio ("Terenzio") is, and at all times relevant hereto was, an
23 individual residing in the State of California, County of Los Angeles.

24 2. Plaintiff TAP, Inc. ("TAP") is, and at all relevant times was, a corporation
25 organized and existing under the laws of the State of Florida, with its principal place of business in
26 Los Angeles, California. At all relevant times, Terenzio was the owner and President of TAP.

27 3. Plaintiffs are informed and believe, and based thereon allege, that Defendant
28 Current TV, LLC ("Current TV") is, and at all times relevant hereto was, a limited liability

COMPLAINT

1 company organized and existing under the laws of the State of Delaware, with its principal place of
2 business in San Francisco, California.

3 4. Plaintiffs are informed and believe, and based thereon allege, that Defendant
4 Current Media, LLC is, and at all times relevant hereto was, a limited liability company organized
5 and existing under the laws of the State of Delaware, with its principal place of business in San
6 Francisco, California. Plaintiffs are informed and believe, and based thereon allege, that Current
7 Media, LLC owns and operates Current TV. Current Media, LLC and Current TV shall be
8 collectively referred to as "Current."

9 5. Plaintiffs are informed and believe, and based thereon allege, that Defendant Al
10 Gore ("Gore") is, and at all times relevant hereto was, an individual residing in the States of
11 Tennessee and California. Plaintiffs are informed and believe that Gore is the founder of Current
12 TV and at all relevant times served as Current TV's Chairman of Board and President. Plaintiffs
13 are informed and believe, and based thereon allege, that in or about January 2013, Gore sold his
14 interest in Current.

15 6. The true names and capacities of the defendants named herein as DOES 1 through
16 20, inclusive, whether individual, corporate, associate or otherwise, are presently unknown to
17 Plaintiffs, and therefore Plaintiffs sue these defendants by such fictitious names. Plaintiffs will
18 amend their Complaint to substitute such true names and capacities when same have been
19 ascertained. Plaintiffs are informed and believe, and on that basis allege, that each of the
20 fictitiously named defendants is responsible in some manner for the occurrences and damages
21 alleged herein.

22 7. Plaintiffs are informed and believe, and based thereon allege, that except as
23 otherwise alleged, each Defendant referred to herein, including DOES 1 through 20, inclusive, is
24 and at all times material herein was the agent, servant, employee, partner, joint venturer, subsidiary
25 or affiliate of each of the other Defendants and, in doing the things alleged herein, was acting
26 within the course and scope of such position with the permission, knowledge and consent of each
27 of the other Defendants, and that the other Defendants directed and ordered the action beforehand,
28 or alternatively, subsequently ratified and approved the conduct of the other Defendants.

1 COMMON ALLEGATIONS

2 8. Current TV was organized in or about 2002, as a cable news network devoted to
3 liberal politics and news analysis. Conceived by Defendant Gore, Current TV was highly
4 successful in attracting cable distribution outlets such as Time Warner Cable and Direct TV.
5 Current TV and its principals were also successful in raising millions of dollars in capital to fund
6 the fledgling network headed by the former Vice President of the United States. Notwithstanding
7 its impressive lineup of cable outlets, and the broad reach of its programming, Current TV failed to
8 attract the viewers and advertising dollars necessary to make the network profitable. In fact, as
9 reflected in Current TV's SEC filings, the network lost millions of dollars and incurred significant
10 debt over its relatively short lifespan.

11 9. Terenzio is a well-established and highly regarded media consultant, executive and
12 producer of television programming. Terenzio has created of thousands of hours of programming
13 for news, sports and entertainment platforms in the United States and abroad and, through TAP,
14 INc., provides consulting services relating to content, sales, marketing, media acquisitions and
15 investment strategies. Terenzio was instrumental in creating and launching CCTV International,
16 the English version of China Central Television ("CCTV"), and reprogramming the network to
17 appeal to American audiences.

18 10. In or about late 2011, Terenzio conceived an idea for the distribution of an
19 American version of Al Jazeera, the Arab world's leading news organization. The proposal
20 contemplated the creation of "Al Jazeera English," aimed solely at English speaking audiences in
21 the United States.

