

JONATHAN SCULLY, ET AL

VERSUS

ROSS LARIS, ET AL

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DOCKET NO.: _____ DIVISION DIV. "B"

16TH JUDICIAL DISTRICT COURT

PARISH OF ST. MARY

STATE OF LOUISIANA

**VERIFIED PETITION FOR REQUEST FOR TEMPORARY RESTRAINING ORDER,
INJUNCTIVE RELIEF, DAMAGES, AND DECLARATORY RELIEF**

NOW INTO COURT comes Jonathan Scully ("Scully"), individually, a resident of lawful age of St. Mary Parish, Louisiana, and as a member and to assert direct claims and derivative claims on behalf of Pelican Companies of America, LLC, Pelican Rentals and Services, LLC, Pelican Contractors of USA, LLC, Pelican Industrial of USA, LLC, Pelican Equipment Company, LLC, Pelican Marine and Oil, LLC, Pelican Transportation and Logistics, LLC, Jonathan Scully Companies, LLC, Pelican Real Estate of America, LLC, and Lake End Rentals, LLC (collectively "Pelican Companies"), each of which is a Louisiana limited liability company with its office in St. Mary Parish, to submit this petition and request for temporary restraining order, preliminary injunctive relief and permanent injunctive relief as follows:

1.

Made defendants herein are:

- a) Ross Laris, a resident of Lafourche Parish, Louisiana;
- b) Millennium Supply Boats, LLC, a Louisiana limited liability company with its registered business located at 810 Crescent Avenue, Lockport, Louisiana 70374;
- c) LAC Equipment, LLC, a Louisiana limited liability company with its registered business located at 810 Crescent Avenue, Lockport, Louisiana 70374; and
- d) As a nominal defendant, Pelican Companies of America, LLC, a Louisiana limited liability company with its registered business located at 101 Tournament Blvd., Berwick, Louisiana 70342.

2.

This lawsuit seeks to restore Scully to control of his businesses, and other relief, after being scammed by Defendant Laris and his businesses, based on the following.

SCANNED

3.

Scully formed and registered as the sole member of the following Louisiana limited liability companies in the referenced years: Pelican Companies of America, LLC (2019), Pelican Rentals and Services, LLC (2018), Pelican Contractors of USA, LLC (2018), Pelican Industrial of USA, LLC (2019), Pelican Equipment Company, LLC (2019), Pelican Marine and Oil, LLC (2019), Pelican Transportation and Logistics, LLC (2019), Jonathan Scully Companies, LLC (2018), Pelican Real Estate of America, LLC (2019), and Lake End Rentals, LLC (2021) (collectively "Pelican Companies").

4.

The Pelican Companies are located in St. Mary Parish, Berwick, Louisiana and operate from 101 Tournament Blvd., 107 Tournament Blvd., and 3346 Highway 182 East. The Pelican Companies employ approximately 20 people and have had yearly revenue of approximately \$5,000,000.00 for the last two years.

5.

The Pelican Companies were in a good financial position prior to Defendants' involvement with the Pelican Companies.

6.

The primary business activities at relevant times for the Pelican Companies are equipment leasing and related support activities, though each business serves different functions, including operations, land ownership, construction/labor services, recreational equipment leasing, and other functions. By example, Pelican Companies of America, LLC ("Pelican America") is primarily in the business of leasing industrial and construction equipment. Pelican Real Estate of America, LLC owns certain immovable property in St. Mary Parish that supports the other businesses. Lake End Rentals, LLC leases recreational equipment.

7.

At all relevant times hereto, Scully was employed by Pelican America as its President and CEO and has been the manager and president of the other Pelican Companies.

8.

In 2021, the Pelican Companies obtained their insurance needs through Defendant Laris' insurance agency, Laris Insurance Agency. Through that relationship, Scully and Laris became acquainted, and Laris became acquainted with the Pelican Companies and details of the businesses.

9.

In February 2021, Defendant Laris disclosed to Scully that he had a majority interest in an equipment rental company in Texas, Intak Rental and Supply, LLC ("Intak"), which Laris said was a similar business to the Pelican Companies.

10.

Defendant Laris indicated he could not be involved in an equipment rental business in Louisiana due to a conflict of interest with some of his insurance clients. However, he told Scully Intak had equipment that Laris had paid for, but Intak was not able to lease some of the equipment. Laris proposed to allow the Pelican Companies to lease the equipment.

11.

Pelican Companies had customers that it could lease Laris' equipment to, so Scully agreed for the Pelican Companies to utilize several pieces of the equipment for payment of \$12,266.00 per month, which generated approximately \$18,000.00 per month in rental income to the Pelican Companies.

12.

Thereafter, Laris told Scully he would soon be selling his insurance agency for a significant amount of money, and would like to invest in Scully and the Pelican Companies. He said he would be willing to invest \$50,000,000.00 as a silent partner to grow the Pelican Companies in exchange for a 50% ownership interest, with Scully to continue to run the businesses.

13.

Scully had previously experienced significant business success in other ventures and knew that steps were needed to prepare the Pelican Companies to make productive use of a significant capital infusion from Defendant Laris.

14.

Upon the assurances of Defendant Laris that he would make a \$50,000,000.00 contribution, the Pelican Companies hired mechanics, arranged to lease 18 wheelers and arranged for qualified drivers, arranged for required safety programs, leased with an option to purchase a larger lot for the equipment, and laid limestone on the lot to prepare for additional large equipment. In total, the Pelican Companies spent more than \$200,000 they otherwise would not have spent in order to prepare to make use of Laris' promised investment. Laris remained informed of these expenditures. The \$200,000 in expenditures and other financial commitments to prepare for Laris' investment created a financial strain on the Pelican Companies.

15.

There was a delay in Laris making his investment, even though he was aware of the expenditures and carrying costs for the Pelican Companies described above. Scully contacted Laris several times concerning his investment in Pelican Companies.

16.

On May 18, 2021, Defendant Laris emailed Scully a Confidential Letter of Intent ("LOI") from his attorney, attached hereto as Exhibit 1. The LOI, for the first time, introduced Millennium Supply Boats, LLC ("MSB") as an entity controlled by Defendant Laris that proposed to provide funding of \$5,000,000.00 for working capital and \$45,000,000.00 for equipment.

17.

The LOI further proposed that, in exchange for the capital investment, MSB would own 50.1% of a yet-to-be-formed parent company that would own all Pelican Companies, and Scully would own 49.9% of the parent company. The LOI further confirmed that Scully would remain employed by the companies and have primary day-to-day responsibility for managing the businesses.

18.

The LOI further provided a due diligence period of 60-180 days to finalize the contemplated transactions.

19.