22 11. Terenzio presented his proposal for Al Jazeera, captioned "Path to U.S.
23 Distribution," to Richard Nanula ("Nanula"), a principal in Colony Capital, in order to explore
24 potential financing and joint venture partners for the project. In or about June 2012, Terenzio
25 identified Current as a potential acquisition target for the Al Jazeera project to Nanula. Terenzio
26 recognized that Current TV's vast distribution network would provide a unique and instantaneous
27 gateway into the American market for Al Jazeera and its Qatari owners. Furthermore, in light of
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1 Current's well-publicized financial woes, its principals might well be interested in selling the
2 struggling network.

3 12. At Terenzio's direction, Nanula approached Richard C. Blum ("Blum"), a member
4 of Current's Board of Directors, and a significant investor in the flailing network, with Terenzio's
5 idea for a sale of Current to Al Jazeera. Blum expressed immediate interest in hearing Terenzio's
6 proposal, explaining to Nanula that he and other Current investors were concerned about prospect
7 of losing their shirts in the financially troubled Current. A meeting between Terenzio and Blum
8 was arranged.

9 13. Prior meeting with Blum, Terenzio created a sophisticated PowerPoint presentation
10 incorporating his proposal for the sale and marketing of a new network, to be christened "Al
11 Jazeera America," which would inherit Current TV's existing distribution network.

12 14. Terenzio and Blum met in Blum's office on July 23, 2012. Emails between
13 Terenzio and Blum confirm that the subject of the meeting would be a proposal relating to Blum's
14 "media investments," namely, Current.

15 15. The sole topic of the July 23 meeting was Terenzio's proposal for Current's sale to
16 Al Jazeera, for the creation of "Al Jazeera America." Terenzio explained his proposal for the sale
17 of Current to Al Jazeera for an English language news network and presented a detailed
18 PowerPoint on the proposed transaction. Terenzio's PowerPoint presentation included a step-by-
19 step approach for making the sale of the liberal media outlet to Al Jazeera palatable to U.S.
20 lawmakers, pro-Israel factions, cable operators and, most importantly, the American public.
21 Terenzio's presentation was tailored specifically for Current, focusing on strategies to overcome Al
22 Jazeera's negative image and make Al Jazeera acceptable to American viewers. The structure
23 proposed by Terenzio was based in large measure on the strategies developed by Terenzio in
24 adapting CCTV for American distribution.

25 16. Terenzio's business proposal to Blum was based on the mutual understanding that
26 Terenzio would be compensated if Current TV utilized his idea to consummate a sale to Al Jazeera.
27 It was plainly understood and accepted by Blum that Terenzio would be compensated if Current
28 TV moved forward with Terenzio's idea for the sale of Current TV to Al Jazeera for the creation of

1 Al Jazeera America. Terenzio also proposed that in addition to compensation for the use of his
2 concept, he would consult and manage the sale and transition as part of a joint venture with
3 Current. Thus, it was contemplated that Terenzio would “engineer” the transaction, by bringing in
4 a team to oversee distribution, handle political issues arising from the deal and provide the creative
5 expertise necessary to adapt Al Jazeera and its programming for American audiences. Terenzio
6 made clear that he expected to be compensated for these services. The proposed joint venture is
7 specifically described in Terenzio’s PowerPoint presentation.

8 17. Terenzio would not have met with Blum, or disclosed his concept for a sale of
9 Current to Al Jazeera, without Blum’s understanding and acknowledgement that Terenzio would be
10 compensated for his concept if the transaction was consummated.

11 18. Furthermore, at the time the meeting was arranged, and throughout the presentation,
12 Terenzio understood that Blum was a significant investor in Current, with a substantial equity stake
13 in these entities. Terenzio understood and believed that Blum represented and was an agent of
14 Current, with authority to act on its behalf and on behalf of its members. Blum, in fact, held
15 himself out as a principal and agent of Current. At no time during their meeting did Blum indicate
16 that he was not authorized to act on behalf of Current or its members, leading Terenzio to believe
17 that Blum was authorized to act on Defendants’ behalf.

18 19. Blum greeted Terenzio’s proposal with enthusiasm, indicating that he and other
19 investors were eager to salvage their multi-million investment in the floundering cable network.
20 Blum told Terenzio that he would present and recommend Terenzio’s proposal to the Current
21 Board which was scheduled to meet the following week. At Blum’s request, Terenzio left a copy
22 of the PowerPoint presentation with Blum to present to his fellow Current investors. Blum opined,
23 however, that Gore might find a transaction with Al Jazeera “politically unappealing.”
24 Nevertheless Blum stated that “I’m certainly going to present it to him” at the next week’s Board
25 meeting.

26 20. Plaintiffs are informed and believe, and based thereon allege, that Blum submitted
27 Terenzio’s PowerPoint to Gore and highly recommended the transaction. Plaintiffs are informed
28 and believe that Gore was adamant in his rejection of the proposal to sell his liberal,

1 environmentally friendly network to the oil rich Qataris who owned Al Jazeera. Apparently, Gore
2 had a change of heart.

3 21. On or about January 2, 2013, it was announced that, without Plaintiffs' knowledge
4 or approval, and notwithstanding Gore's original objection, Current had been sold to Al Jazeera.
5 Articles in the New York Times and other media outlets made it abundantly clear that Current and
6 Gore had consummated the transaction with Al Jazeera precisely as proposed by Terenzio, even
7 adopting "Al Jazeera America" as the name for the new network. Subsequent discussions with
8 certain Current insiders familiar with the transaction have confirmed that the sale was motivated by
9 Terenzio's presentation and that the transaction was patterned on the structure proposed to Blum by
10 Terenzio.

11 **FIRST CAUSE OF ACTION**

12 **(Breach of Implied Agreement)**

13 **(Against All Defendants)**

14 22. Plaintiffs hereby incorporate by reference each and every allegation made in
15 paragraphs 1 through 21, inclusive, as though fully set forth herein.

16 23. On or about July 23, 2012, Plaintiffs met with Current, through its representative
17 Blum, to present a proposal and structure for Defendants' sale of Current to Al Jazeera, for the
18 formation and distribution of "Al Jazeera America" through Current's existing cable distribution
19 network. At Defendants' request, Plaintiffs submitted to Defendants, orally and in writing, their
20 proposal for the sale with the expectation, which was fully and clearly understood by Defendants,
21 that Plaintiffs would be compensated for its use by Defendants when and if Defendants' sale of
22 Current to Al Jazeera was successfully concluded.

23 24. Plaintiffs performed all conditions required of Plaintiffs.

24 25. Defendants breached their agreement by failing to compensate Plaintiffs upon the
25 closing of the sale of Current to Al Jazeera on or about January 2, 2013.

26 26. As a proximate result of Defendants' breach, Plaintiffs have suffered damages in an
27 amount to be proven at trial, but no less than \$5 million.

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SECOND CAUSE OF ACTION

(Unjust Enrichment)

(Against All Defendants)

27. Plaintiffs hereby incorporate by reference each and every allegation made in paragraphs 1 through 26, inclusive, as though fully set forth herein.

28. As a result of the actions described herein, Defendants received the benefit of Plaintiffs' work without providing any corresponding benefit to Plaintiffs. By their actions, Defendants have received those benefits based on promises that have not been fulfilled, enriching Defendants in a manner making it unjust for them to receive such benefits without compensating Plaintiffs in an appropriate amount.

29. Defendants have been unjustly enriched in an amount to be proven at trial but in no event less than \$5 million.

THIRD CAUSE OF ACTION
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(Quantum Meruit)
(Against All Defendants)
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30. Plaintiffs hereby incorporate by reference each and every allegation made in paragraphs 1 through 26, inclusive, as though fully set forth herein.

31. On or about July 23, 2012, Plaintiffs provided services to Defendants in the form of a proposal and structure for Defendants' sale of Current to Al Jazeera. Defendants accepted the services, used and enjoyed the services provided by Plaintiffs. Plaintiffs made their presentation at the express and/or implied request of Defendants, through their representative, Blum.

32. Plaintiffs have requested payment for their services from Defendants.

33. No payment has been made to Plaintiffs and there is owing an amount to be proven at trial, but not less than \$5 million.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

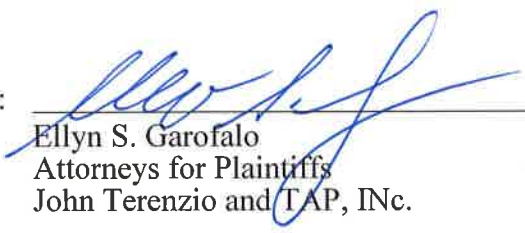
1. Compensatory damages in an amount to be proven at trial;
2. Pre-judgment and post-judgment interest at the maximum rate allowed by law;

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- 3. For costs of suit herein incurred; and
- 4. For such other and further relief as the Court may deem just and proper.

Dated: March 5, 2013

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By: 
Ellyn S. Garofalo
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John Terenzio and TAP, INC.

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