Scully asked Defendant Laris why the LOI addressed 50.1%/49.9% interest holdings relative to Scully having control of the business operations and Laris as an undisclosed member. Defendant Laris said that because he would be putting up \$50,000,000.00, which Laris called “a lot of money,” he wanted protection should Scully “start doing drugs.” Laris also stated he did not need these companies, and if “things did not work out, I will give them back to you.”

20.

Considering the expenditures already incurred by Pelican Rentals, and requests for updated financial information from the Pelican Companies’ bank, Scully provided the LOI to his banker. The banker congratulated Scully and said that if Defendant Laris was backing the Pelican Companies with \$50,000,000.00, he knew that with Scully’s work ethic and reputation in the community this would be a successful enterprise.

21.

In furtherance of the concepts in the LOI but without any written agreement, in the spring of 2021 Defendant Laris personally purchased several golf carts, kayaks, and related equipment that were then put to use by Lake End Rentals, LLC.

22.

In September 2021, shortly after Defendant Laris reported he sold his insurance company, Defendant Laris presented Scully with a Contract and Personal Guaranty (“Contract”), attached hereto as Exhibit 2. Laris also presented a \$1,000,000.00 payment and insisted Scully sign the Contract without review from legal counsel or others.

23.

Despite no material change in circumstances since Defendant Laris presented the LOI, the Contract was a significant departure from the LOI. For example, instead of calling for investment funding of separate amounts for working capital and equipment, the Contract provided for a single loan or line of credit to the Pelican Companies of \$45,000,000.00.

24.

The Contract also declared that “in exchange for making the above loan [\$45,000,000.00]” MSB was to receive 50.1% membership interest in all of the Pelican Companies.

25.

The Contract was illusory and unconscionable in numerous respects. The Contract stated, “[n]either Millennium, nor Ross Laris (nor any designee of either) shall be obligated to advance any funds or authorize any draws on the line of credit in favor of Pelican. Such advances (loans) or draws on the line of credit shall be at the complete discretion of Ross Laris or Millennium.” Despite these one-sided terms, the Contract required transfer of 50.1% ownership in the Pelican Companies to MSB.

26.

Such conditions made the Contract null and without effect under Louisiana law. La. C.C. art. 1770. Therefore, the Contract did not create a valid or binding transfer/sale of Scully’s membership interests in the Pelican Companies to MSB.

27.

Despite these illusory and unconscionable provisions, with \$1,000,000.00 delivered at the signing of the Contract, Defendant Laris assured Scully he would provide the funding requested by the Pelican Companies to the limit addressed in the Contract. Laris also demanded that Scully continue to tell third parties he was the sole owner of the Pelican Companies. Laris told Scully the provisions of the Contract applicable to Scully would not be enforced unless he “started doing drugs.” Believing Laris was a reputable and truthful man, Scully signed the Contract upon presentation by Laris.

28.

Defendant Laris would later reveal to Scully that he and MSB never had \$45,000,000.00 to loan to the Pelican Companies and never intended to make such a loan.

29.

Scully and the Pelican Companies never would have entered into the Contract without Defendant Laris’ fraudulent misrepresentations.

30.

The Contract also purported to have Scully personally guaranty any amounts loaned to the Pelican Companies by MSB/Defendant Laris. Likewise, the Contract purportedly made repayment of all loan amounts (up to \$45,000,000.00) due on the first day of the month after disbursement. The disbursements also purportedly accrued interest at 5% per annum and were subject to an additional "late fee" of 1.5% per month, or \$500 per day, whichever was highest.

31.

MSB never made a loan or provided credit to the Pelican Companies for \$45,000,000.00. In fact, MSB has only advanced a small fraction of that amount (about 5%), despite the need for such funds and requests by the Pelican Companies for additional disbursements of loan proceeds.

32.

The Contract also confirmed Scully's continued employment as President of the Pelican Companies, and dedication of his full work efforts to the Pelican Companies. At all times, Scully dedicated his full work efforts to the success of the Pelican Companies and attempted to run the businesses in the best interests of the businesses but was hindered by Laris' unreasonable and self-dealing actions, requirements, and threats against Scully.

33.

The Contract also purportedly provided MSB the remedy to immediately transfer Scully's membership in the Pelican Companies to MSB, upon any default under the Contract by the Pelican Companies or Scully, without any notice or placing in default by MSB.

34.

Defendant Laris also presented an Act of Cash Sale and Assignment ("Act of Transfer") for Scully to sign, attached hereto as Exhibit 3. That document purports to transfer 50.1% membership interest in Pelican Companies of America, LLC to MSB "for and in consideration of the price of Ten Dollars and no/100 (\$10.00) Dollars and other good and valuable consideration as provided for in the Contract and Personal Guarantee by and between the parties..."

35.

Defendant Laris and MSB failed to provide the consideration addressed in the Contract and did not and never intended to provide the consideration addressed by the Contract or the Act of Transfer.

36.

Defendant Laris and MSB failed to provide the loan/credit addressed in the Contract in the amount of \$45,000,000.00.

37.

In recognition of the described unconscionable provisions, including Scully's purported personal guaranty of the Contract, upon signing the Contract and making the first capital infusion to the Pelican Companies, Defendant Laris told Scully, "You are mine now."

38.

Thereafter, whenever convenient to Laris to coerce Scully into going along with actions demanded by Laris, Laris would emphasize his ability to financially ruin Scully through the personal guaranty. At no time did Scully have the ability to personally satisfy the initial \$1,000,000.00 contributed by Laris/MSB.

39.

Immediately after the Contract was signed by Defendant Laris, MSB, and Scully individually (but not signed by the Pelican Companies), the Pelican Companies utilized the initial \$1,000,000.00 as working capital, reduction of debt, and, to a lesser extent, the acquisition of rental equipment. Laris and MSB were kept informed of the use of the funds.

40.

In October 2021, Defendant Laris and/or MSB caused another \$1,000,000.00 to be transferred to the Pelican Companies, which was utilized in the business. Neither MSB nor Laris demanded or otherwise required repayment of these loan amounts or any interest thereupon in the months that followed.

41.

Defendant Laris and MSB were kept informed at all times regarding the financial condition of the Pelican Companies by Scully, employees in accounting for the Pelican Companies, and the Pelican Companies' outside CPAs.

42.

From March 2022 through August 2022, Defendant Laris and/or MSB advanced only an additional \$342,850.00 to the Pelican Companies, despite the Pelican Companies' legitimate requests and needs for additional operating capital, as the Pelican Companies were aggressively acquiring and training new employees and incurring related expenses in order to support growth of the businesses, consistent with the discussions and agreements between Scully and Laris.

43.

Contrary to Plaintiffs' expectations under the Contract, and despite requests by the Pelican Companies and Scully, Defendant Laris and MSB refused to advance any additional loan proceeds or provide additional credit to the Pelican Companies.

44.

These abrupt refusals, particularly after Defendant Laris' commitments, caused financial strain on the Pelican Companies. If Scully and the Pelican Companies had known Laris and MSB would refuse to advance loan proceeds/credit as agreed in the Contract, the prior advances that had been made would have been utilized differently and the financial strain on the Pelican Companies in 2022 could have been significantly reduced or avoided.

45.

Instead, MSB's/ Laris' failure to make loan proceeds available caused the Pelican Companies to be unable to consistently meet their obligations, maintain the increased equipment leased by the Pelican Companies, and to meet MSB's requests for repayment.

46.

Despite these issues caused by Defendant Laris and MSB, Scully continued to make every effort to make the Pelican Companies successful and to overcome the issues caused by defendants. The Pelican Companies did continue to grow and have increased revenue and customers.

However, the increased success was offset by Defendant Laris' additional actions serving only his own self-interests, contrary to the parties' agreements.

47.

Notwithstanding Defendant Laris and MSB's refusal to advance agreed loan proceeds and credit to the Pelican Companies, in March 2022, Laris created LAC Equipment, LLC ("LAC"). LAC thereafter, through the use of Pelican Companies' employees and at the control and direction of Laris, began purchasing on credit significant rental equipment. LAC acquired upwards of \$10,000,000.00 in equipment.

48.

Scully asked Defendant Laris why he created LAC instead of loaning the funds to the Pelican Companies for acquisition, as was addressed in the Contract. Defendant Laris initially indicated, without explanation, that it would be easier for LAC to acquire credit for the purchases and to avoid liens and UCC filings that would be necessary if purchased through the Pelican Companies.

49.

Scully also proposed that MSB/Defendant Laris acquire less expensive, used equipment for the Pelican Companies, because this approach would be financially sustainable for the Pelican Companies, instead of acquiring significantly leveraged new equipment.

50.

When pressed further, Defendant Laris admitted that acquisition of new equipment through LAC would be better for him, personally, and provide for a personal "tax write off." So, Laris chose to purchase new equipment through LAC, despite the negative impact it would have on the Pelican Companies. He also assured Scully that at some later, undefined time he would transfer the equipment to the Pelican Companies and that "LAC was Pelican." He told Scully "not to worry about it" and to just "put the equipment to work."

51.

MSB's and Defendant Laris' refusal to acquire this equipment through and for the Pelican Companies, and otherwise to provide operating funds for the Pelican Companies, was a breach of the Contract.

52.

Thereafter, through LAC, Laris required Pelican Companies to lease the LAC equipment to Pelican Companies' customers. In turn, Laris demanded that Pelican Companies pay LAC several hundreds of thousands of dollars each month, purportedly to pay the loans (some at 90-100% purchase-price financing) LAC had obtained to acquire the equipment. However, the LAC loan details were not provided to the Pelican Companies, so the amounts demanded by LAC were unconfirmed.

53.

Defendant Laris demanded Pelican Companies pay these amounts each month, in priority to any other payments made by Pelican Companies, and whether or not Pelican Companies was able to lease the LAC equipment.

54.

The significant additional amounts demanded by Defendant Laris and LAC from Pelican Companies each month created sustained further financial strain on Pelican Companies. While Scully and the Pelican Companies put much of the LAC equipment out to lease, the market-based rental charges to Pelican Companies' customers were insufficient to meet the loan repayment amounts demanded by LAC, plus the additional overhead and variable costs required by the Pelican Companies to lease the LAC equipment.

55.

The additional new loan-burdened LAC equipment was not and could not be immediately profitable, and could only be profitable on a longer term with additional capital investment in operating expenses, which MSB/Defendant Laris refused to provide. The effect was that, rather than receive the funds MSB/Laris committed under the Contract to grow the business, Laris' self-dealings based on MSB's purported 50.1% ownership interest made the Pelican Companies' financial condition much worse.

56.

Scully approached Defendant Laris/MSB and explained that additional operating capital was needed by the Pelican Companies to make use of the LAC equipment, and for Pelican Companies to grow and sufficiently generate cash flow to pay the monthly amounts demanded by LAC.

57.

However, Defendant Laris, for himself and MSB, told Scully "I'm not the bank," and "You can't run to daddy every time you need money." This was a breach of the Contract and a failure of consideration on Scully's purported transfer of membership interest in the Pelican Companies.

58.

In or about April 2022, Defendant Laris insisted the Pelican Companies hire his daughter-in-law as a salesperson, at a salary of \$150,00.00 per year, which was unjustified and greatly exceeded the salary of every other Pelican Rentals employee, including Scully. Less than a year after being retained, Laris' daughter-in-law stopped making in-person sales calls on customers and potential new customers to develop additional rental opportunities, which was critical for the new equipment being leased by the Pelican Companies.

59.

Since Scully was trying to address the negative financial condition of the Pelican Companies created by Defendant Laris'/MSB's refusal to advance loan proceeds, instance on payments to LAC so LAC could build equity in its equipment, and unjustified salary expenses for Laris' relative, Scully proposed to reduce Laris' daughter-in-law's salary and hire a more productive salesperson, at a market salary. Defendant Laris refused, and suggested he was working on other opportunities for the Pelican Companies that would address their financial situation. Laris also emphasized that Scully needed to do what Laris said, otherwise he would invoke the default provisions of the Contract against Scully.

60.

Scully continued to try to make the businesses work, despite these and other countervailing actions by Defendant Laris. Laris was kept apprised of the Pelican Companies' financial condition,

including the significant strain created by monthly amounts demanded by LAC, Laris and MSB related to the originally provided Intak equipment.

61.

Refusing to honor the Contract obligations to advance funds to Pelican Companies, but not wanting LAC's equipment loans to default, at the end of 2022 and into 2023 Defendant Laris began leading Scully along that Pelican Companies could be bought out or merged because of the increased amount of equipment Pelican Companies had for lease, and that Scully and Laris would be able to "cash-out" and make a significant amount of money.

62.

Defendant Laris stated that Axis Rental Solutions, a large equipment rental company, was interested in merging with or acquiring Pelican Companies. For this possibility, Laris had an appraisal performed that included Pelican Companies' equipment and LAC's equipment.

63.

Defendant Laris led discussions with Axis, leaving Scully with minimal involvement and information. During the due diligence process, Laris told Scully that Axis required the Pelican Companies to provide their operating agreements. No operating agreement had ever been entered into for any of the Pelican Companies following the September 2021 Contract.

64.

Defendant Laris presented substantially similar operating agreements for each of the Pelican Companies for Scully to sign. Attached hereto as Exhibit 4 is a copy of the operating agreement for Pelican America. Laris represented that these were necessary to proceed with the impending Axis merger.

65.

The operating agreements presented to Scully were overbearing and unconscionable like the Contract. While Scully was named the manager of each business, all voting and control was reserved to MSB. The operating agreements provided, in part: a) that MSB would be reimbursed its full "capital contribution" before any other distributions were made to Scully; b) membership interests could only be transferred upon approval of MSB; c) MSB could expel Scully as a member;

d) MSB could purchase Scully's interest for a price determined by MSB; e) the Contract was incorporated by reference; and f) a conduct clause that a member could be expelled for "conduct that impedes the operation of the company" or that "materially and adversely affects the business operation of the company."

66.

Scully protested the terms presented in the operating agreements, as inconsistent with MSB's commitments under the Contract. Defendant Laris refused to make any changes and admonished Scully that he (Scully) had already "personally guaranteed" millions of dollars owed to Laris/MSB under the Contract, and that if he did not sign the operating agreements "it would not be good for him." Further, Laris presented the Axis merger as Scully's only opportunity to make money and be relieved of his personal guaranty obligations. He also represented to Scully that the terms of the operating agreements were not important because they would be replaced with a new operating agreement upon the merger with Axis.

67.

In reliance upon these statements by Defendant Laris, Scully signed the operating agreements that were presented to him for the Pelican Companies.

68.

However, after Scully signed the operating agreements, Axis refused to proceed with further discussions after it proposed that Axis and Defendant Laris would both need to contribute an additional \$1,000,000.00 for working capital for the success of the merged business, but Laris declined to contribute the necessary working capital.

69.

Defendant Laris/MSB thereafter continued to look to utilize someone else's money to further the business of Pelican Companies, rather than to contribute capital to the Pelican Companies as agreed in the Contract.

70.

Defendant Laris thereafter proposed to have Todd Kirkpatrick invest \$400,000.00 in the Pelican Companies. Upon information in belief, Todd Kirkpatrick was the source of \$200,000 that

was infused into Pelican Companies in 2023. However, Scully was not a party to any agreement with Mr. Kirkpatrick and did not sign any agreement for any of the Pelican Companies with Mr. Kirkpatrick.

71.

In mid-2023, Defendant Laris also began demanding the Pelican Companies pay additional amounts to LAC and MSB. For the original Intak equipment put to use in early 2021, Laris demanded that Pelican Companies increase its payment from \$12,266.00 to \$32,781.51, despite the equipment only generating approximately \$18,000.00/mo. in revenue.

72.

Defendant Laris also demanded the Pelican Companies increase its payment to LAC to cover loans made for the purchase of equipment owned by LAC. Despite the already precarious financial position of the Pelican Companies caused by LAC's payment demands and other self-dealing required by Laris, LAC claimed additional amounts were supposedly due from Pelican Companies because LAC's amount due to its creditors for the equipment had increased.

73.

The loan terms that allegedly increased were not previously disclosed to Scully and Pelican Companies and payment of the increased amounts was not justified or in the best interests of Pelican Companies. Laris required these payments to LAC and payments to MSB be made in priority to other legitimate vendors of Pelican Companies.

74.

These circumstances caused by Defendant Laris damaged Pelican Companies and Scully, and unduly benefited Defendant Laris and his businesses, particularly MSB and LAC, to Pelican Companies' detriment.

75.

Scully continued to try to work towards a beneficial solution for Pelican Companies, in the face of MSB's/Defendant Laris' refusal to meet funding obligations under the Contract and demands to pay LAC. Scully requested additional amounts from MSB, which were rejected. Scully proposed reducing Laris' daughter-in-law's salary and utilizing that for additional

salespersons, which was rejected. Scully requested delaying payments to LAC and/or MSB for equipment, so other pressing obligations could be addressed. These too were rejected.

76.

Despite the parties' agreements that Scully would manage the Pelican Companies, Defendant Laris effectively restricted Scully's ability to do so, largely for his own self-interests and to the detriment of Pelican Companies. At the same time, Laris continued to tell Scully to tell others that Scully solely owned and operated Pelican Companies. This was particularly difficult in addressing local St. Mary parish vendors owed money by Pelican Companies and where Scully had long-standing business relationships.

77.

Defendant Laris and MSB created a financially untenable situation for the Pelican Companies because of their refusal to provide the committed capital and financing called for in the Contract. Even worse, Defendant Laris had created the most significant drain on Pelican Companies' resources as amounts due on unprofitable equipment that solely benefited other companies, LAC and MSB.

78.

Upon further requests by Scully for MSB loan proceeds, which were rejected by MSB, Defendant Laris directed his employee, Matt Bernard, to investigate the finances of the Pelican Companies, even though Defendant Laris had been kept up to date on the financial status of the Pelican Companies, including by their outside CPA. Upon review, Matt Bernard advised Scully that he could see no significant issue with how the Pelican Companies were being run and the money that was being spent, and acknowledged the monthly payments to LAC and MSB were causing Pelican Companies not to be profitable.

79.

In the later part of 2023, Defendant Laris proposed a "merger" between Intak and Pelican America. Defendant Laris indicated the cashflows and monthly profit levels of Intak would be sufficient to address the working capital deficiencies that were being experienced by Pelican America, and therefore further assure payment to LAC and MSB. He also indicated that Scully would continue to run the company.

80.

Importantly for Defendant Laris and MSB under these conditions, they believed a merger between the companies would not require MSB or Defendant Laris to advance additional money to the Pelican Companies to sustain operations. This was also in contrast to the consideration MSB gave in the Contract to acquire 50.1% interest in the Pelican Companies.

81.

Defendant Laris presented a draft operating agreement to Scully for a new company, Pelican Rental Solutions, LLC, which was formed by Laris' employee, Matt Bernard, with the Louisiana Secretary of State in December 2023. Defendant Laris represented that Pelican Rental Solutions would be the effective merger of Intak and Pelican Rentals, though the details of that plan were never explained to Scully.

82.

The draft operating agreement for the new company was nearly identical to the terms of the various Pelican Companies' operating agreements Laris required Scully to sign earlier in 2023. However, this "merged company" operating agreement identified MSB as a 64% member and Scully as a 16% member. It also identified Patricia Bergeron as a 16% member and Todd Kirkpatrick as a 4% member. Bergeron was later identified as the wife of Timmy Bergeron, the other member of Intak.

83.

Significantly, the draft operating agreement did not identify Scully as the Manager of Pelican Rental Solutions, or in any other capacity for the new company. Instead, the operating agreement identified Matt Bernard as the manager of Pelican Rental Solutions.

84.

Scully objected to Defendant Laris about Scully's reduced membership percentage, Laris'/MSB's increased membership percentage, and Scully's lack of management position and role in the new company, how LAC's equipment would be included in the new company, and other questions about what was contemplated by the "merger" with Intak.

85.

Despite repeated requests for information, Defendant Laris only stated the membership percentages for the new company were solely based on what Laris unilaterally declared was "fair." He also told Scully he (Scully) had no choice but to sign the proposed operating agreement because he and the Pelican Companies were in debt to Laris under the Contract. Laris indicated that Scully owed \$3,800,000.00 to Laris and MSB, though the basis for that amount was never provided. Contrary to Laris' prior statements regarding LAC equipment being transferred to the Pelican Companies, he told Scully that he (Scully) and the Pelican Companies had no interest in LAC or LAC's equipment.

86.

He also told Scully that he (Laris) was not going to make changes to the operating agreement, and that Scully just needed to sign it, while making similar threats and comments to Scully as Laris had made for the prior operating agreement signings, and that he would expel Scully from his companies and assume Scully's ownership interest.

87.

Scully continued to attempt to work out a possible change to the Pelican Companies business or other clarifications on a possible "merger" with Intak with Laris. He also told Laris that he was not, again, going to take Defendant Laris' word that this would "all work out" if he signed the Pelican Rental Solutions operating agreement.

88.

Defendant Laris became upset that Scully did not go along with Defendant Laris' self-serving plan and did not sign the Pelican Rental Solutions operating agreement.

89.

In March 2024, Defendant Laris prepared documents that purported to cause a sale of 10% interest in the Pelican Companies from Scully to Todd Kirkpatrick for \$400,000.00. The documents also purported to have the Pelican Companies provide a "credit" to Scully for any amounts owed by Scully to Pelican. However, the transaction did not contemplate Scully receiving any compensation from Kirkpatrick for the sale of part of Scully's membership interest. The draft documents presented to Scully by Laris are attached hereto as **Exhibit 5**.

90.

Scully told Defendant Laris he did not agree with the draft documents or proposed transaction and would not sign the documents. However, he also told Laris that he was open to exploring other arrangements with Kirkpatrick becoming a member or otherwise investing in the Pelican Companies.

91.

Defendant Laris thereafter refused to communicate with Scully.

92.

In April 2024, Laris and Matt Bernard arrived without prior notice at the Pelican Companies' offices in Berwick, Louisiana. They announced to the employees of the Pelican Companies that Scully was no longer in charge and was not to come onto the Pelican Companies' premises. Only thereafter was this communicated to Scully.

93.

Scully sought clarification and purported justification for Defendant Laris' actions to expel Scully and the hostile takeover of the Pelican Companies. Defendant Laris refused to provide any clarification or justification.

94.

Pelican Companies thereafter failed to issue a full paycheck to Scully and improperly deducted amounts from Scully's last issued paycheck.

95.

Through counsel, Scully made written demand for return of his personal belongs on the premises of Pelican Companies and sought clarification of Defendant Laris'/MSB's position and justification for the wrongful eviction from his employment and operation of the Pelican Companies. **Exhibit 6.** The letter sought Laris'/MSB's position on their failure to provide the \$45,000,000.00 funding under the Contract, the lack of any demand to Scully, and lack of any justification for Defendant Laris'/MSB's self-help in the forceable takeover of the Pelican Companies.

96.

The letter further addressed the continued self-dealing by Laris, MSB, and LAC that was damaging the Pelican Companies and Scully.

97.

Likewise, Scully's written demand notified Defendant Laris and MSB of Pelican Companies' vendors in Berwick and Morgan City that were owed money by the Pelican Companies, for which Scully and the Pelican Companies had a long-standing relationship and Scully had given personal guarantees.

98.

Defendant Laris' counsel responded, confirming that the \$45,000,000.00 loan addressed in the Contract was illusory – that MSB never had to extend any credit under the Contract. Exhibit 7. The letter also contended that even though MSB did not loan \$45,000,000.00 (and was never required to), MSB could still exercise all "rights" under the Contract and the operating agreements, including stripping Scully of all membership and operation of the Pelican Companies, without notice or legal process.

99.

In June 2024, Scully learned that LAC had acquired on credit additional equipment, which Laris was requiring to be paid for by the Pelican Companies. MSB and Defendant Laris are continuing to irreparably injure the Pelican Companies and Scully through self-dealing, mismanagement of the Pelican Companies and its property, and neglecting to pay Pelican Companies' vendors. These actions are causing real and continuing damage to Scully and the Pelican Companies, including damage to their reputation, goodwill, and business relationships.

100.

Defendant Laris, MSB, and those in concert with them are now wrongfully in operation of the Pelican Companies. These defendants have breached obligations owed to Scully and the Pelican Companies, and they have no basis for their expulsion of Scully as an employee, manager of the Pelican Companies, or to otherwise run and operate the Pelican Companies.

101.

Further, Laris and MSB do not have the knowledge, experience, or interest to continue to operate the Pelican Companies effectively. Further, these defendants and those in concert with these defendants, have interests adverse to Pelican Companies' interest, which they currently exercise to the detriment of the Pelican Companies. Particularly, these defendants' interests are in paying themselves, LAC, and others in concert with them, exorbitant and unjustified amounts, without any benefit or regard to the Pelican Companies.

102.

There is no obligation for Pelican Companies to continue to pay LAC or MSB for any rental equipment, or to continue to rent such equipment from these companies, particularly at financial loss to the Pelican Companies.

103.

The goodwill of the Pelican Companies and Scully will be further damaged by defendants' continued wrongful operation of the businesses. The ability of the Pelican Companies to continue as going concerns are threatened by defendants' ongoing actions. Defendants have prioritized unjustified payment to defendants above other long-standing Pelican Companies' vendors. Non-payment of local vendors will also cause irreconcilable damage to the goodwill of Pelican Companies, and Scully as the member of the Pelican Companies, without temporary, preliminary and permanent injunctive relief.

COUNT 1 – INVALIDITY AND BREACH OF THE CONTRACT

104.

The preceding allegations are incorporated herein by reference.

105.

The Contract is illusory and invalid and without effect. The Contract provides that MSB/Laris will only extend \$45,000,000.00 at their whim, which renders the obligation null. La. C.C. art. 1770. Therefore, there is no valid obligation. Likewise, there no legal cause (consideration) for Scully or the Pelican Companies under the Contract.

106.

The Contract is not enforceable on its face, as a matter of law.

107.

Alternatively, the Contract obligates MSB/Laris to loan the Pelican Companies \$45,000,000.00. MSB/Laris have failed to make these loan proceeds available to the Pelican Companies, which is a breach of the Contract.

108.

This material breach of the Contract is a failure of consideration under the Contract. This breach of the Contract prohibits MSB/Laris from exercising any rights contemplated for those parties against Scully and the Pelican Companies.

**COUNT 2 -- INVALIDITY OF THE ACT OF TRANSFER AND
OPERATING AGREEMENTS OF THE PELICAN COMPANIES**

109.

The preceding allegations are incorporated herein by reference.

110.

The Act of Transfer provides that Scully's membership is transferred in consideration of the Contract. The Contract is not enforceable as a matter of law, or alternatively, MSB/Laris are in material breach of the Contract and have failed to perform under the Contract.

111.

The unenforceability or breach of the Contract, as consideration for the Act of Transfer, is a failure of consideration or breach of the Act of Transfer. Therefore, the Act of Transfer is not enforceable by MSB/Laris.

112.

Likewise, the operating agreements for the Pelican Companies are only based upon purported validity of the Contract and Act of Transfer. The above failures under those documents also invalidate the operating agreements of the Pelican Companies, such that they are not enforceable by MSB/Laris.

COUNT 3 – FRAUD AND UNFAIR TRADE PRACTICES

113.

The preceding allegations are incorporated herein by reference.

114.

Laris and MSB misrepresented that they had or could otherwise make available \$45,000,000.00 to loan to the Companies.

115.

Laris and MSB acted intentionally and contrary to the Contract in providing funding and commitments to LAC to purchase equipment to then require the Pelican Companies to pay for the financed equipment.

116.

Laris's and MSB's actions were taken with the intent to cause debt and financial difficulties to the Pelican Companies and Scully, and to intentionally cause an apparent "default" by plaintiffs under the Contract. This was done with the intent to further perpetrate and exercise purported default remedies by these defendants under the Contract and the operating agreements of the Companies and take control of the Pelican Companies away from Scully.

117.

Scully and the Pelican Companies are entitled to:

- 1) Recover from defendants all damages they have sustained, attorney fees, and costs of this matter;
- 2) Recover from defendants all available relief under the Louisiana Unfair Trade Practices Act, including injunctive relief, attorney fees, and treble damages;
- 3) Recover from defendants all amounts due for the nullity and/or breach of the Contract, Act of Transfer, and breach of the applicable operating agreement for each of the Pelican Companies;
- 4) Recover from defendants all amounts due for fraud and misrepresentations;
- 5) Recover amounts due as past-due wages, penalties and attorney fees;

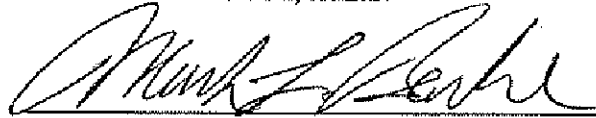
- 6) Declaratory judgment that the Contract is null and void in all respects, or alternatively that specific provisions of the Contract are null and void and without effect;
- 7) Declaratory judgment that all purported transfers of membership interests in the Pelican Companies from Jonathan Scully to Millennium Supply Boats, LLC and/or Ross Laris are null and void and without effect;
- 8) Declaratory judgment that the operating agreements of the Pelican Companies are null and void in all respects, or alternatively that specific provision of the operating agreements are null and void and without effect;
- 9) Declaratory judgment that Jonathan Scully is the sole member of each of the Pelican Companies;
- 10) Declaratory judgment that the Pelican Companies and Jonathan Scully owe nothing to defendants; and
- 11) Declaratory judgment that Jonathan Scully is the sole member of LAC Equipment, LLC, being that LAC Equipment is part of a single business enterprise of Pelican Companies, LLC.
- 12) That a temporary restraining order be issued, followed in due course by issuance of a preliminary injunction and permanent injunction declaring that Ross Laris and Millennium Supply Boats, LLC, and those acting in concert therewith, are hereby restrained and enjoined from exercising, or purporting to exercise, any authority or control with respect to the operations, management, finances, accounts, or otherwise on behalf of Pelican Companies of America, LLC, Pelican Rentals and Services, LLC, Pelican Contractors of USA, LLC, Pelican Industrial of USA, LLC, Pelican Equipment Company, LLC, Pelican Marine and Oil, LLC, Pelican Transportation and Logistics, LLC, Jonathan Scully Companies, LLC, Pelican Real Estate of America, LLC, and Lake End Rentals, LLC. Such authority and control for the operations, management, or otherwise for these companies is duly recognized to be exercised by Jonathan Scully or his designee, until further order of this Court.
- 13) That citation and service issue upon Defendants.
- 14) That the Court issue an Order setting a hearing in accordance with La. C.C.P. art. 3601, et seq. on Plaintiffs' request for preliminary injunction.
- 15) That there be judgment against Defendants for costs of this proceeding; and

16) For such other relief as may be due and appropriate.

WHEREFORE, Plaintiffs, Jonathan Scully and the Pelican Companies respectfully pray that upon service and citation and after all due proceedings are had, that judgment be rendered in their favor for all injunctive and declaratory relief, damages, amounts due, penalties, attorney fees and for all other relief due under the premises.

Respectfully submitted:

LONG LAW FIRM, L.L.P.



J. WENDELL CLARK (# 04150)

MARK L. BARBRE (#30385)

jwc@longlaw.com

mib@longlaw.com

1800 City Farm Drive, Bldg.6

Baton Rouge, Louisiana 70806

Telephone: (225) 922-5110

Facsimile: (225) 922-5105

Counsel for Plaintiffs

PLEASE SERVE:

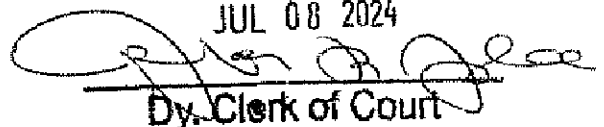
Ross Laris
5134 Highway 1
Lockport, Louisiana 70374
or wherever he may be located

Millennium Supply Boats, LLC
Through its registered agent:
Ross Laris
810 Crescent Ave.
Lockport, Louisiana 70374

LAC Equipment, LLC
Through its registered agent:
Ross Laris
810 Crescent Ave.
Lockport, Louisiana 70374

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Dy. Clerk of Court

JONATHAN SCULLY, ET AL

DOCKET NO.: 138571 DIV. "B"
DIVISION

VERSUS

16TH JUDICIAL DISTRICT COURT

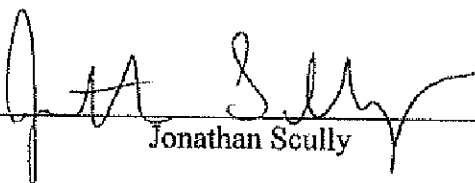
ROSS LARIS, ET AL

PARISH OF ST. MARY

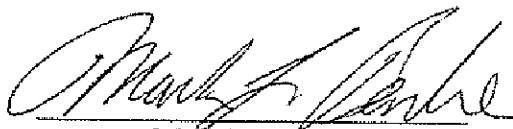
STATE OF LOUISIANA

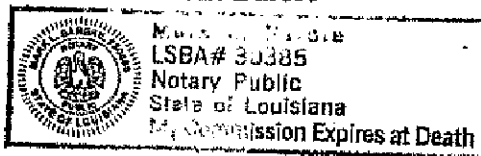
VERIFICATION

Before me, the undersigned notary, personally came and appeared, Jonathan Scully, a person known to me and of the full age of majority domiciled in St. Mary Parish, State of Louisiana, who did depose and state that he is a Plaintiff in the above captioned case, that he has read the foregoing Verified Petition for Request for Temporary Restraining Order, Injunctive Relief, Damages, and Declaratory Judgment, and that all allegations, facts, and information in the Verified Petition for Request for Temporary Restraining Order, Injunctive Relief, Damages, and Declaratory Judgment are true and correct to the best of his knowledge, information, and belief, upon due investigation.

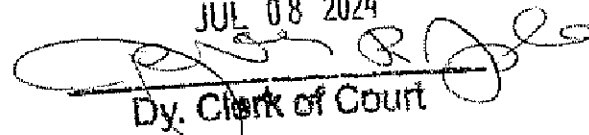

Jonathan Scully

Sworn to and subscribed before me on July 3, 2024.


Mark L. Barbre



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JONATHAN SCULLY, ET AL

DOCKET NO. 138571 DIV. "B"

VERSUS

16TH JUDICIAL DISTRICT COURT

ROSS LARIS, ET AL

PARISH OF ST. MARY

STATE OF LOUISIANA

ATTORNEY CERTIFICATION

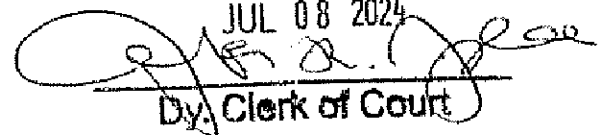
The undersigned certifies that notice has been given via email to counsel for all parties of the filing of this Verified Petition for Request for Temporary Restraining Order, Injunctive Relief, Damages, and Declaratory Judgment and its request for issuance of a temporary restraining order on July 8, 2024.



Mark L. Barbre

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By Clerk of Court

JONATHAN SCULLY, ET AL

VERSUS

ROSS LARIS, ET AL

138571

DOCKET NO.: _____ DIVISION DIV. "B"

16TH JUDICIAL DISTRICT COURT

PARISH OF ST. MARY

STATE OF LOUISIANA

ORDER

Considering the above and foregoing Verified Petition for Request for Temporary Restraining Order, Injunctive Relief, Damages, and Declaratory Relief of Plaintiffs:

IT IS ORDERED that a temporary restraining order is issued and Ross Laris and Millennium Supply Boats, LLC, and those acting in concert therewith, are hereby restrained and enjoined from exercising, or purporting to exercise, any authority or control with respect to the operations, management, finances, accounts, or otherwise on behalf of Pelican Companies of America, LLC, Pelican Rentals and Services, LLC, Pelican Contractors of USA, LLC, Pelican Industrial of USA, LLC, Pelican Equipment Company, LLC, Pelican Marine and Oil, LLC, Pelican Transportation and Logistics, LLC, Jonathan Scully Companies, LLC, Pelican Real Estate of America, LLC, and Lake End Rentals, LLC. Such authority and control for the operations, management, or otherwise for these companies is duly recognized to be exercised by Jonathan Scully or his designee, until further order of this Court. Bond for the Temporary Restraining Order is set at \$15,000.00

IT IS FURTHER ORDERED that Ross Laris and Millennium Supply Boats, LLC appear at 9:00 a.p.m. on the 16th day of July, 2024 at 500 Main St, Franklin, LA 70538 and show cause, if any, why a preliminary injunction not be entered against Ross Laris and Millennium Supply Boats, LLC, and those acting in concert therewith, restraining and enjoining them from exercising, or purporting to exercise, any authority or control with respect to the operations, management, finances, accounts, or otherwise on behalf of Pelican Companies of America, LLC, Pelican Rentals and Services, LLC, Pelican Contractors of USA, LLC, Pelican Industrial of USA, LLC, Pelican Equipment Company, LLC, Pelican Marine and Oil, LLC, Pelican Transportation and Logistics, LLC, Jonathan Scully Companies, LLC, Pelican Real Estate of America, LLC, and Lake End Rentals, LLC.

Signed at 12:00 a.m. this 8th day of July, 2024 in July, Louisiana.

[Signature]
JUDGE, 16TH JUDICIAL DISTRICT COURT

Please Serve:

Ross Laris
5134 Highway 1
Lockport, Louisiana 70374
or wherever he may be located

Millennium Supply Boats, LLC
Through its registered agent:
Ross Laris
810 Crescent Ave.
Lockport, Louisiana 70374

SCANNED

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JUL 9 2024
Lisa L. Landry
By, Clerk of Court



MAYHALL FONDREN BLAIZE

FRED C. FONDREN
Partner
ffondren@mfbfirm.com

Attorneys and Counselors at Law
628 Wood Street
Houma, LA 70360
P. 985.223.4725
F 985.851.3069

BATON ROUGE OFFICE
10101 Siegen Lane, Suite 4-A
Baton Rouge, LA 70810
P 225.810.4998
F 225.810.4999

Please reply to Houma office

May 18, 2021

Jonathan Scully
Pelican Companies of America, LLC
NEED EMAIL OR MAILING ADDRESS

RE: Millennium Supply Boats, LLC
Our File No. 2897

Confidential Letter of Intent

Dear Mr. Scully:

This letter is drafted for purposes of setting forth the intent of the parties with respect to completing a transaction/partnership between Millennium Supply Boats, LLC and various entities of the Pelican Companies listed below. This is not a contract and it is not binding on either party. It simply sets forth the parties initial understanding and parameters of a possible future transaction.

I. RECITALS

Whereas Millennium Supply Boats is generally in the oilfield rental and equipment business; and

Whereas Jonathan Scully is President of Pelican Companies of America, LLC and affiliated entities as follows:

Pelican Companies of America, LLC, Pelican Rentals and Services, LLC, Pelican Contractors of USA, LLC, Pelican Industrial of USA, LLC, Pelican Equipment Company, LLC, Pelican Marine and Oil, LLC, Pelican Transportation and Logistics, LLC, Jonathan Scully Companies, LLC, Pelican Real Estate of America, LLC, Lake End Rentals, LLC; and

Whereas Jonathan Scully and/or various/all of the above listed Pelican Companies are in need of working capital and equipment; and

Where upon Millennium Supply Boats, LLC may be interested and able to invest and/or otherwise enter into a partnership with Jonathan Scully and/or one or more of the Pelican Companies, the parties lay out their intent for exploring a possible future transaction and/or partnership as follows:

II. TERMS

The following terms are generally contemplated as parameters for future possible transactions:

- 1. Millennium Supply Boats, LLC and/or its designee would provide working capital in the form of cash and/or a line of credit to one or more of the Pelican Companies, in an amount not to exceed \$5,000,000.00.
2. Millennium Supply Boats, LLC would provide equipment, financing for equipment or some combination thereof between in kind equipment and/or

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JUL 08 2024

Page 1 of 2

Clerk of Court

EXHIBIT 1

financing for equipment in an amount up to \$45,000,000.00, as necessitated by flow of business and equipment needs.

3. In exchange for the above, Millennium Supply Boats, LLC would receive a 50.1% interest in a parent company owning all of the Pelican Companies listed above; and, Jonathan Scully would own 49.9% of the same partnership.
4. Jonathan Scully would have the primary responsibility of managing the companies on a day-to-day basis.
5. The parties anticipate that in the event the transaction is consummated, that the company would pay quarterly dividends to the partners as finances of the company would allow.

In addition to all of the above, Jonathan Scully will provide individually and on behalf of the Pelican Companies all financial, business and legal records of the company, and documentation of any other kind to Millennium Supply Boats, LLC, Ross Laris and/or their designee for purposes of performing due diligence necessary to make a decision on whether to complete this transaction. The due diligence period shall be no less than 60 nor more than 180 days.

Further, in conjunction with this letter of intent, its parameters and the contemplated transaction, each party will execute a mutually agreeable non-disclosure agreement, protecting the confidential information of all parties that is produced in conjunction with the due diligence effort.

Again, this letter of intent is not binding. Either party may withdraw from it at any time prior to a binding agreement being reached. Both parties agree that there shall be no consequential or other damages against one another for cancelation of this letter of intent and a cessation of negotiations between the parties.

By initialing/signing below, the parties state their understanding of the parameters surrounding a potential future contract and/or partnership between them and the general framework of the same.

Millennium Supply Boats, LLC by:
Ross Laris, President

Pelican Companies of America, LLC
Pelican Rentals and Services, LLC
Pelican Contractors of USA, LLC
Pelican Industrial of USA, LLC
Pelican Equipment Company, LLC
Pelican Marine and Oil, LLC
Pelican Transportation and Logistics, LLC
Jonathan Scully Companies, LLC
Pelican Real Estate of America, LLC
Lake End Rentals, LLC
By: Jonathan Scully, President

UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF LAFOURCHE

CONTRACT AND PERSONAL GUARANTEE

I. RECITALS

Whereas Millennium Supply Boats, LLC ("Millennium") is generally in the oilfield rental and equipment business; and

Whereas Jonathan Scully is President of Pelican Companies of America, LLC and affiliated entities as follows:

Pelican Companies of America, LLC; Pelican Rentals and Services, LLC; Pelican Contractors of USA, LLC; Pelican Industrial of USA, LLC; Pelican Equipment Company, LLC; Pelican Marine and Oil, LLC; Pelican Transportation and Logistics, LLC; Jonathan Scully Companies, LLC; Pelican Real Estate of America, LLC; Lake End Rentals, LLC, (all of which the foregoing in this paragraph are collectively referred to as "Pelican", or "Pelican Companies"); and,

Whereas Pelican, Jonathan Scully and/or various/all of the above listed Pelican Companies are in need of working capital and equipment; and

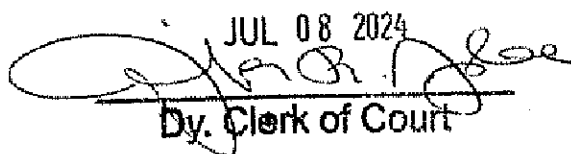
Where upon Millennium Supply Boats, LLC is able to loan the capital needed by Pelican and/or arrange one or more lines of credit to provide it to Pelican, the parties therefore contract and agree as follows (The terms "agreement" and/or "contract", whether capitalized or not, are used interchangeably herein to describe a binding contract.):

II. TERMS

1. Millennium Supply Boats, LLC and/or its designee hereby provides a loan to Pelican, in the form of cash and/or a line(s) of credit up to FORTY-FIVE MILLION (\$45,000,000.00) DOLLARS. All draws and/or disbursements of cash, credit or value under this loan and/or line of credit require the explicit written approval of Ross Laris. All amounts loaned by Millennium to Pelican shall bear interest payable to Millennium by Pelican in the amount of 5% per annum from the time each such draw or disbursement is made. All direct loans or draws on line(s) of credit by Pelican shall be considered loans from Millennium to Pelican.
2. Jonathan Scully personally appears herein and personally guarantees the repayment of any and all amounts loaned by Millennium to Pelican (including any or all Pelican Companies) under this agreement. Repayment of any and all amounts owed by Pelican and its guarantor Jonathan Scully under this agreement and any notes shall be due on the first day of each month after the first loan disbursement or draw is made. Any payment made later than the 5th day of the month due shall incur a late fee of 1.5% per month, or \$500.00 per day, whichever is highest.

Page 1 of 6

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3. Upon request by Millennium, or Ross Laris, Pelican shall execute a NOTE payable to Millennium (or its designee) for all amounts advanced from Millennium to Pelican. Jonathan Scully shall personally guarantee any and all such notes and shall sign any notes presented to him by Millennium as a joint and solidary debtor with Pelican. Moreover, Jonathan Scully shall execute a personal guarantee of any and all such notes. Nevertheless, his failure at any time to execute such personal guarantee shall not change his becoming a personal guarantor of all obligations hereunder of Pelican to Millennium.
4. In exchange for making the above loan, and for other valuable consideration already given, Millennium Supply Boats, LLC hereby receives in full ownership, a 50.1% interest, in ownership and membership in all of the Pelican Companies listed above, as well as any unlisted affiliated entities, leaving Jonathan Scully a 49.9% ownership and membership interest in Pelican. Upon election by Millennium, the parties shall form a holding company under which the ownership of Pelican will be placed. Millennium shall own a 50.1% interest in such company and Jonathan Scully shall own 49.9%.
5. Jonathan Scully shall have the primary responsibility of managing the companies on a day-to-day basis, as CEO. He shall dedicate 100% of his working time to the success of Pelican and shall enter into no other business agreements or affiliations, except through Pelican and with the consent of Pelican, Millennium and Ross Laris. Jonathan Scully acknowledges a fiduciary obligation as CEO of Pelican to Millennium, Pelican and/or their designees.
6. Despite any language above, neither Millennium, nor Ross Laris (nor any designee of either) shall be obligated to advance any funds or authorize any draws on the line of credit in favor of Pelican. Such advances (loans) or draws on the line of credit shall be at the complete discretion of Ross Laris or Millennium.

III. INFORMATION

In addition to all of the above, Jonathan Scully will provide individually and on behalf of the Pelican Companies all financial, business and legal records of the companies, and documentation of any other kind to Millennium Supply Boats, LLC, Ross Laris and/or their designee for purposes of performing financial analysis and/or due diligence necessary to make the decision on whether to advance funds or draws on the line of credit by Pelican. Notwithstanding the provision of information by Pelican or Scully under this paragraph, the provisions of Section II.5. above apply.

IV. DEFAULT

A. ACTS CONSTITUTING DEFAULT

The following shall be considered DEFAULT of this agreement by Pelican and/or its personal Guarantor, Jonathan Scully: